

## **Fall 2016 IPA Procurement Events STP RFP Targets**

The following are the drafts of Section I.2 and Section I.3 of the 2016 Fall Procurement Events for Standard Products (Block Energy and Capacity) Request for Proposals Process and Rules, which includes the final block targets for AIC, ComEd, and MEC, as well as the capacity targets for AIC.

### **I.2. Products and Bids for Procurement of Block Energy**

- I.2.1. All on-peak hours in a given month constitute the “On-Peak Segment” for that month. All off-peak hours constitute the “Off-Peak Segment” for that month. A “Product” is a constant quantity of energy to be supplied to a Company at the delivery point specified by that Company in either the On-Peak Segment or the Off-Peak Segment of a specific month. There are thus potentially twenty-four (24) Products for each Company and each year.
- I.2.2. This entire Section I.2 refers only to Products for the procurement of Block Energy. In the remainder of this document, the term “Energy Product” may be used instead of Product and/or Combinations, as defined below, to disambiguate the Energy Products from the Capacity Products also procured through this RFP and described in the next section.
- I.2.3. The “Target” is the quantity of each Product that this RFP seeks to procure expressed in numbers of 25 MW blocks. Targets are given in Table I-1, Table I-2, and Table I-3. A Target of zero blocks is indicated by “-”. These Targets are based on the most updated forecast and are not subject to change.

Fall 2016 Procurement Events (STP RFP)  
DRAFT 11 AUG 2016

**Table I-1. Targets for AIC (Number of Blocks of 25 MW)**

<b>Month</b>	<b>On-Peak</b>	<b>Off-Peak</b>	<b>Month</b>	<b>On-Peak</b>	<b>Off-Peak</b>
Oct 2016	6	5	Feb 2018	4	4
Nov 2016	6	6	Mar 2018	2	3
Dec 2016	9	8	Apr 2018	2	3
Jan 2017	9	8	May 2018	3	3
Feb 2017	8	7	Jun 2018	4	2
Mar 2017	7	6	Jul 2018	5	3
Apr 2017	7	5	Aug 2018	4	2
May 2017	6	6	Sep 2018	3	3
Jun 2017	4	2	Oct 2018	2	1
Jul 2017	5	3	Nov 2018	2	1
Aug 2017	5	3	Dec 2018	3	3
Sep 2017	3	3	Jan 2019	3	2
Oct 2017	3	2	Feb 2019	2	3
Nov 2017	3	3	Mar 2019	3	1
Dec 2017	4	4	Apr 2019	1	1
Jan 2018	4	4	May 2019	2	2

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

<b>Month</b>	<b>On-Peak</b>	<b>Off-Peak</b>	<b>Month</b>	<b>On-Peak</b>	<b>Off-Peak</b>
Oct 2016	21	18	Feb 2018	15	13
Nov 2016	24	21	Mar 2018	13	12
Dec 2016	27	23	Apr 2018	12	10
Jan 2017	27	23	May 2018	13	12
Feb 2017	25	23	Jun 2018	16	12
Mar 2017	22	20	Jul 2018	19	15
Apr 2017	19	17	Aug 2018	18	13
May 2017	23	19	Sep 2018	12	10
Jun 2017	18	14	Oct 2018	10	7
Jul 2017	21	17	Nov 2018	11	8
Aug 2017	20	16	Dec 2018	13	11
Sep 2017	15	12	Jan 2019	13	11
Oct 2017	12	7	Feb 2019	12	10
Nov 2017	14	11	Mar 2019	10	8
Dec 2017	15	13	Apr 2019	8	6
Jan 2018	16	14	May 2019	10	7

**Table I-3. Targets for MEC (Number of Blocks of 25 MW)**

<b>Month</b>	<b>On-Peak</b>	<b>Off-Peak</b>	<b>Month</b>	<b>On-Peak</b>	<b>Off-Peak</b>
Oct 2016	2	2	Aug 2017	-	-
Nov 2016	2	2	Sep 2017	-	-
Dec 2016	-	-	Oct 2017	-	-
Jan 2017	2	2	Nov 2017	1	-
Feb 2017	4	2	Dec 2017	-	-
Mar 2017	5	4	Jan 2018	-	-
Apr 2017	4	4	Feb 2018	-	-
May 2017	1	1	Mar 2018	-	-
Jun 2017	-	-	Apr 2018	1	1
Jul 2017	-	-	May 2018	-	-

I.2.4. A Bidder may bid on any number of Products and may bid on all Products. For each Product, a Bidder may bid on any number of blocks up to and including the Target for that Product.

I.2.5. A “Combination” is a grouping of two or more Products in a given Segment and in a given year (and for a given Company). The possible Combinations are:

- July and August;
- October, November, and December;
- January and February;
- March and April;
- June to May (inclusive).

The number of blocks available for a Combination is the minimum Target for the Products in that Combination. These are provided in Table I-4, Table I-5, and Table I-6 below. Some Combinations, such as the Combination of January-February 2017 on-peak for MEC, are not available because the Target for at least one of the Products in the Combination is zero. A Bidder may bid on any number of blocks for a Combination, up to and including the number of blocks available for that Combination.

