

Consolidated Edison Company of New York, Inc.

Orange and Rockland Utilities, Inc.

Request for Proposals

(revision 1)

Bulk Energy Storage Scheduling and Dispatch Rights

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Bulk Energy Storage Scheduling and Dispatch Rights Request for Proposals

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1 General Information

1.1 Introduction

The Consolidated Edison Company of New York Inc. (CECONY) and Orange and Rockland Utilities Inc. (O&R) are jointly issuing this Request for Proposals (herein referred to as the “RFP”) to solicit Offers (“Offers”) from developers (“Bidders”, each a “Bidder”) for the offering described herein, which requires scheduling and dispatch rights for new front-of-the-meter (“FTM”) energy storage resources.¹ These offerings are described further in Sections 2 and 3, and further explained in the Appendices to this document.

CECONY and O&R are administering this RFP to meet the requirements of Case 18-E-0130, *In the Matter of Energy Storage Deployment Program* (“Storage Order”).² In its decision, the New York State Public Service Commission (“NYPSC”) ordered all New York utilities to procure at least 10 MW of energy storage, including O&R, and for CECONY to procure at least 300 MW, so long as awarded Offers do not exceed a Utility-Defined Procurement Ceiling.³ Per the NYPSC, the Project(s)⁴ must be operational by December 31, 2022 and are eligible for a New York State Energy Research and Development Authority Incentive (“NYSERDA Incentive”).

To receive the NYSEDA Incentive, each winning Bidder of the utility procurement must enter into an agreement (“NYSEDA Incentive Agreement”) directly with NYSEDA in addition to executing an Energy Storage Services Agreement (“Agreement”) with CECONY or O&R.^{5,6} The incentive payments will be NYSEDA administered and will be provided separately from any payments by CECONY or O&R. Payment structure and timing will be aligned between the NYSEDA Incentive Agreement and CECONY / O&R Energy Storage Services Agreement. The NYSEDA Incentive Agreement is included as Appendix F.

Definitions for capitalized terms can be found in Section 7 of the RFP or in Exhibit A of the CECONY / O&R Agreement. Bidders are expected to adhere to definitions used herein.

¹ Front-of-the-meter resources are those directly interconnected on distribution or transmission networks or in connection with a generation asset.

² December 13, 2018, New York State Public Service Commission Decision in Case 18-E-0130.

³ The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, CECONY and/or O&R may procure more or less than the targeted MW amount in the NYPSC Order.

⁴ As defined in the Agreement (Appendix D1/D2)

⁵ For more information from NYSEDA:

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7b9824DFE0-EE5A-4EBA-9018-3B57341B4551%7d>

⁶ Participation in the utility procurements precludes a Projects eligibility for the NYSEDA Bulk Energy Storage Incentive Program (PON 4139)

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Unless stated otherwise, any references to Articles, Sections or Appendices are to Articles, Sections, or Appendices contained in these RFP Instructions.

All clock times specified throughout these RFP instructions are in Eastern Prevailing Time (EPT).

1.2 Schedule and Process

CECONY's and O&R's expected RFP schedule is as follows:

Step	Action	CECONY	O&R
1	Issue final RFP and Agreement documents	July 15, 2019	
2	Interested Bidders submit Prequalification Questionnaire	August 1, 2019	
3	Utility reviews Bidder qualifications	August 2 through August 14, 2019	
4	Bidders notified if qualified to submit Offers	August 15, 2019	
5	Qualified Bidders submit complete Offers, proposed redlines to Agreement, and Offer Deposit	November 1, 2019	
6	Offer reviews complete	December 15, 2019	January 15, 2020
7	Winning Bidders notified and announced	December 31, 2019	January 31, 2020
8	Agreements and security requirement executed ⁷	Q1 and Q2, 2020	Q2, 2020

The RFP schedule and documentation are subject to change at any time and for any reason. CECONY and O&R will endeavor to notify Bidders of any changes to the RFP but shall not be liable for any costs or liability incurred by Bidders or any party due to a change or for failing to provide notice of any change. Changes to the RFP will be posted on the RFP website.⁸

⁷ Agreement execution timing subject to change depending on the Agreement modification requested and issues requiring negotiations but will not impact the Guaranteed Commercial Operation Deadline.

⁸ RFP website: <https://www.coned.com/en/business-partners/business-opportunities/bulk-energy-storage-request-for-proposals>

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2 CECONY RFP: Eligibility and Requirements

2.1 RFP Overview

Per the NYPSC,⁹ CECONY seeks Offers totaling at least 300 MW¹⁰ and of at least four hours in duration. CECONY will consider Offers exclusively for energy storage Projects connected to the transmission or distribution system that are capable of individual, direct participation in New York Independent System Operator Markets¹¹ (“NYISO Markets”). An energy storage resource to be considered in this RFP must be capable of acting as a standalone asset regardless whether it is co-located with a generation asset. CECONY has identified Preferred Load Areas in its service territory and may consider incremental distribution and/or environmental benefits for Offers located in these areas.

