

**2021 Request for Proposals
for
Off Island Capacity
(New England Control Area)**

**Issued by
PSEG Long Island on behalf of the
Long Island Power Authority**

Issued December 14, 2021



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1.0 INTRODUCTION

PSEG Long Island, LLC (“PSEGLI”), on behalf of the Long Island Power Authority (“LIPA”), is issuing this 2021 Request for Proposals for Off Island Capacity (“2021 Off Island Capacity RFP”). LIPA seeks generating capacity electrically located in the Rest-of-Pool Capacity Zone of the New England Control Area. Such capacity, when combined with LIPA’s transmission rights associated with the Cross Sound Cable, is intended to be qualified by LIPA as Unforced Deliverability Rights (“UDRs”) in the New York Independent System Operator (“NYISO”) capacity market and will contribute to meeting LIPA’s “on-Island” installed capacity obligation. In support of such UDRs, the generating plant(s) providing the capacity must produce energy during a Supplemental Resource Evaluation (“SRE”) request by NYISO, as may be required from time to time to address system reliability emergencies¹.

1.1 Company Overview

- 1.1.1 LIPA is a corporate municipal instrumentality and political subdivision of the State of New York. LIPA and its wholly-owned subsidiary Long Island Lighting Company d/b/a LIPA, by and through its agent, Long Island Electric Utility Servco LLC (“Servco”), a subsidiary of PSEGLI, provides electric service to approximately 1.1 million customers in its service area, which includes Nassau County and Suffolk County and the portion of Queens County known as the “Rockaways,” in the State of New York (the “LIPA Service Territory”).
- 1.1.2 To meet its customers’ electricity requirements, LIPA has secured power supply resources, primarily through various power purchase agreements with third-party generation and transmission developers and has undertaken a variety of demand-side initiatives to reduce system peak demand.
- 1.1.3 Pursuant to the Amended and Restated Operation Services Agreement (“A&R OSA”) dated December 31, 2013, as it may be restated, amended, modified, or supplemented from time to time, between Long Island Lighting Company d/b/a LIPA and PSEGLI, PSEGLI through its operating subsidiary, Servco, assumed the responsibility as Long Island Lighting Company d/b/a LIPA’s service provider, to operate and manage the transmission and distribution system (T&D System) and other utility business functions as of January 1, 2014. On January 1, 2015, PSEGLI assumed responsibility for power supply planning and procurement, and its affiliates provide certain services,

¹ A Supplemental Resource Evaluation request (an SRE or SRE request) is described in Section 5.12.1.10 of the NYISO Market Administration and Control Area Services Tariff (“NYISO MST”) and in Section 6.7.10 of the NYISO Transmission and Dispatch Operations Manual.

such as purchasing power and fuel procurement related to these responsibilities. Additional information about LIPA² and PSEGLI³ can be found on their respective websites.

- 1.1.4 LIPA and Cross Sound Cable Company, LLC are parties to a Firm Transmission Capacity Purchase Agreement under which LIPA purchases the full capacity of an HVDC transmission project between Shoreham, New York and New Haven, Connecticut (“Cross Sound Cable”).
- 1.1.5 PSEGLI and Servco (collectively referred to herein as “PSEGLI”), as agent of and acting on behalf of the Long Island Lighting Company d/b/a LIPA per the A&R OSA, will administer this RFP. LIPA, as the principal, will be the contracting party under any contract that may result from this RFP. Any such contract must be approved by the LIPA Board of Trustees (“LIPA Board”) and the New York State (“NYS”) Office of the State Comptroller (“OSC”), and the NYS Attorney General (“AG”) prior to becoming effective.

1.2 Common Terms

- A response to this RFP submitted by a party is referred to herein as a “Proposal.”
- A party submitting a Proposal is referred to herein as a “Respondent.”
- A generating resource proposed by a Respondent to provide Contract Capacity and Energy pursuant to an SRE in response to this RFP is referred to herein as a “Project.”
- Unless otherwise defined in Sections 1 through 9 of this RFP, capitalized terms shall have the meanings defined in Appendix E (Glossary) of this RFP.

1.3 Description of Solicitation

- 1.3.1 This RFP is seeking the following:

- Up to 345 MW of qualified installed capacity (“Contract Capacity”) electrically located in the Rest-of-Pool Capacity Zone of the New England Control Area. The Contract Capacity may be provided by aggregating capacity from more than one generating resource. Each Proposal shall specify the minimum (no less than 1 MW) and maximum Contract Capacity that is being offered at the proposed pricing. LIPA may elect to purchase any amount within the specified

² LIPA website: www.lipower.org

³ PSEGLI website: www.psegliny.com

limits. LIPA reserves the right to select more than one Proposal to fulfill the total amount of capacity to be purchased through this RFP.⁴

- Respondents to commit to provide Energy from the Project(s) pursuant to an SRE issued by the NYISO.
 - Contract(s) to cover one or both of the following NYISO Capability Years.
 - May 1, 2023 through April 30, 2024
 - May 1, 2024 through April 30, 2025
- 1.3.2 Such Contract Capacity, when combined with the UDRs associated with the Cross Sound Cable, must be recognized as NYISO Installed Capacity by the NYISO.
- 1.3.3 Each selected Proposal will result in a single contract notwithstanding the potential inclusion of more than one Project.

⁴ According to the NYISO MST, Energy Storage Resources, Intermittent Power Resources, and Limited Control Run of River Hydro Resources that are not electrically located within the New York Control Area are not eligible to participate in the NYISO Installed Capacity market. Resources in External Control Areas that have an Energy Duration Limitation are not eligible to participate in the NYISO's Installed Capacity market. The foregoing capitalized terms are as defined in the NYISO Rules.

