

# 2023 BWL All Source – RFP



Hometown People. Hometown Power.



# Agenda

- Introduction
- BWL and RFP Overview
- RFP Timeline and Process
- RFP Evaluation Process
- Wrap Up and Q&A

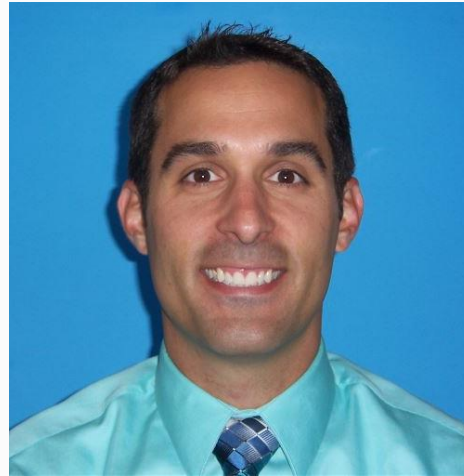
# Introductions

**Paul Eory**



Lansing Board of Water & Light  
Manager, Corporate Planning

**Tony Heriford**



Lansing Board of Water & Light  
Program Manager, Strategic  
and Sustainable Projects

**Anthony Boukarim**



Ascend Analytics  
Senior Manager of Resource  
Planning & Valuation

# Ascend Analytics' Role

Ascend Analytics is supporting BWL's initiative by administering and organizing the RFP and analyzing the economic value of proposed projects.

- Ascend Analytics offers the following:
  - Standardizing, collecting, and reviewing all submitted data
  - Using advanced simulation and analytics software to model projects and ensure accurate and consistent project evaluation



# Housekeeping

- Audio – Disabled; We will unmute participants if necessary
- Video – Disabled
- Questions during the webinar must be submitted via the Q&A window. Questions will be answered in the time available at the end of the presentation.
- Additional questions should be submitted through the RFP website <https://www.lbwl.com/about-bwl/2023-all-source-rfp-capacity-energy>
- All submitted questions will be answered in the Q&A responses posted to the RFP website on December 7th, 2022.
- This presentation will be recorded and available after the call on the RFP website.





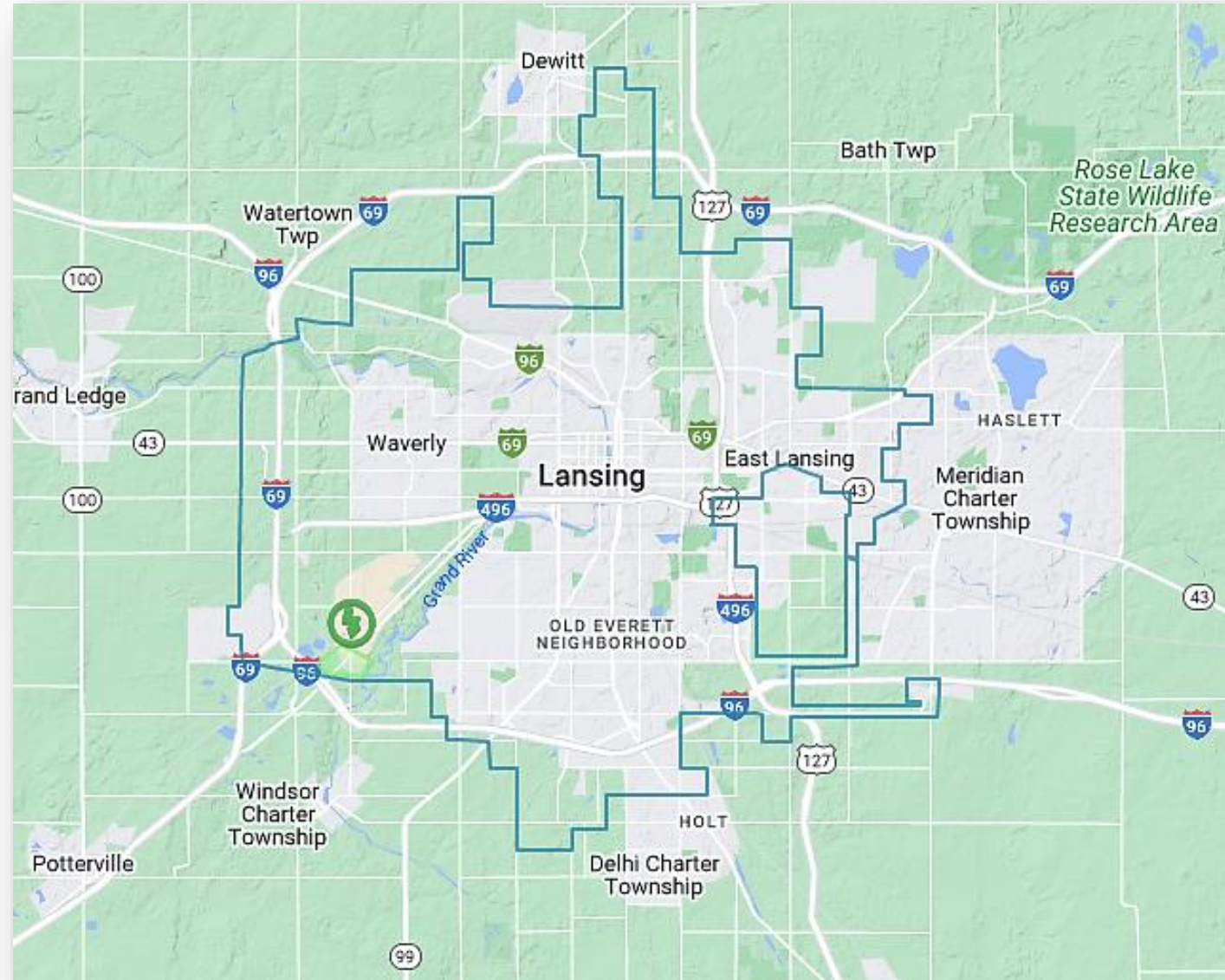
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# BWL Overview