**Table I-4. Number of Blocks Available for Each Combination (AIC)**

Combination	On-Peak	Off-Peak	Combination	On-Peak	Off-Peak
Oct-Nov-Dec16	6	5	Jun17 to May18	2	2
Jan-Feb17	8	7	Jul-Aug18	4	2
Mar-Apr17	7	5	Oct-Nov-Dec18	2	1
Jul-Aug17	5	3	Jan-Feb19	2	2
Oct-Nov-Dec17	3	2	Mar-Apr19	1	1
Jan-Feb18	4	4	Jun18 to May19	1	1
Mar-Apr18	2	3			

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

Combination	On-Peak	Off-Peak	Combination	On-Peak	Off-Peak
Oct-Nov-Dec16	21	18	Jun17 to May18	12	7
Jan-Feb17	25	23	Jul-Aug18	18	13
Mar-Apr17	19	17	Oct-Nov-Dec18	10	7
Jul-Aug17	20	16	Jan-Feb19	12	10
Oct-Nov-Dec17	12	7	Mar-Apr19	8	6
Jan-Feb18	15	13	Jun18 to May19	8	6
Mar-Apr18	12	10			

**Table I-6. Number of Blocks Available for Each Combination (MEC)**

Combination	On-Peak	Off-Peak	Combination	On-Peak	Off-Peak
Oct-Nov-Dec16	-	-	Oct-Nov-Dec17	-	-
Jan-Feb17	2	2	Jan-Feb18	-	-
Mar-Apr17	4	4	Mar-Apr18	-	-
Jul-Aug17	-	-	Jun17 to May18	-	-

- 1.2.6. A Bid must be displayed as a price in \$/MWh for one (1) block of a Product or for one (1) block of a Combination. The “Bid” is the price that the Bidder is willing to accept to deliver each MWh in one (1) block to the Company.
- 1.2.7. A Bidder may bid both on a Product and on a Combination that includes this Product.
- 1.2.8. A Bidder may bid up to the Target, as provided in Table I-1, Table I-2, and Table I-3 above, for each Segment of each month and for each Company. A Bidder may, but is not required to, specify a maximum willingness to supply for a Segment of a month for a Company, which is the maximum number of blocks that the Bidder is willing to win and supply for that Segment of that month for

that Company, across all Bids on the Product corresponding to that Segment of that month for that Company as well as Bids on any Combination that includes that Segment of that month for that Company. If a Bidder does not specify a maximum willingness to supply, it will be assumed, for each Segment of each month and for each Company, that the Bidder is willing to supply up to the number of blocks bid for that Segment of that month for that Company (across Bids on the Product and any Combinations that includes the Product), or that the Bidder is willing to supply up to the Target for that Segment of that month for that Company, whichever is smaller.

- 1.2.9. The evaluation of Bids for a Company in its procurement event for Energy Products proceeds in two steps. In the first step, all Bids that fail to meet the benchmarks are eliminated. In accordance with the Act, benchmarks are established by the Procurement Administrator, in consultation with the IPA, the Procurement Monitor, and the ICC Staff. The benchmarks are confidential and are subject to review and approval by the ICC. In the second step, the Procurement Administrator evaluates the Bids that meet or beat the benchmarks and selects a package of Bids that procures all needed blocks for that Company at the lowest average cost per MWh. This package of Bids is called the Least Cost Package for a Company and each Bid in the Least Cost Package is a winning Bid. This is further discussed in Paragraph VI.2.7.

### **I.3. Products and Bids for Procurement of Capacity**

- 1.3.1. There is a single procurement event for capacity for AIC's portfolio.
- 1.3.2. MISO defines ten (10) Local Resource Zones ("LRZs" or "Zones") to ensure that sufficient qualified Planning Resources can be relied upon to meet demand within each portion of the MISO Region. Requirements in a Zone are met with

Planning Resources located within each Zone or from outside the Zone if transmission capacity is sufficient.

I.3.3. The “Product” consists of annual Zonal Resource Credits (“ZRCs”), as such term is defined in MISO’s Business Practice Manuals and MISO’s Open Access Transmission, Energy and Operating Reserve Market Tariff (together the “MISO Documents”), for a given Planning Year. The 2017-2018 Planning Year is from June 1, 2017 to May 31, 2018 and the 2018-2019 Planning Year is from June 1, 2018 to May 31, 2019.

I.3.4. This entire Section I.3 refers only to Products for the procurement of Capacity. In the remainder of this document, the term “Capacity Product” may be used to disambiguate Capacity Products from Energy Products also procured through this RFP and described in the previous section.

I.3.5. The “ZRC Target” is the number ZRCs available for bid. Each ZRC is for a whole MW. The ZRC Target is provided in the table below and is not subject to change.

**Table I-7. ZRC Targets**

<b>Planning Year</b>	<b>Forecast Requirement</b>	<b>ZRC Target (number ZRCs)</b>
2017-2018	1,851	1,389
2018-2019	1,860	465

I.3.6. A “ZRC Bid” is a price for a ZRC. A Bidder may offer different prices or the same price for different ZRCs. A Bidder may bid on all available ZRCs. A Bidder may not bid on a fraction of a ZRC.

I.3.7. A Bidder may bid only on a Capacity Product, only on an Energy Product, or on all Products.