2.0 GENERAL TERMS

2.1 Other Requirements

- 2.1.1 The Project(s) must be Delisted pursuant to the requirements of ISO-NE Rules to ensure that such Project(s) is available to provide Contract Capacity to LIPA for the specified NYISO Capability Year(s). The Project(s) must not have a permanent or retirement delist bid that has been accepted by ISO-NE.
- 2.1.2 Respondents must provide all information and support necessary to successfully complete asset registration of the Project in the NYISO markets and comply with all NYISO requirements including NYISO Information Obligations.
- 2.1.3 Respondent(s) selected pursuant to this solicitation will be responsible for any and all penalties incurred by LIPA due to failures by the Respondent to fulfill applicable NYISO requirements, which include but are not limited to failure to provide required information to the NYISO in accordance with Section 5.12.12.1 of the NYISO MST, failure to respond to an SRE in accordance with Section 5.12.12.2 of the NYISO MST, and failure to qualify part or all of contract resources as eligible capacity supply in accordance with the rules and requirements contained in the NYISO Capacity Manual. Respondents must agree to comply with all the applicable NYISO requirements, including:
- Qualify with the NYISO as an External Installed Capacity Supplier by submitting requisite data as specified in Section 4.9.1 of the NYISO Installed Capacity Manual ("ICAP Manual").
 - Consistent with Section 4.2 of the ICAP Manual and Section 5.12.8 of the NYISO MST, submit results from a DMNC/DMGC test or data from actual operation from within the DMNC Test Periods specified in Section 4.2.1 of the ICAP Manual, to the NYISO no later than the time specified in the ICAP Event Calendar on the sixtieth (60) calendar day following the end of each DMNC Test Period.
 - Submit operating data to the NYISO in accordance with Section 4.4 of the ICAP Manual and Section 5.12.5 of the NYISO MST.
 - Certify to the NYISO, pursuant to Section 4.9.3.1 of the ICAP Manual, that Unforced Capacity sold to the LIPA has not been sold elsewhere for each month that they intend to supply Unforced Capacity to the NYCA.
 - Demonstrate the ability to deliver Energy to the NYCA border pursuant to an SRE in accordance with Section 4.9.3.2 of the ICAP Manual.
 - Provide verifiable documentation confirming that the External Installed Capacity Supplier's Resource is electrically located in the Rest-of-Pool Capacity Zone of the New England Control Area, to satisfy deliverability requirements of Section 4.9.3.2 of the ICAP Manual.

2.2 Firm Pricing Commitment

- 2.2.1 Proposed pricing shall be all-inclusive, as further described in Section 6.7.
- 2.2.2 All proposed pricing must be firm and all terms and conditions must be open for acceptance by LIPA through the “Firm Pricing Required Through” date noted in the RFP Schedule (see Section 4.0, Table 4-1).

2.3 Contracting – Form of Agreement

- 2.3.1 As indicated above, the selected Respondent(s) will be required to execute a Capacity Purchase Agreement. LIPA’s Preferred Capacity Purchase Agreement is available for downloading in Microsoft Word format from the RFP Webpage (see Section 3.2.1). To the extent that a Respondent has any exceptions to LIPA’s Preferred Capacity Purchase Agreement, its Proposal shall provide a redline mark-up of any exceptions showing any insertions, deletions, or other proposed changes, which must include proposed text, as applicable in Microsoft Word, and which the Respondent deems execution ready. It must be emphasized that the nature and extent of any exceptions taken to the terms and conditions will be a major factor considered in the qualitative evaluation of Proposals. Respondents that accept LIPA’s Preferred Capacity Purchase Agreement with no material exceptions will be given more favorable consideration in the qualitative evaluation.

2.4 Interconnection Requirements

- 2.4.1 The selected Project(s) must maintain valid interconnection agreement(s) to the New England Control Area.

2.5 Credit Requirements

- 2.5.1 Respondents are hereby put on notice that if they are selected in this procurement and awarded a Capacity Purchase Agreement, they will be required, shortly after the Capacity Purchase Agreement becomes effective, to provide security in the form of either a letter of credit or a parental guarantee meeting the Credit Requirements in the amount of \$75,000 per MW.

3.0 COMMUNICATIONS

3.1 Communications during the RFP Process

- 3.1.1 Pursuant to New York State Finance Law sections 139-J and 139-K, this RFP includes and imposes certain restrictions on communications between a Respondent and either PSEGLI or LIPA during the procurement process. The Respondent is restricted from making contact (i.e., an oral, written or electronic communications which a reasonable person would infer as an attempt to influence the award, denial, or amendment of a contract) with any PSEGLI or LIPA representative, other than as designated herein, from the date of issuance of this RFP through the final award and approval of the resulting contract(s) by LIPA and the Office of the State Comptroller (the “Restricted Period”). LIPA staff, the LIPA Board, and advisors are required to obtain certain information if contacted during the Restricted Period and determine the responsibility of the Respondent pursuant to these two statutes. Certain findings of non-responsibility may result in rejection for contract award and immediate disqualification from the RFP process.
- 3.1.2 Respondents must direct all communications and questions regarding this RFP only to the listed designated contact (the “Designated Contact”) or through the designated email address (the “Designated Email Address”).
- 3.1.3 Designated Contact for the 2021 Off Island Capacity RFP:
- Edmund Petrocelli**
Manager – Power Projects
PSEG Long Island
Edmund.Petrocelli@pseg.com
- 3.1.4 Designated Email Address for the 2021 Off Island Capacity RFP:
- PSEG-LI-2021OffIslandCapacityRFP@pseg.com
- 3.1.5 Designated Contact(s) may be updated and/or supplemented as needed and all such changes will be posted on the RFP Webpage.
- 3.1.6 Other than as provided in this RFP, any contact with the LIPA Board, LIPA staff, PSEGLI staff, and consultants or advisors who are working on any part associated with the RFP regarding this RFP during its pendency may be grounds for disqualification from the RFP process and also barring from future procurements.
- 3.1.7 Further information about these requirements can be found in the section “Lobbying Guidelines Regarding Procurements, Rules, Regulations, or Ratemaking,” which is posted on the RFP Webpage.

