

Illinois Power Agency

Renewable Energy Credits Procurement for Ameren Illinois Company

Bidder Practice Session

May 13, 2011

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 the Ameren Illinois Company
- ◆ NERA Economic Consulting is the IPA's Procurement Administrator for ComEd
- ◆ REC Procurement Targets
 - Ameren: 952,145 RECs
 - ComEd: 2,117,054 RECs
 - 75% wind target

Harmonization with NERA Process



- ◆ REC bidding process has been harmonized between the two Procurement Administrators
 - Components of the Part 1 / Pre-Qualification package were consolidated
 - Part 2 / Registration deadline coordinated
 - Bidding window from 12 noon to 2 pm CPT on 5/18/11
- ◆ Bid evaluation will be conducted separately for each utility, with no contingent bids between the two utilities



Product Overview

- ◆ Standard REC
 - Includes all Environmental Attributes from generation
- ◆ Vintage
 - January 1, 2011 through May 31, 2012
- ◆ Delivery Schedule
 - Start in August 2011
 - Required deliveries are quarterly
- ◆ 4 REC Classes
 - Wind / Non-Wind
 - Illinois & Adjacent States / Other States



Supplier Fee



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 \$0.10/REC from each Winning Bidder
- ◆ Will be paid directly to the Illinois Power Agency, by check or ACH
- ◆ Payment due within 7 business days of ICC ruling



Bid Submission

Bid Submission Materials



Documents

[Request for Proposals](#) (Posted 4/21/11)

[Draft Renewable Energy Credit Agreement](#) (Posted 4/26/11)

[Redline Against Final REC Agreement for 2010](#)

[Final Renewable Energy Credit Agreement](#) (Posted 5/10/11)

[Redline Against Draft REC Agreement](#) (Posted 5/10/11)

[Form of Pre-Bid Letter of Credit](#) (Posted 4/21/11)

[Acceptable Modifications to RECs Pre-Bid Letter of Credit](#) (Posted 5/3/11)

[Pre-Qualification Application](#) (Posted 4/15/11)

Submission deadline: 12:00 noon CPT on May 2, 2011 by email (aiurfp@levitan.com) or fax (617-531-2826)

[Bid Participation Fee Payment Instructions](#) (Posted 4/15/11)

Payment deadline: 12:00 noon CPT on May 2, 2011

[Bidder Registration Form](#) (Posted 5/2/11)

The Bidder Registration deadline is 12:00 noon CPT on Wednesday, May 11, 2011

[Register for the Bidder Practice Session](#) (Posted 5/4/11)

The Bidder Practice Session will be held as a webinar on Friday, May 13, 2011 at 3pm EPT / 2pm CPT. Materials from the webinar will be posted here following the session. Participation is not mandatory.

Supplier Fee Details

The amount of the Supplier Fee charged to winning REC RFP bidders will be \$0.10/REC (Posted 4/26/11)

[Supplier Fee Binding Agreement](#) (Posted 4/27/11)

Supplier Fee Binding Agreements will be completed with winning bidders following the ICC's ruling

[RECs Bid Form](#) (Posted 5/4/11)

[RECs Bid Form Instructions](#) (Posted 5/4/11)

[Submit Bid Form](#) (Posted 5/13/11) **Clicking link will open new window**

The password to access the bid submission page will be sent by email and given in the Bidder Practice Session, if you would like to submit a practice bid and have not yet received the password, please call Sara Wilmer at 617-531-2818 x15

Bids submitted before 12:00 noon CPT on Wednesday, May 18, 2011, will be reviewed only as practice bids

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



Bid Submission Instructions (1)

1. Download Bid Form: “RECBidForm.xls”

[RECs Bid Form](#) (Posted 5/4/11) ←

[RECs Bid Form Instructions](#) (Posted 5/4/11)

[Submit Bid Form](#) (Posted 5/13/11) **Clicking link will open new window**

The password to access the bid submission page will be sent by email and given in the Bidder Practice Session, if you would like to submit a practice bid and have not yet received the password, please call Sara Wilmer at 617-531-2818 x15

Bids submitted before 12:00 noon CPT on Wednesday, May 18, 2011, will be reviewed only as practice bids

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, IAN, OSW, 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
19	Bids:								
20	REC Type Code:	IAW		IAN		OSW		OSN	
21	Total number of RECs offered:	0		0		0		0	
22									
23	Bid Group	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC
24	1								
25	2								
26	3								
27	4								
28	5								
29	6								
30	7								
31	8								
32	9								
33	10								
34	11								

- ◆ Bid form contains 100 rows, if additional rows are needed, please contact Sara Wilmer
- ◆ 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 952,145 RECs. If this error is not fixed, the RECs with the highest prices will be eliminated until the max number of RECs is reached
 - ◆ A price less than \$0.01/REC or greater than \$1,000/REC is bid; RECs with prices outside this range will be assumed to be in error and will not be evaluated
 - ◆ 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 ≤ 0

Examples of Bid Form Errors (1)



