

# PPL Electric Utilities Corporation Alternative Energy Credits Procurement Plan

## AEC RFP Process and Requirements



*Default Service  
Procurement Plan*

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# Disclaimer

Any statements herein describing or referring to documents and agreements are summaries only, and are **qualified in their entirety** by reference to such documents and agreements.

- **The governing documents are:**
  - Commission’s Order dated December 17, 2020, related to PPL Electric’s Default Service Program in Docket No. P-2020-3019356
  - Alternative Energy Credits RFP Rules
  - Alternative Energy Credits Supplier Master Agreement (“AEC SMA”)

Please see the RFP website for complete documentation

<http://www.ppldsp.com>

# Agenda

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- Scope of Presentation
- Overview of the RFP Process
- Qualifications and Bidding Process
- RFP Website

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# Scope of Presentation

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# Multi-Solicitation Process

- **Eight (8) solicitations** planned between July 2021 and January 2025
  - July 2021
  - January 2022
  - July 2022
  - January 2023
  - July 2023
  - January 2024
  - July 2024
  - January 2025

# RFP Elements are common across Solicitations

- This Presentation covers RFP requirements and process elements that are common across all Solicitations.
- Information specific to a given solicitation is provided separately at the start of each solicitation

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## Documents

INFORMATION FOR ALTERNATIVE ENERGY CREDITS SUPPLIERS

### Alternative Energy Credits

- RFP Process and Rules (including Appendices) (.pdf)
  - Addendum 1 (.pdf)
  - Addendum 2 (.pdf)
  - Addendum 3 (.pdf)
- Appendix 1, Alternative Energy Credits Supplier Master Agreement (.docx)

# The Role of NERA

- To ensure a transparent process, PPL Electric has retained NERA to continue its role as the independent third-party RFP Manager for the solicitations under DSP V
  
- NERA's role is:
  - to be the main point of contact with RFP Bidders
  - to ensure the RFP Process and Rules, as approved by the PUC, are followed
  - to ensure qualifications are evaluated equitably and fairly
  - to ensure conforming Bids
  - to evaluate and determine the lowest-cost combination of Bids based solely on price
  - to present the results to the PUC

# Overview of the RFP Process

# Alternative Energy Credits (AECs)

- AECs procured must allow PPL Electric to meet its obligations under the Alternative Energy Portfolio Standards Act (AEPS Act)
- Winning Bidders must transfer the AECs to the PPL Electric within five business days after the PUC decision
- Photo-voltaic AECs must be generated within Pennsylvania
- Tier 2 AECs generated and issued by PJM-EIS GATS on or after November 23, 2020 must be sourced from Pennsylvania

# AEC Energy Sources

- The energy sources for each AEC product are listed here:

Photo-voltaic AEC	PA Tier 1 AEC	PA Tier 2 AEC
<ul style="list-style-type: none"><li>• Solar photovoltaic</li></ul>	<ul style="list-style-type: none"><li>• Solar thermal energy</li><li>• Wind power</li><li>• Low-impact hydropower</li><li>• Geothermal energy</li><li>• Biologically derived methane gas</li><li>• Fuel cells</li><li>• Biomass energy</li><li>• Coal mine methane</li></ul>	<ul style="list-style-type: none"><li>• Waste coal</li><li>• Distributed generation systems</li><li>• Demand-side management</li><li>• Large-scale hydropower</li><li>• Municipal solid waste</li><li>• Generation of electricity utilizing by-products of the pulping process and wood manufacturing process, including bark, wood chips, sawdust and lignin in spent pulping liquors</li><li>• Integrated combined coal gasification technology</li></ul>

Please see the AEPS Act for more information  
<https://www.puc.pa.gov/filing-resources/issues-laws-regulations/aeps-act/>

# Qualifications and Bidding Process

# Solicitation is in Three Steps

## Step 1

- **Bidder Qualification**
  - RFP Bidders submit qualification materials through online form
  - Due Date: 12 pm (noon) EPT on **Bidder Qualifications Due Date\***

## Step 2

- **Bid Assurance Collateral or AECs (and SMA)**
  - RFP Bidders submit financial guarantees and signed contracts
  - Due Date: 12 pm (noon) EPT on **Bid Assurance Collateral/SMA Due Date\***

## Step 3

- **Bid Proposals**
  - Qualified RFP Bidders submit Bids
  - Due Date: 10 am – 12 pm EPT on **Bid Proposals Due Date\***

