



## **Request For Proposal**

## **Station 43 Substation Non Wire Alternative**

**July 8, 2016**

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## I. Introduction and Overview

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### A. Overview

Rochester Gas and Electric Corporation (“RG&E”), a subsidiary of AVANGRID, is issuing this Request for Proposals (“RFP”) for proposals (“Proposals”) from qualified and experienced developers (“Developers”) with the capability to deliver innovative solutions that provide distribution system load relief.

This RG&E Station 43 Substation project is being offered for consideration of potential non-wires alternatives (“NWA”) to accomplish the following objectives:

1. Establish sufficient quantities of Distribution Energy Resources (“DER”) into the area served by Station 43 to reduce the peak loading on the individual transformer banks to below their nameplate ratings.
2. Establish sufficient quantities of DER, Distribution Level Demand Response (“DLDR”), or other REV initiatives to restore the combined N-1 contingency to 100% availability.

The Term of the Agreement associated with this RFP is January 1, 2019 – December 31, 2025.

### B. Proposal Purpose

RG&E is issuing this RFP for resources to defer the costs of planned Station 43 substation upgrades. RG&E will consider Proposals for the following DER options in response to this RFP:

- Distributed Generation
- Demand Response<sup>1</sup>
- Energy Efficiency<sup>2</sup>
- Energy Storage
- Other resources that are able to meet the identified reliability need

RG&E will not consider any sources of DER in service as of the date of this RFP located within the service area. With the exception of natural gas and propane, RG&E will not consider any Proposals utilizing fossil fuels. Proposals must be capable of providing the reliability support and satisfying the other requirements indicated within this RFP. Any transaction resulting

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<sup>1</sup> Demand response proposed as a DER in this RFP should reduce demand at the peak times observed on the relevant Station 43 circuits, and shall follow administrative procedures which are similar to those established in RG&E’s Distribution Level Demand Response Tariffs to the extent possible.

<sup>2</sup> Energy efficiency options proposed should reduce demand per appropriate algorithms in the New York Technical Resource Manual, Version 3, effective January 1, 2016 (“TRM”), and filed Records of Revision (<http://www3.dps.ny.gov/W/PSCWeb.nsf/All/72C23DECF52920A85257F1100671BDD?OpenDocument>) or provide technical calculations sufficiently robust as to justify inclusion in future planned updates to the TRM.

from this RFP will be subject to RG&E receiving all required regulatory approvals, including, but not limited to, acceptance by the New York Public Service Commission (“NYPSC”) of the transaction as well as approval for cost recovery acceptable to RG&E. Participants in this RFP agree to execute a definitive Agreement with terms customary in the industry and appropriate under the circumstances (“Agreement”) within 30 days of NYPSC acceptance and approval. A form of Agreement is provided as Attachment A.

### **C. General Guidelines**

RG&E reserves the right to make changes to this RFP by issuance of one or more addenda or amendments and to distribute additional clarifying or supporting information relating thereto. RG&E may ask any or all Developers to elaborate or clarify specific points or portions of their Proposals. Clarification may take the form of written responses to questions or phone calls or in-person meetings for the purpose of discussing the RFP, the responses thereto, or both.

It is solely the responsibility of each Developer to ensure that all pertinent and required information is included in its Proposal. RG&E reserves the right to determine, at its sole discretion, whether a Proposal is incomplete or non-responsive.

Developers should clearly state all assumptions they make about the meaning or accuracy of information contained in this RFP. If you do not ask questions or clarify any assumptions, RG&E will assume that you agree with and understand the requirements in the RFP. While RG&E has endeavored to provide accurate information to Developers, RG&E makes no such warranty or representation of accuracy.

Developers are encouraged to provide and release necessary authorizations for RG&E to verify any of such Developer’s previous work, except where it is contractually prohibited from doing so pursuant to customer agreements.

This RFP shall not be construed to create an obligation on the part of RG&E to enter into any contract, or to serve as a basis for any claim whatsoever for reimbursement of costs for efforts expended by Developers. Furthermore, the scope of this RFP may be revised at the option of RG&E at any time, or this RFP may be withdrawn or cancelled by RG&E at any time - prior to execution of the Agreement. RG&E shall not be obligated by any responses or by any statements or representations, whether oral or written, that may be made by RG&E or its employees, principals or agent.

### **D. Expected Schedule**

The following schedule is subject to adjustment. Any updates to the schedule will be distributed via email to interested bidders.

July 8, 2016	Issue RFP
July 22, 2016	Pre-bid conference
October 14, 2016	RFP responses due
February 17, 2017	Expect to complete Initial General and Technical Review
March 17, 2017	Expect to complete Preliminary BCA – Short List 1
July 7 – October 13, 2017	Expect to complete Interconnection Application Process
November 24, 2017	Expect to complete negotiations
December 22, 2017	Expect to file Implementation Plan with PSC
January 1, 2019	Anticipated Resource In-Service Date <sup>3</sup>

Due to the evolving nature of NWA project development, review and negotiation, firm dates for some milestones cannot be projected at this time. We have represented the most likely range of dates where possible, and anticipate that some parts of the milestone schedule may continue to require flexibility.

