

# Illinois Power Agency

## Renewable Energy Credits Procurement for the Ameren Illinois Utilities

Bidder Practice Session

May 14, 2009

**LEVITAN & ASSOCIATES, INC.**  
MARKET DESIGN, ECONOMICS AND POWER SYSTEMS

# Agenda

- ◆ Bidder Registration
- ◆ Bid Submission
- ◆ Supplier Fee
- ◆ Bid Evaluation
- ◆ Bidder Notification
- ◆ Procurement Administrator Contact Information
- ◆ Questions?



# Bidder Registration

# Required Materials



- ◆ All materials due by Friday, May 15<sup>th</sup>, at 5:00 pm CPT
- ◆ Bidder Registration Form
  - Download from procurement website
  - Includes contact information for bid day and officer certifications
  - Fax to 617-531-2826 or email to [aiurfp@levitan.com](mailto:aiurfp@levitan.com) for Friday deadline
- ◆ Pre-Bid Letter of Credit
  - Download final form from procurement website
    - (Redline also available to see changes)
  - Fax to 617-531-2826 or email to [aiurfp@levitan.com](mailto:aiurfp@levitan.com) for Friday deadline
  - Mail original to Ameren Illinois Utilities (does not have to arrive for Friday deadline)
- ◆ Fax notification will be sent once both documents have been received



# Bid Submission

# Bid Submission Materials



## ◆ Accessible from Bidder Registration page

<http://www.levitan.com/AIURFP/RECs/registration.html>

Illinois Power Agency
2009 Procurement

Home
Capacity RFP
Energy RFP
RECs RFP

**RECs Bidder Registration and Bid Submission**

**Final RECs Contract Documents**

[REC Contract](#)  
[REC Contract - Redlined from Draft](#)  
[Pre-Bid Letter of Credit](#)  
[Pre-Bid Letter of Credit - Redlined from Draft](#)

**Bidder Registration**

In order to register as a bidder for the AIU RECs Procurement the following items must be received by the Procurement Administrator by 5:00 pm CPT on Friday, May 15th:

**Bidder Registration Form**  
Mail OR Fax to:  
 Levitan & Associates, Inc.  
 Attn: Sara Pierce  
 100 Summer Street, Suite 3200  
 Boston, MA 02110  
 (617) 531-2826 (fax)  
 (617) 531-2818 x15 (phone)

**Irrevocable Pre-Bid Letter of Credit** - see link under Final RECs Contract Documents above  
Fax to:  
 Sara Pierce  
 Levitan & Associates, Inc.  
 (617) 531-2826 (fax)  
 (617) 531-2818 x15 (phone)

ALSO send original hard copy (for delivery on Monday 5/18/09) to:  
 Timothy Moloney  
 Managing Supervisor  
 Ameren Services  
 1901 Choteau Avenue, MC 960  
 St. Louis, MO 63103  
 (314) 613-9139 (phone)

Inquiries can be directed to the Procurement Administrator via:  
 Telephone: 617-531-2818  
 Fax: 617-531-2826  
 E-Mail: [aiurfp@levitan.com](mailto:aiurfp@levitan.com)  
 Website: [Submit a Question](#)

**Bidder Practice Session**

The Bidder Practice Session will be held as a webinar on Thursday, May 14th, at 2pm central / 3pm eastern. You can register for the webinar [here](#). We have reserved an hour for the session, but expect the actual presentation to take around 20-30 minutes, after which we will answer questions, and then bidders will have the opportunity to submit practice bids to familiarize themselves with the interface. For bidders unable to attend the session, the presentation and any other materials will be posted to this page afterwards.

**Bid Submission**

[Download Supplier Fee Form](#)

The Supplier Fee of \$0.09 per REC awarded will be charged to the winning bidders in order to cover the costs of administering the 2009 procurement process. The Supplier Fee will be collected in the same manner as the Bid Participation Fee, with payments to the IPA's Procurement Administrator, Levitan & Associates, Inc. Please return a signed copy of the Supplier Fee Form by 12:00 noon CPT on Monday, May 18, 2009, by fax or email.

[Download Bid Submission Instructions](#)  
[Download Bid Form](#)  
[Submit Bid - Clicking link will open new window](#)

Note: Any bids submitted before 7:00 AM CPT on May 18, 2009, will be evaluated for testing purposes only and will not be considered to be binding submissions.

**LEVITAN & ASSOCIATES, INC.**

# Bid Submission Instructions (1)



## 1. Download Bid Form: “RECBidForm.xlt”

### Bid Submission

#### Download Supplier Fee Form

The Supplier Fee of \$0.09 per REC awarded will be charged to the winning bidders in order to cover the costs of administering the 2009 procurement process. The Supplier Fee will be collected in the same manner as the Bid Participation Fee, with payments to the IPA's Procurement Administrator, Levitan & Associates, Inc. Please return a signed copy of the Supplier Fee Form by 12:00 noon CPT on Monday, May 18, 2009, by fax or email.