★ Lansing, MI  
Zone 7



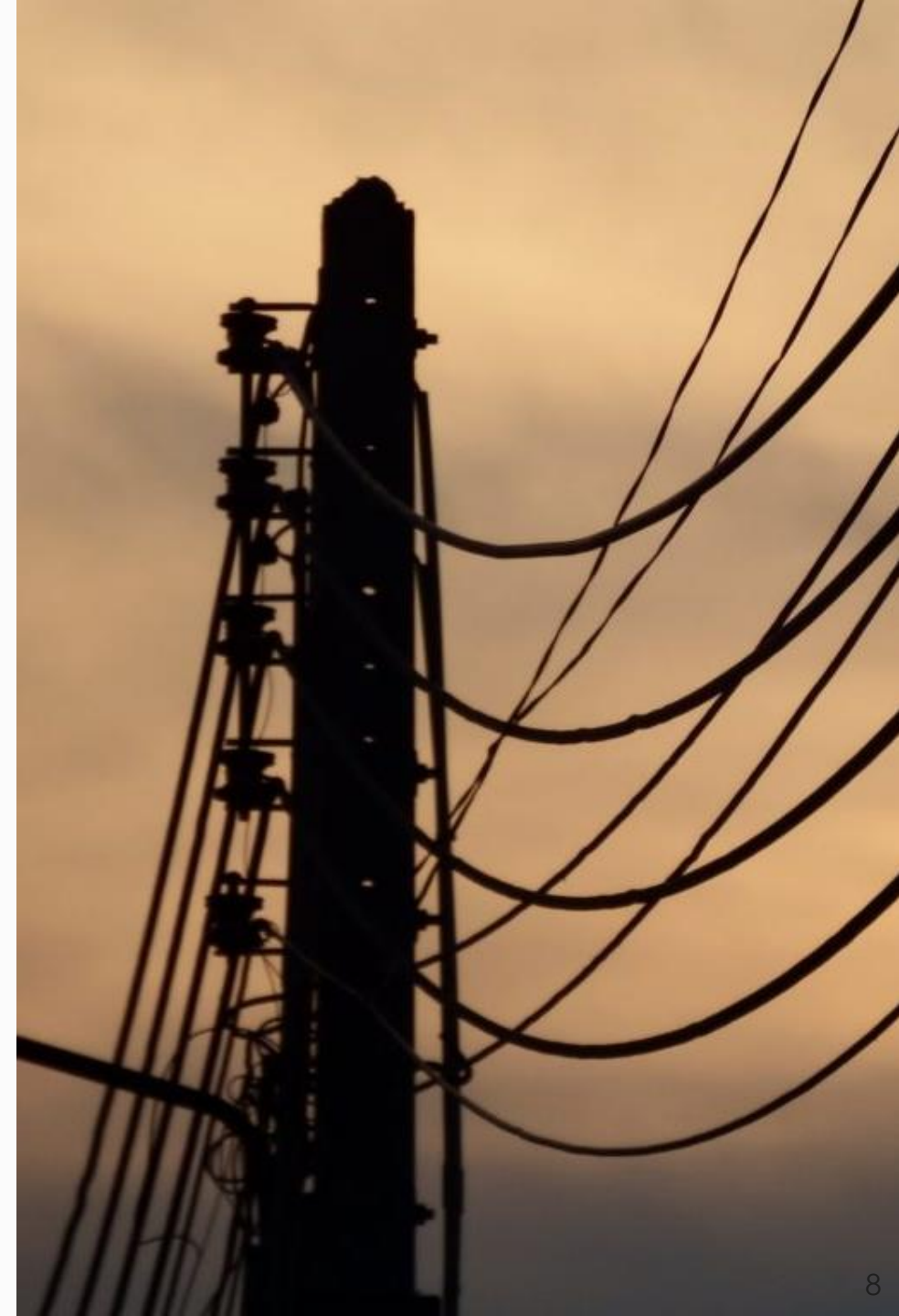
# BWL Electric System

## ➤ Voltage Classes:

- 138 kV Transmission
- 13.2 kV Distribution

## ➤ MISO Connected:

- Point-to-Point
- 162 MW Firm Transmission Ownership
- Can import 400 MW to serve load