#### **E. Disclaimers for Rejecting Proposals**

This RFP does not constitute an offer to buy and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of this RFP. RG&E shall retain the right at any time, in its sole discretion, to reject any Proposal provided in response to this RFP. RG&E also retains the discretion, in its sole judgment, to: (a) reject any Proposal on the basis that it does not provide sufficient ratepayer benefit or that it would impose conditions that RG&E determines are impractical or inappropriate; (b) formulate and implement appropriate criteria for the evaluation and selection of Proposals; (c) negotiate with Developer(s) to maximize ratepayer benefits; (d) modify this RFP as it deems appropriate to implement the RFP and to comply with applicable law or other direction provided by the NYPSC; and (e) terminate the RFP should the NYPSC not authorize RG&E to execute Agreements of the type sought through this RFP. In addition, RG&E reserves the right to either suspend or terminate this RFP at any time for any reason whatsoever. RG&E will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this paragraph to Developer(s).

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<sup>3</sup> All resources included in awarded bid(s) must be in-service no later than January 1, 2019

## II. RFP Parameters and Goals

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### A. Reliability Need (See Attachment B – NYPSC Filing)

1. Overload – Station 43 4.16 kV Transformer Banks Overload
2. Contingency – Failure of Station 43 4.16 kV Transformer Banks under an N-1 contingency

### B. Required NWA Resources (See Attachment B – NYPSC Filing)

NWA resource requirement estimates are shown below in Table 1:

Table 1 Resource Requirement<sup>4</sup>

Year	Overload Need (MW)	Contingency Need (MW)
2019	1.53	6.22
2020	1.74	6.43
2021	1.96	6.65
2022	2.17	6.86
2023	2.39	7.08
2024	2.61	7.30
2025	2.84	7.53

The column labeled Overload Need in Table 1 above represents the minimum amount of NWA that must be added to the Station 43 distribution circuits to maintain the station load to below the nameplate ratings of the station transformers. Additionally, the column labeled Contingency Need in Table 1 above represents the amount of distributed generation that must be added to the Station 43 distribution circuits to maintain the station load to within the long term emergency rating of either transformer bank so that an N-1 contingency alternative exists with 100% availability at the Station. Due to conductor ratings, any generating resource added to the Station 43 circuits may not exceed 2.74 MW on any individual circuit.

Station 43 currently operates as a 4.16 kV distribution substation. The future plan for the substation is to convert its operating voltage to 12.47 kV. Therefore, any customer owned equipment, transformers, or underground cable must be able to initially operate at 4.16 kV and also be rated to operate in the future at 12.47 kV.

An illustrative example of the peak hours based upon historical (2015) summer peak data will be provided to Developers after the Confidentiality Agreement (Attachment D) is executed between RG&E and Developer.

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<sup>4</sup> Resource requirements depicted in this table are estimates and may be updated prior to the execution of an Agreement.

### **C. Project Economics**

The total cost of the distribution solution (Station 43 Substation project) is approximately \$11.8 million.

RG&E has calculated the revenue requirement for the Station 43 upgrade based upon its initial in-service date, and the deferred in-service date. The difference between the net present value of the two projected in-service dates may be used as a benefit when calculating the Benefit Cost Analysis.

### **D. Eligible Resources**

The resource(s) will be required to operate as needed to support the system. RG&E will consider Proposals that may include one, or more, or a combination of the following resources in this RFP:

- Distributed Generation
- Demand Response
- Energy Efficiency
- Energy Storage
- Other resources that are able to meet the identified reliability need

RG&E will not consider any existing sources of DER located within the service area. With the exception of natural gas and propane, RG&E will not consider any Proposals utilizing fossil fuels. Developer(s) may submit multiple Proposals for any and all and for any combination of the resources listed above. RG&E reserves the right, but not the obligation to aggregate Proposals to meet the reliability needs.

As applicable, the resource shall be required to:

- Meet North American Electric Reliability Corporation (“NERC”) requirements (cyber, site security, other)
- Comply with NYISO interconnection requirements including metering and ancillary service provisions and all applicable operating policies, criteria, rules, guidelines and tariffs of the NYISO and Good Utility Practice.
- Demonstrate that they can obtain and comply with all required environmental and operating permits while meeting the requested reliability needs.
- In the case of Energy Efficiency and/or Demand response resources which are proposed by the Developer, these resources shall also be eligible to receive applicable Energy Efficiency and Demand Response payments, provided that they meet the qualification requirements for those programs and to the extent that incentive payment mechanisms do not duplicate payments for avoided costs. RG&E’s existing Energy Efficiency and/or Demand Response program implementation contractors may participate in this RFP to the extent they comply with all aspects of the RFP requirements and any pre-existing or future agreements with the Companies.

- If Energy Storage is part of the Developer’s proposal, charging or loading must be explained and accomplished outside of the local system peak periods, and the costs of charging or loading must be included in the bid.
- If Distributed Generation (including renewable generation, Combined Heat and Power (“CHP”) and/or other distributed generation) is part of the Developer’s proposal, the Developer should provide information describing to what extent the DG/CHP design involves clean power supply sources that minimize environmental impacts, as well as information about fuel supply and required operating permits. For DG/CHP availability of an adequate fuel supply will be a criterion for selection.
- Other resources which meet all other components of the RFP requirements and which fully satisfy the load requirements will be considered as part of the Developer’s proposal.

## E. Electric Interconnection (as applicable)

### 1. Overview

The Developer will be expected to submit their Proposal into RG&E’s interconnection application process once requested to do so by RG&E. **Developers are asked not to submit their Proposals into RG&E’s interconnection process prior to RG&E’s request.** Interconnection of a resource to the electric system grid and the ability of the grid to deliver the resource to serve load reliably will be integral components of RG&E’s evaluation of Proposals. This section describes the interconnection requirements that Developer’s Proposals are required to meet.

