



Wabash Valley Power Alliance, Inc.

**2022 All-Source Capacity and Energy
Request for Proposals**

RFP Administrator:



Wabash Valley Power Alliance
Request for Proposals for All-Source Capacity and Energy

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1. General Information

1.1. Introduction

Wabash Valley Power Alliance (WVPA) is a not-for-profit generation and transmission (G&T) cooperative serving 23 member electric cooperatives in Indiana, Illinois, and Missouri. Together, these distribution partners provide electric service to nearly 325,000 homes, schools, and businesses.

1.2. RFP Administrator

The duties of the RFP Administrator for WVPA's 2022 All-Source Capacity and Energy Request for Proposals (All-Source RFP), as further described in Section 3, will be performed by ACES.

ACES' business model provides an established infrastructure of independent energy management practices that supports the verification of, and compliance with, applicable processes, policies, and procedures. ACES manages a significant amount of confidential data through a combination of specific internal guidelines, the company's independent control group, the company's corporate compliance manager, and periodic reporting to the Board of Directors Risk Oversight and Audit Committee. ACES takes its obligations regarding the maintenance of Confidential Information very seriously and will handle all Confidential Information with the highest professional regard.

2. Project Description

2.1. Overview of the RFP

WVPA is soliciting proposals for reliable and economically competitive power to supply long-term energy and capacity to its members. This resource, or combination of resources, will be needed to meet projected demand growth of roughly 1% to 2% over the next decade. Additionally, WVPA will also consider additional resources if they can provide economic, reliability, or strategic benefits in concert with WVPA's existing portfolio or in place of a portion of WVPA's existing portfolio. As a result, WVPA has increased the range of solicited capacity for those bidders that would like to submit larger projects for consideration.

WVPA will consider 25 MW to 200 MW of firm capacity and/or energy based on each resource's ability to effectively meet WVPA Members' peak demand needs. Firm capacity will be defined as a resource's nominal, or net maximum, alternating current (AC) capacity multiplied by its effective capacity contribution.

WVPA will accept proposals for terms or commercial operating dates starting before January 1, 2027. For the economic evaluation, resources or products must be available by June 1, 2027 to count for peak capacity value.

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WVPA requests proposals from all types of suppliers, including, but not limited to: electric utilities, power marketers, exempt wholesale generators, independent power producers, and generation developers (renewable and non-renewable). WVPA will also consider an acquisition of resources after the first five years of the agreement.

WVPA is using this RFP to identify viable resources to serve its load and to provide bidders an opportunity to compete in offering those resources to WVPA. See Section 2.2 for the broad range of solicited resource types. Further detail is also included in Appendices B-1 through B-6.

Subject to the limitations specified in this RFP, WVPA will consider proposals for all types of resources, as well as firm with liquidated damages products and call option contract proposals.

2.2. Basic Requirements for Proposals

WVPA will consider the following resource types, which are detailed further in Section 2.2.1 through 2.2.6:

- Capacity and energy from a new or existing thermal designated generation resource
 - Long-term power purchase agreement (PPA) or build-transfer agreement
- Capacity and energy from a new or existing renewable designated generation resource
 - Long-term PPA or build-transfer agreement
 - Storage resources are included in this classification
- Long-term proposals for firm with liquidated damages (Firm LD) energy and/or capacity
- Long-term proposals for daily call option products
- Long-term proposals for load management from demand-side resources
- Long-term proposals for MISO ZRCs

Bidders are responsible for acquiring and maintaining all present and future federal, state, and local approvals, licenses, permits, or variances and the specific requirements to construct and/or operate any generation facilities and associated interconnection facilities. Proposals should include a listing, description, and associated timing for required permitting up to the interconnection point/facilities. Any build-transfer proposals will require review of permitting plans and approval by WVPA. If a build-transfer plan is awarded, WVPA may participate in the review and approval of any filings as WVPA will be the ultimate owner of the facility.

All proposals must be submitted in Eastern Prevailing Time (EPT), unless specified otherwise in Sections 2.2.1 through 2.2.6.

2.2.1. Designated Thermal Generation Resources

WVPA is requesting proposals from bidders for a variety of generation resources, including, but not limited to: baseload generation, intermediate generation, and peaking generation. Proposals for designated thermal generation resources may be for a new resource or an existing resource.

The bidder is responsible for demonstrating the availability and adequacy of all primary and back-up fuel supplies, including fuel transportation and fuel-related services. Bidders are expected to have firm fuel delivery and a firm fuel supply. On-site inventory of back-up fuel is required if the bidder has non-firm fuel delivery or a non-firm fuel supply.

