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**THANK YOU FOR JOINING THE 2023 RI OSW RFP
BIDDERS' CONFERENCE**

WE WILL BEGIN SHORTLY



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2023 RI OSW RFP – Bidders' Conference

Rhode Island Energy Panelists:

Kenny Campbell, Offshore Wind Program Manager

Brian Schuster, Sr. Director Regulatory & Government Affairs

Lado Kurdgelashvili, Sr. Energy RFP Specialist

November 8th, 2023

Conference Housekeeping

During this Bidder Conference:

- Attendees will only be able to see the Panelists, not each other.
- All attendees will be muted unless unmuted by the Panelists to ask a question after the presentation is completed.
- The video function is disabled for all attendees.
- The chat function is disabled.
- Attendees are able to ask questions to the panelists using the Q&A feature.

This Conference will not be recorded - the Recording function is fully disabled.

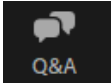
The presentation used during this conference will be posted to the 2023 RI OSW RFP website for viewing after this conference concludes.

Thank you for your participation!



Submitting Questions

Submitting Questions during the Bidders' Conference

- Click the “Q&A” icon  at the bottom of your screen.
- Enter your question into the chat box, and send.
- Your question will be visible to the panelists.
- Only the panelists will be able to see each question submitted, unless it is answered via a written response.

Responses to Questions during the Bidders' Conference

- The RIE Team will review the questions submitted using the Q&A icon, and will attempt to respond verbally after the presentation.
- The RIE team will also field verbal questions. The team will provide directions at the end of this presentation about how to enter a queue to ask a question.

Please be advised that the answers provided during today's presentation do not represent an official response.

Official responses will be provided to all bidders in writing to questions submitted by **November 30th, 2023** to RIOSWRFP@pplweb.com with the subject line “2023 RI OSW RFP Question Submission.”

Disclaimer



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Any statements herein describing or providing reference to documents and agreements are summaries only, and are qualified in their entirety by reference to such documents and agreements. Further, the Bidders' Conference presentation is intended for discussion purposes only, and are not providing authoritative guidance concerning the solicitation.

The governing documents are:

- RFP for Long-Term Contracts for Offshore Wind Energy (Issuance Date October 13, 2023)
- Appendices to the aforementioned RFP, including: Bidders Response Package, ACES Statute, the Draft Contract, APRA Statute and Regulation, the Form of Commitment Agreement, the Informative Deliverability Study Scope, Offshore Wind Multi-State Coordination Memorandum of Understanding, and the Multi-State Proposal Bid Submission Form.

Visit the RFP website: <https://ricleanenergyrfp.com/2023-osw-rfp/>

Specific to the 2023 RI OSW RFP

Today's presentation solely focuses on information specific to the RFP for Long-Term Contracts for Offshore Wind Energy (Issuance Date October 13, 2023), otherwise known as the 2023 RI OSW RFP.

No prior Rhode Island RFPs are relevant, nor is there any association with other programs conducted by Rhode Island Energy, such as the Rhode Island Renewable Energy Growth Program.

AGENDA



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- Background
- RFP Timeline
- Products, Pricing, & Bid Submission Requirements
- Bid Proposal Evaluation Methodology
- Questions



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Background

Affordable Clean Energy Security Act (“ACES”)

- The 2023 RI OSW RFP is being issued pursuant to the ACES, R.I. Gen. Laws § 39-31-5, as amended effective July 1, 2022.
 - Allows RIE to voluntarily participate in state, multi-state, or regional efforts to procure eligible renewable energy resources, including wind, in consultation with the Rhode Island Office of Energy Resources (“OER”) and the Division of Public Utilities and Carriers (“Division”)
 - Requires procurements authorized to be commercially reasonable, as defined in R.I. Gen. Laws § 39-31-3
- The 2023 RI OSW RFP and its Appendices were drafted by RIE in consultation with the OER and the Division.

Affordable Clean Energy Security Act (“ACES”) (Cont.)

