

Illinois Power Agency

Long-Term Renewable Resources Procurement for the Ameren Illinois Utilities

Bidder Practice Session
September 28, 2010

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

Agenda

- IPA - 2010 Long-Term Renewable Resources
- ◆ Background Information
 - ◆ Schedule Revision
 - ◆ Supplier Fee
 - ◆ Bid Submission
 - ◆ Bid Evaluation
 - ◆ Bidder Notification
 - ◆ Procurement Administrator Contact Information
 - ◆ Questions?

Background Information

Procurement Background



- ◆ Levitan & Associates is the IPA's Procurement Administrator for the Ameren Illinois Utilities
- ◆ NERA Economic Consulting is the IPA's Procurement Administrator for Commonwealth Edison

- ◆ Procurement Targets / Parameters
 - Total Quantity: 600,000 MWh/year
 - Budget Limit: \$8,992,297
 - Wind Target: 75% [450,000 MWh/year]
 - Solar PV Target: 6% [36,000 MWh/year]

Harmonization with NERA Process



- ◆ Bidding process has been harmonized between the two Procurement Administrators
 - Components of the Part 1 / Pre-Qualification package were consolidated
 - Same form submission deadlines for both utilities
 - Same bidding window for both utilities
 - NOTE: Bidding window has changed from 10am-12noon CPT to **1pm-3pm CPT on Thursday, September 30th**
- ◆ Bid evaluation will be conducted separately for each utility, with no contingent bids between the two utilities permitted

Proposed Schedule Revision

Proposed Schedule Revision



- ◆ Announcement on 9/25 described proposed schedule revision
 - Revised schedule Bid Day is 11/19
- ◆ Comments on proposed revised schedule due by 6:00 PM CPT on Wednesday, September 29th
 - Submit via email to aiurfp@levitan.com
- ◆ If proposed revised schedule is **REJECTED**
 - Bid Day will proceed as planned on 9/30, with bidding window from 1pm to 3pm CPT
- ◆ If proposed revised schedule is **ACCEPTED**
 - Pre-Qualification / Registration materials will not need to be re-submitted
 - Posted LCs can either be cancelled or amended

Supplier Fee

Supplier Fee



- ◆ **These details apply for the September 30th Bid Date**
- ◆ Supplier Fee will be \$1.20/MWh, to be paid by each Winning Bidder for the first year awards
- ◆ Supplier Fee Agreement is available on the procurement website, from either the main page (www.levitan.com/AIURFP/LongTerm/) or the Procurement Information page (/LongTerm/proc_info.html)
- ◆ Supplier Fee will be paid to Illinois Power Agency by check
 - Invoices will be sent to Winning Bidders by October 31, 2010
 - Payments will be due by November 30, 2010
- ◆ Executed Supplier Fee Forms due from bidders by the bid submission deadline
 - Submit by email (aiurfp@levitan.com) or fax (617-531-2826)

Bid Submission

Bid Submission Materials



<http://www.levitan.com/AIURFP/LongTerm/>

Request for Proposals, Contracts and Forms

- [Request for Proposals](#)
- [RFP Attachment A](#)
- [RFP Attachment B - Long-Term Power Purchase Agreement \(Draft\)](#)
- [RFP Attachment B - Long-Term Power Purchase Agreement \(Final\) - MS Word - PDF](#)
- [RFP Attachment B - Long-Term Power Purchase Agreement \(Final - Redline from Draft\) - MS Word - PDF](#)
- [RFP Attachment C - Pre-Bid Irrevocable Letter of Credit Acceptable Modifications to the Long-Term RFP Pre-Bid Letter of Credit - Updated 9/15/10](#)

- [Bidder Pre-Qualification Application \(Bidder Information\)](#)
- [Bidder Pre-Qualification Application \(Resource Information\)](#)

Bidder Registration Form

Supplier Fee Agreement

Note: The Supplier Fee Agreement must be signed and returned by email (aiurfp@levitan.com) or fax (617-531-2826) prior to the bid submission deadline (12:00 noon CPT on September 30, 2010).