Winning Bidders will be required to enter into an Agreement with CECONY for a term of up to seven years.¹² Throughout the Agreement term, CECONY will be assigned the sole right and responsibility to bid and schedule the storage asset into NYISO Markets. Winning Bidders must become NYISO Market Participants,¹³ provide all information and support necessary to successfully complete asset registration in the NYISO Markets, and comply with all NYISO and Federal Energy Regulatory Commission (“FERC”) requirements. Winning Bidders must also provide the necessary staffing, communications, metering and telemetry required to participate in the NYISO Markets for Products as defined in the Agreement.¹⁴ Winning Bidders will retain ownership of the energy storage Project and will be required to maintain the system in a manner that meets or exceeds requirements specified in the Agreement. Winning Bidders must also operate the assets in accordance with the schedules set and communicated by CECONY and/or the NYISO. See Section 2.5, the Appendices to the RFP, and the Agreement for additional details.

Throughout the Agreement term, CECONY will have the sole right and responsibility to bid and schedule the storage asset into the NYISO Markets.¹⁵ CECONY will receive all associated NYISO revenues. CECONY

⁹ December 13, 2018, New York Public Service Commission Decision in Case 18-E-0130.

¹⁰ The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, CECONY may procure more or less than the targeted MW amount in the NYPSC Order.

¹¹ As defined in the Agreement (Appendix D1/D2)

¹² Bidders may propose terms up to and including seven years per the PSC Order.

¹³ The Winning Bidder will be a NYISO Market Participant, retain operational control of the asset, and is responsible for receiving real time dispatch signals/instructions from NYISO Market during the Agreement term. ConEdison will be responsible for asset bidding, scheduling, and NYISO settlements during the Agreement term.

¹⁴ As defined in the Agreement (Appendix D1/D2)

¹⁵ CECONY intends to provide charging and discharging schedule to the winning bidder(s) by 5 p.m. the prior day via email. Within the day, any changes to the asset schedule in the real time NYISO Market will be communicated through dispatch signals originating from the NYISO. Assets are expected to have AGC capability and the appropriate communications telemetry to enable it to follow NYISO base points and qualify for NYISO products. Lead time for dispatch signals will be based on NYISO schedule for spinning reserve and RT energy. Assets are expected to install telemetry and communications that meets the NYISO requirements to enable real time market dispatch.

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will pay any NYISO-related charges. Bidders are responsible for enabling and maintaining service for both Station Use¹⁶ and storage charging, including standby and buyback charges to the extent applicable based on Interconnection Point.¹⁷ The Bidder is responsible for paying for all distribution and supply costs for Station Use and for Distribution Charging Energy Costs¹⁸ – which should be included in the determination of the Offer. CECONY will directly pay for Supply Charging Energy Costs.¹⁹

At the end of the Agreement term, scheduling and dispatch rights will revert to the Bidder for the remainder of the asset's useful life. CECONY and the developer will notify the NYISO of the scheduling and dispatch rights transfer with enough lead time to effectuate the change at the end of the Agreement.

Bidders are expected to review the instructions in this RFP and its Appendices, as well as review the RFP specific clarifications and responses in the posted RFP Q&A, to design Offers that meet or exceed all requirements. To the extent there are any discrepancies between the RFP or Appendices and the RFP Q&A, then the RFP and Appendices supersede and govern.²⁰ Bidders will submit all required documentation of Offers as articulated in this RFP, its Appendices and the RFP Q&A. Offers will be evaluated based on the quantitative and qualitative criteria described in Section 4.

All costs attributable to the Bidder for the proposed Project prior to the proposed Project's Commercial Operation Date ("COD")²¹ and throughout the Agreement term should be considered in the Offer Price. It is strongly recommended that Bidders consider the value of market participation and all potential revenue sources for the energy storage Project in the post-Agreement period when determining an Offer Price.

If awarded, the Bidder will receive payments from CECONY and NYSERDA reflecting the Offer Price.²² Payment terms, structure, milestones are described in detail in the CECONY Agreement (Appendix D1/D2) and NYSERDA Incentive Agreement (Appendix F).

¹⁶ As defined in the Agreement (Appendix D1/D2)

¹⁷ Ibid

¹⁸ Ibid

¹⁹ Ibid

²⁰ Please note there may be instances of additional changes and/or clarifications made in the RFP and Appendices that are not fully aligned with or differ from the responses provided in the posted Q&A. The Q&A has not been updated to account for these.

²¹ As defined in the Agreement (Appendix D1/D2)

²² The Offer Price will be provided via two separate payments from CECONY and NYSERDA. The two payments will equal the Offer price. The split between the two will be provided during the contracting phase.

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2.2 Bidder Prequalification

All Bidders must meet certain requirements to be eligible to submit formal Offers. The intent of Bidder requirements is to ensure receipt of well-developed Offers that meet the In-Service Deadline of December 31, 2022.