	A	B	C	D	E	F	G	H	I
19	Bids:								
20	REC Type Code:	IAW		IAN		OSW		OSN	
21	Total number of RECs of	1,000,000		62		8,000		5,000	
22									
23	Bid Group	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC	No. of RECs	Price, \$/REC
24	1	100,000	\$2.00	15	\$2.00	1,000	\$2.00	1,000	\$2.00
25	2	100,000	\$4.00	15	\$4.00	1,000	\$4.00	1,000	\$4.00
26	3	100,000	\$6.00	15	\$6.00	1,000	\$6.00	1,000	\$6.00
27	4	100,000	\$8.00	1.5	\$8.00	1,000	\$8.00	1,000	\$8.00
28	5	100,000	\$10.00	15	\$10.00	1,000	\$0.00		\$10.00
29	6	100,000	\$12.00			1,000	\$12.00	1,000	
30	7	100,000	\$14.00			1,000	\$14.00		
31	8	100,000	\$16.00			1,000	\$1,600.00		
32	9	100,000	\$18.00						
33	10	100,000	\$20.00						
34	11								
35	12								
36	13								

Examples of Bid Form Errors (2)

1. Too many RECs are entered, only 52,145 of the \$20.00 bids will be accepted
2. A non-integer number of bids is entered, the number of RECs bid at \$8.00 will be rounded down to 1
3. The \$0.00 bid is below the minimum price, therefore this bid will not be evaluated
4. The \$1,600.00 bid is above the maximum price, therefore this bid will not be evaluated
5. No number of RECs is entered in row 5, therefore this bid will not be evaluated
6. No price is entered in row 6, 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



Bid Submission Instructions (5)

- On the procurement website, click on “Submit Bid Form” which will open a new window with a password prompt

[RECs Bid Form](#) (Posted 5/4/11)

[RECs Bid Form Instructions](#) (Posted 5/4/11)

[Submit Bid Form](#) (Posted 5/13/11) **Clicking link will open new window** ←

The password to access the bid submission page will be sent by email and given in the Bidder Practice Session, if you would like to submit a practice bid and have not yet received the password, please call Sara Wilmer at 617-531-2818 x15

Bids submitted before 12:00 noon CPT on Wednesday, May 18, 2011, will be reviewed only as practice bids





Bid Submission Instructions (6)

- 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.

REC's Bid Submission - Google Chrome

https://www.logiforms.com/external_requesthandler.lf

Bid Submission - Renewable Energy Credits RFP
 Please fill in all fields. Call Sara Wilmer at 617-531-2818 x15 with any questions.

The submission window for binding bids will open at 12:00 noon CPT on Wednesday, May 18, 2011. Bids submitted before that time will be considered to be practice bids and will not be evaluated.

Company

Contact Name

Phone Number

We will call this number to confirm successful bid receipt.

Tracking System / Certification Authority

Bid File No file chosen

Note that you will need to provide the tracking system(s) you will use to certify your RECS, you can specify a different tracking system for each class, if needed

Bid Submission Instructions (7)



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 Wednesday, May 18th
- ◆ Final binding bids must be submitted by 2:00 pm, CPT on Wednesday, May 18th



Submitting Practice Bids

- ◆ The Bid Submission site is live now for Bidders to practice submitting bids
- ◆ Bids submitted before 12:00 noon CPT on Wednesday, May 18th 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 952,145 RECs
 - 75% from wind: Wind Target (WT) is 714,109 RECs
- ◆ Budget Limit (BL) is \$30,180,309
 - REC purchases exceeding this limit are deemed “not cost effective”



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, go to step 2
- ◆ 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/Adjacent State Location Priority: Swap out Other State resources in favor of Illinois and Adjacent State resources
 - IAN 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 \$5.80
 - The most expensive selected OSW is \$6.00
 - The least expensive unselected IAN is \$7.00
 - The least expensive unselected IAW is \$7.50
 - Least expensive switch: replace OSW with IAN, incremental cost = \$1.00, but this switch would violate the wind target
 - Options are (1) Replace OSW with IAW for \$1.50, (2) replace OSN with IAN for \$1.20
 - Option 2 is the more cost-effective switch

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



- ◆ Procurement Administrator submits report with recommended winning bidders to ICC on Thursday, May 19th
- ◆ Procurement Monitor submits report to ICC by Friday, May 20th
- ◆ ICC accepts or rejects recommendation on Monday, May 23rd or Tuesday, May 24th
 - Currently scheduled for 5/24 Regular Open Meeting
- ◆ Recommended Bidders will receive preliminary notification on Thursday, May 19th
- ◆ Bidders notified of final awards immediately following ICC approval
- ◆ Contracts executed with Winning Bidders within three business days of ICC decision
 - ICC decision on 5/24 → contracts executed by 5/27



Contact Information

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
- ◆ Phone
 - 617-531-2818 (John Bitler x22 or Sara Wilmer x15)
- ◆ Fax
 - 617-531-2826



Questions?
