

# Illinois Power Agency

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

## Fall 2017 Procurement Events:

**Block Energy and Capacity RFP (BEC RFP)**

**Webcast**

**Wednesday, July 26, 2017**

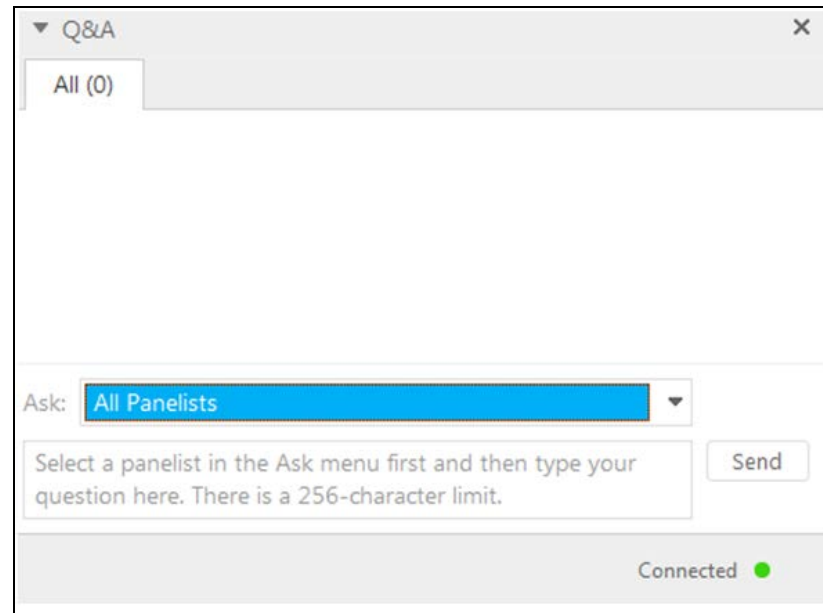
**Benjamin Chee, NERA**

**Chantale LaCasse, NERA**



# Questions?

To submit questions to the presenters, please **locate the “Q&A” on the right hand side of your screen**, and select “All Panelists” in the “Ask” box; type in your question and click “Send” to submit your question



The screenshot shows a window titled "Q&A" with a close button (X) in the top right corner. Below the title bar, there is a dropdown menu currently showing "All (0)". Below this is a section labeled "Ask:" with a dropdown menu set to "All Panelists". Underneath the dropdown is a text input field containing the instruction: "Select a panelist in the Ask menu first and then type your question here. There is a 256-character limit." To the right of the text input field is a "Send" button. At the bottom right of the window, there is a "Connected" status indicator with a green dot.

Presentation Materials and Q&As will be posted to

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

# Disclaimer

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- Any statements herein or made on the call describing or referring to the RFP and contract documents are summaries only and are qualified in their entirety by the documents
- The governing documents include the RFP posted on **July 21, 2017 and** contract documents posted on **July 24, 2017** and Bidders bear full responsibility for reviewing and understanding the written documents

# Agenda

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- Overview
- Supplier Contracts
- The RFP Process
- Bids and Bid Forms

# Overview

# Regulatory Filings by the IPA

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- On **September 27, 2016** the Illinois Power Agency (“IPA”) filed its Procurement Plan
- The Illinois Commerce Commission (“ICC”) approved the IPA’s Procurement Plan with modifications
- Procurement Plan includes a **Block Energy and Capacity RFP (“BEC RFP”)** in Fall 2017
- **NERA** serves as Procurement Administrator

# BEC RFP Features Block and Capacity Products

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- **Energy:** for AIC, ComEd, and MEC
  - ◆ Specific quantities of on-peak and off-peak energy in monthly periods from October 1, 2017 through May 31, 2020
  - ◆ There are no quantities for MECs to be procured for the period June 1, 2019 through May 31, 2020
  
- **Capacity:** AIC only
  - ◆ Zonal Resource Credits (“ZRCs”) for Planning Year 2018/2019
  - ◆ ZRCs from DRRs and LMRs continue to be eligible
  - ◆ ZRCs from all zones including outside AIC’s compliance zone
  - ◆ ZRCs from outside compliance zone subject to payment adjustment

# AIC Capacity Product

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- A ZRC represents 1 MW of unforced capacity that qualifies to satisfy the resource adequacy requirement for a given Planning Year in a Local Resource Zone (“LRZ” or “Zone”)
- ZRCs must be transferred using Module E Capacity Tracking Tool (“MECT”) by the Delivery Deadline specified in the contract prior to MISO’s Planning Resource Auction (“PRA”)
- ZRCs may include ZRCs generated from Demand Response Resources and Load Modifying Resources
- Payment Adjusted for ZRCs outside Compliance Zone
  - ◆ LRZ 4 (or successor zone) is the Compliance Zone
  - ◆ Payment for ZRCs from other zones adjusted based on Auction Clearing Price (“ACP”) of Source Zone relative to Compliance Zone

# Energy Products

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- RFP procures energy blocks for AIC, ComEd, and MEC separately
- A **product** represents block energy for:
  - ◆ a Company
  - ◆ on-peak or off-peak hours
  - ◆ a given month
- The quantity of each product is divided into blocks of **25 MW**
- Quantities in RFP documents are **provisional**; final quantities expected by **August 8**

# Combinations Follow Traded Products

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- Bidders may also bid on **Combinations**, which reflect months that are typically traded together (Jan-Feb, Mar-Apr, Jul-Aug, Q4, June-May)
- The number of blocks available in a Combination is the minimum number of blocks available in the months of the Combination