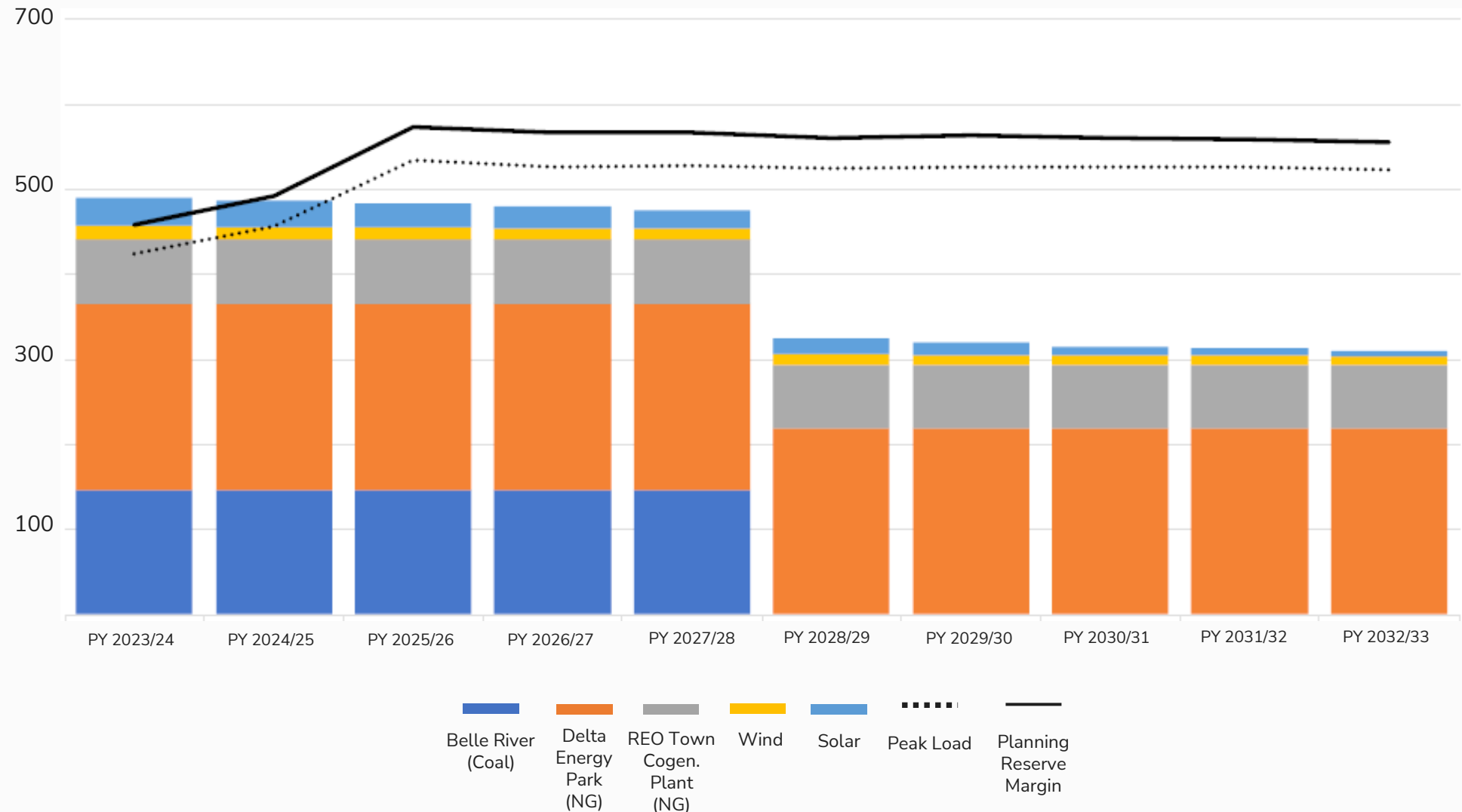
# BWL Portfolio and Capacity Need

## Key Changes:

- Erickson
- Belle River
- Ultium Plant

## Growth by 2025:

- 475 MW



# RFP Overview and Goals

- Goal: Receive competitive proposals to supply up to 475 MW firm capacity
- COD before June 1st, 2025 is preferred.
- All bids must be compliant with RFP specifications.
- BWL intends to collect all relevant energy, environmental attributes, resource adequacy, and ancillary services benefits from the projects, if applicable.

# Product Types – Group A

The **All-Source RFP** seeks proposals from qualified parties for a wide range of product categories. Group A projects include:

- Renewable Generation
  - Wind, solar, hydro, geo, etc. – **PPA and Ownership**
- Thermal Generation
  - NG including the future capability of combusting renewable fuels – **Ownership only**
- Storage
  - Standalone storage projects with minimum 4 hours – **PPA and Ownership**
- Hybrid Resources
  - Renewable or thermal generation plus storage – **PPA and Ownership**
- Virtual Power Plants
  - Behind-the-meter solar and storage with utility dispatchability – **PPA only**
- Other commercially available resources not listed – **PPA and Ownership**

Commercially viable means the technology has been successfully interconnected to a utility system and demonstrated the physical capability to deliver energy, ancillary service, or capacity services.

# Project Eligibility – Group A Requirements

Location	Local projects that are connected to the BWL transmission or distribution system or Projects that are connected to MISO Zone 7
Products	Renewable Generation Only, Generation Plus Storage, Standalone Storage, and Dispatchable Thermal Generation. Storage projects must have a duration of at least 4 hours. Both behind-the-meter (BTM) and in-front-of-the-meter (FTM) resources are accepted.
Price	<p>Offer structure may be PPA (Offtake) or Ownership (EPC).</p> <p><b><u>PPA price for generation projects:</u></b> All-in price for all attributes (inclusive of energy, capacity, ancillary services, and environmental attributes) expressed as a fixed \$/MWh with zero percent (0%) annual escalator.</p> <p><b><u>PPA price for storage projects:</u></b> Full-toll offers prices expressed as a fixed \$/kW-month with zero percent (0%) annual escalator.</p> <p><b><u>Ownership Agreements:</u></b> All-in EPC cost, in dollars.</p> <p>Note: For projects connected to the BWL T&amp;D system, interconnection cost (as estimated by BWL engineers) should NOT be included in the pricing.</p>



# Project Eligibility – Group A Requirements

<b>Number of Offers</b>	<p>Bidders can submit one (1) Primary Offer per unique facility/location. This project should be the largest size and most competitive offer that meets all compliance requirements.</p> <p>Bidders may submit one (1) Alternate Offer for a given unique facility / location <b>only if the Alternate Offer differs from the primary by COD</b> (later than 06/01/2025 but before 06/01/2028), <b>PPA tenor</b> (both greater than 10 years), or <b>storage duration</b> (more than 4 hours).</p> <p>Other configurations, durations, or pricing schemes than described above may be submitted as descriptions within the narrative document but may not be evaluated or considered until final negotiations or at all.</p> <p><u>Please submit one Offer Form Template (Group A) per offer</u> containing all data for generation and storage as instructed in the excel file to ensure proper evaluation of all components of the project.</p> <p>NOTE: If a single Bidder wishes to submit multiple unique facilities (at different locations), each project must be submitted as an entirely new Submission Package including all necessary documents.</p>
<b>Term for PPA offers</b>	PPA offers must be for at least 10 years.