#### Download Bid Submission Instructions

#### Download Bid Form

#### Submit Bid - Clicking link will open new window

Note: Any bids submitted before 7:00 AM CPT on May 18, 2009, will be evaluated for testing purposes only and will not be considered to be binding submissions.

## 2. Fill in your Company name and Bidder Code

	A	B	C	D	E	F	G
1	Bidder: (full legal name)						
2	Bidder Code:		Code not defined				
3							

Bidder Code was provided to you via email. If you did not receive your Bidder Code please contact Sara Pierce at 617-531-2818 x15



# Bid Submission Instructions (2)

- For each Class (ILW, ILN, ASW, ASN, OSW, OSN), enter the number of 5,000-REC blocks you are bidding at each price, and the price in \$/MWh

	A	B	C	D	E	F	G	H	I	J	K	L	M
22	<b>Bids:</b>												
23	REC Type Code:	<b>ILW</b>		<b>ILN</b>		<b>ASW</b>		<b>ASN</b>		<b>OSW</b>		<b>OSN</b>	
24	Number of groups offered:	0		0		0		0		0		0	
25	Total number of blocks offered:	0		0		0		0		0		0	
26	Total number of RECs offered:	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
27													
		No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh
28	Group												
29	1												
30	2												
31	3												
32	4												
33	5												
34	6												
35	7												
36	8												
37	9												
38	10												
39	11												
40	12												
41	13												
42	14												
43	15												
44	16												
45	17												
46	18												
47	19												
48	20												
49	21												
50	22												



## Bid Submission Instructions (3)



4. Check your bid form for any errors, which will be flagged by red-shaded cells. Possible errors can include:
  - ◆ Too many blocks for a single Class are entered. Each Class is limited to 144 blocks (720,000 RECs). If this error is not fixed, the blocks with the highest prices will be eliminated until the max number of blocks is reached.
  - ◆ A price less than \$0.01/MWh or greater than \$1,000/MWh is bid. Blocks with prices outside this range will be assumed to be in error and will not be evaluated.
  - ◆ The number of blocks bid at each price must be an integer. If a non-integer number of blocks is bid, the fractional block will be discarded (*i.e.* the number of blocks will be rounded down to the nearest integer).
  - ◆ If no price or no number of blocks is entered in a row, that row is interpreted as a “no bid” and ignored. This also applies to any row where the number of blocks entered is  $\leq 0$

# Examples of Bid Form Errors (1)



	A	B	C	D	E	F	G	H	I	J	K	L	M
22	<b>Bids:</b>												
23	REC Type Code:	<b>ILW</b>		<b>ILN</b>		<b>ASW</b>		<b>ASN</b>		<b>OSW</b>		<b>OSN</b>	
24	Number of groups offered:	3		2		2		5		4		5	
25	Total number of blocks offered:	150		30.5		100		125		40		125	
26	Total number of RECs offered:	750,000		152,500		500,000		625,000		200,000		625,000	
27													
28	Group	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh	No. of 5000 MWh Blocks	Price, \$/MWh
29	1	50	\$18.00	15	\$10.00	50	\$5.00	25	\$11.00	10	\$2.50	25	\$1.00
30	2	50	\$20.00	15.5	\$14.00		\$10.00	25	\$11.00	10	\$5.00	25	\$1.50
31	3	50	\$22.00			50	\$15.00	25	\$12.00	10	\$7.50	25	\$2.00
32	4							25	\$14.00	10	\$0.00	25	\$2.50
33	5							25	\$1,500.00			25	
34	6												
35	7												
36	8												
37	9												
38	10												
39	11												
40	12												
41	13												
42	14												
43	15												
44	16												
45	17												
46	18												
47	19												
48	20												
49	21												
50	22												
51	23												
52	24												

## Examples of Bid Form Errors (2)



1. Too many blocks are entered, six of the \$22.00 bids will be eliminated
2. A non-integer number of bids is entered, the number of blocks bid at \$14.00 will be rounded down to 15
3. No number of blocks is entered for the \$10.00 bid, therefore only the 50 blocks at \$5.00 and 50 blocks at \$15.00 will be evaluated
4. The \$1,500.00 bid is above the maximum price, therefore this bid will not be evaluated
5. The \$0.00 bid is below the minimum price, therefore this bid will not be evaluated
6. No price is entered for the last 25-block bid, therefore this bid will not be evaluated



# Examples of Bid Form Errors (3)

- ◆ A data check section at the bottom of the bid form validates bids, you can also review any errors there to get more details