\* See RFP Calendar for exact dates: [www.ppldsp.com/calendar](http://www.ppldsp.com/calendar)

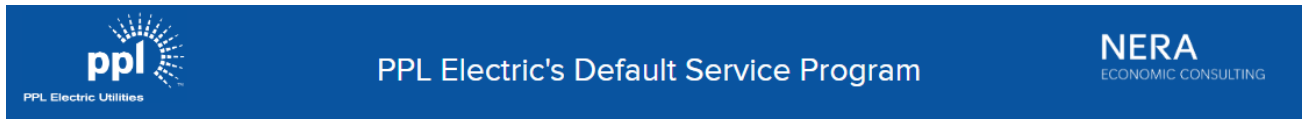
# PUC Review and Approval

- The RFP Manager will submit a report to the PUC one business day after the Bid Proposal Due Date
- The PUC will issue a decision for all proposals no later than two business days after the Bid Proposal Due Date

# Qualification Process is Online

- **Bidder Qualifications process is completely online**
  - Provide required information
  - Upload Appendices with signatures
  - Upload completed W-9 Form and Electronic Funds Transfer Authorization
  
- **Request an Account to receive:**
  - Login Credentials (you must request credentials for the AEC RFP; you will only get access to the online form you request credentials for)
  - Instructions for completing and submitting the online form

# Requesting an Account: [www.ppldsp.com](http://www.ppldsp.com)



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- Contact Us
- Secure Bid Transfer
- Qualification Form**

Click "get account here"



Home > Qualification Form > Get Account for Qualification

## Get Account for Qualification

Fields marked with an \* are required

Company \*

Contact Name \*

Contact Title

Phone Number \*

Email \*

Please select the RFP(s) for which you would like an account:

- Default Service
- Alternative Energy Credits

Submit



### Announcements

June 13, 2022  
ANNOUNCEMENT: Bidder Information Webcast on June 22

June 13, 2022  
ANNOUNCEMENT: AEC RFP Documents Posted for July 2022 Solicitation Qualifications due on July 6, 2022 (noon)

### The contact will soon receive:

- An activation email that includes username and a link to reset password
- Addendum 2 to the RFP rules
- Deadline information

Indicate which RFP(s) you would like credentials for

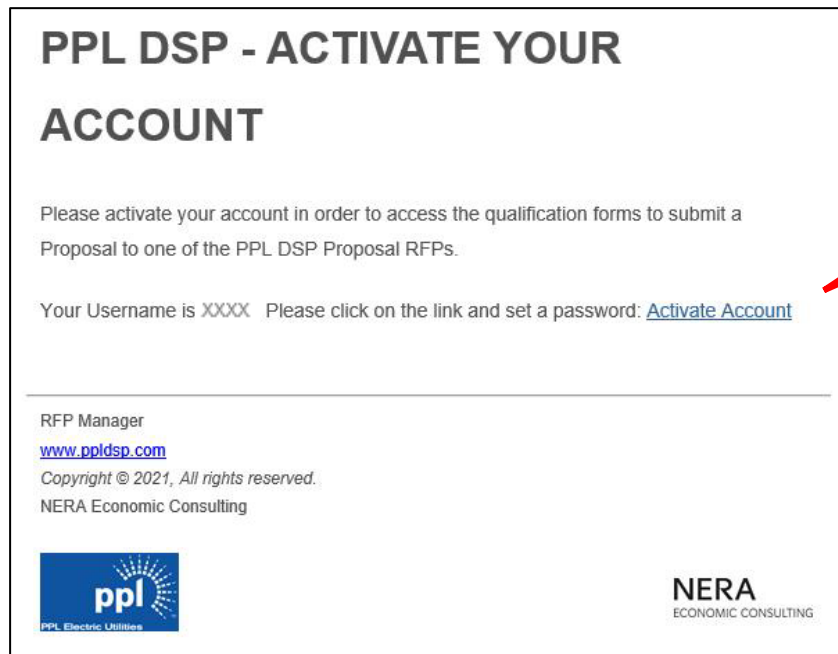


Fill out required fields and click "SUBMIT"



# Login Credentials to Qualification Form

- After an account is requested, instructions to activate your account will be sent from PPL Secure Forms System to the email address entered for the account request. Your Username will be provided in this email. Click on the “Activate Account” link and set a password to activate your account.



Click on “Activate Account”

**Note!** If you have not already received instructions to activate your account, please request an account for the RFP(s) you are interested in.