Register for Bidder Practice Session

Bid Submission Instructions

Download Bid Form

Note: A separate Bid Form is required for each Unit
 Note: Calculation should be set to Auto for form to work correctly

Submit Bid Form

Additional documents can be found on the [Procurement Information](#) page.

10/12/10 Contract(s) Executed

6/1/12 Service Commences

Latest Announcements

- 9/25/10: See [Announcements](#) page for details about a **proposed schedule revision**
 - 9/24/10: [Supplier Fee Agreement](#) posted, Supplier Fee will be \$1.20/MWh, to be applied to the first year's award
 - 9/24/10: New [Q&A](#) posted
 - 9/23/10: New [Q&A](#) posted
 - 9/22/10: The maximum cap on the Unit Minimum quantity has been set at 450,000 MWh
 - 9/22/10: Bidder Practice Session [registration](#) now available
 - 9/22/10: Bid Submission materials now available on [Procurement Information](#) page
 - 9/22/10: New [Q&A](#) posted
 - 9/21/10: New [Q&A](#) posted
- [More Announcements...](#)

[Subscribe](#)

Bid Submission Instructions



1. Download Bid Form: "BidForm.xls" from website

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

Note: A separate Bid Form is required for each Unit
 Note: Calculation should be set to Auto for form to work correctly

[Submit Bid Form](#)

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Bidding Entity: (full legal name)												
2	Contract Counterparty: (if different from Bidding Entity)												
3	Committed Unit:												
4	Unit Minimum (MWh):	1	Default value is 1 MWh										
5													
6	Unit REC Class:	IAW	Unit REC Class must be selected										
7		IAP	Will the Percentage Commitment for this Resource depend on the total accepted?										
8		IAM											
9		OSW											
10		OSP											
11		OSN											
12													
13													
14	General Instructions:	Up to 600,000 MWh may be offered for each Committed Unit											
15		For each bid group enter the number of MWh as a positive integer, and the applicable price in \$/MWh; prices will be rounded to the nearest \$0.01/MWh											
16		Each MWh offered will be considered independently; all, a portion, or none of the MWh within a bid group may be selected, subject to the minimum for the project											
17		This bid form provides several forms of self-validation. Identified errors will be flagged by red-shaded cells.											
18													
19													
20													
21													
22	Bid Parameters:	Minimum valid bid price, \$/MWh											\$0.01
23		Maximum valid bid price, \$/MWh											\$5,000.00
24													
25	Bids:												
26	Total number of MWh offered:	0	Less than Unit Minimum bid										
27													
28	Bid Group	Quantity (MWh)	Price (\$/MWh)										
29	1			First Bid Group Quantity must be equal to or greater than the Unit Minimum									
30	2			OK									
31	3			OK									
32	4			OK									
33	5			OK									
34	6			OK									
35	7			OK									
36	8			OK									
37	9			OK									
38	10			OK									
39	11			OK									
40	12			OK									
41	13			OK									
42	14			OK									
43	15			OK									
44	16			OK									
45	17			OK									
46	18			OK									
47	19			OK									
48	20			OK									

Bid Submission Instructions



2. Fill in your Bidder / Counterparty information and Committed Unit name

	A	B	C	D	E	F	G
1	Bidding Entity: (full legal name)						
2	Contract Counterparty: (if different from Bidding Entity)						
3	Committed Unit:						

A separate bid form is required for each Committed Unit to be bid. Bids from individual Units are considered independently.

Note that only the yellow-shaded cells in the bid form can be edited, and auto-calculate should be turned on for the validation to work properly (or you can hit F9)



Bid Submission Instructions

3. Fill in the Unit Minimum (in MWh) for the Committed Unit. This value represents the minimum quantity of MWh that can be accepted for a Unit, if any MWh are awarded. The default value is 1 MWh.