3.2 RFP Webpage

3.2.1 For further information, please refer to the RFP Webpage:

www.psegliny.com/aboutpseglonlongisland/proposalsandbids/2021OffIslandCapacityRFP

3.2.2 The RFP Webpage is a public site, accessible to anyone at any time. The RFP Webpage, which does not require a password or login information, allows Respondents to download documents referenced in this RFP. Updates and additional information may be posted periodically on the RFP Webpage. It is the responsibility of the participants to periodically visit the RFP Webpage for potential updates.

3.3 Questions about the RFP

3.3.1 All questions and requests for clarifications regarding the RFP may be submitted by sending an email to the Designated Email Address listed in Section 3.1.4. The questions and clarifications form included in Appendix J of the RFP must be completed and included as an attachment to the email in PDF format.

Questions and requests for clarifications regarding the RFP must be submitted on or before December 29, 2021 or as the RFP Schedule set forth in Section 4.0 may be modified.

3.3.2 All questions, requests for clarification, and responses to them concerning this RFP will be posted on the RFP Webpage.

4.0 RFP SCHEDULE

The following RFP Schedule is based upon expectations as of the release date of this RFP. PSEGLI reserves the right to modify the RFP Schedule at its sole discretion at any time during the Restricted Period as defined in Section 3.1.1.

Table 4-1 — RFP Schedule

Activity	Target Date
Release of RFP	December 14, 2021
Question Submittal Window*	December 15, 2021–December 29, 2021
Proposal Submittal Deadline	January 19, 2022
Proposal Selection(s) (planned)	March 31, 2022
Firm Pricing Required Through	At least July 31, 2022
Service Commencement Date(s)	May 1, 2023, or May 1, 2024 ⁵

* 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.

⁵ Service Commencement Date is dependent on the NYISO Capability Year(s) for which Respondent's Proposal applies.

5.0 PROPOSAL PROCESS

5.1 General

- 5.1.1 The Proposal submittal requirements are set forth in Section 6.0. All RFP documents may be obtained from the RFP Webpage.
- 5.1.2 PSEGLI and LIPA assume no responsibility for errors or misinterpretations resulting from the use of incomplete sets of RFP documents.
- 5.1.3 To be considered, for selection Proposals must include, at a minimum, responses to each of the required elements set forth in Section 6.0.
- 5.1.4 Proposals submitted in response to this RFP must be submitted strictly in accordance with the proposal sections outline set forth in Section 6.2.2 in terms of format and sequence. A Proposal that does not follow the required proposal sections outline may not be evaluated.

5.2 Interpretation or Correction of RFP Documents

- 5.2.1 Any Respondent who discovers any ambiguities, inconsistencies, omissions, or errors or is in doubt as to the meaning or intent of any part of the RFP documents may request an interpretation from PSEGLI. Such request should be submitted via the Question-and-Answer process in this RFP. Requests must be made during the Question Submittal Window.
- 5.2.2 If a Respondent fails to notify PSEGLI of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Respondent shall assume the risk and shall not be entitled to alter its Proposal after the Proposal Submittal Deadline.
- 5.2.3 Any modifications to the RFP documents will be furnished via the RFP Webpage.

5.3 Proposal Expenses

- 5.3.1 The Respondent shall bear any and all labor, materials and content costs and expenses required for or in connection with (i) preparation of its Proposal; (ii) subsequent actions taken by the Respondent up to the effectiveness of the Capacity Purchase Agreement(s), including clarification of its Proposal and negotiation of the Capacity Purchase Agreement(s); (iii) all taxes, duties, fees, and other charges that may be associated with completion and operation of the Project(s); and (iv) compliance with all local, state, and federal laws and regulations that may affect the Project(s) and the Capacity Purchase Agreement(s).

5.4 Proposal Submittal Requirements

- 5.4.1 For this RFP, a Proposal is based on a Respondent's offer to provide a specific amount of Contract Capacity in MW from one or more Projects located in the New England Control Area in addition to being available to respond to an SRE if so requested by the NYISO.
- 5.4.2 A Respondent submitting multiple Proposals must identify if any are mutually exclusive from other Proposals from that Respondent.
- 5.4.3 A Proposal shall be submitted in the complete name of the party expecting to execute any resulting Capacity Purchase Agreement. The Proposal must be executed by a person who is duly authorized to bind a Respondent to a Capacity Purchase Agreement.
- 5.4.4 A Proposal submitted in response to this RFP must be received by the Proposal Submittal Deadline. Any Proposal received after this deadline will not be opened and will be disqualified from further evaluation.
- 5.4.5 After the Proposal Submittal Deadline, no material changes may be made to a Respondent's Proposal.
- 5.4.6 Proposals must be submitted via email to the Designated Email Address listed in Section 3.1.4. Hard copies of Proposals are not acceptable. The allowable email size is 15 MB. Multiple emails are acceptable.
- 5.4.7 There is no proposal fee applicable to this RFP.

