

## **Request for Proposals for Renewable Energy Supply Due Friday, July 29, 2016**

WPPI Energy (WPPI) is seeking proposals for a long-term power purchase agreement (PPA) from a renewable energy resource and invites you to respond with an offer to sell energy from a new or existing facility. An indication of intent to submit a proposal must be submitted by **5:00 p.m. CDT on Friday, June 17, 2016**, and proposals must be submitted by **5:00 p.m. CDT on Friday, July 29, 2016**.

### About WPPI

WPPI is a joint action agency serving 51 customer-owned electric utilities in Wisconsin, Michigan, and Iowa. These utilities purchase all of their electrical requirements from WPPI and supply power to more than 200,000 homes and businesses. WPPI has a peak demand of approximately 1,000 MW and an annual energy requirement of approximately 5.4 million MWh. WPPI has a diverse portfolio of power supply resources, including power purchased from other entities, conventional generation owned by WPPI and its members, and renewable resources. WPPI's renewable resource portfolio includes PPAs totaling approximately 162 MW of wind, 3 MW of hydroelectric, 6.6 MW of landfill/bio gas and 1.5 MW of solar. As a political subdivision of the State of Wisconsin, WPPI is exempt from income taxes. For more general information about WPPI, please visit us online at [www.wppienergy.org](http://www.wppienergy.org)

### Purpose of this Request For Proposals

WPPI has a need for additional energy supply beginning in 2021, and would like to fill this need in a manner that eases compliance with future environmental regulations such as the Clean Power Plan. To do so in a cost-effective manner, WPPI is interested in securing a PPA for renewable energy on a timeframe that will allow the bidder to take full advantage of current renewable energy tax credits.

### Proposal Requirements

The characteristics of the resource WPPI is seeking are summarized as follows:

- Product:** Energy, capacity and environmental attributes on an as-delivered basis from new or existing<sup>1</sup> renewable energy facilities. WPPI expects that wind facilities will be the most attractive resource to meet its current need, but will accept proposals from any renewable facility that is eligible for compliance with the Wisconsin renewable portfolio standard.<sup>2</sup>
- Start Date:** WPPI will consider projects with initial energy delivery dates between June 1, 2018 and December 31, 2020.
- Term:** WPPI prefers a PPA with an initial term of at least 20 years, with an option to extend for an additional 5 years or more. In addition, preference will be given for proposals which provide an ownership option to WPPI.

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<sup>1</sup> Existing facilities must have entered operation on or after January 1, 2013.

<sup>2</sup> Eligible renewable energy facilities are those meeting the definition of "renewable resource" in § 196.378(1)(h), Wis. Stats., including wind and biomass facilities, and hydroelectric facilities with a capacity of less than 60 MW.

- Amount: WPPI is seeking one or more projects with total nameplate capacity of approximately 100 MW (or, for technologies other than wind, projects with total estimated average production comparable to a 100 MW wind project). However, WPPI will consider a larger project if it will provide a significant cost advantage over a project meeting this criterion.
- Delivery Point: Energy is to be delivered either to (i) a transmission system within the Midcontinent Independent System Operator (MISO) footprint, or (ii) the distribution system of a WPPI member utility in Wisconsin, subject to that utility's interconnection requirements. (A list of these utilities is provided in Attachment 1.)

### Proposal Contents

WPPI requests that all proposals be submitted electronically. No specific proposal format is required. Proposals should include the following information:

- Project Description: Provide a description of the project, including location, site description, interconnection point and description of generating equipment.
- Project Status and Schedule: For new projects, provide a description of the current status of project development activities, including permitting, land acquisition, electrical interconnection studies and agreement, other required project agreements, financing, design, equipment procurement and construction. Provide a schedule of expected dates for achievement of remaining development milestones.
- Bidder's Qualifications: Provide a general description of the bidder's background and experience with projects similar to the one being proposed.
- Energy Production Profile: Provide information on the project's historical or expected energy production profile for a typical year. At a minimum, information should be provided on a monthly basis, with separate monthly totals for On-peak and Off-peak hours. (On-peak hours are 6:00 am to 10:00 pm EST Monday through Friday, excluding holidays, and Off-peak hours are all other hours.)
- Term Sheet: Provide a proposed PPA term sheet, including major terms and conditions bidder would seek to include in a PPA with WPPI.

### Proposal Evaluation

The following provides a list of criteria on which WPPI will evaluate the proposals that it receives. This is not necessarily an all-inclusive list of evaluation criteria, nor is it intended to list the criteria in order of importance.

- Cost: The evaluated cost of each proposal will be determined by considering both the price under the proposed PPA and the estimated value of energy and capacity from the project, based on the project's energy production profile and projected locational marginal prices (LMPs) at the delivery point or nearest MISO commercial pricing (CP) node.