Bidders must submit all required prequalification materials in their entirety by the specified due date. CECONY will review materials for completeness and inform Bidders of their eligibility to submit an Offer. See Appendix A for more detail. One prequalification submission will suffice for both CECONY and O&R consideration.

To be approved to submit an Offer, Bidders must, at minimum:

1. Demonstrate experience deploying the proposed commercialized storage technology at scale with Dispatchable Capacity of at least 2 MW in a single project in an expeditious manner.
2. Provide at least three years of Audited Financial Statements.²³
3. Provide a written certification that all RFP requirements have been reviewed, are understood, and will be complied with for all Offers to be provided. Failure to meet all RFP requirements will result in automatic Offer rejection.
4. Complete the Prequalification Questionnaire (Appendix A).

The Companies will evaluate submitted Prequalification Questionnaires for completeness and adherence to minimum requirements of Bidders to determine if Bidders will be approved to submit Offers.

2.3 Minimum Size Requirements

Proposed Projects must be greater than 5 MW of Dispatchable Capacity at each location (i.e., not the result of aggregated smaller projects at different sites/locations), interconnected electrically within CECONY's service territory and separately metered from any other load or generation at the site. Systems of exactly 5 MW or less, existing storage systems, and/or new systems eligible for Value Stack compensation are ineligible to participate.

2.4 Site Control

Bidders must have existing site ownership or site control for all the proposed Projects to be electrically connected within CECONY's service territory. Site control must be demonstrated and detailed as described in Appendix C1.

²³ As defined in the Agreement (Appendix D1/D2)

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2.5 Technical Requirements

2.5.1 System and Operational Requirements

Bidder may assume the following usage profile for purposes of system specification, which reflect the probable range of system usage by CECONY over the Agreement period:²⁴

- Capability to operate at least 350 cycles per year²⁵, limited to one cycle per day
- Average state of charge of 50-80%²⁶
- Expected to be at 100% usable state of charge approximately 80 days of each year
- Maximum 2800 MWh Throughput per MW per year of Dispatchable Capacity maintained through the life of the Agreement²⁷

All proposed Projects must meet the following requirements over the Agreement period. The methodologies and definitions for each requirement are detailed in the Agreement (Appendix D1/D2):

- Must maintain at least a 98 percent Availability for dispatch in each calendar year
- Must demonstrate a minimum Roundtrip Efficiency of 80% over the duration of the Agreement
- Must maintain a Dispatchable Capacity rating at least equal to the Offer's Guaranteed Capacity over the duration of the Agreement
- Must have a minimum Response Rate (or Ramp Rate) of at least 10% of the battery energy storage system's Dispatchable Capacity per minute over the duration of the Agreement
- Must comply with NYISO tariff requirements for providing Voltage Support Services²⁸

2.5.2 Interconnection Requirements

Bidders must have completed and submitted an interconnection application at the time of Offer submittal. In addition, all proposed Projects must complete appropriate and applicable Interconnection

²⁴ Operational parameters shown here are offered to Bidders for purposes of technical system design-only. These parameters are separate and distinct from commercial performance requirements described in the Agreement.

²⁵ Expected actual annual usage could be as low as 100 cycles, one cycle per day

²⁶ Average state of charge defined as ratio of average stored energy capacity available throughout Agreement period divided by total useable energy storage capacity at 100% state of charge.

²⁷ See the Agreement (Appendix D1/D2) and Section 7 for definitions

²⁸ We expect the Projects to adhere to the leading and lagging requirements defined in the NYISO Ancillary Services Manual: <https://www.nyiso.com/documents/20142/2923301/ancserv.pdf/df83ac75-c616-8c89-c664-99dfea06fe2f>

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Study(s)²⁹ and receive Capacity Resource Interconnection Service (“CRIS”) rights. Bidders must remain active in the applicable interconnection queue for proposed Projects until that Project has been interconnected.

Offers must have a single exclusive NYISO Interconnection Point, can send/receive the electronic signals of CECONY (acting on its own and on behalf of O&R), and meet NYISO communications requirements to enable participation in NYISO Markets.

Storage projects that have an executed interconnection agreement prior to December 13, 2018, the date of the Storage Order, are ineligible to participate in this solicitation.

Bidders will also be responsible for all activities and costs associated with NYISO and/or CECONY communications requirements to enable participation in NYISO Markets. Bidders should submit their known and/or best estimates of interconnection costs as part of their Offer.

Please refer to Appendix C2 and the Agreement (Appendix D1/D2) for additional information.

2.6 Credit Requirements

Bidders must provide a Letter of Credit to CECONY at the time of Agreement execution. The Letter of Credit will be maintained by the Bidder from Agreement execution throughout the term of the Agreement with CECONY.

Security requirements are fully described and detailed in the Agreement (Appendix D1/D2). To the extent there are any discrepancies between the RFP documents and Appendix D1/D2, then Appendix D1/D2 supersedes and governs.