6.0 PROPOSAL ORGANIZATION

6.1 General Requirements

- 6.1.1 A Proposal must include each of the required elements set forth herein. This requirement applies to each Proposal submitted by a Respondent (i.e., each Proposal shall stand alone in satisfying these requirements).
- 6.1.2 Any Proposal that does not include the complete information required by this RFP will be deemed non-responsive and will not be evaluated. A non-responsive Proposal includes one that:
- is not in conformance with RFP requirements and instructions;
 - is conditioned on some other act or omission (other than as required by law) whether related to this procurement and the resulting contract. For example, a Proposal that is dependent on
 - or requests an extension of an existing contract;
 - cancellation of another contract;
 - not being selected in another RFP.
 - contains material omission(s);
 - includes material exceptions to the LIPA's Preferred Capacity Purchase Agreement;
 - does not meet the submission requirements set forth herein.
- 6.1.3 The Respondent may submit complementary information not explicitly requested within the RFP documents. Such information shall be provided in addition to, not in lieu of, the requested information.
- 6.1.4 All documents, schedules, and similar items submitted as a part of a Proposal must be clearly labeled and organized in a fashion that facilitates easy location and review.
- 6.1.5 The Respondent must complete all data sheets, as further described in Section 6.14, as applicable.

6.2 Proposal Outline and Content

- 6.2.1 Proposals submitted in response to this RFP should follow the proposal sections outline in Section 6.2.2 in terms of format and sequence. A proposal checklist is provided for the Respondent's convenience in Appendix A to assist meeting the RFP's minimum submittal requirements. A Proposal that does not follow the required proposal sections outline format and sequence may not be evaluated. Some proposal sections have corresponding appendices that provide either additional information and guidance about the proposal section or related, required information to complete the proposal section. Note that not all requirements listed within the proposal sections

outline may be applicable to all Proposals. A Respondent should exercise its judgment when determining whether a requirement is applicable to its Proposal. In case of doubt, the Respondent should contact the Designated Contact(s) for this RFP. If the Respondent ultimately determines that a specific section is not applicable to its Proposal, the Respondent should so indicate in its Proposal.

6.2.2 Proposal Sections Outline

1. Cover Letter
2. Table of Contents
3. Executive Summary
4. Disclosures
5. Pricing
6. Company Data and Relevant Experience
7. Project Description, including historical annual availability data for the most recent five (5) years
8. Execution Plan for meeting ISO-NE and NYISO requirements for exporting Contract Capacity and responding to an SRE
9. Respondent's Creditworthiness
10. Respondent's Markup of LIPA's Preferred Capacity Purchase Agreement (on RFP Webpage)
11. Procurement Forms obtained from the RFP Webpage and submitted with the Proposal)
12. Confidentiality
13. Respondent Data Form (Appendix B)

6.3 Cover Letter

- 6.3.1 The cover letter shall include highlights and special features of the Project(s).
- 6.3.2 The cover letter shall contain a statement clearly indicating the period during which the Proposal (including pricing) will remain effective. At a minimum, the Proposal must remain effective through the "Firm Pricing Required Through" date noted in the RFP Schedule.
- 6.3.3 The cover letter shall include contact information for the Respondent's primary point of contact, including name, title, address, telephone number, email address, and fax number.
- 6.3.4 The cover letter shall be signed by the Respondent's primary point of contact and the individual(s) who are duly authorized by the Respondent to make a binding offer.

6.4 Table of Contents

Proposals should include a table of contents that clearly lists all items submitted in response to this RFP (including appendixes, exhibits, tables, pictures) and is consistent with the proposal sections outline listed in Section 6.2.2.

6.5 Executive Summary

Proposals should include a summary, no more than two pages, of the Project's key features, characteristics, pricing, and distinguishable attributes with a focus on how the Proposal meets the objective(s) of the RFP.

6.6 Disclosures

The Respondent must complete the Vendor Responsibility Questionnaire and its disclosures. The form is available on the RFP Webpage. The link to NYS OSC website where this form can also be found is listed in Appendix D.

6.7 Pricing

6.7.1 Proposed pricing shall include:

- Capacity pricing in \$/kW-month for Contract Capacity for each NYISO Capability Year proposed.
- Energy, pursuant to an SRE, pricing in \$/MWh as set forth in the LIPA Preferred Capacity Purchase Agreement.

6.7.2 All proposed pricing must be firm through at least the "Firm Pricing Required Through" date noted in the RFP Schedule in Section 4.0.

6.8 Company Data and Relevant Experience

The Respondent must provide the following information about its company and experience:

- Company name, address, and telephone number. Must also include the name, address, telephone number, and email address of the primary point of contact for the Respondent in connection with its Proposal.
- Legal status (e.g., corporation, partnership, limited liability company), date formed, jurisdiction of organization, and identification of any relevant affiliates.
- Ownership status (e.g., privately held or publicly traded).
- If a consortium submits a Proposal in response to this RFP, the consortium will clearly provide information on its legal form and on each of its members. The consortium will

identify the member responsible for providing all financial security, executing the Capacity Purchase Agreement and providing Contract Capacity to LIPA.

- Company history and experience in the operation of the Project(s) and any other grid-connected generation projects. The response should include project names, related capacity (in MW), technology, date of initial commercial operation and location.
- References for all listed projects, including contact name, company, telephone number, email address, and project name.
- Organizational chart that describes the reporting relationships of all the Respondent's key personnel and team members/partners along with resumes and team experience in developing and operating similar projects.

