

# Illinois Power Agency

## Renewable Energy Credits Procurement for Ameren Illinois Company

Bidder Practice Session

May 8, 2012

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



# Agenda

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



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# Supplier Fee

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# Supplier Fee

- ◆ Supplier Fee Agreement process changing from last year
- ◆ Winning bidders will receive partially executed Supplier Fee Agreements from the Procurement Administrator on the day following the ICC ruling
  - Must be signed and returned to the Procurement Administrator by email, with hard copies sent by overnight mail
  - Detailed instructions included in Supplier Fee Agreement
- ◆ Supplier Fee will be \$0.15/REC from each Winning Bidder
- ◆ Will be paid directly to the Illinois Power Agency, by check or e-check
- ◆ Payment due within 7 business days of ICC ruling



# Bid Submission



# Bid Submission Instructions (1)

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

### Bid Submission

[Bid Form](#) (Posted 3/21/12) ←

[Submission Instructions](#) (Posted 3/21/12)

Bidder Practice Session Materials (To Be Posted By 5/8/12)

[Submit Bid Form](#) (Link will open a new window)

The binding bid submission window will be open on 5/10/12 from 12:00 noon CPT to 2:00 pm CPT

## 2. Fill in your Company name

	A	B	C	D	E	F	G	H	I
1	Bidder: (full legal name)								

**\*\*Note that only the yellow-shaded cells in the bid form can be edited**



# Bid Submission Instructions (2)

3. For each REC Class (IAW, IAP, IAN, OSW, OSP, OSN), enter the number of RECs you are bidding at each price, and the price in \$/REC (equivalent to \$/MWh)

	A	B	C	D	E	F	G	H	I	J	K	L	M
18	<b>Bids:</b>												
19	REC Type Code:	<b>IAW</b>		<b>IAP</b>		<b>IAN</b>		<b>OSW</b>		<b>OSP</b>		<b>OSN</b>	
20	Total number of RECs offered:	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
21													
22	Bid Group	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC
23	1												
24	2												
25	3												
26	4												
27	5												
28	6												
29	7												
30	8												
31	9												
32	10												
33	11												
34	12												
35	13												
36	14												
37	15												

- ◆ Bidders are encouraged to submit bids as values rather than formulas

## Bid Submission Instructions (3)

4. Check your bid form for any errors, which will be flagged by red-shaded cells. Possible errors include:
  - ◆ Too many RECs for a single Class are bid. Each Class is limited to 523,376 RECs. If this error is not fixed, the RECs with the highest prices will be eliminated until the max number of RECs is reached
  - ◆ The number of RECs bid at each price must be an integer. If a non-integer number of RECs is bid, the fractional block will be discarded (*i.e.*, the number of RECs will be rounded down to the nearest integer).
  - ◆ If no price or no number of RECs 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 RECs entered is  $\leq 0$



# Examples of Bid Form Errors (1)



D26		1.5					
A	B	C	D	E	F	G	
18	<b>Bids:</b>						
19	REC Type	<b>IAW</b>		<b>IAP</b>		<b>IAN</b>	
20	Total number of RECs of	<b>600,000</b>		<b>77</b>		<b>3,000</b>	
21							
22	Bid Group	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC
23	1	100,000	\$1.00	15	\$7.00	1,000	\$13.00
24	2	100,000	\$2.00	15	\$8.00	1,000	\$14.00
25	3	100,000	\$3.00	15	\$9.00	1,000	
26	4	100,000	\$4.00	<b>2</b>	\$10.00		<b>\$15.00</b>
27	5	100,000	\$5.00	15	\$11.00		
28	6	100,000	\$6.00	15	\$12.00		
29	7						
30	8						
31	9						
32	10						

2

1

3

4

2



## Examples of Bid Form Errors (2)

1. Too many RECs are entered, only 23,376 of the \$6.00 bids will be accepted
2. A non-integer number of bids is entered, the number of RECs bid at \$10.00 will be rounded down to 1 (bid sheet doesn't show decimal places, check formula bar)
3. No price is entered in row 3, therefore this bid will not be evaluated
4. No number of RECs is entered in row 4, therefore this bid will not be evaluated



# Bid Submission Instructions (4)

5. After all errors are corrected, save the file. You can add your company name or other identifier to the file if you wish. Please do not use any special characters (\$, #, !, etc.) in the file name, as this may impair the upload and evaluation process
6. On the procurement website, click on “Submit Bid Form” which will open a new window with a password prompt

**Bid Submission**

[Bid Form](#) (Posted 3/21/12)

[Submission Instructions](#) (Posted 3/21/12)