	A	B	C	D	E	F	G
3	Committed Unit:						
4	Unit Minimum (MWh):	1	Default value is 1 MWh				

◆ Possible errors include:

- Deleting the default and not entering a new value

	A	B	C	D	E	F	G
3	Committed Unit:						
4	Unit Minimum (MWh):		Unit Minimum must be greater than 0 MWh				

- Entering a value higher than 450,000 MWh, which is the cap on this parameter

	A	B	C	D	E	F	G
3	Committed Unit:						
4	Unit Minimum (MWh):	500,000	Unit Minimum cannot exceed 450,000 MWh				

Bid Submission Instructions



4. Select the REC Class for the Committed Unit from the drop-down menu

	A	B	C	D	E
6	Unit REC Class:	▼	Unit REC Class must be selected		
7		IAW	Illinois / Adjacent State Wind resource		
8		IAP	Illinois / Adjacent State Photovoltaic resource		
9		IAN	Illinois / Adjacent State Other resource		
10		OSW	Other State Wind resource		
11		OSP	Other State Photovoltaic resource		
12		OSN	Other State Other resource		

Once an option has been selected, the error will clear:

	A	B	C	D	E
6	Unit REC Class:	IAN	OK		
7		IAW	Illinois / Adjacent State Wind resource		
8		IAP	Illinois / Adjacent State Photovoltaic resource		
9		IAN	Illinois / Adjacent State Other resource		
10		OSW	Other State Wind resource		
11		OSP	Other State Photovoltaic resource		
12		OSN	Other State Other resource		

Bid Submission Instructions



5. Select a Percentage Commitment option from the drop-down menu

	G	H	I	J	K	L	M
6	Will the Percentage Commitment for this Resource depend on the total accepted Quantity?						
7	▼						
8							
9							
10							

- No: The Percentage Commitment will be fixed independent of the award quantity, enter the %

	G	H	I	J	K	L	M	N
6	Will the Percentage Commitment for this Resource depend on the total accepted Quantity?							
7	No	Percentage Commitment is fixed at:				Value must be between 1% and 100%		
8								
9								
10								

- Yes: The Percentage Commitment will depend on the award quantity, enter the MWh equivalent to 100% Commitment (this value can be larger than 600,000, is used as the divisor for calculating the award %)

	G	H	I	J	K	L	M
6	Will the Percentage Commitment for this Resource depend on the total accepted Quantity?						
7	Yes	100% Percentage Commitment is equivalent to (MWh):				Value must be a positive integer	
8							
9							
10							

Bid Submission Instructions



6. Enter bids for the Committed Unit, including Quantity (MWh) and Price (\$/MWh)

	A	B	C	D	E	F	G	H
25	Bids:							
26	Total number of MWh offered:	0		Less than Unit Minimum bid				
27								
28	Bid Group	Quantity (MWh)	Price (\$/MWh)					
29	1			First Bid Group Quantity must be equal to or greater than the Unit Minimum				
30	2			OK				
31	3			OK				
32	4			OK				
33	5			OK				
34	6			OK				
35	7			OK				
36	8			OK				
37	9			OK				
38	10			OK				
39	11			OK				
40	12			OK				
41	13			OK				
42	14			OK				
43	15			OK				
44	16			OK				
45	17			OK				
46	18			OK				
47	19			OK				
48	20			OK				

Bid Submission Instructions



7. Check Bid Form for errors

Errors will be indicated by red-shaded cells, including:

- Too many (more than 600,000) MWh bid

	A	B	C	D	E
25	Bids:				
26	Total number of MWh offered:	700,000		Too many MWh bid	
27					
28	Bid Group	Quantity (MWh)	Price (\$/MWh)		
29	1	300,000	\$5.00	OK	
30	2	100,000	\$10.00	OK	
31	3	100,000	\$15.00	OK	
32	4	100,000	\$20.00	OK	
33	5	100,000	\$25.00	OK	

The 100,000 MWh at \$25/MWh would be eliminated

- Price outside the acceptable range is offered

	A	B	C	D	E
30	2	100,000	\$5.00	OK	
31	3	100,000	\$0.00	Price is outside range	
32	4	100,000	\$15.00	OK	
33	5	100,000	\$6,000.00	Price is outside range	

The rows with \$0.00 and \$6,000.00 would be eliminated

Bid Submission Instructions



Errors continued:

- The first bid group must be at least as large as the Unit Minimum quantity, i.e. different prices cannot be offered within the Minimum quantity, since either all or none of the Unit Minimum will be accepted