2.7 Safety Requirements

CECONY requires that the Bidders recognize safety is of paramount importance. In connection with this solicitation and executed Agreement, Bidders will be required to provide safety information related to the technology for the Project in Appendix C3 and information regarding safety history, including for the entities that will construct, operate, and maintain the Project(s). Storage Projects must meet all New York City Department of Buildings, Fire Department, and any other government agency design and safety requirements as required and applicable. See Appendix C4 for additional details.

²⁹ NYISO and local utility distribution studies as required per interconnection location and associated requirements.

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3 O&R RFP: Eligibility and Requirements

3.1 RFP Overview

As described in Section 2.1, O&R is issuing this Request for Proposals concurrently with CECONY. Unless otherwise specified, O&R will maintain the same requirements as set forth in Section 2. O&R will use the same framework and criteria as CECONY to evaluate Offers but will consider its own system needs and priorities in doing so.

O&R is seeking Offers from Bidders for Agreements totaling at least 10 MW³⁰ of Dispatchable Capacity. As with CECONY's solicitation, O&R will contract with developers for bulk scheduling and dispatch rights for a term of up to seven years. O&R will accept bids exclusively for storage Projects connected to the transmission or distribution system that are capable of individual direct participation in the NYISO Markets.

During the term of the Agreement, CECONY, on behalf of O&R, will have the sole right and responsibility to bid and schedule the storage asset into the NYISO Markets. O&R is specifically interested in proposed battery energy storage systems that can be sited in locations and operated in a manner that may enable O&R to partially mitigate effects of excess solar generation on its distribution system. O&R has identified these Preferred Load Areas and will consider additional distribution and environmental benefits associated with resources located in those areas, if applicable, during the bid evaluation and selection process.

As described in Section 2.1, all costs attributable to the Bidder prior to COD and throughout the Agreement period, and all value from participation in NYISO Markets and/or other revenue sources should be considered when formulating an Offer Price. O&R payment milestones will reflect those described in the Agreement.

3.2 Bidder Prequalification

All Bidders must meet all eligibility requirements described in Section 2.2 to be eligible to submit Offers.

Bidders must submit all required prequalification materials in their entirety by the specified due date. O&R will review materials for completeness and inform Bidders of their eligibility to submit an Offer.

3.3 Minimum Size Requirements

All Offers within O&R's service territory must meet the same minimum size requirements as those in CECONY's service territory. Please refer to Section 2.3 for additional information.

³⁰ The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, O&R may procure more or less than the targeted MW amount in the NYPSC Order.

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3.4 Site Control

Bidders must demonstrate the same level of Site Control as described in Section 2.4. See Appendix C1 for additional information.

3.5 Technical Requirements

3.5.1 *System and Operational Requirements*

Offers must meet all requirements described in Section 2.5.1.

3.5.2 *Interconnection Requirements*

Offers must meet all requirements described in Section 2.5.2. See Appendix C2 for additional information.

3.6 Credit Requirements

Credit requirements for O&R are the same as required by CECONY. Please refer to Section 2.6 for additional information.

3.7 Safety Requirements

Safety requirements are the same as those described in Section 2.7.

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4 Offer Evaluation Criteria

The Companies will consider quantitative and qualitative criteria to evaluate Offers.

See below for a detailed summary of quantitative and qualitative criteria, and the process by which the Review Team will evaluate and prioritize Offers.

4.1 Quantitative Factors

Bidders should provide only their best Offer Price without consideration to the source of the funding. Projects will be ranked based on their Quantitative Scores. The number of Projects and MW level to which CECONY and O&R will procure is a function of the Offer price, and scoring of Offers based on evaluation criteria, and the availability of the NYSERDA Incentive.

CECONY and O&R shall use the following formula based on its forecast of value, benefits, and pricing to evaluate Bidder Offers:

$$\text{Quantitative Score} = \text{Net Market Value} + \text{Distribution Benefit} + \text{Environmental Benefit} - \text{Offer Price}$$

Net Market Value =

(Energy Value + Ancillary Services Value + Capacity Value)

– (Charging Cost + NYISO Fees)

Where:

- **Energy Value** = projected revenues from NYISO energy markets over its delivery term;
- **Ancillary Services Value** = projected revenues from participation in 10-minute and 30-minute Operating Reserves markets. Where applicable, participation in Voltage Support Service under its Market Services Tariff (Rate Schedule 2) will be considered
- **Capacity Value** = projected revenues from NYISO capacity markets over its delivery term
- **Charging Cost** = expected costs of charging at projected LBMP³¹ prices
- **NYISO Fees** = includes participation fees, and related charges made by the NYISO to the asset scheduler/bidder

Distribution Benefit considers quantifiable benefits associated with a storage system's location in the CECONY and/or O&R distribution system. Where applicable, a Marginal Cost of Service

³¹ As defined in the Agreement (Appendix D1/D2)

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(MCOS)³² distribution value will be assigned to Offers based on proposed Interconnection Point in CECONY and O&R's service territories

Environmental Benefit Where applicable, an environmental value will be determined and assigned to each Offer