Bidder Practice Session Materials (To Be Posted By 5/8/12)

[Submit Bid Form](#) (Link will open a new window) ←

The binding bid submission window will be open on 5/10/12 from 12:00 noon CPT to 2:00 pm CPT



# Bid Submission Instructions (6)



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

A screenshot of a web browser window titled "Bid Submission - 2012 Ameren Illinois Company RFPs - Google Chrome". The address bar shows "logiform Software Inc. [CA] https://www.logiforms.com/external\_requesthandler.IF". The page content includes the heading "Bid Submission - 2012 RFPs for Ameren Illinois Company" and instructions: "Please fill in all fields. Call Sara Wilmer at 617-531-2818 x15 with any questions." Below this, a paragraph states: "The submission window for binding bids will open at 12:00 noon CPT on the Bid Date and close at 2:00 pm CPT on the Bid Date. Bids submitted in advance of 12:00 noon CPT on the Bid Date will be evaluated as test bids. Bids submitted after 2:00 pm CPT on the bid date will not be accepted or evaluated." Three bid dates are listed: "Capacity RFP Bid Date: April 5, 2012", "Energy RFP Bid Date: April 26, 2012", and "Renewable Energy Credits RFP Bid Date: May 10, 2012". The form has three input fields for "Company", "Contact Name", and "Phone Number". Below these is the text "We will call this number to confirm successful bid receipt." The "Bid File" section contains a "Choose File" button, the text "No file chosen", and "Reset" and "Submit" buttons at the bottom.

8. 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 REC within each Class
  - No contingencies will be considered
- ◆ The Procurement Administrator can recommend that the ICC accept all, some, or none of the RECs offered within a group / bid row
- ◆ Bid prices will be rounded to the nearest \$0.01
  
- ◆ Bidding window opens at 12:00 noon CPT on Thursday, May 10<sup>th</sup>
- ◆ Final binding bids must be submitted by 2:00 pm, CPT on Thursday, May 10<sup>th</sup>



## Submitting Practice Bids

- ◆ The Bid Submission site is live now for Bidders to practice submitting bids
- ◆ Bids submitted before 12:00 noon CPT on Thursday, May 10<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 Wilmer 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 Wilmer 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 2:00 pm CPT deadline



# Bid Evaluation



## Bid Evaluation Parameters

- ◆ The procedure for bid evaluation is described in Attachment A of the RFP
- ◆ Total REC Requirement (TRR) is 523,376 RECs
- ◆ Budget Limit (BL) is \$12,978,111
  - REC purchases exceeding this limit are deemed “not cost effective”
- ◆ Wind Target (WT) and Photovoltaic Target (PT) set to meet 75% wind and 0.5% photovoltaic for entire annual quantity

# 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 PV Pool (PP): All PV 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 technology / location priorities can be managed while remaining under the BL, go to step 2

## Bid Evaluation Procedure (2)

- ◆ Step 2 – Technology Targets: Determine whether the WT and PT have been met
  - If the WT and PT have been met, go to Step 3
  - If the WT and PT have not met, switch out selected RECs in favor of wind / photovoltaic RECs to move toward targets in parallel to the extent possible, go to Step 3
- ◆ Step 3 – Illinois/Adjacent State Location Priority: Swap out Other State resources in favor of Illinois and Adjacent State resources
  - IAN cannot be substituted for OSW / OSP if it would violate the WT or PT
  - The costs for wind, photovoltaic and other switches will be compared, with the least costly switch selected first

## What Happens In Case of a Tie?



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



# Bidder Notification



## Schedule Following Bid Submission

- ◆ Preliminary notifications delivered by phone on Friday, May 11<sup>th</sup>
- ◆ Procurement Administrator submits report with recommended winning bidders to ICC by Monday, May 14<sup>th</sup>
- ◆ ICC rules on procurement results by Wednesday, May 16<sup>th</sup>
  - Pre-Bench Session on Tuesday, May 15<sup>th</sup>
  - Bench Session on Wednesday, May 16<sup>th</sup>
- ◆ Final notifications delivered by email following ICC ruling
- ◆ Contracts executed with winning bidders within three business days of ICC decision
- ◆ Supplier Fee Agreements delivered to winning bidders one business day after ICC decision



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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 Wilmer  
100 Summer Street, Suite 3200  
Boston, MA 02110
- ◆ E-Mail
  - [aiurfp@levitan.com](mailto:aiurfp@levitan.com)
- ◆ Phone
  - 617-531-2818 (John Bitler x22 or Sara Wilmer x15)
- ◆ Fax
  - 617-531-2826





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# Questions?

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