- a. The resource must meet all applicable planning and operation standards as described in RG&E Standard Generator Interconnection Agreement and RG&E/RG&E Bulletin 86-01 available at <http://www.rge.com/SuppliersAndPartners/interconnectioninfo.html>
- b. RG&E’s distribution system must be able to reliably deliver the output of the proposed resource to serve load. The resource being proposed must meet all applicable planning and operation standards. This ability and the associated costs are determined from the New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems) which is available at [http://www3.dps.ny.gov/W/PSCWeb.nsf/96f0fec0b45a3c6485257688006a701a/dcf68efca391ad6085257687006f396b/\\$FILE/05262818.pdf/SIR%20FINAL.pdf](http://www3.dps.ny.gov/W/PSCWeb.nsf/96f0fec0b45a3c6485257688006a701a/dcf68efca391ad6085257687006f396b/$FILE/05262818.pdf/SIR%20FINAL.pdf)
- c. RG&E’s transmission system must be able to reliably deliver the output of the resource to serve load. This ability and the associated costs are determined from the NYISO Generator Interconnection Procedures as applicable. ([http://www.nyiso.com/public/webdocs/markets\\_operations/documents/Manuals\\_and\\_Guides/Manuals/Planning/tei\\_mnl.pdf](http://www.nyiso.com/public/webdocs/markets_operations/documents/Manuals_and_Guides/Manuals/Planning/tei_mnl.pdf)).

- d. Developer must comply with all RG&E and NYISO interconnection requirements.

## **2. Standards of Care (as applicable)**

Proposals will be required to meet the following standards of care:

- a. NYISO Standards. Facilities must be designed and constructed such that all generation, scheduling, transmission and distribution services shall be performed in compliance with all applicable operating policies, criteria, rules, guidelines and tariffs of the NYISO, Good Utility Practice and meet RG&E's design and construction criteria. Developer, at its own expense, shall fulfill all contractual, metering and interconnection requirements as set forth in RG&E's applicable tariffs, the NYISO tariff and implementing NYISO standards and requirements, and the terms required by any Service Agreement entered into as a result of this RFP. The resource will be expected to comply with any conditions, modifications, amendments or additions to the applicable NYISO tariffs and protocols throughout the term of its Agreement.
- b. Reliability Standards. The project must be designed and constructed to comply with all NERC, Northeast Power Coordinating Council ("NPCC"), and NYISO reliability requirements.
- c. Protective Apparatus. The project must include all relays, meters, power circuit breakers, synchronizers and other control and protective apparatus that RG&E, in its sole judgment, determines are reasonably necessary for proper and safe operation of the Unit(s) in parallel with RG&E's system

## **3. Dedicated Facilities and Transmission Charges (as applicable)**

Dedicated Facilities are those facilities needed to interconnect the generation facility to the point of interconnection (which is defined as all facilities between the point change of ownership and the point of interconnection) with the RG&E distribution system. Dedicated Facilities may include but are not limited to the transformer bank used to step-up the generation output to the appropriate voltage, breakers, switches, and associated auxiliary equipment for the outlet line between this step-up transformer bank and the distribution system, and protection, metering and communication facilities needed for interconnection and safe operation of the generator. Developer is solely responsible for installation costs of the Dedicated Facilities and ongoing operation and maintenance after interconnection.

## **4. NYISO Tariffs – OATT Attachment S (as applicable)**

All proposed generation interconnections must determine if the facility is subject to NYISO interconnection procedures. To the extent that the facility is subject to NYISO tariff interconnection procedures, it must follow NYISO Tariff OATT provisions including, but not limited to sections 3.9, 3.10, 4.5, and Attachment S, Attachment X, Attachment Y, and Attachment Z. System Impacts relate to the capability of the transmission system

to deliver the full output of the project from the point of interconnection with the Transmission Owner's transmission system to serve RG&E's load reliably. This includes both NYISO Interconnection Service and Deliverability Assessment (as defined by the NYISO tariff). If there is insufficient capability, system upgrades would be needed. System upgrades may include, but not be limited to, transmission lines, transformer banks, special protection systems, substation breakers, capacitors, and other equipment needed to transfer the generation output to the consumer. Pursuant to FERC Order 2003, as modified by FERC in March of 2004, Developer will be required to fund the full cost of all facilities necessary to interconnect to RG&E's system, including network upgrades.

- a. Completed and Current NYISO Interconnection Studies. For resources that have already obtained cost estimates from completed and current NYISO Interconnection Studies through the applicable NYISO Interconnection Procedure, Developer shall submit copies of the completed studies with the Proposal.
- b. Projects without Completed NYISO Interconnection Studies. Projects will be required to submit an Interconnection Request to the NYISO and follow the NYISO Large Facility Interconnection Procedures. Copies of the completed NYISO Interconnection Studies must be received by RG&E when they are available.

#### **F. Representations and Warranties, Binding Proposal**

Developer's Proposal(s) shall be deemed to have made the following representations, warranties, and covenants to RG&E, which representations, warranties, and covenants shall be deemed to be incorporated in their entirety into Developer(s)' Proposal(s). Any Proposal shall include Developer's agreement to be bound by the conditions of the RFP, including these conditions, in submitting Developer's Proposal.