6.9 Project Description

- 6.9.1 The Respondent must provide a full and complete detailed description of the Project(s) that would provide the proposed Contract Capacity including technology and ICAP and UCAP values for the past five (5) years.
- 6.9.2 Operating data of the Project(s) as required by NYISO Rules.
- 6.9.3 Contract Capability Period DMNC Test data as required by NYISO Rules.
- 6.9.4 Documentation certifying that Respondent has not committed to sell the Contract Capacity to a party other than LIPA during the selected NYISO Capability Years.
- 6.9.5 Respondents must provide historical operating data for the two most recent NYISO Capability Years. Data submissions must be in the form of Generating Availability Data System ("GADS") Data or data equivalent to GADS Data in accordance with Attachment K of the ICAP Manual.
- 6.9.6 The Respondent must provide a list of planned and unplanned outages for the Project(s) for the past five (5) years, including: to/from dates; outage cause and description; MW affected; corrective actions taken, if any; repairs undertaken.
- 6.9.7 The Respondent must provide a schedule of planned outages from 2022 through the proposed NYISO Capability Year(s).
- 6.9.8 The Respondent must provide information demonstrating that the Project meets NYISO external capacity deliverability and eligibility requirements at the NYCA/Connecticut interface.

6.10 Respondent's Creditworthiness

6.10.1 The Proposal must contain evidence of the Respondent's financial condition and financial capacity to operate and maintain the Project as evidenced by the following information which must be included in the Proposal and certified by Respondent's chief financial officer:

- For Respondent's most recent accounting period, Respondent's audited consolidated financial statements including its income statement, balance sheet, statement of cash flows and statement of retained earnings.
- Respondent's annual reports for the past three (3) years.
- Demonstration that Respondent's financial arrangements are sufficient to support the Project through the Term.
- Respondent's capital structure.
- Respondent's audited financial statements for its three (3) most recent fiscal years. (If the Respondent does not have financial statements, the audited financial statements from the Respondent's parent,)
- Details of any events of default or other credit issues experienced by the Respondent.

6.11 Respondent's Markup of LIPA's Preferred Capacity Purchase Agreement

6.11.1 As set forth in Section 2.3, to the extent that a Respondent has any exceptions to LIPA's Preferred Capacity Purchase Agreement, the Proposal must include a "redline" of the document showing any insertions, deletions, or other changes, which must include proposed alternative text, as applicable. Alternatively, if the Respondent accepts LIPA's Preferred Capacity Purchase Agreement "as is," provide a statement so indicating.

- Redlines must be provided using "Track Changes" in Microsoft Word.
- The Respondent's modifications that are not clearly identified using "Track Changes" will not be evaluated.

6.12 Procurement Forms

6.12.1 Each Proposal must include signed and completed copies of the following procurement forms, which are available on the RFP Webpage (links to these forms can be found in Appendix D):

- Contingent Fee Certification
- Contractor Disclosure of Prior Non-Responsibility Determinations
- MacBride Fair Employment Principles
- Non-Collusive Bidding Certification
- NYS Vendor Responsibility Questionnaire/Certification

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- Workforce Employment Utilization
 - Equal Employment Opportunity Policy Statement
 - Sexual Harassment Policy
 - Staffing Plan

6.13 Confidentiality

- 6.13.1 As a corporate municipal instrumentality of the State of New York, documents provided to LIPA in response to this RFP are presumptively available to the public under New York's Freedom of Information Law (FOIL), Public Officers' Law (POL) Article 6. Respondents are strongly encouraged to familiarize themselves with FOIL.
- 6.13.2 The Respondent shall indicate in its Proposal, consistent with Section 87(2) of the POL, what information, if any, should not be made publicly available by marking such information as "confidential."
- 6.13.3 Information marked "confidential" will be treated as such to the extent consistent with obligations under FOIL, other applicable law, regulation, or legal process and will not be disclosed except as required by law or as necessary for the evaluation of Proposals.
- 6.13.4 In the event that a FOIL request is received for any or all Proposals submitted in response to this RFP, notification of the FOIL request will be provided to the submitting Respondent pursuant to Section 89(5) of the POL.

6.14 Respondent Data Form

Appendix B contains a link to a Microsoft Excel file formatted so that the Respondent can provide a summary of its entire Proposal for easy reference. Please fill in this data form with all pertinent information regarding the Proposal.

7.0 PROPOSAL EVALUATION & SELECTION

7.1 Evaluation Process

- 7.1.1 The evaluation of Proposals will be conducted pursuant to the requirements of the “LIPA Procurement Guidelines,” a public document that is available on the RFP Webpage.
- 7.1.2 PSEGLI utilizes a multi-phase evaluation process to evaluate Proposals. This evaluation process considers qualitative and quantitative attributes with the intent to ensure a fair and non-discriminatory evaluation process while simultaneously selecting the best projects through the procurement.
- 7.1.3 The evaluation process may request a Respondent to clarify its Proposal for the purpose of assuring a full understanding of its response to the RFP by asking the Respondent written questions during the evaluation process.
- 7.1.4 Interviews may be scheduled with Respondents whose Proposals continue to be under consideration during the later portion of the evaluation process. Such Respondents are each referred to as a “Finalist.”
- 7.1.5 If designated as a Finalist, a Respondent may be requested to execute a “Key Terms Summary,” which will be based on (i) Respondent’s Proposal, (ii) Respondent’s exceptions (if any) to LIPA’s Preferred Capacity Purchase Agreement, (iii) Respondent’s replies to clarifying questions, and (iv) information provided by the Respondent during the interview. If the Respondent’s Proposal is ultimately selected, the Key Terms Summary will represent the starting point for contract negotiations.
- 7.1.6 During the evaluation process more than one Finalist may be designated and each Finalist may be requested to submit a “best and final offer” prior to making selection recommendations.
- 7.1.7 Prior to final selection, LIPA will conduct a vendor responsibility determination and may require eligible Respondent(s) to answer questions and provide additional information to supplement the information provided in the NYS Vendor Responsibility Questionnaire to assist the evaluation process in making such a determination. Vendors should file the required Vendor Responsibility Questionnaire online via the NYS VendRep System. To enroll in and use the NYS VendRep System, see the VendRep System Instructions⁶ or go directly to the VendRep System online.⁷