# Project Eligibility – Group A Requirements

<b>Scheduling Coordinator</b>	BWL prefers being the scheduling coordinator. Developers may express in the narrative if there's interest in being the scheduling coordinator.
<b>Expected Commercial Operation Date (COD)</b>	All primary offers must have a COD on or prior to 06/01/2025. Bidders may submit alternative offers with COD up to 06/01/2028. BWL has a strong preference for projects with earlier COD.
<b>Interconnection</b>	<p><u>For projects connected to the BWL T&amp;D system:</u> must have submitted an Interconnection Application and Data to BWL to become eligible to bid into this RFP.</p> <p><u>For projects connected to MISO Zone 7:</u> must be working towards submitting an interconnection application.</p>
<b>Installed Capacity</b>	<p><u>For projects connected to the BWL T&amp;D system:</u> minimum aggregate nameplate capacity of 1 MW AC.</p> <p><u>For projects connected to MISO Zone 7:</u> minimum nameplate capacity of 20 MW AC.</p>
<b>Storage Cycles</b>	Storage resources are expected to operate at approximately 365 cycles/year and a maximum of 2 cycles/day.

# Project Eligibility – Group A Requirements

<b>Maintenance</b>	Seller is expected to maintain operation of the facility at full nameplate capacity throughout the PPA term. Any maintenance or replacement required to maintain nameplate operation of the facility is the responsibility of the Seller.
<b>Storage Operational Efficiency</b>	The efficiency rate of the storage resource must reflect actual efficiency of the storage facility, measured at the storage facility meter, per year over the PPA term.
<b>Station Use</b>	For PPAs, seller will be responsible for Station Use. For Storage facilities, Seller is also responsible for Idle Period Auxiliary Use which is Auxiliary Use consumed by the Storage Facility during periods in which the Storage Facility is not charging or discharging pursuant to a Charging Notice or Discharging Notice.

Additional guidance is provided in detail in the RFP Protocol and BWL Term Sheets

# Product Types – Group B

The **All-Source RFP** seeks proposals from qualified parties for a wide range of product categories. Group B projects include:

- Demand Response
  - Demand response or other customer-located resources – **PPA only**
- Energy Efficiency
  - Resources that provide demand reductions and ongoing energy conservation that are predictable and measurable – **PPA only (akin to traditional energy efficiency program administration)**
- Other commercially available resources not listed – PPA and ownership

Commercially viable means the technology has been successfully interconnected to a utility system and demonstrated the physical capability to deliver energy, ancillary service, or capacity services.



# Project Eligibility – Group B Requirements

Location	BWL customer sited projects that are behind the retail meter (BTM)
Products	Energy efficiency or demand response programs
Price	<p>Offer structure may only be PPA (Offtake), which is intended to include program administration agreements. Energy efficiency programs or demand response projects may be priced as a:</p> <p><b>Fixed \$/MWh reduction with zero percent (0%) annual escalator,</b> or <b>Fixed \$/kW-year capacity with zero percent (0%) annual escalator.</b></p>
Number of Offers	<p>Bidders can submit one (1) Primary Offer per program.</p> <p>Bidders may submit one (1) Alternate Offer for a given program <b>only if the Alternate Offer differs from the primary by COD</b> (must be before 06/01/2028), <b>PPA tenor</b> (both between 3 and 5 years), or <b>program size</b> (total peak demand or energy reduction).</p> <p><u>Please submit one Offer Form Template (Group B)</u> containing all program information as instructed in the excel file to ensure proper evaluation of all components of the project.</p> <p>NOTE: If a single Bidder wishes to submit multiple unique programs, each project must be submitted as an entirely new Submission Package.</p>

# Project Eligibility – Group B Requirements

PPA Term	PPAs must be for at least three (3) years and no more than five (5) years.
Expected Commercial Operation Date (COD)	<p>Energy Efficiency programs Primary Offers must begin by 01/01/2025, which includes additional programs to complement existing programs prior to 01/01/2025.</p> <p><b>Demand response Primary Offers must have a COD on or prior to 06/01/2025.</b></p> <p><b>Bidders may submit Alternative Offers with COD up to 06/01/2028.</b> BWL has a strong preference for projects with earlier COD.</p>
Project Size	<p>Demand Response: Utility dispatchable programs no less than 1 MW AC in aggregate.</p> <p>Energy Efficiency: No minimum project size</p>

Additional guidance is provided in detail in the RFP Protocol and BWL Term Sheets

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# RFP Timeline

October 10, 2022	RFP Released
November 9, 2022	Bidder Conference to discuss RFP process at 1:00pm Eastern Time
November 23, 2022	Deadline to submit Q&A questions at 11:59pm EST. Submit questions directly on the RFP website
December 7, 2022	Q&A responses posted to the BWL RFP website
January 13, 2023	Deadline to submit Proposals at 5:00pm EST
March/April 2023	Bidders notified of shortlist status



# Bidder Registration

To access RFP materials, participate in Q&A, and receive notifications, all Bidders must register online at:

<https://www.ascendanalytics.com/lbwl-bidder-registration-form>

# Communication

- All documents are posted to the RFP website.
- Email alerts or developer notifications are distributed through Ascend. Register on the RFP website for alerts and notifications.
- BWL and Ascend Analytics will NOT accept phone calls regarding this RFP.