# Illustrative Example

**Table I-2. Targets for ComEd (Number of Blocks of 25 MW)**

Month	On-Peak	Off-Peak
Oct 2017	26	22
Nov 2017	30	25
Dec 2017	33	29
Jan 2018	35	31
Feb 2018	32	29
Mar 2018	29	26
Apr 2018	26	22
May 2018	27	23
Jun 2018	21	17
Jul 2018	25	20
Aug 2018	23	19

**Product has 3 elements**

- **Company:** AIC, ComEd or MEC
- **Segment:** on-peak or off-peak
- **Month:** e.g., Feb 2018

**Table I-5. Number of Blocks Available for Each Combination (ComEd)**

Combination	On-Peak	Off-Peak
Oct-Nov-Dec17	26	22
Jan-Feb18	32	29
Mar-Apr18	26	22
Jun17 to May18	-	-
Jul-Aug18	23	19
Oct-Nov-Dec18	14	12
Jan-Feb19	18	17

**Combinations: packages of products**

- e.g., Oct-Nov-Dec 2017, Jan-Feb 2018
- **blocks available:** minimum number of blocks available in the months of the Combination

# Application Process is Online

- **Part 1 (pre-qual): respond to qualification standards**
- ◆ Information retained for Bidders that successfully completed the Part 1 Proposal in the Standard Products RFP previously
- ◆ **Part 2 (registration): make certifications; pre-bid security**

## Part 1 Proposal (Jul. 27–Aug. 3)

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

## Part 2 Proposal (Aug. 9– Aug. 16\*)

- **Online:** provide information using online P2 form
- **Online:** upload completed Inserts
- **Send for each procurement event separately:** pre-bid letter of credit

\*Pre-Bid Letter of Credit for AIC Capacity Product is due August 21, 2017

# Bid Submission and Evaluation

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- Bid Submission
  - ◆ Bidders enter their Bids in an **Excel spreadsheet** that will be provided to them at the time of qualification
  - ◆ Bidders will **transfer** their spreadsheet through a secure interface
  - ◆ Bidders may **encrypt** their Bid Forms for additional security
  
- Bid Evaluation
  - ◆ The evaluation considers only Bids that **meet or beat the benchmarks**
  - ◆ Evaluation identifies the least cost package
  
- Benchmarks developed using confidential methodology approved by ICC

# Bid Participation Fee and Supplier Fee

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- **Bid Participation Fee of \$500** is paid by **New Bidders in 2017** to IPA by the **Part 1 Date**
  - A single Bid Participation Fee applies to all procurement events under this RFP and all RFPs in 2017
- **Supplier Fee** is paid by **Winning Bidders only** to IPA within **7 business days of ICC decision**
- **Estimates of Supplier Fees** at this time:
  - **\$185** per on-peak block
  - **\$125** per off-peak block
  - **\$55** per ZRC(Final Supplier Fees will be announced on Part 2 Date)

For a complete set of instructions, email [Illinois-RFP@nera.com](mailto:Illinois-RFP@nera.com)

# **Supplier Contracts**

# Final Contracts Posted on July 24

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- Separate energy contracts for AIC, ComEd, and MEC
- A separate contract for AIC Capacity Products
- Each contract is standard and **non-negotiable**
- Bidders **must accept terms** of applicable supplier contract prior to bidding
- Bidders will execute the applicable supplier contract and related documents after the ICC decision
- Redlines of Contracts posted:
  - ◆ Energy contracts are the same as those used in Spring 2017
  - ◆ Capacity contract is substantially the same as was used in 2016

# **Energy: AIC and MEC Contracts**

# (AIC/MEC) Confirmation Agreement

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- **Separate but similar for:**  
- **Based on industry standard** EEI Master Power Purchase & Sale Agreement
  - Confirmation Agreement
  - Exhibit A – Form of Guaranty and acceptable modifications
  - Exhibit B – Form of Letter of Credit
  - Exhibit C – EEI Master Power Purchase & Sale Agreement
  - Exhibit D – EEI Collateral Annex
  - Exhibit E – Paragraph 10 to EEI Collateral Annex
- Confirmation Agreement contains:
  - all **modifications** to the EEI Master Power Purchase and Sales Agreement
  - **Elections** to certain contract and credit terms

# AIC/MEC: Main Features (non-credit)

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## ▪ **Scheduling Requirement**

- ◆ For each delivery month, applicable utility and supplier will work together to enter and approve all DART/Financial Scheduling entries within the MISO Portal no later than 10 business days prior to the start of the delivery month

## ▪ **Delivery Point (Physical transaction for day-ahead market)**

- ◆ AIC: MISO CP Node AMIL.BGS6
- ◆ MEC: MISO CP Node MEC.MECB

## ▪ **Confidentiality**

- ◆ Included reference to the Illinois Public Utilities Act

## ▪ **Transaction Details**

- ◆ Pricing and volume details for all products for which Bidder has approved Bids are indicated in Table 1

# AIC/MEC: Main Credit Terms

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- **Exposure** is based on MtM methodology
- Standard Letter of Credit and Guaranty are provided as Exhibits to Confirmation Agreement
- Acceptable modifications to Guaranty are provided as Schedules to the Confirmation Agreement
- Collateral Requirement applies **only to Seller**