⁶ VendRep System Instructions: http://www.osc.state.ny.us/vendrep/vendor_index.htm

⁷ VendRep System: <https://portal.osc.state.ny.us/>

Vendors must provide its NYS Vendor Identification Number when enrolling. To request assignment of a Vendor ID or for VendRep System assistance, contact the OSC's Help Desk:

Telephone: (866) 370-4672 or (518) 408-4672

Email: ITServiceDesk@osc.state.ny.us

- 7.1.8 LIPA reserves the right to waive non-material deviations in a Proposal. Non-material deviations are deviations and/or omissions the waiving of which, at LIPA's and PSEGLI's discretion, does not disadvantage LIPA customers, does not provide an unfair competitive advantage to the Respondent, and/or will not prejudice other Respondents or potential Respondents.

7.2 Evaluation Criteria

- 7.2.1 The evaluation of Proposals will be done in accordance with the following quantitative and qualitative evaluation criteria. The criteria below are not necessarily listed in the order of importance.
- 7.2.2 The quantitative evaluation criteria include the all-in costs of the Proposal to LIPA customers. This evaluation includes an assessment of the net present value and annual costs that the proposed Project would impose on the customers.
- 7.2.3 The qualitative evaluation criteria include:
- Ability to meet the Service Commencement Date(s), if not currently in service
 - Exceptions to LIPA's Preferred Capacity Purchase Agreement, if any
 - Respondent's creditworthiness
 - Respondent's experience
 - History of Project(s) reliability
 - Consistency with LIPA's policies and resource plans

7.3 Selection Process

- 7.3.1 As noted in Section 7.1, the evaluation process will be conducted in phases.
- 7.3.2 Each Finalist may be requested to submit a "best and final offer" prior to PSEGLI making its selection recommendation(s).
- 7.3.3 After a final selection(s) has been made, selected Respondent(s) will be notified.
- 7.3.4 Following such notification, PSEGLI and the selected Respondent(s) will begin negotiations of the ultimate Capacity Purchase Agreement. The final negotiated Capacity Purchase Agreement shall

be subject to approval by the LIPA Board for execution. LIPA may disclose to the public the estimated total contract value of any contract submitted for approval to the LIPA Board.

7.3.5 Once the LIPA Board approves the Capacity Purchase Agreement for execution, an authorized LIPA officer will execute the agreement.

7.3.6 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, in accordance with Section 112 of the NYS Finance Law. No payment for services may be made under the contract until the required approvals have been obtained.

7.4 Debriefing of Unsuccessful Respondents

7.4.1 Upon written request to the Designated Contact(s), an unsuccessful Respondent may request a debriefing. Debriefings will be scheduled after notice has been provided of selection of the successful Respondent(s).

7.4.2 Discussions during any such debriefing will be limited to an analysis of the evaluation of the Proposal submitted by the Respondent requesting the debriefing. Comparisons between Proposals or evaluations of the other Proposals will not be discussed.

7.4.3 Debriefings may be conducted, in person or by telephone, at PSEGLI's discretion.

8.0 RESERVATION OF RIGHTS

8.1 General

8.1.1 This RFP is issued to elicit responses to PSEGLI's/LIPA's inquiry and is not an offer. No contract or binding obligation on PSEGLI or LIPA may be implied from this RFP. No agreement will be formed between any Respondent and LIPA unless and until a written agreement is executed by a selected Respondent and LIPA on the terms and conditions acceptable to LIPA and reviewed and approved in accordance with state law (See Section 7.3.6).

8.1.2 All material submitted in response to this RFP will become property of LIPA.

8.2 Right to Reject

This RFP does not commit PSEGLI or LIPA for making a selection, awarding a contract, paying any costs associated with the preparation of a Proposal, or procuring or contracting for any Project whatsoever. PSEGLI or LIPA, based on consultation with PSEGLI, reserves the right, in its discretion, to accept or reject any or all responses to this RFP, to negotiate with any and all Respondents being selected for award, or to cancel this RFP in whole or in part and to pursue other resource alternatives, which may include negotiating with entities that were not Respondents.

8.3 Right to Bifurcate Proposal Selection

This RFP does not commit PSEGLI or LIPA to making all selections or awarding all contracts to Respondents at the same time.

8.4 Limitations on Changes

8.4.1 A Respondent may be requested to clarify information in its Proposal(s), but they may not alter its Proposal(s) or otherwise submit any additional information after the Proposal Submittal Deadline, except as permitted under Section 8.4.2. Prohibited changes include pricing increases, changes in the electrical output of a proposed Project, and significant changes in the design of a Project (such as change in the manufacturer of electrical equipment that results in different operating characteristics).