NOTE: If it is discovered that a Bidder contacts and receives information from any BWL personnel, board director or alternate outside of this Q&A process, BWL may, in its sole determination, disqualify such Bidder's proposal from further consideration

# Question & Answer Process

- All questions should be submitted to the RFP website via an embedded form:
  - <https://www.ascendanalytics.com/lbwl-questions-submission>
- All questions are due by November 23, 2022 (Thanksgiving week)
- All questions are responded to in writing and will be posted to the RFP website on December 7, 2022.

# Project Submittal – Submission Package

- Project bids should be submitted via the RFP website by January 13th at 5:00 PM (EST).
  - <https://www.ascendanalytics.com/lbwl-submission-portal>
- The following documents are required for each submission package:
  - Project Narrative
  - Offer Form Group A or B
- The following documents are optional:
  - Mutual Confidentiality Agreement
  - Redlined PPA/Ownership Agreement Term Sheet
  - Additional documents



# Project Submittal – Offer Form Templates

- The Excel-based Offer Form templates are the primary source of data for evaluating submissions. Depending on the project type, Bidders are required to submit a Group A or B offer form
- Each Offer Form (primary or alternative) must be fully compliant with the RFP requirements. Refer to section 3.2 of the RFP document for eligibility requirements
- The Offer Forms consist of multiple sheets plus instructions. Bidders must follow the instructions carefully to complete the appropriate tabs for the type of project being submitted.
- Bidders must pay close attention to the notes, units, and examples provided in the Offer Form templates

# Project Submittal – Project Narrative

Each offer must include a Project Narrative that summarizes the proposal. Any information not captured in the Offer Form should be listed in the Project Narrative. The Project Narrative includes but is not limited to the following:

- Project summary
- Project details summary table
- Technology description
- Detailed site description
- Project risk
- Community experience
- Developer experience

Please see Table 8 in the [All-Source RFP pdf file](#) for details on the sections

# Review and QAQC Process

- After the submission deadline, all submissions will be reviewed for compliance and completeness.
- A proposal may be immediately rejected if it is not compliant with the requirements in the RFP, prepared in the format described, or is not signed by an individual authorized to represent the Bidder.
- At BWL's discretion, if a proposal is determined to be non-conforming, BWL will notify the Bidder, and the Bidder will be allowed **five (5) business days** to remedy the proposal (the "cure period").
- Bidder is solely responsible for checking compliance of all submitted materials. Lack of communication from BWL does not imply confirmation of a compliant submission.





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# Quantitative Evaluation

- All projects will be assessed for market performance against the relevant project P-node.
- Valuation will be performed using Ascend's PowerSIMM™ platform, dispatching resources against simulated basis prices.
- Projects will be valued for their revenues across all relevant DA, RT, and ancillary markets, as well as their capacity and transmission value to BWL.
- Data provided by bidders in the Offer Form templates will be used to model proposals.

# Evaluation Criteria

- Individual projects will receive a rank for each of the following criteria:

Quantitative/Economic Evaluation 70%	Risk Assessment 15%	Strategic Alignment 15%
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- BWL will also collect data on projects that may not be used directly for project ranking but will assist in screening projects for shortlist eligibility.
- BWL reserves the right to remove shortlist eligibility for any project with an identified material risk.



# Contracting

- Offers will be evaluated holistically, and BWL's evaluation will include proposed redlines to the Term Sheets.
- Bidders must submit any proposed changes to Term Sheets via redlined Word document along with bids no later than the RFP deadline of January 13<sup>th</sup> at 5:00 PM (EST).
- Following Bidder notification (i.e., shortlist selection), in order to begin negotiations, selected Bidders will be required to sign BWL's Short List Acceptance Letter and Iran Form.

NOTE: Changes to BWL's Term Sheets submitted after the response deadline may result in disqualification of the offer