# Logging In

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- Secure Bid Transfer
- Qualification Form**

Home > Qualification Form

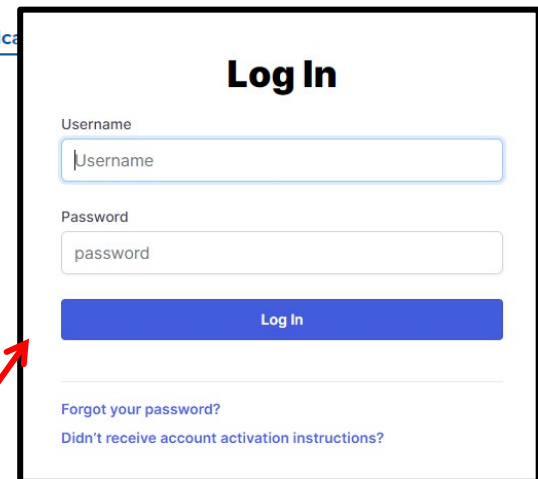
## Qualification Form

You must be logged in to access the online Qualification Form.

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

Click "log in here"

Enter your login  
credentials on  
the login page



**Log In**

Username

Password

**Log In**

[Forgot your password?](#)  
[Didn't receive account activation instructions?](#)

Documents Posted for July 2022  
Solicitation Qualifications due on  
July 6, 2022 (noon)

# Downloading the RFP Appendices and Additional Documents

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## Documents

INFORMATION FOR ALTERNATIVE ENERGY CREDITS SUPPLIERS

### Alternative Energy Credits

- [RFP Process and Rules \(including Appendices\) \(.pdf\)](#)
  - [Addendum 1 \(.pdf\)](#)
  - [Addendum 2 \(.pdf\)](#)
  - [Addendum 3 \(.pdf\)](#)
- [Appendix 1, Alternative Energy Credits Supplier Master Agreement \(.docx\)](#)
- [Appendix 3, Confidentiality Agreement \(.docx\)](#)
- [Appendix 4, AEC Delivery Timing Acknowledgement Form \(.docx\)](#)
- [Appendix 5a, Bid Assurance Letter of Credit \(Hard Copy\) \(.docx\)](#)
- [Appendix 5b, Bid Assurance Letter of Credit \(Electronic\) \(.docx\)](#)
- [Appendix 7, Binding Bid Agreement \(.docx\)](#)
- **Additional Documents**
  - [Electronic Funds Transfer Authorization \(.doc\)](#)
- **Lists of Acceptable Modifications to Credit Instruments**
  - [Acceptable Modifications to Bid Assurance LC \(Hard Copy\) \(.pdf\)](#)
  - [Acceptable Modifications to Bid Assurance LC \(Electronic\) \(.pdf\)](#)



### Announcements

June 13, 2022  
ANNOUNCEMENT: Bidder Information Webcast on June 22

June 13, 2022  
ANNOUNCEMENT: AEC RFP Documents Posted for July 2022 Solicitation Qualifications due on July 6, 2022 (noon)

**Download applicable Appendices and Additional Documents!**

# Step 1: Submit the Qualification Form

**Due Date: 12 pm (noon) EPT on Bidder Qualifications Due Date**

## Required in the Qualification Form:

1. Expression of Interest
  2. Confidentiality Agreement
  3. AEC Delivery Timing Acknowledgement Form
  4. Binding Bid Agreement
  5. W-9 and Electronic Funds Transfer Authorization
- 

## Optional in the Qualification Form:

6. Designation of Additional Representatives
7. Proposed Modifications to Bid Assurance LOC (hardcopy or electronic)

# Step 1: Submit the Qualification Form

- **Section 1: Expression of Interest Form**
  - Asks for basic contact information of the RFP Bidder and representative
  - Allows RFP Bidder to designate additional representatives (optional)
- **Section 2: Confidentiality Agreement**
  - Protects information that is confidential or generally not publicly available
  - Executed by RFP Bidder and PPL Electric and protects both
- **Section 3: AEC Delivery Timing Acknowledgement Form**
  - Certifies that the RFP Bidder has a GATS account and that the RFP Bidder acknowledges that if it is awarded AEC quantities, it will deliver such AECs within five (5) business days of the approval of the bid results by the PUC

# Sections in Qualification Form (cont.)

- **Section 4: Binding Bid Agreement**
  - Bid Proposals Constitute **Firm Offers to Supply**
  - RFP Bidder certifies:
    - ➔ Bound by the prices submitted in the Bid Proposals
    - ➔ Independent bidding
    - ➔ No knowledge of others' Bids
    - ➔ No disclosure of information related to the RFP Process or the Bidder's Proposal prior to the PUC decision
  