Offer Price ("O") submitted by Bidders based on Project-specific hurdle rate and financing requirements

4.2 Qualitative Factors

CECONY and O&R will use the following qualitative criteria:

1. **Location** – CECONY and O&R will evaluate Offers on whether the proposed Project is in a Preferred Load Area as designated by CECONY and O&R. See Appendix E for maps and detailed descriptions.
1. **Project Viability** – Evaluates the likelihood that the Project can be successfully developed and can meet use case requirements for the Agreement period. Evaluation will consider the Project's viability, risks, and likelihood of meeting NYPSC requirements for operational Projects by December 31, 2022. Preference will be given to Projects that can demonstrate ability to meet the RFP's COD deadline.
2. **Credit Quality** – Evaluates the Bidder's ability to perform all financial and financing obligations under the Agreement. Evaluation will include the response to Financial & Credit Information Appendix C5, adherence to Forms of Letter of Credit and/or cash collateral terms as specified in Appendices D1/D2. Preference will be given to Offers that meet all security requirements and adhere most closely to the terms described in the provided Letter of Credit
3. **Adherence to Terms** – Measures Bidder adherence to the Agreement and Terms provided in Appendix D1/D2. Redlines to the Agreement will be provided by Bidders as part of their Offer package and reviewed by CECONY and O&R during the evaluation period. Preference will be given to Offers that most closely adhere to the Agreement to ensure timely execution of the Agreement and the Guaranteed Commissioning Date.
4. **System Design** – Evaluates system specifications, warranties, expected operational parameters and associated restrictions/ limitations on use of the proposed Project. Evaluation will consider technical responses provided in Appendix C3 coupled with additional technical materials

³² MCOS overview: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F939372C-9297-4C3E-B7C4-1AE88E854A04}>

CECONY MCOS Study: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F99CFC43-2D67-44DB-AB02-A7ACDA5E6341}>

O&R MCOS Study: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={C8E4DB72-3954-44E7-B2C3-65D5EDE9EEEF}>

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provided (e.g., warranties). Preference will be given to proposed systems that demonstrate capabilities to meet CECONY and O&R's use case while minimizing restrictions on use of the system.

5. **~~Developer Bidding Team~~ Experience** – Evaluates the extent of the Bidder's and Bidder Team's energy storage and New York experience (e.g., previous development and/or operating experience) as described in Appendix C7. CECONY and O&R reserve the right to request and contact references as part of the solicitation process. The experience of the ~~integrator and EPCentire team~~ will ~~also~~ be evaluated, but preference and additional weight will be given to direct Bidder and developer experience relative to others.
6. **Safety** – Evaluates potential safety, risks, and mitigation plans associated with Bidder implementation plans.
7. **Bidder Concentration** – CECONY and O&R will consider the amount of MW per Bidder to ensure a diversity of Projects.

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5 Offer Submittal Process

5.1 Offer Submission Instructions

All Offers must be submitted via email to BulkStorageRFP@coned.com on or prior to the due date and time. Each Offer should be submitted via a separate email. The emailed Offer must be sized less than 20 MB total to allow for digital intake. The Offer Form must be submitted without modifications to the Excel file structure or format. All other submissions must be in a single PDF format mirroring the organization of the RFP documents described in the Section 5.3 table. Bidders who fail to submit by the due date and time will be excluded from the Offer evaluation process. Therefore, Bidders are encouraged to make submissions well in advance of the closing time to avoid any potential issues that may occur. CECONY and O&R shall not be held responsible for technical email or other issues that may delay receipt of Offers. Any questions on or technical issues with submitting an Offer before the deadline should be promptly directed to BulkStorageRFP@coned.com.

5.2 Prequalification Submission Format

Prospective Bidders must complete the Prequalification Questionnaire **in its entirety** for CECONY and O&R to determine a Bidder's eligibility to submit an Offer. Incomplete submittals will result in a disqualification of the Bidder. **Submission deadline for the Prequalification Questionnaire is no later than 5:00 P.M. EPT on August 1, 2019.** Prequalification Questionnaires must be submitted via email to BulkStorageRFP@coned.com on or prior to the due date and time. The emailed submission must be sized less than 20 MB total to allow for digital intake.

Please refer to Appendix A for additional details.

5.3 Offer Submission Format

Qualified Bidders are eligible to submit one or more Offers for this RFP. Each individual Offer should be provided in a single PDF document and submitted via email. Multiple Offers should be submitted in multiple PDFs with one Offer per PDF per submission email. Only complete Offers will be accepted and evaluated. **Offers are due no later than 5:00 P.M. EPT on November 1, 2019.**

It is the Bidder's responsibility to thoroughly review all provisions of the respective supporting documents and all requirements of this RFP process and to understand all anticipated costs that should be factored into the Offer price. Bidders are encouraged to mark sections of their bids confidential as needed so they are treated as such by the review team.