- Location: Since the majority of WPPI's member utilities are located in Wisconsin, WPPI is particularly interested in securing additional Wisconsin-based renewable energy supply, but will consider projects in other locations, with appropriate consideration given to any delivery risk to WPPI load in Wisconsin.
- Project Timing: Since WPPI's energy need does not begin until 2021, a project with an initial delivery date closer to this date will tend to be viewed more favorably than a project with an earlier initial delivery date. However, the extent to which a project with an earlier initial delivery date is viewed less favorably will depend on the proposed PPA price relative to projected LMPs during the period prior to 2021.
- Project Viability: For projects that are in development, WPPI will consider the project's viability, and the estimated probability that the bidder will be able to successfully complete development, financing and construction and bring the project into operation. Factors considered in assessing project viability will include level of project development, as well as bidder experience and financial capacity.

#### Wisconsin-based Wind Option

WPPI anticipates that few Wisconsin-based wind projects are in a sufficiently-advanced stage of development to be proposed in response to this RFP. WPPI is interested in exploring options for facilitating the development of a Wisconsin wind facility that could be placed in service in time to take full advantage of the current wind production tax credit, with the facility's output sold to WPPI under a long-term PPA. WPPI would welcome conceptual proposals for a project structure to facilitate the development of such a facility. Such a proposal should provide a general estimate of the expected PPA pricing for the project, or an indication of how the PPA price from the project might compare to the pricing proposed for a project located outside Wisconsin.

#### Schedule

Please indicate your intent to submit a proposal by e-mail to Andy Kellen **by 5:00 p.m. CDT on Friday, June 17, 2016**. WPPI will forward responses to questions and requests for clarification to all parties that have indicated intent to submit a proposal.

Proposals are due **by 5:00 p.m. CDT on Friday, July 29, 2016**. Depending upon the number and complexity of proposals received, WPPI anticipates a period of approximately 4 – 6 weeks to evaluate proposals and notify winning bidder(s), if any.

#### Submittals, Inquiries and Other Communication

Please direct your proposal(s) via e-mail to:

Andy Kellen  
Vice President – Power Supply Resources  
WPPI Energy  
1425 Corporate Center Drive  
Sun Prairie, WI 53590  
Phone: 608-834-4545  
Fax: 608-837-0274  
e-mail: [akellen@wppienergy.org](mailto:akellen@wppienergy.org)

All other submittals, inquiries and communications relating to any aspect of this RFP should also be directed to Andy Kellen.

Confidentiality

WPPI recognizes that certain information contained in proposals submitted may be confidential and may represent a competitive or business strategy. WPPI will hold confidential the identity of participating bidders and the contents of each proposal received, unless disclosure is authorized by a bidder or required by law.

Performance Assurance

WPPI will require the successful bidder(s) to provide some form of performance assurance to minimize WPPI's exposure to direct and consequential damages due to failure of the bidder to fulfill the terms and conditions of any PPA entered into by WPPI. WPPI is open to discussion of the form of such performance assurance as part of PPA negotiations.

Reservation of Rights

WPPI reserves the right, without qualification and in its sole discretion, to reject any or all proposals and to consider alternatives outside of this solicitation. WPPI reserves the right to evaluate proposals in any manner that it deems appropriate, and may deviate from the evaluation criteria described in this RFP and waive any of the requirements specified herein. Bidders agree that they are submitting their proposals without recourse against WPPI for any reason, including rejection or failure to execute a PPA for any reason. WPPI will not reimburse bidders for costs incurred in responding to this RFP or for any follow up negotiations, whether or not such negotiations result in a PPA.

Thank you for considering this RFP.

Sincerely,



Andy Kellen  
Vice President – Power Supply Resources

**Attachment 1**  
**WPPI Energy Wisconsin Members**

<u>Member</u>	<u>2015 Peak Load (MW)</u>
Algoma	9.1
Black River Falls	11.1
Boscobel	9.8
Brodhead	7.7
Cedarburg	23.3
Columbus	14.4
Cuba City	4.4
Eagle River	6.8
Evansville	14.4
Florence	3.5
Hartford	54.7
Hustisford	3.8
Jefferson	25.6
Juneau	9.5
Kaukauna	114.6
Lake Mills	15.0
Lodi	6.4
Menasha	82.8
Mount Horeb	11.9
Muscoda	10.2
New Glarus	5.1
New Holstein	8.8
New London	30.8
New Richmond	19.0
Oconomowoc	48.0
Oconto Falls	5.8
Plymouth	49.1
Prairie du Sac	10.5
Reedsburg	46.7
Richland Center	20.4
River Falls	24.6
Slinger	7.9
Stoughton	30.1
Sturgeon Bay	29.2
Sun Prairie	57.5
Two Rivers	18.0
Waterloo	8.1
Waunakee	27.2
Waupun	21.2
Westby	5.2
Whitehall	6.7