- Per R.I. Gen. Laws § 39-31-6:
 - This solicitation and any contracts entered into pursuant to this section shall require PUC review and approval.
 - PUC shall accept public comment on any contracts filed for at least 30 days.
 - Rhode Island Department of Environmental Management (“DEM”), Rhode Island Commerce Corporation, and OER shall offer advisory opinions during the public comment period.
 - PUC shall hold evidentiary hearings and public hearings to review any contract filing that may be made and issue a written order approving or rejecting the contract within 120 days of the filing.
- Per R.I. Gen. Laws § 39-31-12:
 - Allows for the inclusion of bid fees to cover costs of consultants and counsel hired by the OER, the Division, Rhode Island Commerce Corporation, and the DEM (up to \$200k per agency)
- The bid fees to cover agency costs are in addition to usual bid fees to cover costs of the solicitation

Proposals & Pricing Transparency

Proposals

Per the RFP rules, Bidders are obligated to submit **both confidential and public versions** of their Bid Proposals.

*The proposal(s) identified as the “Public Version” will be posted to the 2023 RI OSW RFP website and **will be made available to the public**, at the following link: <https://ricleanenergyrfp.com/2023-osw-rfp/>.*

Contracts

Per Section 2.1 of the 2023 RI OSW RFP, “Each executed contract will be filed with the PUC in its entirety with sensitive information potentially subject to redaction...” It is important to note that **contract price** will **not** be protected as sensitive information.



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RFP Timeline

RFP Schedule

Event	Anticipated Dates
Issue RFP	October 13, 2023
Bidders' Conference	November 8, 2023
Deadline for Submission of Questions	November 30, 2023
Due Date for Submission of Proposals	January 31, 2024 by 12:00 p.m. (noon) EPT
Review of Bids with OER and Division	February 7, 2024
Conditional Selection of Bidder(s) for Negotiation	June 28, 2024
Negotiate and Execute Contracts	September 27, 2024
Submit Contracts for PUC Approval	December 6, 2024

Rhode Island Energy reserves the right to revise the schedule as necessary. Any changes to the schedule will be posted on the website for this RFP.

We're Looking For Feedback!



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- RIE is aware that there are multiple offshore wind solicitations with bid due dates planned for Q1 and Q2 of 2024.
- RIE would like to be responsive to the market, to assist in ensuring bidder participation in this RFP.
- Our team is requesting from potential bidders both informal thoughts on this conference, as well as formally written responses, to the following questions:

Is the current Due Date for Submission of Proposals reasonable?

If the Due Date for Submission of Proposals was extended, are you more likely to submit a proposal in response to this RFP?

- Formal, written responses must be submitted by **November 15th, 2023 at 5PM EPT** to RIEOSWRFP@pplweb.com with the subject line “2023 RI OSW RFP Due Date Comments.”



Products, Pricing, and Bid Submission Requirements

Product Terms & Conditions



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- Bid proposal sizes between 300 MW AC and approximately 1200 MW AC at the Pool Transmission Facility (“PTF”) Point of Interconnection (“POI”).
- An Eligible Bidder must propose to sell energy and all associated Environmental Attributes, including RECs, from an Eligible Facility under a PPA (“Eligible Products”).
- RIE will not purchase capacity if the project clears the Forward Capacity Auction, and any capacity revenues will accrue to the Lead Market Participant.
- Bidders must submit at least one conforming proposal, with a contract duration of 15-20 years.
- Bidders may submit non-conforming proposals with contract durations up to 30 years.
- Alternative physical and pricing proposals are allowed.



Allowable Forms of Pricing

- Fixed Pricing:
 - All bidders must provide a fixed price with separate pricing for energy (\$/MWh) and RECs (\$/REC) for the term of the contract for each physical proposal.
- Fixed Escalator Pricing:
 - State a price for energy and RECs for the 1st year of commercial operation.
 - Propose a rate change for each year of the contract. Maximum annual change is 3%.
- Inflation-Adjusted Pricing
 - Allows the bidder to state a price for energy and RECs at the time of PPA contract execution, and allow that price to increase or decrease per an inflationary index until either the project has reached its Financial Closing Date (FCD) or until the originally agreed upon FCD critical milestone in the PPA, whichever is sooner. Maximum change is 16%.
 - Bidder must decide to fix the energy and REC price at that inflation-adjusted price for the contract duration, or propose an annual rate change schedule for each contract year.
- Non-Conforming Pricing
 - Any pricing formula must be symmetrical.
 - There must be a price cap for each year under the proposed contract.

Additional Pricing Conditions



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- Tax Credits or Other Government Grants or Subsidies
 - Bidders must state their tax credit or other government grant or subsidy assumptions
 - Bidders must address how they would consider RIE customers in the event they receive additional tax credits or other government grants or subsidies not assumed in their bid price.
 - Proposed prices may not be subject to increase based upon the availability or receipt of any federal or state tax credit or other government grant or subsidy.