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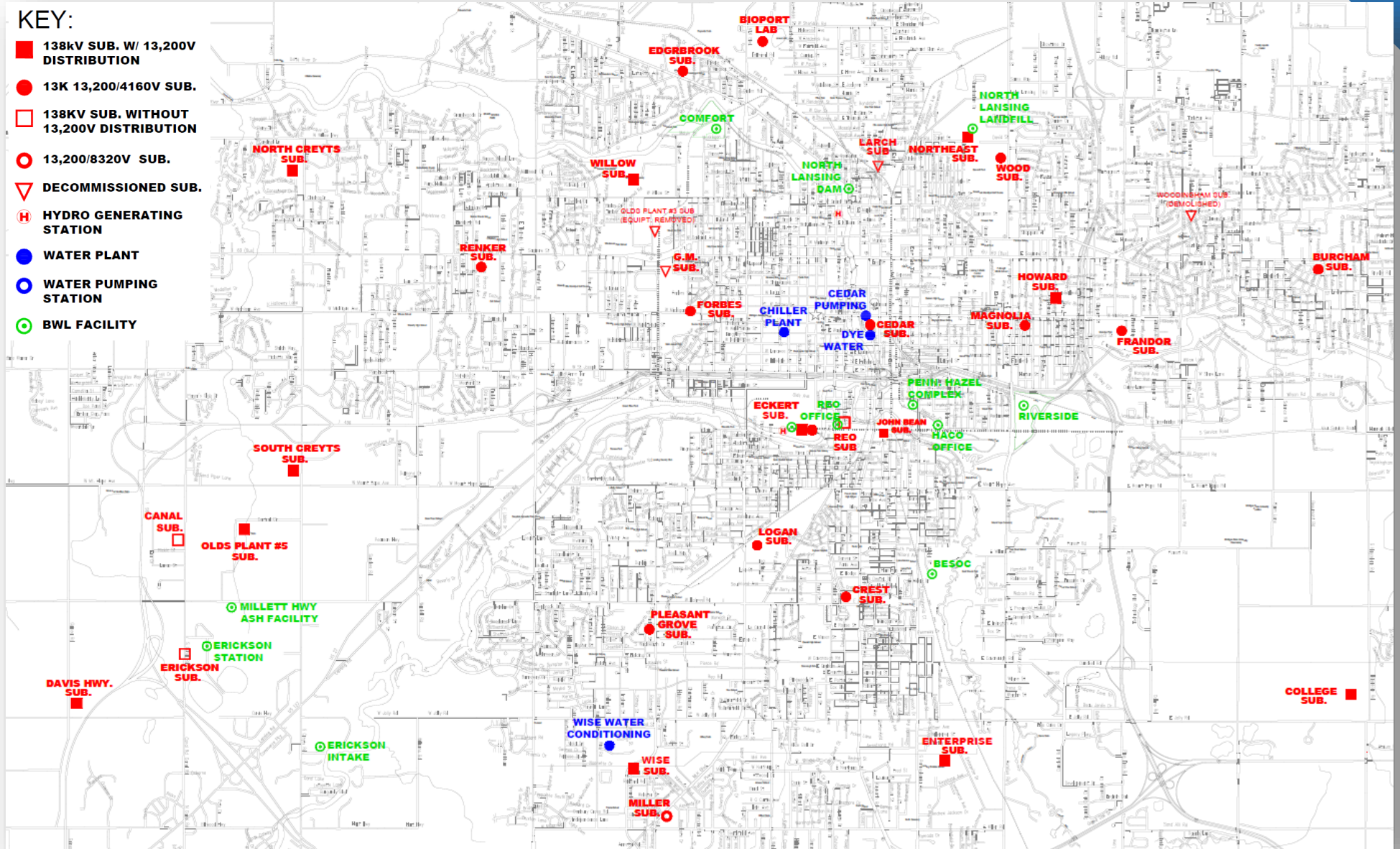
# Wrap Up – Reminders

- November 23, 2022, at 11:59 pm EST, is the deadline to submit questions to the RFP website.
- December 7, 2022, the Q&A will be posted on the RFP website.
- January 13, 2023, at 5:00 pm EST, is the deadline to submit RFP proposals.
- Bidder conference recording and presentation will be posted to the RFP website.



# BWL Substation and Facility Map

- A PDF Map will be added to the RFP Website



# BWL Interconnection Process

## General:

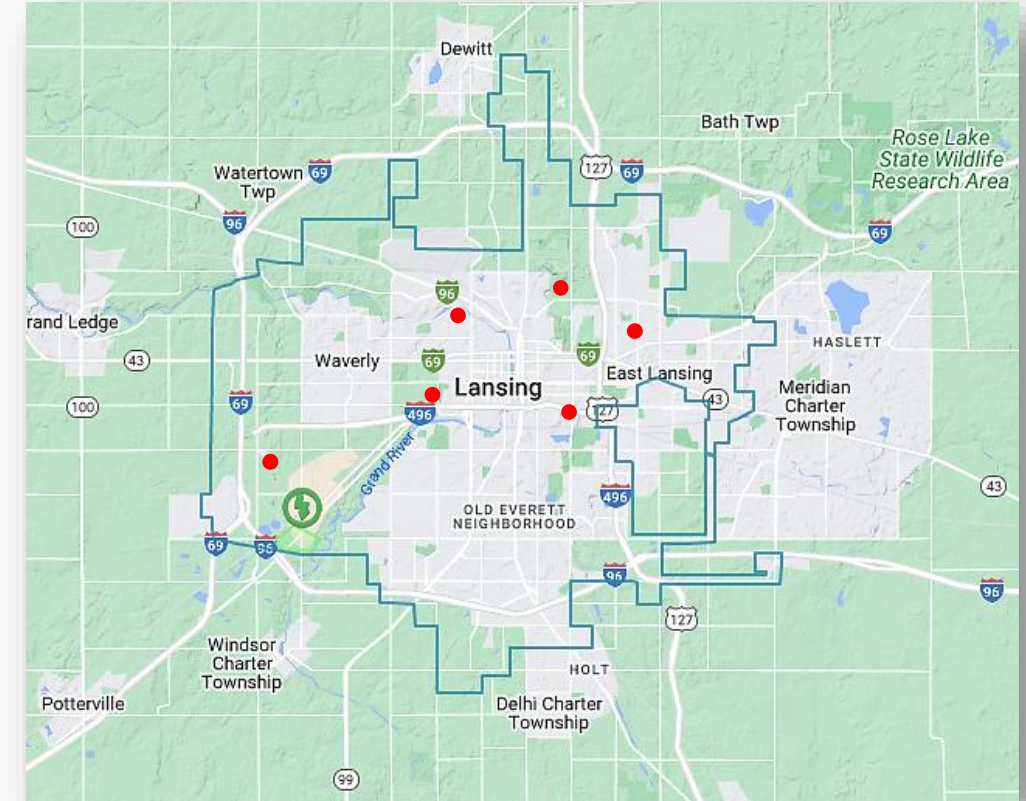
- Bidders are required to initiate the interconnection process with their proposal submission
  - For regional projects, follow MISO's process
  - For local projects, submit an Interconnection Application and associated data to the BWL.
- The interconnection study does **not** need to be **completed** by proposal submission.