8.4.2 The following changes are allowed after the Proposal Submission Deadline:

- During the latter stages of the evaluation, PSEGLI may request all short-listed Respondents to provide a "best and final offer," which may involve one or more enhancements to its Proposals, including changes that provide greater benefits or lower cost to LIPA customers.

8.4.3 PSEGLI has endeavored to supply useful information in this RFP and the associated RFP Webpage. However, no representation or warranty, express or implied is made as to the accuracy or completeness of any information contained herein or otherwise provided to any Respondent by or on behalf of PSEGLI. Respondents are encouraged to conduct its own investigation and analysis of any and all information contained herein or otherwise provided.

9.0 MWBE & SDVOB PARTICIPATION/EQUAL EMPLOYMENT OPPORTUNITY

9.1 NYS MWBE Participation

- 9.1.1 PSEGLI and LIPA are committed to diversity and equal employment opportunities among its contractors and encourage all firms, including firms that are MWBE certified, to submit Proposals in response to this RFP. All certified MWBE firms submitting Proposals to this RFP should be registered as such with the NYS Department of Economic Development. Firms that are not certified but have applied for certification shall provide evidence of filing, including filing date.
- 9.1.2 This procurement does not have any additional MWBE requirements beyond that which the Respondent may have already instituted. Nevertheless, if applicable, Respondents should describe the level that they are utilizing MWBE certified entities. Accordingly, Proposal documents should include completed and executed copies of all required MWBE Forms 100, 101, 102, 103, 104, and 105, as applicable.
- 9.1.3 If a Respondent is certified as a NYS MBE or WBE, they shall provide evidence of this certification in its Proposal.
- 9.1.4 All forms noted in this RFP section (Section 9.0) are available on the RFP Webpage. Respondents are encouraged to visit the Division of Minority and Women's Business Development's website.⁸ For more information, Respondents may contact the following:
- Empire State Development
 - General Contact: (212) 803-3100
 - Certification Helpline: (212) 803-2414
 - Department of Economic Development's Division of Minority and Women's Business Development
 - General Contact: (518) 486-9284

9.2 NYS SDVOBs Participation

- 9.2.1 This procurement does not have any additional SDVOB requirements beyond that which the Respondent may have already instituted. Nevertheless, if applicable, Respondents should describe the level that they are utilizing SDVOB certified entities. Accordingly, Proposal documents should include completed and executed copies of all required SDVOB Forms provided on the RFP Website, as applicable.

⁸ Division of Minority and Women's Business Development website: <http://esd.ny.gov/MWBE.html>

9.2.2 If a Respondent is certified as a NYS SDVOB, they shall include evidence of this certification in its Proposal.

9.2.3 For more information regarding NYS SDVOBs, Respondents are encouraged to visit the NYS Office of General Services webpage.⁹

⁹ NYS Office of General Services webpage: <http://www.ogs.ny.gov/Core/SDVOBA.asp>

APPENDIX A. RESPONDENT CHECKLIST

Please check the following boxes to indicate that the Proposal is complete and meets the minimum requirements for the RFP Proposal Sections. This completed checklist should be submitted with the proposal; however, it remains the Respondent's responsibility to ensure the completeness of its Proposal.

Proposal Sections

- ☐ Cover Letter
- ☐ Table of Contents
- ☐ Executive Summary
- ☐ Disclosures
- ☐ Pricing
- ☐ Company Data and Relevant Experience
- ☐ Project Description
- ☐ Execution Plan for meeting ISO-NE and NYISO requirements
- ☐ Creditworthiness
- ☐ Respondent's Markup of LIPA's Preferred Capacity Purchase Agreement (on the RFP Webpage)
- ☐ Procurement Forms (on RFP Webpage)
- ☐ Confidentiality
- ☐ Respondent Data Form (Appendix B)

APPENDIX B. RESPONDENT DATA FORM

Please complete the Excel file and submit the information in the Excel file. The Excel file is available on the RFP Webpage at:

www.psegliny.com/aboutpseglongisland/proposalsandbids/2021OffIslandCapacityRFP

APPENDIX C. RESPONDENT CLARIFICATION REQUEST FORM

Company Name	
Company Mailing Address	
Primary Contact Information	
Name	
Title	
Phone	
Email	
Clarification Request #1	
Clarification Request #2	
Clarification Request #3	

APPENDIX D. REFERENCE LINKS

Item	Reference Section	Link
LIPA Website	1.1.3	www.lipower.org
PSEGLI Website	1.1.3	www.psegliny.com
RFP Webpage	2.3.1, 3.1.5, 3.1.7, 3.2, 3.3.2, 5.1.1, 5.2.3, 6.2.2, 6.6, 6.12, 7.1.1, 8.4.3, 9.1.4, Appendix A, Appendix B	www.psegliny.com/aboutpseglongisland/proposalsandbids/2021OffIslandCapacityRFP
VendRep System Instructions	7.1.7	http://www.osc.state.ny.us/vendrep/vendor_index.htm
NYS M/WBE Directory	n/a	https://www.osc.state.ny.us/state-vendors/resources/minority-and-women-owned-business-enterprises-mwbes
Division of Minority and Women's Business Development Website	9.1.4	http://esd.ny.gov/MWBE.html
NYS Office of General Services Website	9.2.3	http://www.ogs.ny.gov/Core/SDVOBA.asp
Lobbying Guidelines Regarding Procurements, Rules, Regulations, or Ratemaking	3.1.7	https://www.lipower.org/wp-content/uploads/2016/10/LIPALobbying-3.pdf
LIPA Procurement Guidelines	7.1.1	https://www.lipower.org/wp-content/uploads/2021/09/Board-Policies-9-2021.pdf
NYISO Open Access Transmission Tariff	Appendix E	https://nyisoviewer.etariff.biz/ViewerDocLibrary/MasterTariffs/9FullTariffNYISOOATT.pdf
NYISO Market Administration and Control Area Services Tariff	2.1.3, Appendix E	https://nyisoviewer.etariff.biz/ViewerDocLibrary/MasterTariffs/9FullTariffNYISOMST.pdf
NYISO Installed Capacity Manual	2.1.3, Appendix E	https://www.nyiso.com/documents/20142/2923301/icap_mnl.pdf/234db95c-9a91-66fe-7306-2900ef905338