# **Energy: ComEd Contract**

- **Based on industry standard** EEI Master Power Purchase & Sale Agreement
  - EEI Master Power Purchase and Sales Agreement and Cover Sheet
  - EEI Collateral Annex (including Paragraph 10)
    - Schedule 1A to Collateral Annex (Post-Bid Letter of Credit)
      - Exhibit A to Schedule 1A (Letter of Full Transfer)
    - Schedule 2 to Collateral Annex (Guaranty)
    - Schedule 3 to Collateral Annex (MtM Calculation Methodology)
  - Confirmation Sheet (Sample)
  
- Cover Sheet contains all **modifications** to the EEI Master Power Purchase & Sales Agreement
  
- **Elections** to certain contract terms are found in Cover Sheet and Paragraph 10 of Collateral Annex

# ComEd: Main Features (non-credit)

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## ▪ **Scheduling Requirement**

- ◆ Seller shall submit schedule contract quantities through PJM InSchedules
- ◆ Seller must schedule 4 weeks in advance of delivery month
- ◆ Buyer must confirm 3 weeks in advance of delivery month

## ▪ **Delivery Point**

- ◆ Physical transaction scheduled to ComEd Residual Aggregate (currently Pnode ID 116472935) for the day-ahead PJM market

## ▪ **Confidentiality**

- ◆ Included reference to the Illinois Public Utilities Act

## ▪ **Confirmation**

- ◆ A single confirmation for all products for which Bidder has approved Bids

# ComEd: Main Credit Terms

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- **Exposure** is based on MtM methodology
- Methodology for calculating current MtM value is given in **Schedule 3** to the Collateral Annex
- Standard Letter of Credit and Guaranty are provided as Schedules to Collateral Annex
- Acceptable modifications to Guaranty have been posted to the website
- Collateral Requirement applies **only to Seller**

# **Capacity: AIC Contract**

# (AIC) Capacity Agreement

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- Confirmation Agreement
  - ◆ Attachment A – Performance Assurance
  - ◆ Attachment B – Form of Guaranty and acceptable modifications
  - ◆ Attachment C – Form of Letter of Credit

# Main Features (non-credit)

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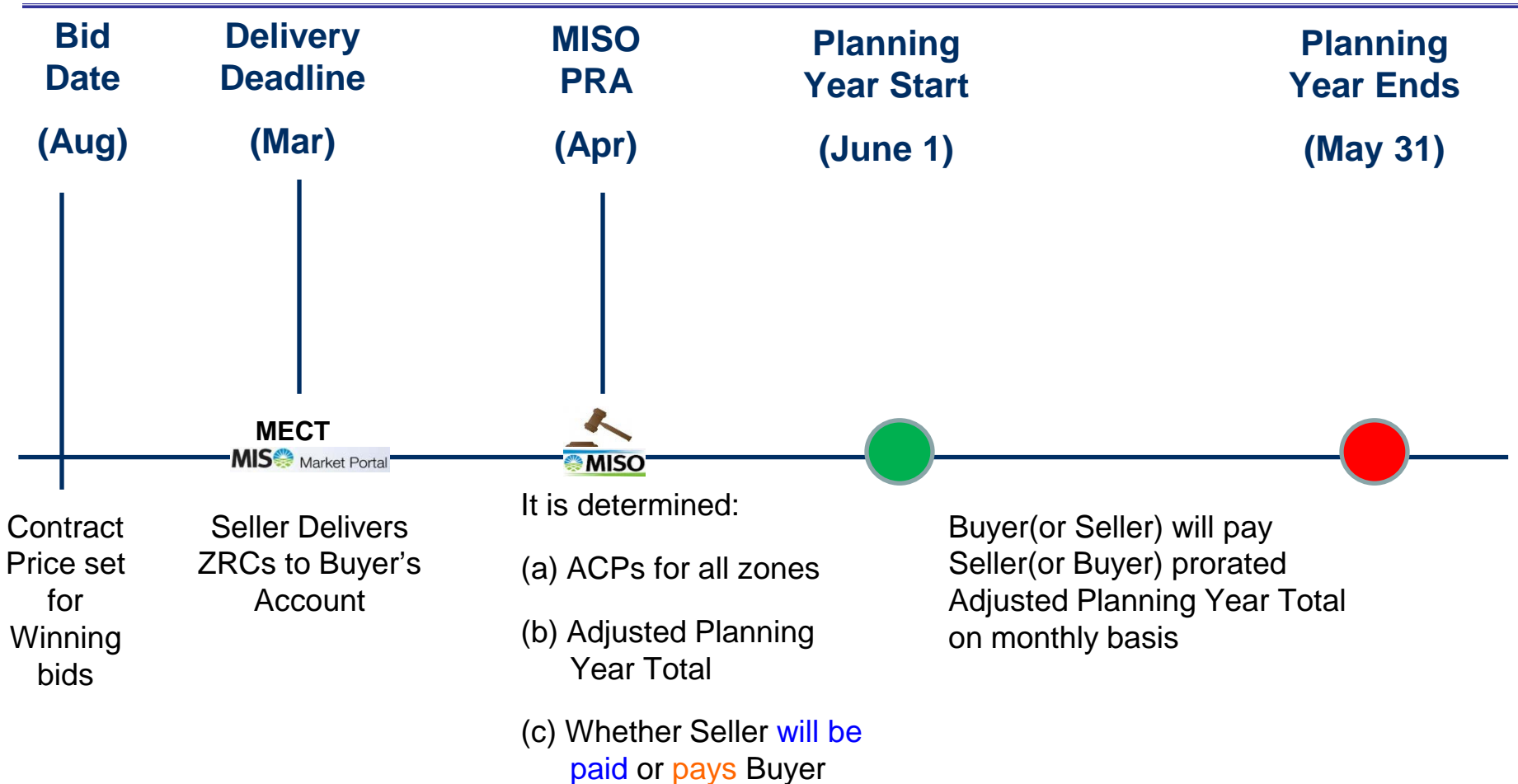
- **ZRC Transfer and Delivery**
  - ◆ Seller transfers ZRCs to AIC's account via MECT
  - ◆ ZRCs must be transferred by later of: (a) 5 business days prior to Fixed Resource Adequacy Plan ("FRAP") submission deadline or (b) the date when MECT becomes available for transfer
  