- **Section 5: W-9 and Electronic Funds Transfer Authorization**
  - RFP Bidder must complete forms to facilitate payments by PPL Electric
  
- **Section 6: Justification of Omissions (optional)**
  - Allows RFP Bidders to explain any omissions if the RFP Bidder was unable to provide all documents or information required with the Qualification Form
  - Allows RFP Bidders to upload optional documents such as proposed modifications to credit instruments

# Abbreviated Process for RFP Bidder Qualified for Previous Solicitation

**Due Date: 12 pm (noon) EPT on Bidder Qualifications Due Date**

## Required in the Qualification Form:

- ✓ ~~Expression of Interest~~
  - ✓ ~~Confidentiality Agreement~~
  - ✓ ~~AEC Delivery Timing Acknowledgement Form~~
  - ✓ ~~W-9 and Electronic Funds Transfer Authorization~~
1. Contact Information
  2. Binding Bid Agreement

Resubmit

## Optional in the Qualification Form:

3. Designation of Additional Representatives
4. Proposed Modifications to Bid Assurance LOC (hardcopy or electronic)

# Optional! Modifications to Credit Instruments

- RFP Bidders may propose non-substantive and clarifying modifications to the hardcopy and electronic LOCs
- RFP Bidders submit proposed modifications in MS Word redline as Additional Upload(s) in the **Justification of Omissions Section of the Qualification Form**
- The acceptability of such proposed modifications will be at PPL Electric's sole discretion, and such acceptability will be communicated to the applicant no later than **forty-eight hours before the Cure Deficiency Deadline**
- Lists of all acceptable modifications to the bid assurance LOCs will be posted to RFP website no later than **seven (7) business days before the Bid Proposal Due Date**

# Qualification Form Review Process

- The RFP Manager reviews the submission only after you hit “Submit”
- During the review, RFP Bidder’s **account will be locked**
- RFP Manager performs initial evaluation generally on the same day or by next business day
  - Evaluates additional materials as needed
- Once RFP Bidder receives a notice from the RFP Manager regarding the status of the Qualification Form, the account will be unlocked
  - If the Qualification Form is complete and the RFP Manager requires no additional information, the account will remain locked

# RFP Bidders Will Have Time to Cure Deficiencies

- RFP Bidders are encouraged to **submit materials early** to maximize time to resolve deficiencies and provide any necessary additional information
- Deficiency notices will specify **deadline** for RFP Bidder to respond
  - RFP Bidder must respond by 6PM EPT on the second business day for first deficiency notice
  - RFP Bidder must respond by deadline specified in subsequent deficiency notice if additional information is required
- RFP Bidder that fails to remedy deficiencies by the deadline specified in the deficiency notice will not qualify for the solicitation

# Step 2: Submit Bid Assurance Collateral and AEC SMA

## 1. Online Form, including SMA upload and indication of maximum tranches

- Indicate whether you are providing Cash or Letter of Credit as Bid Assurance Collateral or AECs in lieu of Bid Assurance Collateral
- Confirm the number of maximum tranches you intend to bid for each Product
- Upload one signed copy of the AEC SMA

## 2. Bid Assurance Collateral (or AECs in lieu of Bid Assurance Collateral)

- Cash: wire transfer instructions provided if you elect Cash on the online form
- Letter of Credit (use only standard form or with acceptable modifications):
  - If Electronic (Appendix 5b), must be emailed to [PPLELECTRIC\\_BIDL@PPLWEB.COM](mailto:PPLELECTRIC_BIDL@PPLWEB.COM)
  - If Hardcopy (Appendix 5a), must be delivered to:  
**PPL Electric Utilities Corporation**  
827 Hausman Rd., 1st Floor  
Allentown, PA 18104  
Attn: PPL Electric Energy Procurement Team
- AECs: direct transfer to “PPL Electric Utilities Corp. dba PPL Utilities (Trader)”

# Bid Assurance Collateral for AEC RFP

- The Bid Assurance Collateral requirements for each solicitation will be provided in an RFP Addendum issued for that solicitation
- Bid assurance collateral in the form of a **letter of credit** or **cash** must be submitted in an amount directly proportional to the number of tranches bid upon
- In lieu of providing Bid Assurance Collateral in the form of cash or a letter of credit, the RFP Bidder may elect to **transfer AECs** to PPL Electric's GATS account in the quantity and type that RFP Bidder will bid for

