Illinois Power Agency

Long-Term Renewable Resources Procurement for Ameren Illinois

Bidder Practice Session December 7, 2010

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

Agenda



- Background Information
- 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 Ameren Illinois
- 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
- Bid evaluation will be conducted separately for each utility, with no contingent bids between the two utilities permitted



Supplier Fee

Supplier Fee



- Supplier Fee will be \$3.50/MWh, to be paid by each Winning Bidder based on the awarded annual contract quantity
- 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 December 31, 2010
 - Payments will be due by February 18, 2011
- Executed Supplier Fee Agreements 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 and Contract Documents

Request for Proposals - Revised (Posted 11/8/10)

RFP revision includes updated procurement schedule and expands pre-bid collateral options to include cash

RFP Attachment A (Posted 8/25/20)

RFP Attachment B - See Procurement Info page

RFP Attachment C - See Procurement Info page

Forms

Bidder Pre-Qualification Application (Bidder Information)

(Posted 8/16/10)

Bidder Pre-Qualification Application (Resource Information)

(Posted 8/16/10)

Bidder Registration Form (Updated (11/9/10)

Supplier Fee Agreement (Posted 12/2/10)

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

Bidding Materials

Bidder Practice Session Presentation (Posted 9/28)

Bid Submission Instructions (Posted 9/22/10)

Download Bid Form (Posted 9/22/10)

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.

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Bidders Notified

12/20/10 Contract(s) Executed

6/1/12 Service Commences

Latest Announcements

12/6/10: New Q&A posted

12/2/10: Updated Supplier Fee

Agreement now available

12/2/10: Information for the Bidder

Practice Session is available on the **Procurement Info** posted

11/29/10: New O&A posted

11/8/10: Updated pre-bid collateral

materials posted to

Procurement Info page

11/8/10: Revised RFP posted to

Procurement Info page

11/8/10: Final contract posted to

Procurement Info page

11/4/10: Presentation materials for

November 4th workshop now available on the Procurement

Info page

More Announcements...

Subscribe



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

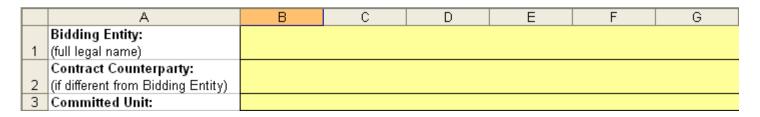
correctly

Submit Bid Form

									1 1		14		
	A Printing Facility	В	С	D	E	F	G	Н		J	K	L	М
1	Bidding Entity: (full legal name)												
	Contract Counterparty:												
	(if different from Bidding Entity)												
3	Committed Unit:												
4	Unit Minimum (MYh):	1	Default v	due is 1 HWK									
5													
6	Unit REC Class:			Harr mart be :			Will the Pe	rcentage C	ommitment	for this Re	source depe	end on the t	otal accep
7		IAW		ut Stato Windress									
8		IAP		st State Phataval									
9		IAN		nt Stato Othorror	aurce								
10		osw	Other State Win										
11		OSP		atovoltaic resourc	:0								
12		OSN	Othor State Oth	erresource			-	-			-	-	
13 14	General Instructions:	Un to COC CO	0.84576 m c · · 5	a affered for -	sah Cammitta	d I lede							
••	General Instructions:				ach Committee								
16		For each bid	group enter th	e number of N	VIWh as a posit	ive integer, ar	nd the applicable	price in \$/M\	/h; prices will b	e rounded to t	the nearest \$0.	01/MWh	
18		Each MWh c	offered will be o	onsidered ind	ependently: all,	a portion, or	none of the MW	h within a bid	group may be :	selected, subje	ct to the minin	num for the pre	oject
20		This hid form	n nrouides seu	eral forms of	self-ualidation	Identified err	ors will be flagge	ad bu red-shad	led cells				
21		THIS DIG TOTAL	ii provides sev	erarronnis or	sell-validation.	laenanea en	ors will be maggi	ea by rea-smac	led cells.				T
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24		1-laniillalli ve	and bid price, g		φο,οσο.σσ								
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27	Total humber of Nam offered:		· ·	Larr then	ORIGINAL PROPERTY.	14							
۷٢		Quantity	Price	+									+
28	Bid Group	(MWh)	(\$/MWh)	1									
29	1	()	(4	First Bid (Graus Quantity	mart he east	ıl tu ur greater	then the Unit	Hisiana				
30	2			OK	,								
31	3			ОК									
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			0K	-			-	-		-	-	
45	17			OK	-		-	-			-	-	
46	18			OK	-		-	-			-	-	+
47	19			OK OK	-		+	-	-	-	+	-	
48													



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



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)



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.



- Possible errors include:
 - Deleting the default and not entering a new value

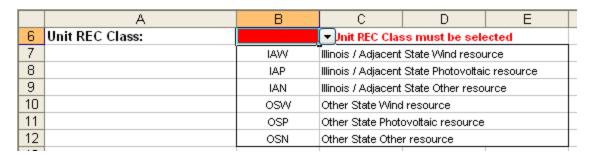


 Entering a value higher than 450,000 MWh, which is the cap on this parameter





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

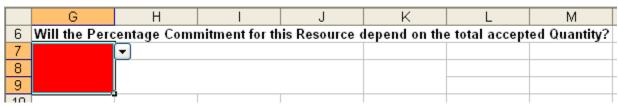


Once an option has been selected, the error will clear:

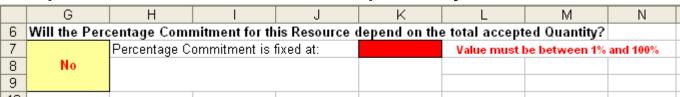
	A	В	С	D	E		
6	Unit REC Class:	IAN	ок				
7		IAW	Illinois / Adjacent	State Wind resou	irce		
8		IAP	Illinois / Adjacent State Photovoltaic resource				
9		IAN	Illinois / Adjacent State Other resource				
10		osw	Other State Wind resource				
11		OSP	Other State Photovoltaic resource				
12		OSN	Other State Othe	r resource			



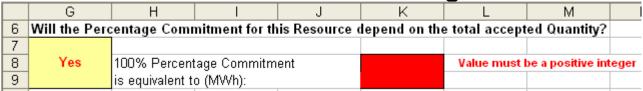
Select a Percentage Commitment option from the dropdown menu



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



 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 %)





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

	A	В	С	D	E	F	G	Н	
25	Bids:								
26	Total number of MWh offered:		0	Less than U	nit Minimum bi	id			
27									
		Quantity	Price						
28	Bid Group	(MVVh)	(\$/MVVh)						
29	1			First Bid Gro	up Quantity m	ust be equal to o	r greater than	the Unit Minim	um
30	2			ок					
31	3			ок					
32	4			ок					
33	5			ок					
34	6			ок					
35	7			ок					
36	8			ок					
37	9			ок					
38	10			ок					
39	11			ок					
40	12			ок					
41	13			ок					
42	14			ок					
43	15			ок					
44	16			ок					
45	17			ок					
46	18			ок					
47	19			ок					
48	20			ок					



7. Check Bid Form for errors

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

Too many (more than 600,000) MWh bid

				<u>, </u>	
	A	В	С	D	
25	Bids:				
26	Total number of MVVh offered:	700	,000	Too many M	Wh bid
27					
28	Bid Group	Quantity (MVVh)	Price (\$/MVVh)		
29	1	300,000	\$5.00	ок	
30	2	100,000	\$10.00	ок	
31	3	100,000	\$15.00	ок	
32	4	100,000	\$20.00	ок	
33	5	100,000	\$25.00	ок	

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

Price outside the acceptable range is offered

	А	В	С	D	Е
30	2	100,000	\$5.00	ок	
31	3	100,000	\$0.00	Price is outs	ide range
32	4	100,000	\$15.00	ок	
33	5	100,000	\$6,000.00	Price is outs	ide range
24	c			OK	

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



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

	Α	В	С	D	E	F	G	H	
4	Unit Minimum (MWh):	300,000	OK						
25	Bids:								
26	Total number of MWh offered:	500	,000	ок					
27									
		Quantity	Price						
28	Bid Group	(MVVh)	(\$/MVVh)						
29	1	100,000	\$5.00	First Bid Gro	up Quantity mu	st be equal to o	or greater than t	the Unit Minimu	m
30	2	100,000	\$10.00	ок					
31	3	100,000	\$15.00	ок					
32	4	100,000	\$20.00	ок					

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

	Α	В	С	D	E	F	
		Quantity	Price				
28	Bid Group	(MVVh)	(\$/MVVh)				
29	1	100,000	\$10.00	Price for first Bid Group must be lowest price			
30	2	100,000	\$5.00	ок			
31	3	100,000	\$15.00	ок			



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 ▼ 5 500.5					
	А	В	С	D	E	F
25	Bids:					
26	Total number of MVVh offered:	2,0	01	ок		
27						
28	Bid Group	Quantity (MWh)	Price (\$/MVVh)			
29		500	\$5.00	OV		
30	2	501	\$10.00	OK Quantity mus	st be a positive	integer
31	3	500	\$15.00	ок		
32	4		\$20.00	No Quantity I	isted	
33	5	500		No Price liste	ed	
34	6			ок		
35	7			ок		
36	8			ок		



- 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
- 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

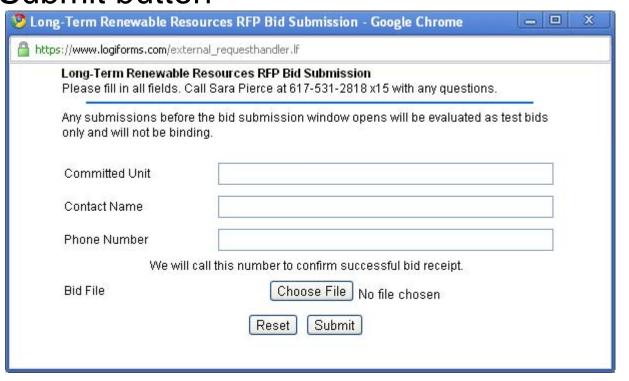
correctly

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.



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



11. After receiving the file, we will call the person listed in the form shown above to confirm receipt and address for contracts to be mailed to

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 12:00 noon,
 CPT (1:00 pm EPT) on Thursday, December 9th

Submitting Practice Bids



- The Bid Submission site is live now for Bidders to practice submitting bids
- ◆ Bids submitted before 10:00 am CPT on Thursday, December 9th 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 12:00 noon 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, December 13th
- Procurement Monitor submits report to ICC by Monday, December 13th
- ICC accepts or rejects recommendation on Tuesday, December 14th or Wednesday, December 15th
- Recommended Bidders will receive preliminary award notifications on Monday, December 13th
- Bidders notified of final awards immediately following ICC approval
- Contracts executed with Winning Bidders within three business days of ICC decision
 - ICC decision on 12/14 → contracts executed by 12/17
 - ICC decision on 12/15 → contracts executed by 12/20



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