1. Developer has read, understands and agrees to be bound by all terms, conditions and other provisions of the RFP Documents;
2. Developer has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFP, the RFP Documents, including any appendices;
3. Developer acknowledges and agrees that, in RG&E's evaluation of Proposals pursuant to this RFP, RG&E reserves the right to disqualify Developer if it is unwilling or unable to meet RG&E's credit requirements;
4. Developer has obtained all necessary authorizations, approvals and waivers, if any, required by Developer as a condition of submitting its Proposal and, if Developer's Proposal is selected and a final Proposal ("Final Proposal") is requested, Developer will execute an Agreement with RG&E; Developer may, but is not required to, include with their RFP response, preliminary agreements with all required Host

Customers to participate as specified in the Bid response, which shall be replaced with binding Host Customer agreements prior to execution on any service agreement contemplated in this RFP;

5. Developer is submitting its Proposal subject to all applicable laws and regulations;
6. Developer has not engaged and covenants that it will not engage in any collusion or other unlawful or unfair business practices in connection with this RFP;
7. The information submitted by Developer to RG&E in connection with this RFP, and all information submitted as part of the Proposal is true and accurate as of the date submitted by Developer. Developer covenants that any information requested herein and such Attachments, but not provided to RG&E as part of the Proposal, will be provided to RG&E on or before the date that Developer specified for provision of the information in the timeline provided. Developer also covenants that it will promptly update such information upon any material change thereto;
8. In addition, Developer's submission of an Proposal is Developer's acknowledgement and agreement that:
  - a. RG&E will rely upon all representations, warranties, and covenants in the Proposal Submittal Package; and
  - b. RG&E may disclose information as set forth in the Confidentiality Agreement;
9. Developer represents and warrants that each project that is the subject of Developer's Proposal meets the design-life requirements of this RFP. In the case where a Host Customer which is a part of this agreement shall vacate the associated Host Customer facility used as a part of the NWA solution, the Developer shall have the opportunity to propose to RG&E the substitute of a similar resource, acceptance of which shall be at RG&E's sole discretion. In the case where a Host Customer shall vacate and a substitute shall not be provided, further payments for that resource shall be permanently suspended.
10. Developer covenants that it will provide information requested not longer than one week following Developer's receipt of RG&E's request for such information;
11. Developer covenants that it will promptly provide RG&E with any changes or updates to the implementation schedule;
12. Developer covenants that it will promptly provide RG&E with any changes to its proposal between the date of the Proposal and the execution of an Agreement, including any changes to applicable Host Customer sites and agreements;
13. Developer agrees and acknowledges that RG&E reserves the right at any time, in its sole discretion, to abandon this RFP, to change any dates specified in this RFP, to

change the basis for the evaluation of Proposals, to terminate further participation in this process by any party, to accept any Proposal or to enter into any Agreement, to evaluate the qualifications of Developer and/or the terms and conditions of any Proposal, to reject any or all Proposals, to prohibit or limit mutually exclusive Proposals, to consider additional products, to change any form, document, term or condition used in this RFP at any time during the RFP process, or waive any irregularities, all without notice and without assigning any reasons and without incurring liability of RG&E, or any of their respective subsidiaries, affiliates, or representatives to Developer or any other party. RG&E shall have no obligation to consider any Proposal submitted. RG&E will not reimburse Developer for its expenses related to this RFP under any circumstances, regardless of whether the bidding process proceeds to a successful conclusion or is abandoned. RG&E shall not be deemed to have accepted any Proposal, and shall not be bound by any term thereof, unless and until an authorized representative of RG&E executes an Agreement with Developer;

14. Developer agrees and acknowledges that information provided by it to RG&E pursuant to this RFP will be subject to the disclosure requirements of the New York State Public Service Commission or other applicable law or regulation; and
15. In the event that DG/CHP are proposed herein by the Developer, Developer represents that it has obtained or will obtain a current (up to date) Interconnection Feasibility and System Impact Study, as applicable, and has obtained or will obtain a current (up to date) Interconnection Facilities Study from the NYISO. Furthermore, Developer represents that these studies meet all of the Interconnection Study Requirements that are required by the NYISO. Finally, Developer covenants that if requested by RG&E it will, within five Business Days of a request, request the electronic power-flow file of the base case study from the NYISO, or third party consultant for Developer responsible for the Interconnection Studies and provide this data in electronic form to RG&E within five Business Days of Developer's receipt of the data.
16. Failure to meet reliability and regulatory requirements set forth within this RFP may result in financial penalties.

#### **G. Developer's Waiver of Claims and Limitations of Remedies**

Except as expressly set forth in this RFP, by submitting a Proposal, Developer knowingly and voluntarily waives any rights under statute, regulation, state or federal constitution, or common law to assert any claim or complaint or other challenge in any regulatory, judicial or other forum, including the NYPSC, the FERC, the Supreme Court or any other court in the State of New York ("State Court") or United States District Court or any other United State's

Court (“Federal Court”) concerning or related in any way to the RFP and/or any appendices to the RFP (“Waived Claims”). The assertion of any Waived Claims by Developer at the NYPSC, FERC, State Court, Federal Court, or otherwise shall, to the extent that Developer’s Proposal has not already been disqualified, provide RG&E the right, and may result in RG&E electing, to reject such Proposal or terminate the RFP.