# Pre-Signed SMA

- **One signed copy of the entire AEC SMA** must be received **by upload** to the RFP website
- RFP Bidders that have previously submitted the AEC SMA in DSP V do not need to do so again, but are **responsible for providing any updates**

## Step 3: Submit Bid Proposals

- Bid Proposal Due Date
  - **10 AM – 12 PM (noon) EPT on Bid Proposal Due Date**
- One **Bid Proposal Spreadsheet** for each Product type
  - Different spreadsheets for Tier 1, Photovoltaic and Tier 2 AECs
  - All shaded cells on Spreadsheet must be completed
- Bid Proposal Spreadsheets **must be submitted online by secure bid transfer**
- RFP Manager Team will endeavor to call back within 60 minutes to confirm receipt
  - For each Product, only last submitted spreadsheet counts

# Bids are for Total Tranches

- All prices must be entered for a given number of Total Tranches Supplied:

Total Tranches Supplied	Price (\$/AEC)
1	\$5.25
2	\$5.50
3	\$5.75
4	X
...	...
20	X

**If RFP Bidder does not wish to supply a price, an X must be entered**

1 tranche for \$5.25/Tier 2 AEC  
 2 tranches for \$5.50/Tier 2 AEC  
 3 tranches for \$5.75/Tier 2 AEC  
 No Bid  
 ...  
 No Bid

- If the RFP Bidder does not wish to bid for more than 3 tranches, an **“X” must be entered** for the price for 4 Total Tranches Supplied and all subsequent Total Tranches Supplied (4-20 tranches).

# Bids Submitted Online

- Bid Proposal Spreadsheet(s) submitted **online by secure bid transfer** to secure server
- Required **username and password** will be sent with Notification of Qualification
- If a Bid Proposal Spreadsheet is submitted more than once for a Product, **only the last submitted** Bid Proposal Spreadsheet will be evaluated and the earlier submissions will be considered void

## *Practice and Training prior to Bid Proposals Due Date*

- Qualified Bidders will have the opportunity to practice bid submission process
  - Guide to submission of Bid Proposal Spreadsheets will be available on the RFP website

# What Happens if Bid Assurance Collateral is Insufficient?

- Bids will be **modified** if Bid Assurance Collateral is insufficient
- The RFP Manager will, as applicable:
  - Determine the greatest number of whole tranches that the amount of the Bid Assurance Collateral is sufficient to support;
  - Strike a Bid from a Bid Proposal Spreadsheet for any Total Tranches Supplied that is not supported by the amount of Bid Assurance Collateral or AECs in lieu of Bid Assurance Collateral;
  - For each Product, the greatest number of whole tranches that its amount of Bid Assurance Collateral or AECs is sufficient to support will be based on the maximum tranches that the RFP Bidder confirmed it intended to bid for such Product when it submitted its Bid Assurance Collateral or AECs

**By submitting a Bid Proposal, RFP Bidder is authorizing the RFP Manager to modify Bid Proposal documents in this manner**

# Bids Evaluated on Price-Only Basis

- For each Product, the RFP Manager considers all combinations of Bids that fill needed tranches
- For each combination, the RFP Manager will calculate a Combination Average Price (“CAP”)
- The winning Bids will be those in the combination with the lowest CAP

# Bids Evaluated on Price-Only Basis

## Example of Bid Evaluation

- For each Product, the RFP Manager considers all combinations of Bids that fill needed tranches and, for each combination, calculates a Combination Average Price (“CAP”). Winning Bids will be those in the combination with the lowest CAP

*Example: There are only two RFP Bidders and 3 needed tranches*

Bidder A	
Tranches	Price
1	\$15.00
2	\$16.00
3	\$16.50

Bidder B	
Tranches	Price
1	\$15.50
2	\$15.75
3	\$16.75

Bidder A	Bidder B	CAP
0	3	\$16.75
1	2	\$15.50
2	1	\$15.83
3	0	\$16.50

- The **winning combination** is when Bidder A supplies 1 tranche and Bidder B supplies 2 tranches
  - Bidder A receives a price of \$15.00/Tier 2 AEC for 1 tranche
  - Bidder B receives a price of \$15.75/Tier 2 AEC for 2 tranches

# Practice and Training

- Guide to submission of Bid Proposal Spreadsheets will be available on the RFP website
- Qualified Bidders will have opportunity to practice the bid submission process
  - Participation information will be distributed on or prior to the Qualified Bidders Notified Date