	A	B	C	D	E	F	G	H	I	J	K	L	M
175	<b>Data Check:</b>	This section of the bid form validates bids. Bids under the min bid price or above the max bid price are assumed to be in error. If a bid is expected based on the number of groups offered, but blank, it is treated as \$0.00/MWh and deemed to be less than the minimum. If the cumulative sum of blocks offered for the groups exceeds the requirement, the groups contributing to the excess are flagged as "extra blocks". If the number of blocks bid exceeds the requirement, Ameren Illinois Utilities will consider only the lowest priced bids that can constitute the full requirement.											
176	REC Class	ILW		ILN		ASW		ASN		OSW		OSN	
177	1	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
178	2	OK	OK	OK	OK	No Bid	Extra Price	OK	OK	OK	OK	OK	OK
179	3	Extra Blocks	OK	No Bid	No Bid	OK	OK	OK	OK	OK	OK	OK	OK
180	4	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	OK	OK	OK	< Min Bid	OK	OK
181	5	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	OK	> Max Bid	No Bid	No Bid	OK	< Min Bid
182	6	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
183	7	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
184	8	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
185	9	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
186	10	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
187	11	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
188	12	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
189	13	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
190	14	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
191	15	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
192	16	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
193	17	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
194	18	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
195	19	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
196	20	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
197	21	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
198	22	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
199	23	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
200	24	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid

# Bid Submission Instructions (4)



5. After all errors are corrected, save the file. The default name will be RECBidForm1.xls, but you can add your company name or bidder number to the file if you wish. Please do not use any special characters in the file name, as this may impair the evaluation process
  
6. On the Bidder Registration page, click on “Submit Bid” which will open a new window

**Bid Submission**

**[Download Supplier Fee Form](#)**

The Supplier Fee of \$0.09 per REC awarded will be charged to the winning bidders in order to cover the costs of administering the 2009 procurement process. The Supplier Fee will be collected in the same manner as the Bid Participation Fee, with payments to the IPA's Procurement Administrator, Levitan & Associates, Inc. Please return a signed copy of the Supplier Fee Form by 12:00 noon CPT on Monday, May 18, 2009, by fax or email.

**[Download Bid Submission Instructions](#)**

**[Download Bid Form](#)**

**[Submit Bid](#) - Clicking link will open new window**



Note: Any bids submitted before 7:00 AM CPT on May 18, 2009, will be evaluated for testing purposes only and will not be considered to be binding submissions.

# Bid Submission Instructions (5)



8. Fill in all fields in the form in the new window, select the file containing your bid through the Browse button, and click the Submit button.

If you are planning to use unit-specific RECs and would like to provide this information in advance, please email your Facility Information to [aiurfp@levitan.com](mailto:aiurfp@levitan.com)

This can also be provided in advance to [aiurfp@levitan.com](mailto:aiurfp@levitan.com)

## Bid Submission Instructions (7)



9. After receiving your bid file, we will call the person who was listed in the Bid Submission form to confirm receipt.

## Other Key Points



- ◆ Each bid is considered independently for each 5,000-REC block within each Class
  - No contingencies will be considered
- ◆ The Procurement Administrator can recommend that the ICC accept all, some, or none of the 5,000-REC blocks offered within a group
- ◆ Bid prices will be rounded to the nearest \$0.01
- ◆ Final binding bids must be submitted by 12:00 noon, CPT (1:00 pm EPT) on Monday, May 18<sup>th</sup>



# Submitting Practice Bids



- ◆ The Bid Submission site is live now for Bidders to practice submitting bids
- ◆ Bids submitted before 7:00 AM CPT on Monday, May 18<sup>th</sup> will not be considered to be binding bids, and you will not be notified immediately by phone of received submissions, but we will email to let you know that your bid was received and if there are any problems
- ◆ Each bidder can submit as many practice bids as they want
- ◆ If you have any questions, please call Sara Pierce at 617-531-2818 x15

# What If Something Goes Wrong?



- ◆ If you have any problems accessing or filling out the bid form, please call Sara Pierce at 617-531-2818 x15
- ◆ The backup submission method is via fax, if IT problems are encountered on Bid Day
  - Levitan & Associates, Inc.'s fax number is 617-531-2826
- ◆ If you have problems submitting the bid form on Bid Day, please notify Levitan & Associates, Inc. as soon as possible and allow sufficient time for your faxed bid to reach us prior to the 12 noon CPT deadline



# Supplier Fee

# Supplier Fee



- ◆ Supplier Fee will be \$0.09/REC, to be paid by each Winning Bidder
- ◆ Supplier Fee Form is available from the Bidder Registration page of the procurement website:

## Bid Submission

### [Download Supplier Fee Form](#)

The Supplier Fee of \$0.09 per REC awarded will be charged to the winning bidders in order to cover the costs of administering the 2009 procurement process. The Supplier Fee will be collected in the same manner as the Bid Participation Fee, with payments to the IPA's Procurement Administrator, Levitan & Associates, Inc. Please return a signed copy of the Supplier Fee Form by 12:00 noon CPT on Monday, May 18, 2009, by fax or email.