By submitting a Proposal, Developer further agrees that the sole forum in which Developer may assert any challenge with respect to the conduct or results of the RFP is the NYPSC. Developer further agrees that the sole means of challenging the conduct or results of the RFP is a protest to RG&E’s filing before the NYPSC seeking approval of one or more Agreements entered into as a result of the RFP. Developer further agrees that the sole basis for any such protest shall be a challenge to the conduct or results of the RFP on the ground that RG&E failed in a material respect to conduct the RFP in accordance with the RFP rules and procedures outlined in this document, and the exclusive remedy available to Developer in the case of such a protest shall be an order of the NYPSC that RG&E again conduct any portion of the RFP that the NYPSC determines was not previously conducted in accordance with the RFP rules and procedures outlined in this document. Developer expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorneys’ fees. Unless RG&E elects to do otherwise in its sole discretion, during the pendency of such a protest the RFP and any related regulatory proceedings related to the RFP will continue as if the protest had not been filed, unless the NYPSC has issued an order suspending the RFP or RG&E has elected to terminate the RFP.

#### **H. Credit and Performance Assurances**

As discussed in Section IV, in its evaluation of an Proposal, RG&E will consider Developer’s capability to perform all of its financial and other obligations including, without limitation, Developer’s ability to provide performance assurance that the resource would be available and operate as required under the executed Agreement (“Performance Assurance”). This assurance will be provided to RG&E by the expected effective date in the Agreement. This assurance includes the ability of Developer to fund the reliability Proposal as described in this RFP. Developer is required to provide the credit and finance information as requested in this RFP. To the extent the NYPSC has approved DER provider Uniform Business Practice (“UPB”) requirements, those standards shall be required for any agreement made as a result of this RFP. The Developer will be required to post collateral to support its ability to provide the reliability Proposal by the date noted in the Agreement and, depending on its credit standing, may need to post collateral acceptable to RG&E to support performance of other obligations under the Agreement. As set forth above, Developer will be required to provide funding for any network upgrade costs.

### **III. Information Required from Developers**

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#### **A. Introduction**

Developers must provide the information described below in order for RG&E to consider the Proposal(s). Information required is described according to eligible resource categories:

- Distributed generation resources
- Demand resources including demand response and energy efficiency
- Energy Storage
- Other resources

## **B. Distributed Generation Resources**

RG&E will entertain proposals for distributed generation resources meeting the requirements described within this RFP, including being located in the specified distribution areas.

Any distributed generation resource must demonstrate to RG&E that they have the capability to respond to automated generation control signals provided by RG&E's System Operations.

For any distributed generation (including renewable generation, Combined Heat and Power ("CHP") and/or other distributed generation) which is part of the Developer's Proposal, the Developer shall provide information describing to what extent the DG/CHP design involves clean power supply sources that minimize environmental impacts

If applicable, Developer(s) shall provide the following information for each resource proposed (if Developer(s) Proposal includes multiple DG units, Developer shall provide the following information for each individual DG unit):

1. Location;
2. The period, in minutes, between shutdown and start up and the available number of start-stop cycles per day;
3. Minimum run time per start;
4. Operational Constraints;
5. Developer must provide information about the fuel supply including duration of fuel stored onsite, and demonstrate the ability to obtain and replenish the fuel supply to the facility;
6. Developer must provide information about the expected MW and MWh produced by the resource on a monthly basis;
7. If applicable, Developer shall indicate whether it plans to seek Market Based Rate Authority, and the timetable for receiving such authority;
8. Developer must detail any Article X and Article VII filings, or State Environmental Quality Review (SEQR) as required;
9. Developer is responsible for obtaining all local building, zoning and/or operating permits as required;
10. Developer must provide the annual environmental impacts, including air (NO<sub>x</sub>, SO<sub>x</sub>, CO, CO<sub>2</sub> and particulates, water (thermal) and soil (ash storage), associated with each Proposal;

11. Developer must explain any market power impacts associated with each Proposal;  
and
12. Developer must provide total and monthly capital construction costs associated with each Proposal, temporary (construction) and permanent jobs created with each Proposal, and expected property tax payments associated with each Proposal.
13. For Solar PV installations, Developer must provide both the AC and DC nameplate ratings, the installation characteristics (i.e. rooftop, ground, other), the angle(s) of installation, whether fixed installation or load following, the proposed load duration curve and any other technical information Developer or RG&E deems necessary to provide evidence of compatibility between the proposed non-wires alternative and the distribution requirements.

**C. Demand Response/Energy Efficiency/Energy Storage/Other**

If applicable, Developer(s) shall provide the following information for each resource proposed. Each NWA type at each host site is a resource – e.g. customer A may have 5 sets of controlled LEDs (one resource) and a PV array in the parking lot (second resource).

1. Project description including measure type;
2. Location(s);
3. Types of facilities at which the measure(s) will be implemented, including customer classes, end users served and for relevant energy efficiency resources, individual facility hours of operation relative to applicable energy savings measures;
4. Operational Constraints;
5. Estimated Minimum and maximum reduction in megawatts as measured at the customer meter and not including losses or reserve margin credit;
6. Duration of minimum and maximum reduction;
7. Time to reach minimum and maximum reduction amounts;
8. Description of ability to receive orders to reduce or respond to dispatch instructions;
9. Documentation of verified savings from comparable projects to substantiate the reasonableness of the estimated reduction values.
10. For energy storage applications: Maximum run time/start and load curve during maximum run time; minimum recharge time and load curve during minimum recharge;

**D. All Resources**

If applicable, Developer(s) shall provide the following information for each resource proposed:

1. For resources proposed that are not 100% available, Developer shall include a description of the redundancy included to ensure that the proposed services will be provided. RG&E will require the redundancy necessary to ensure the adequate level of reliability service is provided. RG&E reserves the right, but not the obligation to aggregate Proposals to meet the reliability need;
2. (Applicable to all resource types and all NWA proposals); Developer must provide a Measurement and Verification plan (M&V Plan) which substantiates the reasonableness of the estimated generation or reduction values including methods and techniques that will be used to determine generation and/or savings performance from a specific NWA contracted project. The plan should include all M&V options needed to address all of the NWA measures installed as part of the NWA project. M&V activities may include site surveys, energy measurements, metering of key variables, data analyses, calculations, quality assurance procedures, and reporting, all of which need to be adequately detailed in the M&V Plan. In general, the contents of a project-specific M&V Plan should provide an overview of the NWA Project and verification activities, including:
  - i. State the goals and objectives of the verification activities
  - ii. Define the M&V option and techniques to be used for each measure
  - iii. Identify the key physical characteristics of the facility or installation, system, and NWA resource(s) to be installed
  - iv. Define the critical factors that affect the performance of the system
  - v. Adequately define the baseline conditions, including:
    1. Identify the key baseline performance characteristics of the system
    2. Define baseline operating conditions, such as loads and hours of operation
    3. Detail all measurements, data analyses procedures, algorithms, and assumptions
    4. Define all performance period verification activities, including:
      - a. Specify the parameters to be measured, period of metering, accuracy requirements, calibration procedures, metering protocols, sampling protocols, and archiving requirements. Note, NYSEG and RG&E require the inclusion of parameters needed to ensure accurate reliability measurement and reporting according to the system needs defined in this NWA RFP and applicable to any future associated resource contracts. Additionally, required measurement and reporting frequency may increase over the lifetime of the NWA assets as these assets age and as the distribution system loading increases.
      - b. Provide RG&E with adequate notice to witness the M&V activities.

- c. Detail the schedule and content of periodic M&V reports and procedures for the NWA Project Owner and for the Company.
  - d. Describe procedures and details for annual inspections.
  - e. Detail how performance will be reported and how it will affect payments for the resource(s), and
  - f. Provide rationale and procedures for any baseline or reporting period energy adjustments anticipated.
3. Developer must demonstrate compliance, or detail plans to comply, with the NYISO Tariffs;
4. Developer must agree to: (i) provide reliability support to RG&E; (ii) operate and maintain the facility in accordance with Good Utility Practice; and (iii) interface and comply with NYISO scheduling deadlines and requirements, as well as comply with RG&E or NYISO dispatch instructions;
5. Developer must fill out the attached Bid Evaluation Form (Attachment C);
6. RG&E will evaluate the corporate structure which Developer proposes for this project. Regardless of Developer's form, Developer shall provide the information requested below as part of its Proposal.
  - a. Developer will provide Developer's exact and complete name, form of organization (e.g., corporation, Limited Liability Company).
  - b. Developer will provide State of incorporation or organization.
  - c. Developer will provide copies of corporate or equivalent documents (e.g., articles of incorporation, by-laws or membership agreements) containing customary corporate separateness provisions.
  - d. Developer's Principal Business: Developer will provide a detailed description.
  - e. Parent or Consortium Information: If applicable, Developer will provide the information with respect to: Developer's ultimate corporate parent if Developer is a subsidiary of any other corporation; and/or each of Developer's members, partners, or participants if Developer is a partnership, limited liability company, or other association or organization (identifying the controlling member); and each member of the group of persons acting in concert if Developer is a group or member of a group acting in concert for purposes of this Proposal (identifying the controlling member).
  - f. Guarantor Information: If Developer proposes to provide a guaranty to RG&E, Developer has provided or will provide the information required above with respect to Developer's Guarantor, if any. In addition, Developer has provided or will provide a copy of the proposed form of guaranty.

- g. Developer's Organization: Developer will provide its organizational chart showing each level of ownership up to the ultimate parent.
  - h. Annual Report, Form 10-K, Form 10-Q, Audited Financial Statements: If applicable, Developer will provide copies of Developer's or Guarantor's Annual Report to shareholders and Form 10-K for the past two years and all subsequent quarterly filings on Form 10-Q as filed with the Securities and Exchange Commission ("SEC") containing audited, in the case of Form 10-K, or unaudited, in the case of Form 10-Q, financial statements of Developer or Guarantor, or if applicable, each member of the bidding group (or if any member is a consortium or other association or organization whose controlling member(s) is (are), or a group acting in concert whose controlling member(s) is (are), required to file reports under the Securities Exchange Act of 1934, the most recent Annual Report to shareholders or Annual Report on Form 10-K as filed with the SEC containing audited financial statements of each such reporting person). If none of the foregoing applies, Developer has attached copies of the two most recent audited annual financial statements, including certified independent accountants report thereon, and subsequent quarterly financial statements of Developer or Guarantor, or if applicable, each member of the bidding group and, Developer's or each member of the bidding group's controlling member for at least the three prior full fiscal years or, if shorter, the life of such Developer or member of a bidding group or such controlling persons. Developer has included with the audited financial statements, information related to the history of Developer or member of the bidding group and a description of its business and material matters relating to such business, including the level of detail that would be required if Developer or member of the bidding group were subject to the disclosure requirements of Items 3 and 7 of Form 10-K. If available, Developer has provided a web link to the statements provided in this Attachment.
  - i. Developer's Debt Ratings: Developer will provide its or its Guarantor's Moody's and Standard and Poor's senior unsecured debt rating or, if such entities do not have a senior unsecured debt rating, then Developer's or Developer's Guarantor's corporate credit rating or long term issuer rating, if any;
  - j. Developer shall provide a copy of the most recent Dun and Bradstreet (D&B) report which includes the Supplier Evaluated Risk Rating ("SER") and Failure Score.
7. Developer's Experience Information: if applicable, Developer will provide a description of its experience in developing projects such as contemplated in the Proposal, particularly in New York. Developer shall list its references by name, address and contact number;
8. Project Financial Information: if applicable, Developer will provide the following project finance information:

- a. Amount and type of financing for the project (sources and amount of debt and equity);
  - b. A description of construction and operating period financing for the project including expected debt to equity ratios, debt coverage ratios, liens, and restricted covenants;
  - c. Any report of an independent engineer or other consultant regarding the project prepared for, or as part of, the project financing; and
  - d. The identification and description of other transactions by Developer that have been leveraged, either prior or subsequent to the construction or commercial operation date, including, without limitation, all financing arrangements for such transactions, loan to equity ratios, coverage ratios, liens, and restrictive covenants agreed to by the Developer.
9. If applicable, Developer shall provide a description (quantity, size, manufacturer etc) of the main mechanical and electrical pieces of equipment used for the project.
10. Developer agrees to provide such information, including but not limited to facility and utility account information access as either RG&E or the NYPSC shall require for purposes of evaluating any activities which may eventually be undertaken as a result of this RFP.
11. If applicable, Developer will be eligible to receive payments under both net metering and under this RFP.

#### **IV. Evaluation of Proposals**

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To evaluate Proposals, RG&E may primarily consider:

- 1. **Reliability** – the ability of the resource to alleviate the identified reliability problems and in reducing load shed risk, over the long run;
- 2. **Ratepayer cost** – total ratepayer revenue requirements associated with the Proposal(s);

RG&E may also consider the following other factors as applicable to each reliability need:

- 1. **Environmental and Economic impacts**
  - a. **Environmental impacts** – including but not limited to, air, water and soil impacts;
  - b. **Economic impacts**- temporary and permanent jobs created, economic development, and property tax payments;
- 2. **Electric market competitiveness** – the ability of the facility to economically operate in the applicable NYISO market and the effect of the proposed reliability resource on the competitive market;

3. **Credit** - Developer's capability and willingness to perform all of its financial and other obligations under the Agreement, including, without limitation, Developer's ability to provide Performance Assurance under the Agreement. RG&E will consider Developer's financial strength, as determined by RG&E, as well as any credit assurances acceptable to RG&E that Developer may submit with its proposal;
4. **Developer Qualification** – the experience of the developer, Engineering, Procurement and Construction (“EPC”) contractor, prime subcontractors and, if applicable, O&M operator or other entity responsible for the development of the proposed resource. This may include their experience (demonstrated track record) in successfully developing and operating similar projects in North America and New York;
5. **Project Viability** - the probability that the resource(s) associated with a Proposal can be financed and completed as required by the Agreement. This will include an assessment of the degree of detail and feasibility of schedules (e.g. engineering, procurement plan and lead times, equipment delivery, construction, start-up and testing), plans (procurement plan, site access/equipment delivery, engineering/construction division of responsibility (“DOR”)), construction plan/subcontractors, existing labor agreements in place, labor availability, construction facility and laydown, water supply, wastewater discharge), adequacy of financing during construction and operation of the plant, lender commitment provided, equity commitment provided, the controls provided to prevent construction cost overruns, debt coverage ratios are adequate, interest rates and fees are reasonable, quality and completeness of financing package, ownership structure, interest rate risk, whether Developer has commitment letters from project participants or financial institutions indicating that the project will be able to obtain financing, and Developer's project financing experience. The project's progress in the Department of Environmental Conservation (“DEC”) permitting process will also be evaluated, including its Environmental Characteristics such as Air Quality, Water Supply, Land Use, Hazardous Material usage, Wetlands & other Waters, Biological Resources, Cultural Resources, Socioeconomics, degree of control of property, and other aspects that would help ensure project completion. The project's progress in the gas and electric interconnection processes will be evaluated. The quantities and potential costs to RG&E and to society associated with all of these characteristics will be considered;
6. **Technical Reliability** – the type of technology and the equipment being proposed. This will examine whether there is high reliability due to plant construction design that is tried and proven with historical evidence of high availability in comparison to NERC national averages, with significant additional enhancements that may add to the plant's availability, such as multiple systems and redundancy. Also evaluated here are plant performance parameters such as heat rate and capacity estimates, availability guarantees, unplanned outage factor guarantee, fixed and variable O&M costs, start-up times and costs. Plant operations factors that would be evaluated would be plans for staff training program, staffing requirements, maintenance

support availability, permit limitations on operations, Long Term Service Agreement (“LTSA”) terms, maintenance outage requirements (impacts on availability), spare parts and labor agreements;

7. **Conformance with RG&E’s non-price terms and conditions** - the degree to which Developer accepts RG&E’s proposed terms and conditions. Terms and conditions evaluated elsewhere will not be considered in this evaluation criterion (e.g. credit terms). RG&E reserves the right to specify non-price terms and conditions for any reason including, but not limited to, the specific characteristics of the generation unit or other alternatives proposed or the ability of Developer to meet other requirements of the RFP. The RFP evaluation may impute for the purposes of evaluation an additional amount to Developer’s Proposal price to reflect Developer’s proposed modifications to the non-price terms and conditions that result in RG&E incurring additional costs or risks.

