

Q&A Related to CECONY and O&R Draft Bulk Energy Storage Request for Proposals

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Responses to Questions Received

Q1: One quick question on the Draft RFP – the timeline on page 2 of the Request for Proposal document states that bids are due on Oct 1, whereas the rest of the document (section 5.3, for example) references Nov 1. Was this a typo in the timeline or did it just not carry through to the rest of the sections?

A1: October 1 is the correct date. November 1 is incorrect - this was the original date from the Implementation Plan but was changed to October 1 in the Draft RFP documents.

Q2: We are submitting the following question on the LC requirement in the draft RFP. I've created the table below which is our interpretation of the requirements. Can you confirm or correct the inconsistencies between the summary doc and the term sheet? Before we submit comments next week, we would like to understand the intention of the documents – given that the summary doc is different from the term sheet, we cannot provide constructive comments until Con Ed confirms what the requirement actually is. We are requesting that Con Ed provides a response before the deadline next week.

Additionally, what will we have to post “at the time of Offer submittal” as referenced in section 2.6? The second sentence in section 2.6 seems to contradict the first sentence as it states “The Letter of Credit will be maintained by the Bidder from Agreement execution throughout the term of the Agreement with Con Edison.” Can you clarify?

	At Time of Offer up to Contract Signing	Contract Signing until COD	Contract Term (After COD)
Summary Doc	Unclear	30% of total Contract Price	At Least Total Sum of Payments Made to Bidder less the straight line depreciation over the Term
Term Sheet	N/A	[\$210,000]/MW	Not less than the Initial Payment decreasing by [1/7 th] of the amount of the Initial Payment on each anniversary of the COD during the term

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A2: Con Edison/O&R requires no credit support before contract execution. Bidders' only financial requirement at the time of Offer is the Offer Deposit. At contract signing, the Bidder shall provide a Letter of Credit, in a form acceptable to Con Edison/O&R, in an amount [\$210,000]/MW. Among the conditions to achieve COD, the Bidder must provide a new Letter of Credit, equal to at least the total sum of payments to the Bidder, which may decline in increments of [1/Term] on each anniversary of the COD.

Q3: Could you tell me if there are any restrictions in stakeholder communication with ConEd during this RFP process (i.e. by meeting with ConEd are we restricted from providing comments on draft terms or bidding into the RFP)? XXXXXX is seeking to meet with ConEd to discuss certain items associated with this procurement and want to ensure this doesn't preclude us from participation.

If there are no communication restrictions, could you advise who the appropriate contact at ConEd would be to discuss this procurement with?

A3: There are no restrictions to communicating or meeting with Con Edison during the RFP process. However, Con Edison will not address any RFP specific comments provided or answer any RFP specific questions asked outside of the official comment and Q&A process detailed in the draft RFP documents and on the website. All RFP related questions must be submitted via the official channel (BulkStorageRFP@coned.com) so responses can be prepared and shared with all interested parties. Detailed information about the RFP is included on the website and additional information about the solicitation can be found under the "Related Information" section of the website.

Q4: Would a battery facility connected to a transmission line that directly supplies the O&R Cuddebackville or Hartley Rd substations count as a preferred location?

A4: No, interconnections at higher voltage points that supply these stations would not be considered preferred locations. O&R has identified the preferred location in Appendix E of the draft RFP. The locations and the substations have been chosen to provide secondary benefit to the distribution system by absorbing excess Solar Generation. Any facilities not located within the geographical area mentioned in the RFP, will not be considered by O&R as a "preferred location".

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Q5: Are all comments made by potential bidders to the draft Bulk Storage RFP kept confidential, provided the comments are labeled as such?

A5: All comments submitted to the designated email will be kept confidential. Responses to these comments will not be provided. Comments will be viewed by the Con Edison and O&R internal RFP teams only. Comments may be discussed and/or shared with DPS and NYSERDA if required.

Questions will be handled through the open Q&A process. Questions containing developer specific information, marked confidential, will be rephrased to be applicable to all prospective bidders without any bidder or project specific information and answered accordingly. We will not post any bidder-specific information in the public Q&As.

Q6: We understand as part of Bidder's Qualification, it is necessary to have NYISO experience - please can you confirm this?