- **Confidentiality**
  - ◆ Included reference to the Illinois Public Utilities Act
  
- **Transaction Details**
  - ◆ Quantity and Pricing details for ZRCs from each Zone for which Bidder has approved Bids are indicated in Table A of Confirmation Agreement

# ZRCs may be sourced from anywhere in MISO

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- LRZ 4 (or successor zone) is the Compliance Zone
  - ◆ Contract Price reflects Bids for these ZRCs
  - ◆ No payment adjustment for ZRCs from Compliance Zone
  
- For ZRCs sourced from outside Compliance Zone
  - ◆ Final payment determined only after MISO PRA when the Auction Clearing Prices (“ACPs”) for all Zones are known
  - ◆ Payment is adjusted based on Source Zone ACP relative to Compliance Zone ACP

# Timeline of Events



**Buyer (or Seller as applicable) makes payment on a monthly basis**

# Example 1

Scenario 1: Compliance Zone ACP < Source Zone ACP

No. of ZRCs won:	25 ZRCs from Zone 3
Average Winning Bid Price	\$50/MW-day
MISO 2018/2019 PRA Results:	Zone 4 ACP = \$30/MW-day
	Zone 3 ACP = \$100/MW-day
Payment	Payment: = \$50 x 25 ZRCs x 365 days = \$456,250
Adjustment to Payment	Adjustment = <b>(\$100 – \$30)</b> x 25 ZRCs x 365 days = <b>\$638,750</b>
Adjusted Payment: \$456,250 + <b>\$638,750</b> = <b>\$1,095,000</b>	

Outcome: Adjustment **adds** to payment from **Buyer to Seller**

# Example 2

Scenario 2: Compliance Zone ACP > Source Zone ACP

No. of ZRCs won:	25 ZRCs from Zone 3
Average Winning Bid Price	\$90/MW-day
MISO 2018/2019 PRA Results:	Zone 4 ACP = \$100/MW-day
	Zone 3 ACP = \$30/MW-day
Payment	Payment: = \$90 x 25 ZRCs x 365 days = \$821,250
Adjustment to Payment	Adjustment = - (\$100 - \$30) x 25 ZRCs x 365 days = - \$638,750
Adjusted Payment: \$821,250 - \$638,750 = \$182,500	

Outcome: Adjustment **reduces** payment from **Buyer to Seller**

# Example 3

Scenario 3: (a) Compliance Zone ACP > Source Zone ACP  
and (b) Adjustment (Reduction) > Payment

No. of ZRCs won:	25 ZRCs from Zone 3
Average Winning Bid Price	\$50/MW-day
MISO 2018/2019 PRA Results:	Zone 4 ACP = \$100/MW-day
	Zone 3 ACP = \$30/MW-day
Payment	Payment: = \$50 x 25 ZRCs x 365 days = \$456,250
Adjustment to Payment	Adjustment = - (\$100 - \$30) x 25 ZRCs x 365 days = - \$638,750
Adjusted Payment: \$456,250 - \$638,750 = - \$182,500	

Outcome: Adjustment results in **Payment from Seller to Buyer**

# Main Credit Terms

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- **Exposure under contract:**
  - ◆ 10 % of Contract Value required on Effective Date
  - ◆ If Seller is required to pay Buyer after adjusting for ZRCs sourced from other zones: the exposure is simply the amount owed to Buyer
- Standard Letter of Credit and Guaranty will be provided as Attachments to Confirmation Agreement
- Acceptable modifications to the Guaranty will be provided as Schedules to the Guaranty
- Collateral requirement applies **only to Seller**

# **The RFP Process**

# BEC RFP Calendar

24-Jul	25-Jul	26-Jul	27-Jul	28-Jul
<b>Final Contracts Posted</b>		<b>Webcast</b>	<b>Part 1 Window Opens</b>	
31-Jul	01-Aug	02-Aug	03-Aug	04-Aug
			<b>Part 1 Date Bid Participation Fee Due</b>	
07-Aug	08-Aug	09-Aug	10-Aug	11-Aug
	<b>Part 1 Notification</b>	<b>Part 2 Window Opens</b>		
14-Aug	15-Aug	16-Aug	17-Aug	18-Aug
		<b>Part 2 Date Pre-Bid LC Due for Energy</b>	<b>Bidder Training</b>	
21-Aug	22-Aug	23-Aug	24-Aug	25-Aug
<b>Energy Bids Due Pre-Bid LC Due for Capacity</b>			<b>Capacity Bids Due</b>	<b>ICC decision - Energy Products</b>
28-Aug	29-Aug	30-Aug	31-Aug	01-Sep
		<b>ICC decision - Capacity Product</b>		

# Highlights of Process for Fall BEC RFP

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## 1. **Four** procurement events

- ◆ AIC **Energy** Products
- ◆ ComEd **Energy** Products
- ◆ MEC **Energy** Products
- ◆ AIC **Capacity** Product