## Local Projects:

- Interconnection studies may be assessed a fee determined by the BWL
  - The fee is the lesser of either 5% of the estimated total cost of the Project or \$10,000.
- More information on the BWL interconnection process can be found [here](#).
- Bidders wishing to discuss an interconnection or submit an application should use the following email. [LBWL2023AllSourceRFP@ascendanalytics.com](mailto:LBWL2023AllSourceRFP@ascendanalytics.com)
  - BWL engineering staff will respond.

# BWL Available Parcels of Land

Property Address	Parcel Number	Approximate Acres
Glenrose Ave Lansing, MI 48915	33-01-01-05-351-001	20.00
3725 S Canal Rd Lansing, MI 48917	040-034-300-013-00	22.00
LAKE Lansing Rd Lansing, MI 48906	33-01-01-03-381-012	1.50
2331 W Main St Lansing, MI 48917	33-21-01-19-230-026	0.50
1500 Lake Lansing, Lansing, MI, 48912	33-21-01-03-451-005	30.00
2000 E Malcolm X St Lansing, MI 48910	33-01-01-23-152-005	12.00
707 Woodingham Dr East Lansing, MI 48823	33-20-01-12-212-003	0.25



- Contact RFP email ([LBWL2023AllSourceRFP@ascendanalytics.com](mailto:LBWL2023AllSourceRFP@ascendanalytics.com)) if interested in a site visit.
- For BWL owned property, bidders can assume a lease rate of \$0.



# Local Interest & Partnership Opportunities

- Parties looking for a partner can express their interest on the RFP website
- Received information will be listed on the website for interested parties to review. It is the bidder's responsibility to make contact at their discretion.
- <https://www.ascendanalytics.com/lbwl-local-interest-partnership-and-teaming-opportunities-form>
- [Link](#) to current partnership interest

## Local Interest, Partnership, and Teaming Opportunities

The following form is available to those hoping to connect with a bidder to possibly be a part of their proposed opportunity. The information received will be listed for bidders to review. It is the bidder's responsibility to make contact at their discretion.

### Partnership Interest Form

Click here to complete a form and make your contact information available to bidders.

### Partnership Interest Contact Information

Click here to view the list.