### [Download Bid Submission Instructions](#)

### [Download Bid Form](#)

### [Submit Bid](#) - Clicking link will open new window

Note: Any bids submitted before 7:00 AM CPT on May 18, 2009, will be evaluated for testing purposes only and will not be considered to be binding submissions.

- ◆ Supplier Fee will be collected by Procurement Administrator
  - Invoices will be sent to Winning Bidders
  - Payments will be due by June 30, 2009
- ◆ Executed Supplier Fee Forms due from bidders submitting bids by 12 noon CPT on Monday, May 18<sup>th</sup>
  - Submit by email ([aiurfp@levitan.com](mailto:aiurfp@levitan.com)) or fax (617-531-2826)



# Bid Evaluation

# Bid Evaluation Parameters



- ◆ The procedure for bid evaluation is described in Attachment A of the RFP
- ◆ Total REC Requirement (TRR) is 720,000 RECs
  - 75% from wind: Wind Target (WT) is 540,000 RECs
- ◆ Budget Limit (BL) is \$16.6 million

# Bid Evaluation Procedure (1)



- ◆ Step 0 – Eliminate Bids Higher than Benchmark, Sort Bids by Price
  - Within each Class
  - Within Wind Pool (WP): All wind bids, regardless of location
  - Within Combined Pool (CP): All bids, regardless of Class or location
- ◆ Step 1 – Select Bids: Bids will be selected from the CP until the TRR or BL is reached
  - If the TRR is reached first, go to Step 2
  - If the BL is reached first, bids may be switched out if wind / location priorities can be managed while remaining under the BL
- ◆ Step 2 – Wind Target: Determine whether the WT has been met
  - If the WT has been met, go to Step 3
  - If the WT is not met, switch out non-wind RECs in favor of wind RECs to the extent possible

## Bid Evaluation Procedure (2)



- ◆ Step 3 – Illinois Location Priority: Swap out Adjacent/Other State resources in favor of Illinois resources
  - ILN cannot be substituted for ASW or OSW if it would violate the WT
  - The costs for wind and non-wind switches will be compared, with the least costly switch selected
  - Example
    - The most expensive selected ASN or OSN is \$5,800
    - The most expensive selected ASW or OSW is \$6,000
    - The least expensive unselected ILN is \$7,000
    - The least expensive unselected ILW is \$7,500
    - Least expensive switch: replace ASW or OSW with ILN, incremental cost = \$1,000, but this switch would violate the wind target
    - Options are (1) Replace ASW/OSW with ILW for \$1,500, (2) replace ASN/OSN with ILN for \$1,200
    - Option 2 is the more cost-effective switch



## Bid Evaluation Procedure (3)



- ◆ Step 4 – Adjacent State Location Priority: Swap out Other State resources in favor of Adjacent State Resources
  - ASN cannot be substituted for OSW if it would violate the WT
  - The costs for wind and non-wind switches will be compared, with the least costly switch selected
  - Example
    - The most expensive selected OSN is \$5,800
    - The most expensive selected OSW is \$6,000
    - The least expensive unselected ASN is \$7,000
    - The least expensive unselected ASW is \$7,500
    - Least expensive switch: replace OSW with ASN, incremental cost = \$1,000, but this switch would violate the wind target
    - Options are (1) Replace OSW with ASW for \$1,500, (2) replace OSN with ASN for \$1,200
    - Option 2 is the more cost-effective switch

## What Happens In Case of a Tie?



- ◆ If there are two or more blocks at the highest accepted price (rounded to \$0.01/MWh) within a Class, the Procurement Administrator will select the required number of blocks at that price in order to maximize the number of bidders in the award group



# Bidder Notification

# Schedule Following Bid Submission



- ◆ Procurement Administrator submits report with recommended winning bidders to ICC on Tuesday, May 19<sup>th</sup>
- ◆ ICC accepts or rejects recommendation by Thursday, May 21<sup>st</sup>
- ◆ Winning Bidders notified immediately following ICC approval
- ◆ Contracts executed with Winning Bidders within three business days of ICC decision
  - ICC decision on 5/20 → contracts executed by 5/26
  - ICC decision on 5/21 → contracts executed by 5/27



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# Contact Information

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# Procurement Administrator Contact Information



- ◆ Procurement Web Site
  - <http://www.levitan.com/AIURFP>
- ◆ Mailing Address
  - Levitan & Associates, Inc.  
 Attn: Sara Pierce  
 100 Summer Street, Suite 3200  
 Boston, MA 02110
- ◆ E-Mail
  - aiurfp@levitan.com
- ◆ Phone
  - 617-531-2818 (John Bitler x22 or Sara Pierce x15)
- ◆ Fax
  - 617-531-2826



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# Questions?

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