Bidders participating in all four procurement events will be required to submit four separate Pre-Bid Letters of Credit

## 2. **Two** Bid Dates

- ◆ Bids on Energy Products are due first on **August 21** with ICC decision on **August 25**
- ◆ Bids on Capacity Product are due next on **August 24** with ICC decision on **August 30**

## 3. **Overlapping Bid Windows** for Energy Products

- ◆ Bid Windows open at **8:30 AM CPT**
- ◆ Bid Window for 2018-2019 and 2019-2020 Delivery Periods closes at **10 AM CPT**
- ◆ Bid Window for 2017-2018 Delivery Period closes at **11 AM CPT**

Bid Form for 2017-2018 Delivery Period and Bid Form for 2018-2020 Delivery Periods will be provided to Bidders separately

# Website is a central source of information

[www.IPA-energyrfp.com](http://www.IPA-energyrfp.com)

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## Announcements

Wind and Solar RFP – POSTING: Final Pre-Bid Letters of Credit

July 14, 2017

BEC RFP – FINAL REMINDER: Comments on the Draft (AIC) Capacity Agreement Due TODAY!

July 14, 2017

BEC RFP – REMINDER: Comments on the Draft (AIC) Capacity Agreement Due Tomorrow!

July 13, 2017



## Illinois Power Agency RFPs

### For Electric Supply and Renewable Energy Products

This website provides information for prospective energy suppliers to Ameren Illinois Company d/b/a Ameren Illinois ("Ameren" or "AIC"), Commonwealth Edison Company ("ComEd"), and MidAmerican Energy Company ("MidAmerican" or "MEC"). This website contains the documents and announcements related to the Requests for Proposals ("RFPs") for electric supply and renewable energy products. This website is currently managed by the Procurement Administrator retained by the Illinois Power Agency ("IPA"). The IPA has retained NERA Economic Consulting ("NERA") to act as Procurement Administrator. In this role, NERA coordinates the IPA's procurement activities on its own behalf as well as for AIC's, ComEd's, and MEC's portfolios.

On September 27, 2016, the IPA submitted its Procurement Plan ("Plan") to the Illinois Commerce Commission ("ICC") in compliance with Public Act 95-0481 (the "Act"), which includes the Illinois Power Agency Act ("IPA Act"). The ICC issued its Order with regards to the Plan on December 13, 2016. Public Act 99-0906 was signed into law on December 7, 2016 and will take effect on June 1, 2017. Under the law, the Illinois Power Agency will hold procurement events for Zero Emissions Credits ("ZECs") and for compliance with the updated Illinois Renewable Portfolio Standard.

### Related Links

- [Illinois Power Agency](#)
- [Illinois Commerce Commission](#)
- [Illinois Power Agency Act](#)

# NEW Bidders: Register for your Account



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**Qualification Forms**

## Qualification Forms

You must be logged in to access the online Forms.

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

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

**Register for an Account**

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

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

**Previously qualified Bidders will receive login credentials and specific instructions by email from the Procurement Administrator**

# The Part 1 Proposal

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- **Bidders**
  - ◆ Provide basic information and make certifications
  - ◆ Provide credit ratings and financial information
  
- Previously qualified Bidders (successfully completed the Part 1 Proposal for the STP RFP in 2015 or 2016, or Block Energy/STP RFP Spring 2017) are eligible to participate in an abbreviated Part 1 Process
  
- Part 1 Proposal consists of:
  - ◆ Information submitted through the **online Part 1 Form**
  - ◆ Supporting **documents** (can be uploaded to the form)
  - ◆ Inserts to upload to the form
  - ◆ Payment of **Bid Participation Fee** to the IPA

# Contact Information

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

<b>New</b>	<b>Prev Qual</b>
<b>Provide</b>	<b>Confirm</b>

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

<b>Provide</b>	<b>Update as needed</b>
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- ◆ Signs all representations (Part 1 and Part 2)
- ◆ Designates the Representative

**3. Representative of the Bidder** serves as contact for purposes of the RFP (**Representative Insert, #P1-1**)

<b>Provide</b>	<b>Update as needed</b>
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**4. Designation of Nominees.** The Representative or the Officer may name up to three Nominees (**Nominee Insert, #P1-2**)

<b>BOTH Provide</b>
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- ◆ Communications from the Procurement Administrator sent to the Representative and will also be sent to the Nominees

**Inserts available on procurement website**

# Bid Participation Fee

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- **Bid Participation Fee of \$500** paid by all Bidders
  - paid once for all 2017 Procurement Events
- **Bid Participation Fee is due** to the IPA **by the Part 1 Date**
- Two methods of payment:
  - ♦ **Check made payable to the Illinois Power Agency**
  - ♦ **E-Pay through <https://www.epayillinois.com>**
- IPA cannot accept wire transfers
- For a complete set of instructions, email us at:  
**[Illinois-RFP@nera.com](mailto:Illinois-RFP@nera.com)**

# Financial Requirements

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New	Prev Qual
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**1. Name of Entity on Whose Financial Standing the Bidder Relies.** Bidder chooses either to rely on its own financial standing or on the financial standing of another party (“Entity”)

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

Provide	Update as needed
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**3. Financial Information for the Entity.** Annual and quarterly financial information (**can be uploaded**)

<b>BOTH Provide</b>
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# Company-Specific Requirements for Energy Products

New	Prev Qual
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Separately for AIC (Section 4), ComEd (Section 5), and MEC (Section 6):

- **Information to Prepare the applicable Supplier Contract Documents.**

- **AIC Contract Insert, #P1-3**
- **ComEd Contract Insert, #P1-5**
- **MEC Contract Insert, #P1-7**

**BOTH Provide**

- **Representations of the Officer of the Bidder.**

Officer of the Bidder makes a number of certifications – all certifications in one place

- **AIC Certifications Insert, #P1-4**
- **ComEd Certifications Insert, #P1-6**
- **MEC Certifications Insert, #P1-8**

**BOTH Provide**

- **Optional: comments on the Pre-Bid Letter of Credit.** Redlined Word document.

