



**RPS Procurement**  
Tranche 2

**Bidders' Information  
Session**

February 3, 2021

**Maine Public  
Utilities  
Commission**

# Agenda

Initial Information and  
Introductions

Explanation of the  
Procurement Process

Questions and Answers

# Initial Information and Introduction

- ▶ Staff introductions
- ▶ How we will conduct this conference
  - ▶ In-Depth Review of Economic Benefits Evaluation Mechanism at end of session
- ▶ Today's session available for playback on Commission's website
- ▶ Docket No. 2021-00004 is open on the Commission's case management system
  - ▶ Secure docket for filing bids; all bids are confidential
  - ▶ Public docket for posting of procedural orders and FAQ log updates
- ▶ Commission webpage:
  - ▶ <https://www.maine.gov/mpuc/electricity/rfps/class1a2021/>
- ▶ How to communicate with us
  - ▶ <mailto:RPSRFPTranche2.PUC@maine.gov>
  - ▶ Posting of Q&As on webpage

# Background

- ▶ The Act: P.L. 2019, Chapter 477, requires PUC to conduct two procurements to obtain an amount of energy or RECs from Class 1A resources equal to 14% of retail electric sales in CY 2018, which is 1.715 million MWh
  - ▶ Tranche 1 concluded December 31, 2020, with 16 approved contracts procuring 1,060,225 MWh
  - ▶ Remainder to be procured through Tranche 2 is 654,775 MWh
  - ▶ 75% from new facilities
  - ▶ 25% from existing facilities, to the extent available

# Class IA Resources

- ▶ Wind and solar facilities; no facility size cap
- ▶ Facilities of the following type that are less than 100 MW
  - ▶ Fuel cells
  - ▶ Tidal power
  - ▶ Geothermal installations
  - ▶ Hydroelectric generators that meet all state and federal fish passage requirements
  - ▶ Biomass generators that are fueled by wood, wood waste or landfill gas
  - ▶ Anaerobic digestion of by-products of waste from animals or agricultural crops, food or vegetative material, algae or organic refuse
- ▶ There are also certain “vintage” requirements, i.e., definitions of “new” - please see Chapter 311 of the PUC rules for more information
- ▶ Finally, certain “qualified hydroelectric output” (see Ch. 311)

# Procurement Terms and Conditions

- ▶ Contracts
  - ▶ 20-year term with T&D utility (or longer if approved as prudent)
  - ▶ Energy or RECs from Class 1A resource, preference for energy
  - ▶ Capacity may be included
- ▶ Resource may have no affiliation with a customer that has elected to be exempt from Class 1A and thermal energy requirements
- ▶ Commission staff will negotiate term sheet(s) with bidders placed on the shortlist, which will form the basis of Commission consideration and approval

# Bid Evaluation

- ▶ A weight of 70% given to benefits to ratepayers
- ▶ A weight of 30% given to benefits to the Maine economy
- ▶ Commission will independently assess the value of the proposal in each category
- ▶ Ratepayer Benefits
  - ▶ Net cost/benefit of contract products (Energy, RECs, Capacity)
- ▶ Benefits to the Maine economy—categories
  - ▶ Capital investments
  - ▶ Payments for harvest of wood fuel
  - ▶ Employment
  - ▶ Payments to a host community
  - ▶ Excise, income, property and sales taxes paid\
  - ▶ Purchase of goods and services
  - ▶ Avoided emissions resulting from operation of the resource

# Energy Storage Systems

- ▶ Must be connected to State's electricity grid and paired with qualifying resource so long as it is
  - ▶ Co-located with a qualifying resource or
  - ▶ Not co-located but shown to reduce emissions - RECs only
- ▶ Bidder must propose the project with and without the storage system
- ▶ Evaluation based on ratepayer benefits
  - ▶ Cost reduction
  - ▶ Peak demand reduction
  - ▶ Deferral of investment in T&D system
  - ▶ Increase in flexibility, reliability and resiliency of grid
  - ▶ Reduction in emissions



# Standard Form Contract

- ▶ Available on Commission webpage
- ▶ The language is firm, with the exception of product-specific needs
- ▶ Particular items to discuss
  - ▶ Article 5: Economic Benefits - annual reporting and evaluation
  - ▶ Article 6: Credit Support
    - ▶ Seller Security \$40/kW with adjustment through term
    - ▶ T&D Security - six months of contract payments

# Benefits Reporting and Contract Payment Adjustment

- ▶ Contracts include an annual process by which the Commission verifies that the facility is meeting its economic benefit commitments (Article 5 of the standard form contract)
- ▶ If the Commission finds that the economic benefit obligations are not being met on a cumulative and aggregate basis, it may reduce the contract price(s) in the next subsequent year by a percentage up to the percentage difference between the actual and claimed benefits, but not to exceed 30%
- ▶ The reduction to the contract payment will be re-evaluated annually by the Commission
- ▶ In-Depth review of the annual Commission review process and calculations at the end of this bidders' information session

# Process and timeline

- ▶ Bids are due March 18, 2021
- ▶ The Commission reserves the right to extend the deadline or request additional proposals if needed to meet the statutory goals
- ▶ Evaluation process commences immediately after RFP deadline
- ▶ Short list developed and bidders notified
- ▶ Term Sheet negotiation and completion
- ▶ Consideration and decision regarding Term Sheets by Commission
- ▶ Negotiation of PPA
- ▶ Order approving PPA

# Questions and Answers

- ▶ Where you can file questions
  - ▶ <mailto:RPSRFPTranche2.PUC@maine.gov>
- ▶ Frequently Asked Questions Log is already posted and will be updated weekly (as necessary)
- ▶ In-Depth review of economic benefits calculations after five-minute break