# Technical Difficulties

- If an RFP Bidder experiences technical difficulties, the RFP Bidder should email the PPL Electric RFP Manager at:  
**PPL-Procurement@NERA.com**
  - PPL Electric RFP Manager will find an alternative method to ensure that all RFP Bidders who wish to submit Bids may do so
  - **RFP Bidders should use this backup method only in an emergency**
  - Bids submitted in this manner will not be disadvantaged, but Bids must still be submitted by the deadline

# Post-Auction Activities

- RFP Manager submits results to PUC **the Business Day after Bid Proposals Due Date**
- The PUC will issue its decision no later than **the second Business Day after Bid Proposals Due Date**
  - If results are accepted, PPL Electric will email a partially executed Transaction Confirmation and fully executed AEC SMA to winning RFP Bidders **on the same business day** (or next business day if PUC does not act)
- **By 2 p.m. on the second business day after receipt**, RFP Bidder emails PPL Electric the fully executed Transaction Confirmation
  - Transaction Confirmation will specify product information for tranches won (e.g., price, tranches won, etc.)
  - Bid Assurance Collateral may be forfeited for failure to execute Transaction Confirmation in timely manner
- **Upon Receipt of fully executed Transaction Confirmation:**
  - PPL Electric will return Bid Assurance Collateral

# PJM-EIS GATS for AEC Transfer

- RFP Winner will **transfer AECs of the appropriate type, vintage and quantity** to PPL Electric's GATS account **within 5 business days of the PUC decision**
  - PPL Electric's GATS account info: PPL Electric Utilities Corp. dba PPL Utilities (Trader)
- Once the AECs have been transferred, PPL Electric will evaluate the AECs for conformity (type, vintage, and quantity), and if deemed conforming, will accept the AECs. Upon acceptance, PPL Electric will **make payment for such AECs within 10 business days**
  - Any issues or concerns associated with the AECs transferred will be immediately communicated to the RFP Winner to resolve

**Promptly direct all questions or corrections to PPL Electric**

## PJM-EIS GATS for AEC Transfer (cont.)

- If AECs have been transferred to PPL Electric in lieu of bid assurance collateral, the AECs will be evaluated at the time of transfer for conformity (type, vintage, and quantity). If deemed conforming, PPL Electric will accept the AECs and hold them in PPL Electric GATS account pending the results of the RFP
- If selected as an RFP Winner:
  - The RFP Winner will be notified that they have won, and all AECs transferred in lieu of bid assurance collateral have been fully accepted – no additional action required by the RFP Winner; or
  - The awarded quantity will be fully accepted, and any excess AECs will be returned. Once the return of excess AECs is completed by PPL Electric, the RFP Winner must accept receipt of the returned AECs in their PJM GATS account
- PPL Electric will **make payment for AECs within 10 business days**

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# RFP website

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- **Register for our Mailing List**

- If you have updated contact information, please email us at [PPL-Procurement@nera.com](mailto:PPL-Procurement@nera.com)

- **Receive emails and updates**

The screenshot shows the PPL Electric's Default Service Program website. The header includes the PPL logo and the text "PPL Electric's Default Service Program". The left navigation menu lists various categories, with "Contact Us" highlighted in orange and "Register" highlighted with a red box. The main content area displays the "Register for our Mailing List" form, which includes a breadcrumb trail "Home > Contact Us > Register for our Mailing List" and a note "Fields marked with an \* are required". The form fields are: Name \*, Company \*, Title, Email \*, Phone \*, and Alt. Phone. A "Submit" button is located at the bottom of the form.

# Documents Provided on RFP website

- **All documents required for Participation:**
  - Alternative Energy Credits RFP Rules and Addendums
  - Alternative Energy Credits SMA and sample Exhibits
  - Credit instruments
  - Bid Proposal Spreadsheets
  - Training materials

# Submit Questions Through the RFP Website

**ppl**  
PPL Electric Utilities

PPL Electric's Default Service Program

Home [Home > Contact Us > Ask-a-Question](#)

## Ask-a-Question

Fields marked with an \* are required

**Fill out required fields and click "SUBMIT"**

Name \*

Company \*

Phone

Email \*

Question \*

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**Contact Us**

Register

**Ask-a-Question**

RSVP for Webcast

File Transfer

Qualification Form

All questions and answers are posted to the FAQ section of the RFP website without revealing the asking party

# PPL Electric RFP Manager

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<http://www.ppldsp.com/contact-us/>

[PPL-Procurement@nera.com](mailto:PPL-Procurement@nera.com)