- ✓ Officer of the Bidder can also provide with the Part 1 Proposal the certifications required by the Part 2 Proposal (P2 Certifications Insert)
- ✓ Additional requirements for Bidders in special circumstances (sections 8 & 9)

# Requirements for AIC Capacity Product

**New**

**Prev Qual**

- **Information to Prepare the (AIC) Capacity Agreement.**

- **AIC Capacity Contract Insert, #P1-9**

**BOTH Provide**

- **Representations of the Officer of the Bidder.** Officer of the Bidder makes a number of certifications – all certifications in one place

- **AIC P1 Capacity Certifications Insert, #P1-10**

**BOTH Provide**

- **Optional: comments on the Pre-Bid Letter of Credit.** Redlined Word document.

- ✓ Additional requirements for Bidders in special circumstances (sections 8 & 9)

# Contract Inserts to the Part 1 Form

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- The applicable supplier contract documents are **prepared by the Company** for Bidders with Bids identified as winning Bids to the ICC (between the evaluation of Bids and the ICC decision)
- Bidders are asked to provide all necessary information with the **Part 1 Proposal**
- If a Bidder does not provide this information with the Part 1 Proposal, the Bidder will be **required to acknowledge** that the information will be required by 12 PM (noon) CPT on the day after being notified by the Procurement Administrator that the Bidder has Bids identified as winning Bids

# Part 1 Proposal: Process

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- Part 1 Proposal evaluated promptly when the Bidder clicks **SUBMIT**
- While the Procurement Administrator evaluates the Part 1 Proposal, the Bidder will be temporarily **locked out** of its account
- If **deficiencies** are noted, Bidders are advised
  - ◆ On the same day if materials received before noon
  - ◆ Next business day otherwise
- Bidders generally have until the Part 1 Date or **one (1) business day** to respond to a first request for additional information
- **Notification by email** to the entire Bidder Team (Representative and Nominees)
- Documents delivered via **secure electronic file transfer**

<b>Part 1 Date</b>	<b>12 PM CPT on August 3, 2017</b>
<b>Part 1 Notification</b>	<b>6 PM CPT on August 8, 2017</b>

# Part 1 Notification

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- With the Part 1 Notification the Procurement Administrator provides the following **documents for submission of the Part 2 Proposal**:
  - ◆ Bid Forms
  - ◆ Instructions for completing, encrypting, and submitting the Bid Forms
  - ◆ Username, password, security code for bid submission
  - ◆ Invitation to training session on bid submission procedure
  - ◆ **Final Targets**
- Materials provided to Bidders by **secure electronic file transfer**
- Bidders acknowledge receipt of confidential information required to bid in the Part 2 Proposal

# Part 2 Proposal is Due in Two Packages

- Bidders
  - ◆ Provide any update to their contact information
  - ◆ Make certifications (**Certifications Inserts, #P2-1 for AIC Energy, #P2-2 for ComEd, and #P2-3 for MEC, #P2-4 for AIC Capacity**)
- Part 2 Proposal consists of:
  - ◆ Information submitted through the **online Part 2 Form**
  - ◆ Signed certifications (scan can be uploaded)
  - ◆ Submission of executed **Pre-Bid Letter of Credit** to each procurement event for which Bidder intends to bid
  - ◆ Bids
- Additional requirements for Bidders in special circumstances

<b>P2 Date: Noon CPT on Aug. 16</b>	<b>Part 2 Form and all supporting documents</b>
<b>Noon CPT on Aug. 16</b>	<b>Energy Pre-Bid Letters of Credit</b>
<b>Noon CPT on August. 21</b>	<b>Capacity Pre-Bid Letter of Credit</b>

# Pre-Bid Letter of Credit

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## One Pre-Bid Letter of Credit Per Procurement Event

- A Bidder that submits a Proposal for both AIC Energy Products and AIC Capacity Product must submit two separate Pre-Bid LCs to AIC
- The Pre-Bid Letter of Credit must be
  - ◆ in the standard form or incorporate only modifications accepted and posted on [www.ipa-energyrfp.com](http://www.ipa-energyrfp.com)
  - ◆ sent to AIC, ComEd, or MEC **directly**
- Pre-Bid Letters of Credit expire no earlier than:
  - ◆ **September 15, 2017** for Energy procurement events;
  - ◆ **September 20, 2017** for Capacity procurement event;
- Bidders may provide special instructions for the return of the Pre-Bid LC

# Pre-Bid Letters of Credit

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## Energy:

- Pre-Bid Letter of Credit in an amount of **\$5,000/block** subject to:
  - ◆ a **\$250,000 minimum for AIC and ComEd**
  - ◆ a **\$25,000 minimum for MEC**
- **Indicative Quantity** is the most blocks that a Bidder intends to bid across all Segments and all months for a Company