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Offers shall be organized as follows:

Offer Section	Offer Section Title	Reference
N/A	Cover Letter	
N/A	Bidder Checklist Form	• Completed Appendix C6
Offer Body	<ul style="list-style-type: none"> • Proposed ESS Solution Description • Project Schedule • Potential Risks and Challenges • Professional Background and Experience with the Proposed Solution 	
Offer Appendices	• Offer Form	• Completed RFP Appendix B • (One per Offer, Variant of Offer)
	• Site Control	• Completed RFP Appendix C1
	• Electric Interconnection	• Completed RFP Appendix C2
	• Technical Information	• Completed RFP Appendix C3
	• Permitting & Schedule	• Completed RFP Appendix C4
	• Financial & Credit Information	• Completed RFP Appendix C5
	• <u>Bidding Team Information</u>	• <u>Completed RFP Appendix C7</u>
	• Redlines to Agreement	• Redlines to RFP Appendix D1/D2
	• Agreement Issues Matrix	• Completed RFP Appendix D3

Cover Letter

The cover letter shall include the following:

- Bidder legal name and address
- The name, title and telephone number of the individual authorized to negotiate and execute the Agreement
- The signature of a person authorized to contractually bind Bidder’s organization
- A statement that the Bidder has read and understands all provisions of the RFP

Bidder Checklist

Bidder should provide to CECONY and O&R the properly completed Bidder Checklist (Appendix C6) as part of an Offer. A Bidder Checklist is needed for each Offer submitted.

Offer Body

This section should contain a response to the RFP requirements as described in Appendices to this RFP. Please limit Offers to 10 pages maximum not including the Cover Letter, Checklist, and Appendices. The following information addresses major areas that shall be included in Bidder’s Offer:

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- Proposed energy storage system
 - Energy storage system design characteristics (e.g., equipment, configuration)
 - Energy storage system performance characteristics (e.g. Roundtrip Efficiency, Guaranteed Availability, Guaranteed Capacity, Maximum and Minimum State of Charge, Capacity and System Efficiency Degradation Rate) ³³
 - Description of warranties and approach to maintaining Availability and Performance Guarantees³⁴
- Project schedule
- Potential risks and challenges with detailed plans to address/mitigate
- Professional background and experience with the proposed solution

Offer Appendices

Bidders must complete all required documentation required of Offers as described in the Appendices to this RFP. See Appendices for details of what is required to be submitted. This document only provides a very high-level description of what is described in detail in the various Appendices.

Redlines to Agreement

Bidders shall complete a full review of the Agreement provided in Appendix D1/D2 for both commercial and legal terms. Any exceptions shall be marked in a redlined copy and attached to the Offer. Bidders will also summarize the proposed changes in the table provided in Appendix D2.

CECONY and O&R will assume all material issues have been identified and will set the Agreement execution term accordingly. Acceptance of an Offer is not considered acceptance of Agreement redlines by CECONY and/or O&R. However, Bidder should be prepared to sign redlined version if selected.

Additional Materials

Bidders can provide information not specifically requested in the body of the Offer as an appendix or a separate attachment. Such items can include:

- Project experience examples (No more than one-page per Project)
- Organizational charts and resumes
- Other relevant information

5.4 Offer Fee

Approved Bidders must provide an “Offer Fee” in the amount of \$20,000 for each Offer at the time of submission.

³³ As defined in the Agreement (Appendix D1/D2) and Section 7

³⁴ Ibid

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1. Purpose of Offer Fee

The Offer Fee is intended to contribute to CECONY and O&R's administrative costs to assemble, review, prioritize, and award Offers to Bidders. Offer Fees are also intended to reflect the Bidder's commitment to prepare thorough, competitive Offers.

2. Form of Offer Fee

The form of the Offer Deposit will be made by cash or check.

NOTE: If a Bidder fails to submit the Offer Fee within the required time frame listed above, the Bidder's Offer may be rejected.

3. Submission of Offer Fee

Cash may be deposited through a wire transfer as instructed by CECONY and O&R. Bidders have until 5 p.m. EPT on November 1, 2019 to remit their fee. Wiring instructions will be provided to prequalified Bidders upon notice that they are approved to submit offers to this RFP.

4. Refund of Offer Fee

In the event the RFP is canceled prior to review of any Offers, the Offer Fee will be refunded. After the evaluation process has begun, no refunds will be considered or made in respect of any Offer, whether or not selected.

5.5 Number of Offers and Variations Allowed Per Bidder

Bidder's Offers are defined by Project Interconnection Point (i.e. 1 IP = 1 Offer, 2 IPs = 2 Offers, etc.).

There is no restriction on the number of Offers Bidders may submit. More than one Offer can be located at the same location but each would require separate Interconnection Points and metering. In other words, multiple Projects at a single location will be considered separate Projects if they have separate Interconnection Points. In this situation, each Project would require a separate Offer submission.

A separate and complete submission is required for each Offer. Each Offer must be complete as a standalone submission and not reference information contained in other Offers. An Offer Fee is required for each Offer submitted.