APPENDIX E. GLOSSARY

Capacity – means the capability to generate and deliver Energy measured in MW.

Contract Capacity – has the meaning set forth in Section 1.3.1.

Credit Rating - means, with respect to any Person, the rating by S&P, Moody's, Fitch or any other rating agency agreed to by the Parties then assigned to such Person's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such Person does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Person as an issuer rating by S&P, Moody's, Fitch or any other rating agency agreed by the Parties.

Credit Requirements - means, with respect to any Person, that such Person has at least two of the following Credit Ratings: (a) "Baa2" or higher from Moody's; (b) "BBB" or higher from S&P; and (c) "BBB" or higher from Fitch.

Cross Sound Cable or CSC – means the HVDC transmission cable connecting the converter station in New Haven, Connecticut with the converter station at the decommissioned Shoreham Nuclear Power Station in Brookhaven, New York.

Delist – has the meaning set forth in the ISO-NE Rules.

DMNC -- means the generator output capability test (Dependable Maximum Net Capacity) used to establish the NYISO Installed Capacity of the Project for the NYISO Summer Capability Period and NYISO Winter Capability Period (as applicable) as set forth in the NYISO Rules.

DMNC Test Period – has the meaning set forth in NYISO Rules.

Energy – means three-phase, 60-hertz alternating current electric energy, expressed in MWh.

External Installed Capacity Supplier – has the meaning set forth in NYISO Rules.

ICAP – has the meaning set forth in NYISO Rules.

ICAP Event Calendar – has the meaning set forth in NYISO Rules.

ICAP Manual - has the meaning set forth in NYISO Rules.

ISO-New England or ISO-NE – means the Independent System Operator of New England, and any successor in interest thereto.

ISO-NE Rules – means the ISO-NE Tariff and all ISO-NE manuals, rules, procedures, agreements or other documents relating to sale of Capacity, Energy and ancillary services that govern the participation of market participants with respect thereto in the ISO-NE Markets as in effect from time to time.

ISO-NE Tariff – means the ISO-NE Open Access Transmission or any other tariff applicable to the ISO-NE.

MW – means one megawatt alternating current of Capacity.

MWh – means one megawatt hour (1,000 kilowatt hours) of Energy.

New England Control Area – means the area defined as such by the Northeast Power Coordinating Council glossary of terms dated January 19, 1966, as may be amended from time to time.

New York Control Area – has the meaning as described in the NYISO Rules.

NYISO – means the New York Independent System Operator, Inc. or any successor in interest thereto.

NYISO Capability Period – means, as applicable, the NYISO Summer Capability Period or the NYISO Winter Capability Period.

NYISO Capability Year – has the meaning set forth in NYISO Rules.

NYISO Information Obligations – means the following information to be provided by Seller to Buyer in accordance with NYISO Rules:

- i. Name, location and other project identification data of the Project;
- ii. DMNC Test and NYISO Contract Capability Period DMNC Test data of the Project as required by the NYISO Rules;
- iii. Documentation that satisfies the maintenance scheduling requirements (as such term is used in the NYISO Rules) relating to the Project; and
- iv. Documentation certifying that Seller has not sold to a Person other than Buyer the same Contract Capacity made available and sold to Buyer.

NYISO Installed Capacity - has the meaning set forth in NYISO Rules.

NYISO Market Administration and Control Area Services Tariff or NYISO MST – has the meaning set forth in NYISO Rules.

NYISO Rules – means the NYISO Tariff, and all NYISO manuals, rules, procedures, agreements, or other documents governing the participation of market participants in the NYISO Markets as in effect from time to time.

NYISO Summer Capability Period - means May 1 through October 31 as currently defined by NYISO Rules.

NYISO Tariff – means the NYISO Open Access Transmission Tariff and/or the NYISO Market Administration and Control Area Services Tariff or any other tariff applicable to the NYISO, as in effect from time to time.

NYISO Winter Capability Period – means November 1 through April 30 as currently defined by the NYISO Rules.

Person – means any individual, entity, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association or other entity or Governmental Authority.

Project – means the generating facility known as “_____Power Plant” that is electrically located in the Rest-of-Pool Capacity Zone of the New England Control Area.

Rest-of-Pool Capacity Zone – has the meaning set forth in ISO-NE Rules.

Service Commencement Date or SCD – means May 1, 2023 or May 1, 2024, as applicable.

Supplemental Resource Evaluation request (an SRE or SRE request) – has the meaning set forth in NYISO Rules.

UCAP or Unforced Capacity – has the meaning set forth in NYISO Rules.

UDRs – means unforced capacity deliverability rights, as defined in the NYISO Rules.

Year – means a period of 365 consecutive days, or 366 consecutive days if such period includes a February 29.