
2024 Request for Proposals for Off Island Capacity (New England Control Area) “2024 Off Island Capacity RFP”

FEBRUARY 14, 2024

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Disclaimer

This meeting is being conducted for informational purposes only and information, data, or comments provided by PSEG Long Island during the meeting are not to be construed as altering, modifying or replacing the requirements or contents of the 2024 Off Island Capacity RFP. PSEG Long Island's agreement to make material or non-material changes to the RFP arising from meeting discussions should not be considered binding unless and until such changes appear in an addendum to the RFP. RFP Respondents are encouraged to carefully read and adhere to the Proposal requirements as articulated in the RFP and in any addendums thereto.

PSEG Long Island Team Introductions

- Yuri Fishman – Director of Power Resources and Contracts
- John Koroglu – Manager of Power Projects
- Peter Andolena – Manager of Capacity Markets and Policy
- Joanna Weissman – Markets and Services Manager
- Janet DeLuca – Commercial Attorney
- William Killgoar – Regulatory Markets Manager
- MJ Beck Consulting

Meeting Format

- PSEG Long Island will conduct this presentation for the purpose of advising potential Respondents on some of the key requirements and aspects of the RFP.
- Questions can be asked any time during the discussion. There will also be a segment for Questions & Comments at the end of the presentation.
- Confidential questions shall be asked directly through the Designated Email Address and identified as confidential.
- The presentation deck, along with Q&A document will be posted on the RFP website following the meeting.

RFP Background and Goals

- This RFP is seeking up to 345 MW of generating capacity that is eligible to qualify as Long Island Locational ICAP under NYISO Rules(*) from the New England Control Area transmitted to the Delivery Point in New Haven (.I.SHOREHAM 138 99 export node) and to the Long Island transmission system via the Cross Sound Cable.
- This RFP is requesting Contract Capacity and related Supplemental Resource Evaluation (SRE) related Energy for either one or both of the following NYISO Capability Years:
 - NYISO Capability Year 1: May 1, 2025 through April 30, 2026
 - NYISO Capability Year 2: May 1, 2026 through April 30, 2027

(*) Such Contract Capacity, when combined with the Unforced Deliverability Rights (UDRs) associated with the Cross Sound Cable, must be eligible to be recognized as Long Island Locational ICAP by the NYISO.

Key RFP Requirements

- The Contract Capacity may be provided by aggregating capacity from more than one generating resource(*). The capacity of each generating resource offered must be a minimum of 25 MW.
- Respondent(s) must clearly specify the Contract Capacity (MW) and associated pricing (\$/kW-month) that is being offered from each generating resource for each NYISO Capability Year.
 - LIPA may elect to purchase any amount of Contract Capacity within the specified limits.
 - LIPA may also elect to purchase Contract Capacity for either one or both of the NYISO Capability Years being offered.

(*) A generating resource is an individual generating unit, a power plant, or a portion of a unit or a power plant that is capable of producing dispatchable electric power.

Key RFP Requirements

- Proposed Pricing
 - The Proposal shall include proposed Capacity pricing (all-inclusive) in \$/kW-month for each NYISO Capability Year being proposed.
 - Energy, pursuant to an SRE request by NYISO, will be compensated based on the prevailing NYISO SRE rules.
 - All proposed Capacity pricing must be firm through at least the “Firm Pricing Required Through” date noted in the RFP Schedule in Section 4.0.
- A Respondent may propose non-substantive exceptions to LIPA’s Form of Capacity Purchase Agreement to clarify Respondent’s special circumstances.
 - In such an event, Respondent shall provide a redline mark-up showing such changes.
 - The nature and extent of any exceptions taken to the terms and conditions will be considered in the evaluation of Proposals.

Respondent's Contract Execution Plan (NYISO and ISO-NE)

- As described in detail in RFP Section 6.3.7, Respondent(s) must provide a plan in their Proposal for meeting ISO-NE and NYISO Requirements for exporting Contract Capacity:
 - Statement affirming that the Contract Capacity is located in the New England Control Area, including the name of the ISO-NE Capacity Zone where the Project is located. This statement should affirm that Contract Capacity is eligible to be exported in accordance with ISO-NE rules and is eligible to qualify as Long Island Locational ICAP in accordance with NYISO Rules.
 - Statement affirming that the Project(s) will not have a forward Capacity obligation in the ISO-NE Capacity markets for the specified NYISO Capability Year(s).
 - If the Project has an existing Capacity obligation in the ISO-NE Capacity Market, the Respondent must provide a statement affirming that they are able to buy out of their obligations and will provide the required Contract Capacity for the applicable NYISO Capability Year(s).
 - Statement affirming that the Project(s) does not have a permanent or retirement delist bid that has been accepted by ISO-NE.
 - Statement affirming that (i) the Project(s) has been registered with the NYISO as an External Installed Capacity Supplier or, if not registered, (ii) the Respondent will register the Project(s) with the NYISO as an External Installed Capacity Supplier.

Evaluation & Selection Process

- The qualitative evaluation criteria include:
 - Ability to meet the Service Commencement Date(s), if not currently in service
 - The Respondent's Execution Plan for meeting ISO-NE and NYISO requirements
 - Respondent's (or Respondent's parent's) creditworthiness
 - Respondent's experience
 - History of Project(s) availability and reliability
 - Consistency with LIPA's policies and resource plans
 - Degree of exceptions to LIPA's Form of Capacity Purchase Agreement
- The quantitative evaluation criteria include:
 - All-in costs of the Proposal to LIPA customers. This evaluation includes an assessment of the costs and benefits associated with the proposed Capacity purchase, including the impact on LIPA's other power purchases and sales.
- The Capacity Purchase Agreement shall be subject to approval by the LIPA Board for execution.
- The Capacity Purchase Agreement shall not be valid, effective, or binding until approved by the NYS AG and OSC and filed in the Comptroller's Office.

NYS Government Requirements

- If selected under this procurement, Respondent(s) are required to provide a Vendor Identification Number for each intended contracting entity no later than two weeks after Proposal Selection.
 - The NYS Comptroller's Office targets approximately one-week turnaround from Vendor Identification Number request to completion of the no-fee request.
- The entity intending to enter a contract with LIPA should file the required Vendor Responsibility Questionnaire online via the NYS VendRep System. Please see Section 7.1.5 of the RFP for further details.

Communications

- Improper communications during the RFP process may result in bid disqualification.
 - Respondents must direct all communications and questions regarding this RFP only to the listed “Designated Contact” through the “Designated Email Address”. All written communications from LIPA to Respondent will be sent through e-mail.
- The Designated Contacts are:
 - John Koroglu & Edmund Petrocelli
- The Designated Email Address is:
 - PSEG-LI-2024OffislandCapacityRFP@pseg.com
- Updates and additional information may be posted periodically on the RFP Webpage.
 - <https://www.psegliny.com/aboutpseglongisland/proposalsandbids/2024OffIslandCapacityRFP>

RFP Schedule

| Activity | Target Date |
|---------------------------------|---|
| Release of RFP | January 16, 2024 |
| Pre-Bid Webinar | February 14, 2024 |
| Question Submittal Window* | January 16, 2024 - March 22, 2024 |
| Proposal Submittal Deadline | April 5, 2024, 5:00 PM EST |
| Proposal Selection(s) (planned) | May 6, 2024 |
| Firm Pricing Required Through | September 30, 2024 |
| Service Commencement Date(s) | May 1, 2025 or May 1, 2026, as applicable |

(*) Window for submittal means start date (at 12:00 am) for acceptance of questions and end date (at 11:59 pm) for acceptance of questions.

Additional Questions & Comments