## Capacity:

- Capacity Pre-Bid Letter of Credit must be for **\$200,000** regardless of the amount a Bidder plans to bid

# Instructions for Bid Submission

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- The **Bid Form** is the exclusive method for the submission of Bids
  - ◆ Bid Forms incompletely or inconsistently filled out will not be evaluated
- Bid Forms duly filled out must be submitted to the Procurement Administrator via **secure electronic file transfer**
  - ◆ The Procurement Administrator confirms receipt of the Bid Form with each Bidder by phone
  - ◆ Procurement Administrator uses name on Bid Form
- **Step-by-step guide** provided with the Part 1 Notification
- Bidders will have opportunity to practice and will have a **backup method (by email)** for bid submission

# Overlapping Bid Windows

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## Energy Products: Bids Must Be Received

<b>Bid Date</b>	<b>Aug. 21, 2017</b>	
<b>Overlapping Bid Windows by Delivery Period</b>	<b>2018/2019 , 2019/2020</b>	<b>8:30 AM to 10 AM CPT</b>
	<b>2017/2018</b>	<b>8:30 AM to 11 AM CPT</b>

## Capacity Product: Bids Must Be Received

<b>Bid Date</b>	<b>Aug. 24, 2017</b>
<b>Bid Window</b>	<b>10 AM to 12 PM (noon) CPT</b>

# Post-Bid Process: ICC Decision

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- Although no notification is required prior to Commission approval under the PUA, Procurement Administrator aims to notify Bidders by 6PM **on the Bid Date** whether their Bids are identified as winning Bids to the ICC (earlier if practicable, later as circumstances warrant)
- If not already done, Bidders with winning Bids must provide the Contract Insert(s) for preparation of the applicable supplier contract documents **by 12PM CPT on the day after being notified**
- Procurement Administrator and the Procurement Monitor each submits a confidential report to ICC
  - ♦ **August 23** for Energy procurement events
  - ♦ **August 28** for Capacity procurement event
- The ICC will decide whether to accept or reject the results of each procurement event
  - ♦ **August 25** for Energy procurement events
  - ♦ **August 30** for Capacity procurement event

# Post-Bid Process: Contract and Supplier Fees

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- Company sends electronically to Bidder partially executed contract documents
  - ◆ ComEd prepares the guaranty for the winning Bidder's guarantor as well
  - ◆ For AIC and MEC, Bidder prepares own guaranty and submits executed guaranty for electronic receipt by the Company
- Bidder countersigns, sends back electronically contract documents and fulfills creditworthiness requirements
- **Payment of the Supplier Fee** to the IPA is due seven business days of Commission decision
- Pre-Bid Letter of Credit may be drawn upon if Supplier Fees are not paid by the deadline

# **Energy Bids and Bid Forms**

# Bids in the Energy Procurement Events

- A **Bid** is a price in \$/MWh for a block of a Product or for a block of a Combination

ComEd On-peak blocks	Dec 2017	Jan 2018	Feb 2018	Jan & Feb 2018
1	50.00		50.00	60.00
2			52.00	

- A Bidder may bid on **any number of Products** and may bid on all Products
- A Bidder may bid on **any number of Combinations** and may bid on all Combinations
- A Bidder may bid **both** on a Product and on a Combination that includes this Product

# Maximum Willingness to Supply

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- The **maximum willingness to supply** is a maximum number of blocks that a Bidder wants to win for a particular Segment and month
- It will be assumed that the Bidder is willing to supply up to:
  - ♦ The target for the Segment and month; OR
  - ♦ The number of blocks bid across all Products and Combinations that include that Segment and monthwhichever is smaller
- The Bidder may, **but is not required to**, specify a **maximum willingness to supply** for a Segment of a month to override this default
  - ♦ A Bidder would do this to specify a willingness to supply **smaller than** the default (smaller than the target and smaller than the total number of blocks bid for a Segment and month)

# Energy Bid Forms

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

**Appendix 7A (2017-2018 Delivery Year)  
Illinois Power Agency 2017 Fall Procurement Events  
Bid Form - General Information  
Due Monday, August 21, 2017 between 8:30 AM and 11 AM (CPT)**

**General Information:**

In addition to this 'General Information' sheet, this Bid Form contains the following eighteen (19) sheets:

- |                                |                                   |                                 |                   |
|--------------------------------|-----------------------------------|---------------------------------|-------------------|
| 1) AIC On-Peak Bids 2017-2018  | 7) ComEd On-Peak Bids 2017-2018   | 13) MEC On-Peak Bids 2017-2018  | 17) MWS 2017-2018 |
| 2) AIC Off-Peak Bids 2017-2018 | 8) ComEd Off-Peak Bids 2017-2018  | 14) MEC Off-Peak Bids 2017-2018 | 18) MWS 2018-2019 |
| 3) AIC On-Peak Bids 2018-2019  | 9) ComEd On-Peak Bids 2018-2019   | 15) MEC On-Peak Bids 2018-2019  | 19) MWS 2019-2020 |
| 4) AIC Off-Peak Bids 2018-2019 | 10) ComEd Off-Peak Bids 2018-2019 | 16) MEC Off-Peak Bids 2018-2019 |                   |
| 5) AIC On-Peak Bids 2019-2020  | 11) ComEd On-Peak Bids 2019-2020  |                                 |                   |
| 6) AIC Off-Peak Bids 2019-2020 | 12) ComEd Off-Peak Bids 2019-2020 |                                 |                   |

Sheets one through sixteen are for entering Bids. Sheets seventeen through nineteen are for entering a Maximum Willingness to Supply for each month and Segment. Sheets seventeen through nineteen are optional.