Proposals for thermal designated generation resources shall provide the information required in the main section and either the Power Purchase Agreement section or the Build-Transfer Agreement section of the Evaluation Form in Appendix B-1.

WVPA will accept proposals from all types of thermal generation resources. In order to be evaluated, proposals for designated thermal generation resources must meet the following minimum qualifications:

- Minimum capacity quantity of 25 MW
- Generation resource and physical location must be specified
 - If short listed, bidders must agree to submit an interconnection request from the generation resource to the appropriate transmission provider as part of the next transmission planning cycle
 - WVPA is requiring bidders to have and provide evidence of a feasible site(s) selected and at a minimum have a firm option to purchase or lease to demonstrate site control with the land owner(s) and other stakeholders that may impact the execution of the land purchase
- Thermal resource parameters as indicated in Appendix B-1
- Build/transfer offers must also meet these requirements:
 - Must provide a specific cost forecast for ongoing operating and maintenance (O&M) costs, including recommended plant staffing levels
 - The control, operating, and communication systems will utilize current industry standards and state-of-the-art hardware, software, and networking technology for a robust, fully integrated system of open architecture
 - Must include a description of any performance guarantees or warranties

2.2.2. Designated Renewable and/or Storage Generation Resources

WVPA is requesting proposals from bidders for designated renewable and/or storage generation resources. WVPA is soliciting a variety of generation resources, including, but not limited to: solar, wind, energy storage, and combinations thereof.

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WVPA is not and will not be responsible for site selection, land acquisition, environmental permitting, state and local permitting, or any infrastructure fundamental to the project's successful completion.

WVPA expects energy storage to be used primarily for full depth peak load shaving capacity unless additional benefits that can be realized in tandem are specified by bidders. This does not necessarily require daily full cycle use; however, the economic modeling will also consider the value of energy arbitrage if additional cycles are included in the pricing.

Proposals for resources designated as renewable generation, including energy storage resources, shall provide the information required in the Evaluation Form in Appendix B-2, in the main section and either the PPA section or the build-transfer agreement section.

In order to be evaluated, proposals for build-transfer resources must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Must specify generation resource and physical location
 - If short listed, bidders must agree to submit an interconnection request from the generation resource to the appropriate transmission provider as part of the next transmission planning cycle
 - WVPA is requiring bidders to have and provide evidence of a feasible site(s) selected and at a minimum have a firm option to purchase or lease to demonstrate site control with the land owner(s) and other stakeholders that may impact the execution of the land purchase
- Stand-alone energy storage must have a minimum 4-hour duration
- Energy storage must have a minimum of 120 full cycles per year
- Solar paired with 4-hour energy storage that charges only from solar energy must be a minimum of 100% solar capacity to energy storage capacity to ensure adequate charging energy to maintain reliable state of charge for peak load shaving
- Wind paired with 4-hour energy storage that charges only from wind energy must be a minimum of 200% wind capacity to energy storage capacity to ensure adequate charging energy to maintain reliable state of charge for peak load shaving
- Resources designated as renewable generation must include transfer of all environmental attributes, including the Renewable Energy Certificates (REC), to WVPA
- Build-transfer offers must also meet the following requirements:
 - Demonstrate that the project will be constructed through an Engineering, Procurement, and Construction (EPC) contract or other similar arrangement (if a new project)

- The control, operating, and communication systems will utilize current industry standards and state-of-the-art hardware, software, and networking technology for a robust, fully integrated system of open architecture
- Include a description of any performance guarantees or warranties
- Renewable energy and energy storage systems must use Tier 1 PV panels, battery components and inverters and meet the robust standards typical of the utility industry

2.2.3. Power Purchase Agreement Proposals for Firm (LD) Energy and Capacity

WVPA is requesting proposals from bidders for Firm (LD) blocks to meet all or a portion of its power supply needs.

PPA proposals for Firm (LD) blocks shall provide the information required in the Evaluation Form in Appendix B-3.