	A	B	C	D	E	F	G	H
4	Unit Minimum (MWh):	300,000	OK					
25	Bids:							
26	Total number of MWh offered:	500,000		OK				
27								
28	Bid Group	Quantity (MWh)	Price (\$/MWh)					
29	1	100,000	\$5.00	First Bid Group Quantity must be equal to or greater than the Unit Minimum				
30	2	100,000	\$10.00	OK				
31	3	100,000	\$15.00	OK				
32	4	100,000	\$20.00	OK				

- The first bid group, representing the Unit Minimum, must have the lowest price of the bids for the unit

	A	B	C	D	E	F
28	Bid Group	Quantity (MWh)	Price (\$/MWh)			
29	1	100,000	\$10.00	Price for first Bid Group must be lowest price		
30	2	100,000	\$5.00	OK		
31	3	100,000	\$15.00	OK		

Bid Submission Instructions



Errors continued:

- Bid quantities must be integers (non-integers will be rounded down)
- Each bid group must have a quantity and a price (rows missing either a quantity or price will not be eliminated)

B30		fx 500.5		A	B	C	D	E	F
25	Bids:								
26	Total number of MWh offered:		2,001		OK				
27									
28		Bid Group	Quantity (MWh)	Price (\$/MWh)					
29		1	500	\$5.00	OK				
30		2	501	\$10.00	Quantity must be a positive integer				
31		3	500	\$15.00	OK				
32		4		\$20.00	No Quantity listed				
33		5	500		No Price listed				
34		6			OK				
35		7			OK				
36		8			OK				

Bid Submission Instructions



8. After all errors are corrected, save the file. You can add the Unit name or other identifier to the file name if you wish. Please do not use any special characters (#, ?, !, etc.) in the file name, as this may impair the submission process
9. On the procurement website, click on the “Submit Bid Form” link

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

Note: A separate Bid Form is required for each Unit
Note: Calculation should be set to Auto for form to work correctly

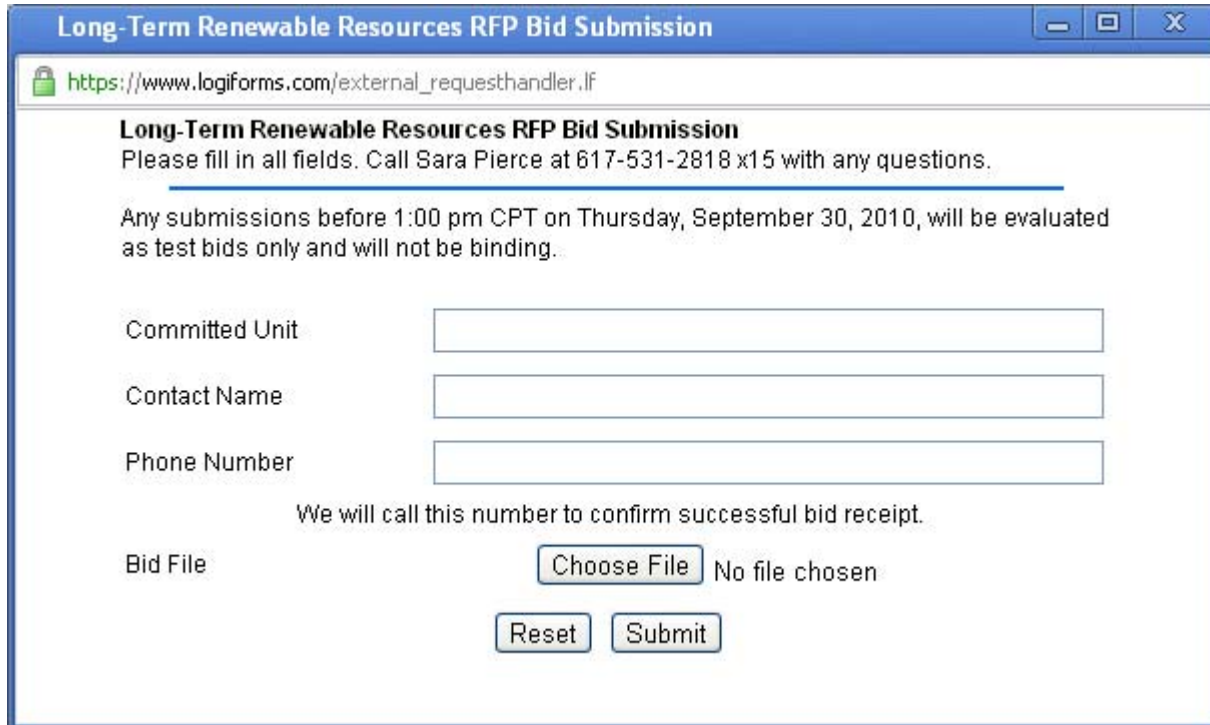
[Submit Bid Form](#)