Bidders are permitted to submit variants of Offers using the same Interconnection Point by varying the Dispatchable Capacity of the proposed storage Project at each location within the allowable amount based on interconnection application rules. Each Offer may include up to two Offer Variations (i.e., the original Base Offer and two (2) additional variations of that Offer). Only one Offer Fee is required for a Base Offer plus Offer Variations.

Note: Offer Variations may only alter a system's Dispatchable Capacity and associated price and cost information. Variants in commercial operation date, duration, technology, capabilities, location, Interconnection Point or other will not be accepted nor considered as a single Offer.

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An entirely new Offer package is not required for each variation. A written explanation indicating which sections are duplicative over multiple Offer Variations is required. Variations of a Base Offer must be clearly marked, described as such, and submitted with the Base Offer in a single PDF. A separate Offer Form (Appendix B) is required for each Offer Variation.

6 Collusion and Other Prohibited Activities

6.1 Collusion

Collusion with other Bidders prior to, during, or after the RFP is strictly prohibited. Collusion and other prohibited activities include, but are not limited to: discussing Offer strategies with other Bidders, engaging in any activity with the intent of influencing the outcome of the RFP in a manner inconsistent with competitive behavior, or taking any action to otherwise undermine the competitive nature of the RFP or benefit from Company compensation without the intent or expectation of providing services described in this RFP. The Company shall have the discretion to determine when collusion or other prohibited activities have occurred and to take any appropriate action, including disqualifying Offers, barring participation in future RFPs or programs, and reporting the activity to the New York State Department of Public Service (the "NYDPS"), the NYPSC, NYSERDA and any other appropriate Governmental Authorities.

6.2 Confidentiality

In connection with this RFP, CECONY will keep confidential, and not disclose to any person (except as set forth below), any information pertaining to Bidder or its Offer provided by or on behalf of Bidder that is non-public, proprietary or confidential in nature and is clearly marked or otherwise identified as such. The foregoing shall not preclude CECONY from publicly identifying the Bidders who win Agreements as a result of this RFP, or from disclosing Bidder's confidential information (a) to CECONY's trustees, employees, consultants, contractors and agents for the purpose of evaluating Bidder's Offer, (b) to NYSERDA for purposes of administering the NYSERDA Incentive, or (c) pursuant to a legal or regulatory requirement (including, without limitation, of the NYPSC and/or NYDPS) provided that CECONY will make reasonable efforts to prevent the information's further disclosure. Confidential information does not include information that (i) is in or enters the public domain other than as a result of CECONY's unauthorized disclosure, (ii) Bidder expressly authorizes CECONY to disclose, (iii) is already known or becomes known to CECONY on a non-confidential basis other than as a result of a breach of any confidentiality obligation known to CECONY, or (iv) is independently developed by CECONY without reference to the confidential information. This obligation of confidentiality will expire upon execution of a definitive Agreement between the parties with respect to the subject of this RFP, in which event the terms of this paragraph shall be superseded by the confidentiality provisions of such definitive Agreement.

6.3 Execution of Agreement

By submitting an Offer, Bidder agrees, if its Offer is selected for CECONY or O&R, that it is prepared to negotiate and execute a definitive Agreement consistent with the Bidder's Offer and containing such other terms and conditions as may be mutually acceptable to CECONY and O&R and the Bidder. CECONY and O&R reserve the right to consider, in its evaluation of Bidder's Offer, any changes Bidder requests to the form of proposed Agreement attached to this RFP. Acceptance by CECONY or O&R of Bidder's Offer

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will not constitute an Agreement by CECONY or O&R to any of the Bidder's modifications made to the form of Agreement submitted.

6.5 Termination Rights

CECONY and O&R reserve the right at any time, in their sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Bidders and without liability of any kind to, or responsibility of, CECONY and/or O&R or anyone acting on CECONY or O&R's behalf. Without limitation, grounds for termination of the RFP may include the assertion of any Waived Claims by a Bidder or a determination by CECONY and O&R that, following evaluation of the Offers, there are no Offers that provide adequate ratepayer benefit.

CECONY and O&R reserve the right to change the Offer evaluation criteria for any reason and at any time, to terminate further participation in this process by any Bidder, to evaluate the qualifications of any Bidder, to accept any Offer or to enter into any definitive Agreement, and to reject any or all Offers, all without notice and without assigning any reasons without liability to CECONY or O&R or anyone acting on CECONY or O&R's behalf. CECONY and O&R shall have no obligation to consider and/or award any Offer.

In the event of termination of the RFP for any reason, CECONY and O&R will not reimburse the Bidder for any expenses incurred in connection with the RFP regardless of whether such Bidder's Offer is selected, not selected, rejected or disqualified.

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7 Definitions

Key terms in this RFP are defined by CECONY and O&R below. See Exhibit A in the Agreement (Appendix D1/D2) for additional RFP definitions not included below.