In order to be evaluated, proposals for Firm (LD) blocks must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Proposals must be provided as either 5x16, 7x16, or 7x24
 - Proposals can be provided as seasonal (summer being June through September, winter being all other months) or annual
- Proposals for Firm (LD)
 - Proposals for physical energy must be Firm (LD), as defined in Schedule P: Products and Related Definitions of the Edison Electric Institute (EEI) Master Power Purchase & Sale Agreement;
- Proposals delivered directly to WVPA's transmission system or Indiana Hub will be given preference:
- Proposals may also bundle MISO Zonal Resource Credits
 - Zone 6 ZRCs are preferred
 - ZRCs from Zones 1-7 will be evaluated
- Preference will be given for proposals under which the contract does not permit the seller to interrupt deliveries to the buyer except for reliability reasons

2.2.4. Power Purchase Agreement Proposals for Daily Call Option Products

WVPA is requesting proposals from bidders for physical daily call options to meet all or a portion of its power supply needs. Daily call options can be a heat rate or fixed strike price. WVPA will consider strike prices for baseload, intermediate, or peaking needs.

PPA proposals for the daily call option product shall provide the information required in the Evaluation Form in Appendix B-4.

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In order to be evaluated, proposals for daily call options must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Proposals must be provided as either 5x16, 7x16, or 7x24
 - Proposals can be provided as seasonal (summer being June through September, winter being all other months) or annual
- Proposals must be for physical energy
 - Proposals for physical energy must be Firm with Liquidated Damages as defined in Schedule P: Products and Related Definitions of the EEI Master Power Purchase & Sale Agreement;
- Proposals must specify either:
 - Fixed strike price
 - Heat rate, in terms of MMBtu/MWh
 - Heat rate proposals must identify a published natural gas price index
- Proposals delivered directly to WVPA's transmission system or Indiana Hub will be given preference:
- Preference will be given for proposals under which the contract does not permit the seller to interrupt deliveries to the buyer except for reliability reasons

2.2.5. Agreements for Load Management from Demand-Side Resources

WVPA is requesting proposals from bidders for resources qualified to register as Load-Modifying Resources (LMR) for a portion of its power supply needs. This may include end use control technology, energy storage, behind-the-meter generation (BTMG), or a combination of technologies and delivery mechanisms, provided the proposed solution reliably reduces demand during peak load events.

Proposals for the load management product shall provide the information required in the Evaluation Form in Appendix B-5 for each season.

In order to be evaluated, proposals for load management from demand-side resources must meet the following minimum qualifications:

- Minimum quantity of 1 MW
- Must provide load response with one of the following notification options: (1) two-hour-ahead notification of calling events, (2) six-hour day-ahead notification of calling events
- Must be able to meet current and proposed MISO requirements as described in MISO Tariff Attachment TT, MISO Business Practice Manual (BPM) BPM-011 and BPM-026, including measurement and verification for registration and after the fact reporting and analysis of events

2.2.6. Power Purchase Agreements Form for MISO Zonal Resource Credits

WVPA is requesting proposals from bidders for MISO ZRCs to meet all or a portion of its capacity needs. Proposals for ZRCs shall provide the information required in the Evaluation Form in Appendix B-6.

In order to be evaluated, proposals for ZRCs must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Term starting no later than planning year (PY) 2026/2027
- Term lengths: 1 to 25 years
- Proposals for MISO ZRCs from Zone 6 will be given preference
 - ZRCs from Zones 1-7 will be evaluated
 - Proposals should detail expected impacts of the new MISO Seasonal Construct, if applicable

2.3. Multiple Proposals

WVPA will accept and encourage multiple proposals from a bidder. In the event the same bidder provides multiple proposals, the bidder must indicate whether the proposals are mutually exclusive.

3. Instructions to Bidders

3.1. RFP Proposal Process

WVPA has posted the All-Source RFP document and all related appendices on the RFP website:

www.acespower.com/WVPA2022RFP

To participate in the All-Source RFP, bidders must submit a Bidder Registration Form, Appendix A. Upon receipt of the Bidder Registration Forms, the RFP Administrator will acknowledge their receipt via email.

Bidders should note that WVPA will only accept electronically submitted notices and proposals. Bidders are required to submit all completed forms by the specified deadlines to the All-Source RFP submission e-mail address:

WVPA2022RFP@acespower.com

All proposals must be signed by an officer or agent of the bidder who is duly authorized by the bidder's authorizing governing body to sign and submit such proposals.

All proposals must be registered and submitted electronically via email to:

WVPA2022RFP@acespower.com

Proposal pricing will be considered binding, until otherwise notified by the RFP Administrator, for a period not to exceed 120 days from the submission deadline for the best and final offer.