**Bidder Information:**

Company Name  
Contact Name  
Phone Number


**Bidder information is incomplete. All fields are mandatory.**

**Bidder  
Information**



# Two Steps to Bid Evaluation

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- 1. First Step:** Bids that fail to meet the benchmarks are eliminated
- 2. Second Step:** Selection of package that yields the lowest average cost per MWh

# **AIC Capacity Bids and Bid Form**

# ZRCs can be from any Zone

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- Bidders may bid on ZRCs from any Zone
- Bidders must indicate
  - ◆ Quantity of ZRCs
  - ◆ Price
  - ◆ Source Zone of ZRCs
- A Bidder may bid on a number of ZRCs not to exceed the Target of **926 ZRCs** for 2018/2019

# Bid in the AIC Capacity Procurement Event

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- A **Bid** is a price for a quantity of ZRCs (no standard block size)

<b>Planning Year 2018-2019</b>		
<b>Bid (\$/MW-day)</b>	<b>ZRCs Bid (Number)</b>	<b>Source Zone</b>
<b>\$10</b>	<b>10</b>	<b>4</b>


- A Bidder may indicate the number of ZRCs offered at a given price

# Bid Form

- The General Information tab has information on the Target – and contact information that the Bidder fills out

Appendix 8	
Capacity Procurement Event	
Bid Form - General Information	
Thursday, August 24, 2017	
<b><u>Template Information:</u></b>	
<b><u>In addition to this 'General Information' sheet, this Bid Form contains the following one (1) sheet:</u></b>	
1) AIC ZRC Bids 2018-2019	
<b><u>Bidder Information:</u></b>	
Company Name	
Contact Name	
Phone Number	
Email	
<b>Bidder information is incomplete. All fields are mandatory.</b>	

**Bidder Information**



# All ZRC Bid Entries on One Tab

- Bidder can submit additional Bid Forms if number of rows is not sufficient

<b>Section 1. Number of ZRCs bid</b>			
ZRCs Bid			
0			

<b>Section 2. Bids and number of ZRCs at given Bid price (All bids are \$/MW-Day, all ZRCs are whole numbers)</b>			
<b>Planning Year 2018-2019</b>			
	Bid (\$/MW-Day)	ZRC Quantity (#)	Source Zone
1			
2			
3			
4			
5			

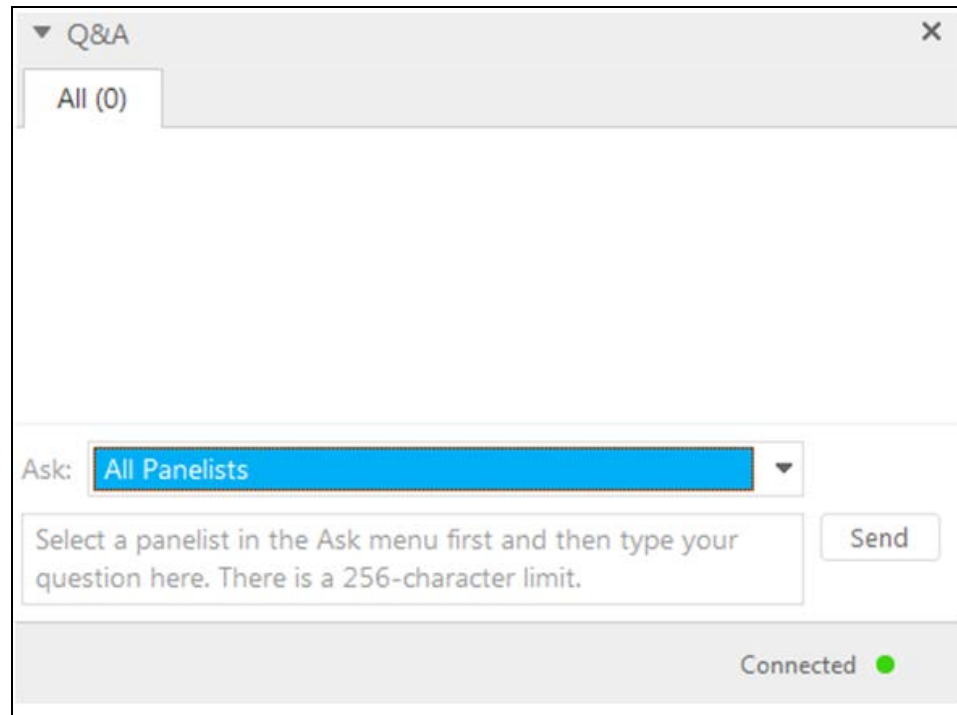
# Bid Evaluation Procedure

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- 1. First Step:** Bids that fail to meet the benchmarks are eliminated
- 2. Second Step:** Selection of lowest priced Bids

# Questions?

To submit questions to the presenters, please **locate the “Q&A” on the right hand side of your screen**, and select “All Panelists” in the “Ask” box; type in your question and click “Send” to submit your question



The screenshot shows a Q&A interface with the following elements:

- A window title bar with a dropdown arrow, the text "Q&A", and a close button (X).
- A tab labeled "All (0)".
- An "Ask:" label followed by a dropdown menu currently displaying "All Panelists".
- A text input field containing the instruction: "Select a panelist in the Ask menu first and then type your question here. There is a 256-character limit."
- A "Send" button.
- A status bar at the bottom right showing "Connected" with a green dot.

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