Contingent and Multi-State Bidding

- Contingent Bidding
 - Allows for positive contingent bids – bids that only differ from the original bid by providing a lower price when multiple PPAs are awarded
- Multi-State Bidding
 - Dictated by the Offshore Wind Multi-State Coordination Memorandum of Understanding (“Multi-State MOU”) between RI OER, MA DOER, and CT DEEP (RFP Appendix G).
 - Bidders must indicate that a certain proposal will be contingent on multiple states and/or EDCs selecting it, must meet the requirements of all states and/or EDCs that choose to select it, and must fill out a Multi-State Proposal Bid Submission Form (RFP Appendix H to be posted at a later date).
 - Respective states or EDCs may agree to share a multi-state proposal by proportioning the anticipated megawatts and RECs. The default apportioning will be based on the proportional load share of each state.

Bid Completeness & Simplified Application Process

- Appendix A: Bidder Response Form
 - Bidder must provide complete responses in each section.
 - Bidder may submit an application designed for the MA OSW RFP or the CT OSW RFP.
 - Bidder may respond to the requirements of Appendix A by simply referencing the MA OSW RFP or CT OSW RFP bid submission, providing the section # and page #.
 - For Rhode Island-specific requirements, an original response will be required.
 - The Rhode Island CPPD Form and Economic Development Summary Sheet will need to be completed.
- Appendices C & E: Form of Draft Contract and Commitment Agreement
 - Bidder must provide marked versions, stating the specific contract language requested.
 - RIE will presume that bidders are willing to execute the marked-up contracts provided.
- *For Multi-State Bids* - Appendix H: Multi-State Proposal Bid Submission Form.
- Non-Refundable Bid Fees (*Next Slide*)



Non-Refundable Bid Fee

- Each Proposal submitted must be accompanied by a non-refundable bid fee.
- **Bid Fees:**
 - Minimum Fee for First Proposal = \$600,000
 - Each Additional Physical Proposal Fee = \$150,000
 - Each Additional Pricing Offer Fee (Same Physical Project) = \$50,000
- Multi-State Proposals that include Rhode Island will be required to submit non-refundable bid fees. They will be treated the same as a typical bid into the 2023 RI OSW RFP regarding the non-refundable bid fees.
- **To submit non-refundable bid fees, the Bidder must contact RIE to receive the necessary Funds Transfer information.**
- See Section 2.2.4.5 of the 2023 RI OSW RFP for additional information.



Bid Proposal Evaluation Methodology

Evaluation Methodology – Overview of Process

Stage 1

Proposals will be reviewed to ensure they meet eligibility, threshold, and other related minimum requirements – *See Section 2.2 of the RFP.*

Stage 2

Proposals will be evaluated based upon the specified price (quantitative) and non-price (qualitative) criteria – *See Section 2.3 of the RFP.*

Stage 3

Further evaluation of remaining proposals to ensure the selection of proposal(s) which provide greatest value to RIE customers while maximizing the objectives of the ACES statute – *See Section 2.4 of the RFP.*

RIE reserves the right, at any stage, to disqualify and eliminate from further consideration any proposal that it reasonably believes does not meet the requirements.



Stage 1: Eligibility, Threshold, Other Min. Req.

- Bidders must meet **all** eligibility, threshold, and other related minimum requirements, including but not limited to:
 - Bidder, facility and product eligibility requirements
 - Reasonable project schedule
 - Viable electrical interconnection plan
 - Technical and logistical viability
 - Site control requirements
 - Environmental and Fisheries Mitigation Plan
 - Diversity, Equity, and Inclusion Plan
 - Commercially reasonable requirement
 - Pricing requirements
 - Proposal completeness and timeliness
- If the bidder has not secured all of its real property rights onshore, it must provide at least one alternative for each unsecured real property right.
- Proposals that meet eligibility, threshold and other minimum requirements will then be subject to Stage 2 evaluation.