## V. Participation Protocols

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### A. Overview

All Proposals from Developer(s) must be received in both hard copy and electronic form by Friday, October 14, 2016 at 5:00 p.m. (EPT) via hand-delivery or overnight delivery to:

**Mike DeAngelo – Lead Analyst - Non Wire Alternatives  
18 Link Dr.  
Binghamton, NY 13902**

If there is disagreement between the electronic and hard copies, the hard copy will prevail.

**Hard copy documents:** Developer must submit one (1) bound and one (1) unbound copy.

**Electronic Documents:** The electronic documents must be in a Microsoft Word (standard edition 2010) and/or Excel file (standard edition 2010), as applicable. Developer should not provide documents in other electronic formats, versions, and/or in hard copy alone. Electronic Documents must be emailed to Station43RFP@iberdrolausa.com. Electronic documents should be unlocked to allow view of calculations.

### B. Communications:

To insure accuracy and transparency of the information provided, RG&E strongly prefers that all communications take the form of an e-mail. All communications regarding this RFP should be directed to Station43RFP@iberdrolausa.com. RG&E may, in its sole discretion, decline to respond to any email or other inquiry without liability or responsibility.

### C. Additional Information available for Developers:

Upon receipt of intent to bid communication and execution of applicable security documentation, Developers may individually request from RG&E<sup>5</sup> the following information:

- a. Public Information including but not limited to: (number, names and addresses of customers, customer type) - No security documentation required.
- b. Available system loading information including but not limited to: (substation peak hours based upon historical (2015) summer peak data described in section 2B on page 6) – requires executed Confidentiality Agreement; copy of required Confidentiality Agreement is Attachment D to this RFP.
- c. Business Confidential (Non-Public) information where available, requires both executed Confidentiality Agreement and separate Data Security Rider executed for this project; Data Security Rider requires provision of Cyber Insurance. Copy of required Data Security Rider including amount of Cyber Insurance required is Attachment E to this RFP.

## **VI. Negotiations and Contract Approval**

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### **A. Execution of Agreement**

By submitting a Proposal, Developer agrees, if its Proposal is selected, to negotiate and execute a definitive Agreement. Execution of Agreement will follow the NYPSC's acceptance and approval of cost recovery. Among other things, the Agreement will include damages provisions for failure to meet schedule requirements including holding the Developer liable for any NERC penalties assessed to RG&E resulting from Developer's failure to meet the Agreement's schedule/performance requirements. RG&E's evaluation of Developer's Proposal will not constitute a contract by RG&E to enter into an Agreement with Developer. A form of Agreement is provided as Attachment A.

### **B. Agreement by Developer**

Developer must agree to be bound by its Proposal(s) for a period of six (6) months from the date RG&E files the Agreement(s) with the NYPSC. If the NYPSC grants (subject to appeal) regulatory approval of the Agreement(s) within the six-month period, Developer must agree to be bound by its Proposal(s) for any additional period of time required for the NYPSC order granting regulatory approval to become final and non-appealable.

### **C. Regulatory Approval:**

The effectiveness of any Agreement is expressly conditioned on RG&E's receipt of Regulatory Approval. "Regulatory Approval" means a final and non-appealable order or orders of each regulatory or other governmental body designated by RG&E, including without limitation the NYPSC and if applicable FERC, without conditions or modifications unacceptable to RG&E, which, in the case of Regulatory Approval by a governmental body

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<sup>5</sup> Secure File Transfer Protocol (SFTP) sites may be used in the future to eliminate the requirements to email data requests and responses. If and when SFTP sites are available, Developers will be notified and provided password protected secure access to data at these sites.

other than the NYPSC grants the approvals requested in the application therefore, and in the case of Regulatory Approval by the NYPSC, does the following:

1. Accepts the Agreement in its entirety, with explicit approval of payments to be made by RG&E with acceptable cost recovery, subject only to NYPSC review with respect to the reasonableness of RG&E's administration of the Agreement, and finds RG&E's entry into and performance under the Agreement to be reasonable; and,
2. Authorizes RG&E to recover payments under the Agreement in utility revenue subject only to NYPSC review with respect to the reasonableness of RG&E's administration of the Agreement.

**D. Termination of the RFP and Related Matters**

RG&E reserves the right at any time, in its sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Developer and without liability of any kind to or responsibility of RG&E or anyone acting on RG&E's behalf. Without limitation, grounds for termination of the RFP may include the assertion of any Waived Claims by Developer or a determination by RG&E that, following evaluation of the Proposals, there are no Proposals that provide adequate ratepayer benefit.

RG&E reserves the right to change the Proposal evaluation criteria for any reason, to terminate further participation in this process by Developer, to accept any Proposal or to enter into any definitive Agreement, to evaluate the qualifications of Developer, and to reject any or all Proposals, all without notice and without assigning any reasons and without liability to RG&E or anyone acting on RG&E's behalf. RG&E shall have no obligation to consider any Proposal.

In the event of termination of the RFP for any reason, RG&E will not reimburse Developer (s) or Participant(s) for any expenses incurred in connection with the RFP regardless of whether Developer's Proposal is selected, not selected, rejected or disqualified.

Unless earlier terminated, the RFP will terminate automatically upon the execution of one or more Agreements by Developer (s) as described herein. In the event that no Agreements are executed, unless otherwise agreed to in writing by the parties, then the RFP will terminate automatically on December 31, 2017.