# Post IRA Opportunity Zones



Market Intelligence

Low Income Communities



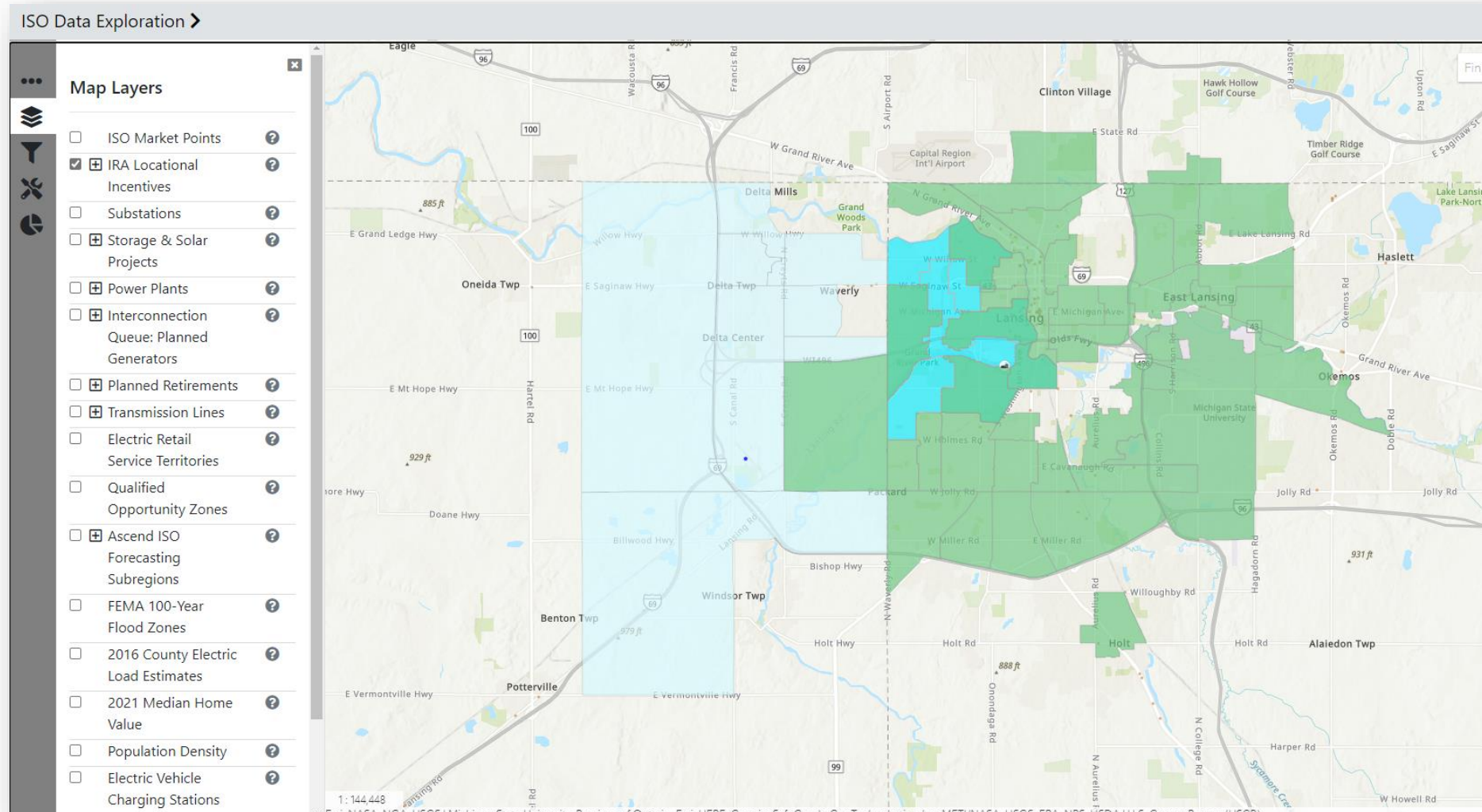
Eligible Census Tracts



Operating Coal Plant Tracts



US American Indian/Tribal Lands

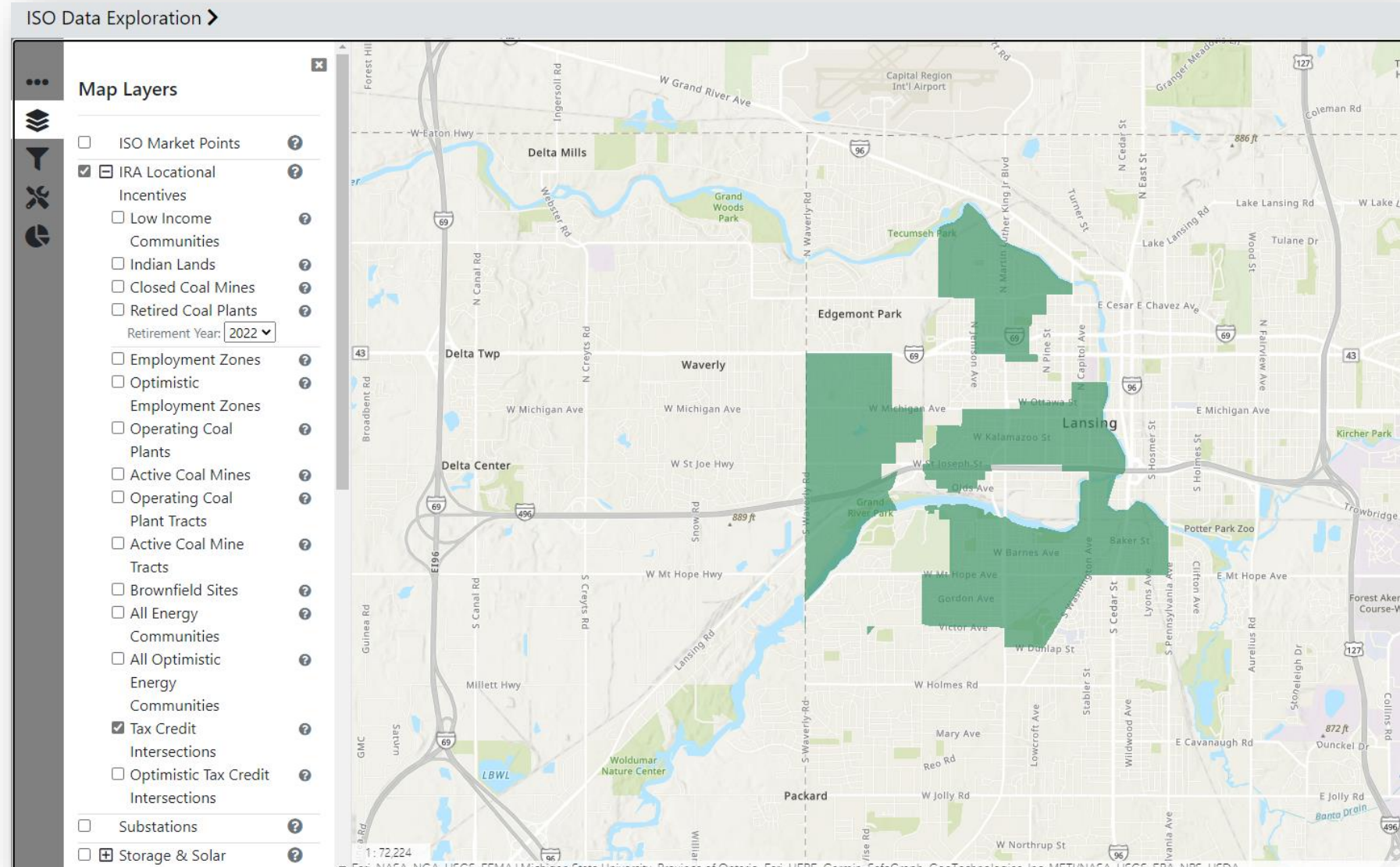


# Post IRA Opportunity Zones



Market Intelligence

Tax Credit Intersections



# Questions?

We'd be happy to help!



**Hometown People. Hometown Power.**

# FAQs

- If a developer plans to utilize any of the BWL sites listed on the RFP will the developer pay a lease rate to BWL? If so, what is the potential lease rate?
- Are the minimum project sizes in MW AC or DC?
- Will you accept asset outside Zone 7 with the ability to schedule power/capacity on firm transmission into zone?
- May bidders submit an Alternate Offer without submitting a Primary Offer if project CODs fall outside of the requested Primary Offer dates (6/1/2025)?
- Will LBWL accept offers for pre-NTP sale/ Development Asset sale?
- Is the RFP considering capacity only contracts (without energy)?



# FAQs

- Is there an NDA available for redlines and signature prior to proposal submission?
- Would a Tolling Arrangement be considered for Thermal Resources? Or is LBWL only considering ownership agreements?
- Is LBWL able to share a map of substations owned and operated by the utility?
- What are the interconnection application fees for distribution system connected projects in LBWL territory?
- If a developer is proposing to utilize parcels owned by BWL that are listed in the RFP should the developer submit for interconnection prior to the RFP response deadline? There might be multiple developers proposing to utilize the same BWL parcels; how will the interconnection be handled if multiple parties are utilizing the same parcel?