3.2. Proposal Contents and Format

In addition to completing the required Appendices A and B, bidders should structure their main proposal to including the following in order:

1. Executive Summary
 - a. Short description of proposed project(s)
 - b. Pricing summary table
2. Relevant Experience
 - a. Key team members
 - b. History of providing similarly sized projects over past three years
 - c. Three client references including contact name and phone numbers
 - d. Possible conflicts of interest and any legal claims
3. Project Description
 - a. Type of proposal as defined in Section 2.2
 - b. Project schedule (if new construction)
 - c. Site description and status of site control
 - d. Listing, description, and associated timing for required permitting up to the interconnection point/facilities
 - e. Ability to provide ancillary services (voltage support, load following, etc.)
 - f. Facility limitations that may constrain operation or dispatch
 - g. Fuel supply and fuel transportation (if applicable)
 - h. Electrical interconnection description and status
4. Technical Specifications
 - a. Description and original equipment manufacturer (OEM) data sheets for major components
 - b. Control system specification including interface data requirements, network parameters, and required communication protocols
 - c. Resource design life including any expected and guaranteed capacity for the term of the agreement
5. Preliminary (to scale or with dimensions) general arrangement drawings and electrical schematics
6. Financial information for credit analysis (see Section 3.9 for more detail)
7. **If short listed**, Sample PPA or Energy Storage Services Agreement

3.3. RFP Schedule

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The schedule for the All-Source RFP is shown in www.acespower.com/WVPA2022RFP

Figure 1 below. As circumstances warrant, WVPA, in its sole judgment and discretion, may change this schedule, and, in that event, the RFP Administrator will inform all potential bidders as far in advance as reasonably possible by posting any change on the RFP website:

www.acespower.com/WVPA2022RFP

Figure 1: RFP Schedule

<u>Schedule</u>	<u>Deadline</u>
RFP Issued	September 8, 2022
Notice of Intent to Provide Proposal Deadline	September 26, 2022
Final Date for RFP Question Submittal	September 30, 2022
Round 1 Bid Proposals Due	October 7, 2022
Short – List Notification	November 18, 2022
Round 2 Bid Proposals Due	December 20, 2022
Round 2 Finalist Selection	January 20, 2023
Complete Negotiation of Final Contract	TBD

3.4. Modification or Cancellation of the All-Source Capacity and Energy RFP

WVPA reserves the right, in its sole judgment and discretion, to modify or cancel the All-Source RFP. In such event, WVPA, via the RFP Administrator, will post a notice on the RFP website, and make a reasonable attempt to notify directly all participants who have filed a timely Bidder Registration Form of any such modifications or cancellation. WVPA, or the RFP Administrator, shall have no liability or responsibility for failing to make such direct notification to participants.

3.5. Question Process

WVPA encourages questions and comments from potential bidders about the All-Source RFP. Questions or requests for clarifying information must be directed through the designated RFP email address:

WVPA2022RFP@acespower.com

The RFP Administrator will post questions submitted by bidders, as well as WVPA’s responses to such questions, on the RFP website:

www.acespower.com/WVPA2022RFP

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WVPA's objective in posting these questions and responses is to ensure that all bidders have equal access to non-confidential information that may be potentially relevant to their proposals.

3.6. Bidder Registration

WVPA and the RFP Administrator will accept bidder registrations during the open submittal period beginning September 8, 2022, and concluding at 5:00 p.m. EPT on September 26, 2022. Potential bidders are required to submit a properly completed Bidder Registration Form, Appendix A, to the RFP email address:

WVPA2022RFP@acespower.com

Upon receipt of the electronic Bidder Registration Forms, the RFP Administrator will acknowledge receipt of these registrations via email.

3.7. Submission of Proposals

Through the RFP Administrator, WVPA will accept proposals during the open submittal period of September 8, 2022, through 5:00 p.m. EPT on October 7, 2022. Only electronically submitted proposals will be accepted.

Bidders are required to submit all completed forms by the specified deadlines to the RFP email address:

WVPA2022RFP@acespower.com

All proposals must be submitted in accordance with the instructions and on the appropriate evaluation form provided in Appendix B1 – B6.

Proposals must be signed by an officer or agent of the bidder duly authorized to make such proposals by the bidder's Board of Directors or comparable governing body for an unincorporated bidder.

All proposals will be treated as confidential and will be subject to all governing regulatory requirements.

Any proposal(s) identified as non-conforming will be segregated for discussions with the bidder and the bidder will be allowed the opportunity to correct any nonconforming aspect of its proposal.