Base Offer: The Bidder's primary Offer submitted in response to this RFP

Beginning Energy Level: The total amount of Energy (in MWh) stored by the Energy Storage Resource at the beginning of the Day-Ahead Market day or a Real-Time Market interval.

Bidders: Entities that submit Offers in response to this RFP.

Bidding Entity: Developer(s) submitting one or more Offers to this RFP.

Capacity Degradation: The decline of total energy capacity attributed to the battery modules.

Charge Response Rate (Ramp Rate): The speed at which a storage system can move from zero output to its Maximum Allowable Charge Rate, measured as described in the Storage Rating Test Exhibit to the Agreement (Appendix D1/D2).

Cycle: The sequence of injecting electric energy into a battery then withdrawing electric energy from a battery, where one cycle is the charge and discharge of a battery's total Dispatchable Capacity.

Designated Schedule: Refers to a NYISO scheduling strategy that CECONY will use to offer in to NYISO Markets. It will consider operational parameters of the energy system, market prices, and any limitations on usage as specified in the Agreement.

Discharge Response Rate (Ramp Rate): The speed at which the storage system can move from zero output to its Maximum Allowable Discharge Rate, measured as described in the Storage Rating Test Exhibit to the Agreement (Appendix D1/D2).

Dispatchable Capacity: The MWs that can be continuously dispatched by the storage system and measured as described in the Storage Rating Test Exhibit to the Agreement.

Environmental Value: The pecuniary value ascribed to reductions in greenhouse gas emissions (GHGs) and other benefits.

General Partner: Has responsibility for the actions of the business, can legally bind the business and is personally liable for all the business's debts and obligations.

Greenhouse gases: Includes carbon dioxide, methane, nitrous oxide, fluorinated and other gases.

Host Utility: Transmission or distribution system owner at the Project's Interconnection Point.

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Lower Operating Limit: The minimum MW level at which the Energy Storage Resource is willing to operate.

Lower Storage Limit: The minimum amount of energy an energy storage resource is physically capable of storing.

Market Participant: An entity, excluding the ISO, that produces, transmits, sells, and/or purchase for resale Unforced Capacity, Energy or Ancillary Services in the Wholesale Market. Market Participants include: Transmission Customers under the ISO OATT, Customers under the ISO Services Tariff, Power Exchanges, Transmission Owners, Primary Holders, LSEs, Suppliers and their designated agents. Market Participants also include entities buying or selling TCCs. Definition per NYISO Market Service Tariff (MST) Section 2.13. See the MST for more information.

Maximum Allowable Charge Rate: The maximum warranted MW quantity of electric energy that a resource using the NYISO participation model for electric storage resources can receive from the grid.

Maximum Allowable Discharge Rate: The maximum warranted MW quantity that a resource using the participation model for electric storage resources can inject into the grid.

Minimum Allowable Charge Rate: The minimum warranted MW level that a resource using the NYISO participation model for electric storage resources can receive from the grid.

Minimum Allowable Discharge Rate: The minimum warranted MW output level that a resource using the participation model for electric storage resources can inject onto the grid.

Offers: Energy storage Project proposals submitted by Bidders to this RFP.

Offer Variation: An offer using the same Interconnection Point as the Base Offer but varies by Dispatchable Capacity.

Participant: See Bidder.

Preferred Load Areas: Specific geographic and electrically connected areas that are preferred locations for Projects. See Appendix E.

Qualified Bidders: Bidders that are approved to submit formal responses (“Offers”) to this RFP.

Rated Power: Measured in megawatts (MW), the intensity of the electricity delivered to the grid from the battery energy storage system.

Response Rate (Ramp Rate): How quickly the Energy Storage Resource can respond to dispatch instruction from the NYISO under various operating conditions.

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State Environmental Quality Review Act: New York's State Environmental Quality Review Act (SEQR) requires all state and local government agencies to consider environmental impacts equally with social and economic factors during discretionary decision-making. This means these agencies must assess the environmental significance of all actions they have discretion to approve, fund or directly undertake.

Subsidiary: Of any Person means any corporation, general or limited partnership, joint venture, limited liability company, limited liability partnership or other Person that is a legal entity, trust or estate of which (or in which) (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors (or a majority of another body performing similar functions) of such corporation or other Person (irrespective of whether at the time capital stock of any other class or classes of such corporation or other Person shall or might have voting power upon the occurrence of any contingency), (b) more than 50% of the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) more than 50% of the beneficial interest in such trust or estate, is directly or indirectly owned or Controlled by such Person.

System Efficiency Degradation: The decline of Dispatchable Capacity not attributed to the battery modules.

Throughput: The total electrical energy injected into and withdrawn from the energy storage resource over a specified period.

Upper Operating Limit: The physical maximum MW level which the Energy Storage Resource is willing to operate.

Upper Storage Limit: The maximum amount of energy an energy storage resource is physically capable of holding.

Utility-Defined Procurement Ceiling: The maximum the utility is allowed to pay based on the total net value of the projected benefits per the December 13, 2018, New York State Public Service Commission Decision in Case 18-E-0130.