Stage 2: Price & Non-Price Analysis

- In Stage 2, the bids that pass through Stage 1 will be evaluated, ranked, and scored. Scoring will be on a 100-point scale.
- Pricing Analysis (70 Points Maximum)
 - Primary metric used will be real levelized net \$/MWh cost or benefit
 - Evaluation process will include an evaluation of benefits using the output from an electric market simulation model(s)
- Pricing Analysis – Metrics
 - Mark-to-market comparison of the total contract cost of the energy bid to projected market prices at the delivery point with the project in-service
 - Comparison of total contract cost of RECs bid to the avoided cost (for RECs used for RES compliance) and their projected market prices (for RECs projected to be sold)
 - Indirect costs and benefits, such as impacts of changes in LMP and RES compliance costs

Stage 2: Price & Non-Price Analysis

- Non-Price Analysis (30 Points Maximum)
 - Designed to assess the likelihood of a project coming to fruition, as well as compliance with ACES
 - Objectives of the criteria are to provide an indication of feasibility, viability, and likelihood of meeting the proposed schedule
- Non-Price Analysis Criteria
 - Site Status
 - Permits & Approvals
 - Environmental Characterization and Mitigation
 - Interconnection and Transmission
 - Critical Path Schedule
 - Economic Benefits to the State of Rhode Island

Stage 3: Portfolio Analysis

Goal is to select the proposal(s) that provide the greatest value to RIE customers while maximizing the objectives of the ACES Statute.

After Stage 2, the remaining proposals will be subject to Stage 3 review, potentially combining projects into various portfolios, and evaluating those portfolios, based on factors such as:

- Stage 2 ranking
- Contingent and Multi-State Bids
- Portfolio effect (overall impact of any combination of proposals)
- Commercial reasonableness of bids
- Risk associated with project viability
- Customer bill impacts
- Creation of additional economic and/or environmental benefit to the State of Rhode Island
- Draft Contract and Commitment Agreement redlines, and risk associated with them

Contract Negotiation & Regulatory Approval



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- Any bidder conditionally selected is required to indicate in writing whether they intend to proceed with their proposal within **5 business days** of being notified.
- Contract negotiations are expected to begin immediately upon notification.
- Successful bidders will be required to negotiate and execute a contractual commitment (i.e., Memorandum of Understanding) with the DEM and/or CRMC before a final PPA is executed resulting from this solicitation, per 2023 RI OSW RFP Section 2.2.3.7.
- Successful bidders will be required to negotiate and execute a legally binding contractual commitment with the applicable government entity or entities of the State of Rhode Island (i.e., likely in the form of a Memorandum of Understanding) for any specific commitments to economic benefits, diversity, equity and inclusion benefits and environmental justice benefits before a final PPA is executed, per 2023 RI OSW RFP Section 2.2.3.8.
- As part of the contract negotiation process, the bidder must commit to enter into a labor peace agreement with at least one bona fide labor organization, per RFP Section 2.5.
- Employee wage and benefit requirements in RFP Section 2.5.
- Any PPA executed by RIE will be filed with the PUC for review and approval, as described further in the ACES.



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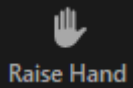
Questions

Asking A Question (During the Bidders' Conference)

TO SUBMIT WRITTEN QUESTIONS

To submit written questions to panelists during the presentation, **please click the “Q&A” icon on the bottom of your screen – the Q&A box will appear where you can submit questions to the Panelists.** If you prefer to submit questions anonymously, please select the box in the panel before submitting. Please type your questions and submit.

ASK A QUESTION VERBALLY

- Instead of submitting a written question, Bidders may also ask a verbal question.
- To ask a question, please raise your hand by clicking the “Raise Hand”  icon at the bottom of your screen.
- The Panelists will queue Bidders with raised hands, and then call on them to ask their question:
 - Panelists will provide permission to the Attendee to unmute whereby the Attendee will be brought forward to speak.
 - Please unmute your microphone and ask your question.
 - After that question has been answered, the panelists will disposition the speaker back to the Attendee pool and move to the next Attendee with a question.

Asking A Question (After the Bidders' Conference)

- **By or Before November 15th, 2023 at 5PM EPT:**
 - Our team is requesting from potential bidders formally written responses regarding the Current Due Date for Submission of Proposals.
 - Formal, written responses must be submitted to RIEOSWRFP@pplweb.com with the subject line “2023 RI OSW RFP Due Date Comments.”
- **By or Before November 30th, 2023:**
 - Any potential Bidder that has questions for the RIE OSW RFP team should submit their questions.
 - Potential Bidders must provide the written questions to RIEOSWRFP@pplweb.com with the subject line “2023 RI OSW RFP Question Submission.”
 - Answers to written questions will be posted on the Q&A section of the 2023 RI OSW RFP website, and will be anonymized.