A6: NYISO experience is not a requirement to qualify. The draft RFP documents provide information related to prequalification.

Q7: Are you able to provide us with a list of attendees at the Joint Utilities Storage Solicitation Stakeholder Conference? Are there any companies that you suggest we contact in view of seeking a bid partnership?

A7: A list of attendees is not available. We cannot advise on bid partnerships.

Q8: Given the extensive cost to prepare a bid for these projects (interconnection applications, permitting feasibility analysis, bid fees) we want to confirm that projects would be considered from areas outside of the preferred zones and what circumstances that they would be considered above a project within the preferred zones (ie... substantially lower prices, economic analysis for the net value of the storage, etc..). Any indication on the weight of this factor would be helpful in determining which projects to bid.

A8: Projects in all locations in the Con Edison and O&R service territories will be considered. Evaluation criteria and the treatment of the preferred load zone areas in project evaluation is included in the draft RFP documents. No additional specifics on evaluation weightings will be provided.

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Q9: Can Consolidated Edison confirm that the battery storage system will be able to fully participate in NYISO market after the contract terms expires in all ancillary services, energy and capacity markets?

A9: Meeting and maintaining NYISO participation eligibility during and after the contract term is the sole responsibility of the asset owner.

Q10: Would an exactly 5MW project be eligible for the bulk storage RFP?

A10: No. As stated in the RFP documents, the minimum size requirement is greater than 5 MW.

Q11: Is there a map of transmission lines for ConEd territory?

A11: Maps are not available publicly. However the NYISO publishes a list of transmission facilities available at <https://www.nyiso.com/documents/20142/2923709/M-29-Outage-Scheduling-Att-A-v2019-04-22-Final.pdf/eac97125-cbab-0441-2663-d1d95a1a6d36>.

Q12: Would Con Ed accept offers that include contingencies for mitigation? i.e. at contract signing, would Con Edison agree to two different contract prices (one unmitigated, one mitigated) and based on the results of the mitigation test, the corresponding contract value would become effective prior to COD?

A12: No. Con Edison and O&R will not entertain Offer contingencies based on NYISO's mitigation test outcomes. To the extent the storage resource is mitigated under current NYISO rules, the results of that mitigation would require capacity market offers at a floor price. If the offer price clears in the capacity market 12 times (do not have to be consecutive) the resource will no longer be mitigated. Con Edison intends to offer the resources into the capacity market each month of the contract term. It is the responsibility of the bidder to maintain eligibility to make such offers during the contract. It is the also the responsibility of the bidder to the assess the potential impacts, if any, of buyer side mitigation on post contract residual value.

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Q13: If the Bidder (aka developer) will not be the long-term Owner/Operator of the project, is the Bidder still required to provide three years of audited financial statements or will the audited financial statements of the long-term Owner/Operator suffice for this requirement?

A13: Audited financial are required from all relevant entities (the Bidder, Parent and contract counterparty provided these are separate legal entities). If the bidder is not the long-term owner/operator, then the audited financial statements of the long-term owner/operator should also be provided. In this scenario the Bidder should still provide financial statements.

Q14: If the Bidder (aka developer) was established less than three years ago, will less than three years of audited financial statements suffice (i.e., financial statements would be provided for the length of time the developer has been in business)?

A14: The financials will be used as part of the assessment of project and Bidder viability. The RFP documents request the audited financials of all relevant entities (the Bidder, Parent and contract counterparty provided these are separate legal entities). Since, in this instance, the developer has not been in business long enough, we would require all audited financial statements that can be reasonably provided since the developer's formation. The other entities, if any, should still provide three year's audited financial statements.

Q15: Could Con Edison procure for more than 300 MW in this bid if the price is right?

A15: Yes. The Storage Order states "at least 300 MW" as the target.

Q16: What are the goals related to sizing the projects? Is the selection driven entirely by price or will Con Edison want to select more than 1 large project in favor of several smaller projects for distributed resources?

A16: As stated in the RFP document section 4.2 Qualitative Factors item 7 "Bidder Concentration – Con Edison and O&R will consider the amount of MW per Bidder to ensure a diversity of projects". Additional evaluation criteria are included in section 4.