This link will open a new window with a password field. Enter the password previously provided to you via email. Email aiurfp@levitan.com if you need help with the password.

Bid Submission Instructions

10. Fill in the fields in the form that appears after entering the password, then select the saved Bid File and click the Submit button



The screenshot shows a web browser window titled "Long-Term Renewable Resources RFP Bid Submission". The address bar shows the URL "https://www.logiforms.com/external_requesthandler.lf". The page content includes the following text and form elements:

Long-Term Renewable Resources RFP Bid Submission
Please fill in all fields. Call Sara Pierce at 617-531-2818 x15 with any questions.

Any submissions before 1:00 pm CPT on Thursday, September 30, 2010, will be evaluated as test bids only and will not be binding.

Committed Unit

Contact Name

Phone Number

We will call this number to confirm successful bid receipt.

Bid File No file chosen

11. After receiving the file, we will call the person listed in the form shown above to confirm receipt

Other Key Points



- ◆ Each MWh is considered independently, subject only to the Unit Minimum provided for each Unit
- ◆ The Procurement Administrator can recommend that the ICC accept all, some, or none of the MWh offered within a group / bid row
- ◆ Bid prices will be rounded to the nearest \$0.01
- ◆ Final binding bids must be submitted by 3:00 pm, CPT (4:00 pm EPT) on Thursday, September 30th

Submitting Practice Bids



- ◆ The Bid Submission site is live now for Bidders to practice submitting bids
- ◆ Bids submitted before 1:00 PM CPT on Thursday, September 30th 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 3:00 PM CPT deadline

Bid Evaluation

Bid Evaluation Parameters

- ◆ The procedure for bid evaluation is described in Attachment A of the RFP

- ◆ Before beginning competitive evaluation:
 - Bids are compared to benchmarks, bids higher than benchmarks are eliminated
 - Remaining bids are adjusted to account for differences in production profiles between technology types using Resource Energy Value Factors
 - Wind: 0.98
 - Solar PV: 1.20
 - Other: 1.00

Bid Evaluation Procedure



- ◆ First priority is to determine the maximum number of MWh that can be procured without exceeding the budget, these lowest priced bids make up the initial award group
- ◆ Highest priced bids from initial award group are switched with lowest price un-selected bids to maximize both the wind and solar PV target ratios
- ◆ Highest priced selected bids from Other State resources are then switched with lowest price un-selected bids from Illinois & Adjacent States, while respecting technology target ratios achieved above

What Happens In Case of a Tie?



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

Bidder Notification

Schedule Following Bid Submission



- ◆ Procurement Administrator submits report with recommended winning bidders to ICC by Monday, October 4th
- ◆ Procurement Monitor submits report to ICC by Monday, October 4th
- ◆ ICC accepts or rejects recommendation on Tuesday, October 5th or Wednesday, October 6th
- ◆ Recommended Bidders will receive preliminary award notifications on Monday, October 4th
- ◆ Bidders notified of final awards immediately following ICC approval
- ◆ Contracts executed with Winning Bidders within three business days of ICC decision
 - ICC decision on 10/5 → contracts executed by 10/8
 - ICC decision on 10/6 → contracts executed by 10/12

Contact Information

Procurement Administrator Contact Information



- ◆ Procurement Web Site
 - <http://www.levitan.com/AIURFP/LongTerm>
- ◆ 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