3.8. Proposal Evaluation

WVPA and its RFP Administrator will conduct an initial review of all proposals for responsiveness and viability. Proposals that satisfy the initial review will be evaluated using

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an objective assessment mechanism incorporating multiple criteria including, though not necessarily in order, the following:

1. Cost of firm capacity and net economic value to portfolio
2. Developer experience
3. Creditworthiness
4. Ability to reduce exposure to commodity price volatility
5. Ability to support system reliability (e.g., does it provide regulating and/or contingency reserves, primary frequency response, ramp/flex support, voltage support, etc.)
6. Adaptability of proposals to future market structures and design, as well as potential future regulatory requirements
7. Ability to provide environmental benefits, such as reduce the portfolio's total emissions output or provide RECs
8. Optionality to purchase the resource or expand the resource capacity in the future

WVPA will evaluate intermittent resources proposed in combination with other proposals and WVPA's existing resources to identify the optimal portfolio resource mix considering reliability to provide regulating reserves and firm output capacity during peak hours. Some resources may include an additional regulating reserve cost if the size exceeds WVPA's current ability to integrate intermittent resources.

3.9. Credit and Contract Analysis

The RFP Administrator will evaluate the creditworthiness of bidder(s) (or their parent organizations) through a credit assessment, which, at a minimum and in line with industry standards, may include the following factors:

- Tangible net worth evaluation
- Historical and projected measures of cash flow and liquidity
- Historical and projected leverage
- Calculation of credit ratios

Other credit risk issues may also be evaluated, including, but not limited to: earnings volatility; risk management practices; the status of ongoing legal, regulatory, or other governmental processes or proceedings or significant contract negotiations; or other pertinent factors that impact ongoing operations.

As part of this process, the RFP Administrator may request additional financial information from bidders (or their parent organizations) and may consider additional confidentiality agreements with such bidders (or their parent organizations) to protect such information, as appropriate.

The credit evaluation process may also include, but is not limited to, reviewing the unsecured or issuer credit ratings issued by Standard & Poor's, Moody's, and/or Fitch, if applicable, as

well as ratings issued by Dun & Bradstreet. WVPA and the RFP Administrator may require any successful bidder (or its parent organization) to post a form of credit support to ensure the bidder's performance under the proposed transaction. The amount of credit support will be determined by the RFP Administrator's credit evaluation of the bidder's (or its parent organization's) credit condition and determination of financial obligations of the bidders and the potential costs to replace the proposed transaction.

Credit support must be in a form acceptable to WVPA and the RFP Administrator and may include a parental guarantee from a creditworthy entity, a letter of credit from an investment grade financial institution, cash on deposit in escrow, or equivalent credit support. In addition to the considerations above, WVPA and the RFP Administrator will consider the credit support customarily and ordinarily required in transactions similar to the proposed transaction.

The RFP Administrator will evaluate the PPAs provided by bidders to determine the appropriateness of the terms and conditions in addressing the needs of WVPA. The RFP Administrator will consist of a multi-disciplinary team and will support WVPA in order to make the final assessment of the reasonableness and appropriateness of the proposed terms and conditions.

3.10. Confidential Information and Confidentiality Agreements

WVPA, the RFP Administrator, and WVPA's Board of Directors will treat all proposals submitted by bidders as confidential.

In the event that WVPA and the RFP Administrator, in their judgment and discretion, determines that information contained in any question, response, or other communication between them and a bidder, which is not contained in the bidder's proposal, requires confidential treatment, an appropriate Confidentiality Agreement (Appendix C), will be submitted to the bidder. Otherwise, WVPA will ensure that all bidders have access to the same information from WVPA, and that no bidder will have selective or otherwise preferential access to non-public market sensitive information from WVPA through the All-Source RFP.

4. Approvals

A bidder whose proposal is selected by WVPA and approved by WVPA's Board of Directors will be solely responsible, financially, legally, and otherwise, as applicable, for acquiring and maintaining all necessary creditor and other third-party authorizations and consents necessary or appropriate to effectuate the selected proposal, including all authorizations, permits, licenses, consents, and approvals associated with a selected proposal, as well as compliance with any and all governmental rules and regulations for the construction and operation of the assets or project identified in the proposal. A bidder whose proposal is selected will be solely responsible for obtaining and maintaining financing for its project.

5. Reservation of Rights

WVPA reserves the right, in its sole discretion, to reject any and all proposals submitted as part of this All-Source RFP process for any reason. WVPA may request additional information to complete its evaluations. Respondents who submit proposals do so without recourse against WVPA for rejection or failure to execute an agreement for any reason. WVPA will not reimburse any cost incurred in the preparation or submission of a proposal or any subsequent negotiations regarding a proposal. WVPA reserves the right to terminate this All-Source RFP process at any time, without notice and with no obligation to purchase or continue negotiations.