



METROPOLITAN PIER AND EXPOSITION AUTHORITY

REQUEST FOR PROPOSALS #2020-07-M
ALTERNATIVE RETAIL ELECTRIC SUPPLIER (ARES)

ADDENDUM NO. (1)

March 30, 2020

This Addendum No. 1 consists of five (5) pages and has the following information to be incorporated into the Request for Proposals (RFP). Proposers must acknowledge receipt of this Addendum No. 1 in their RFP submittal in Required Form A, Form of Transmittal Letter.

Item #1: Proposers’ questions and/or requests and the MPEA’s responses are provided below.

Item #2: See attached revised Exhibit 2 – Pricing exhibit and schedules and revised Exhibit 5 – Schedule of upcoming major events and demand.

Proposers’ Question:	MPEA’s Response:
In reference to your RFP -Alternative Retail Electric Supplier RFP #2020-07-M, kindly advise if you will accept a response from an Energy Brokerage firm, ie an entity that is not a direct supplier but rather a third party vendor that will seek the most competitive rate quotes from all qualified potential suppliers which service your market.	MPEA is seeking proposals directly from a Certified Alternative Retail Electric Suppliers (ARES).
Please clarify on which cases Proposer would need sale of such renewable energy to the Authority”.	The MPEA is requesting 100% Green E Renewable Energy Credits (REC) for 36-month term and contract extension periods.
Proposer requests clarification from MPEA that they will endeavor to provide at least 6 months’ notice for any material change (increase or decrease) of usage. What does this mean – that MPEA may or may not provide notice of material change in usage?	The MPEA will provide a 6 months advance notice to any material change when possible. i.e. Facility Campus Expansions, Major Event Interruptions. If 6 months advance notice is not possible, MPEA will notify as soon as legally and practically possible.
Is MPEA requiring dual or consolidated billing?	The MPEA is requesting dual billing.
Please confirm the options to extend mentioned in TERM on page 7 are mutual options and based on the current market prices at the time of the extension request	At the time of request and agreed upon refreshed current market prices offered, both parties would sign new Exhibit 2 pricing schedule for extension options.
The “Schedule of Major Events” (Exhibit 5) doesn’t appear to have actual dates associated with the shows? Does MPEA know the exact dates of those shows, or at least the months when they will occur?	Yes, see attached revised exhibit #5 listing event dates.

<p>In the Required Form A (Formal Transmittal Letter), MPEA is requesting that Proposers “agree to hold open the Proposal open for a period of 60 days from the date and time established for notification of award, and if requested by the Authority, for an additional 30 days thereafter.” Is Proposer allowed to refresh pricing at the end of those hold periods before a contract is executed?</p>	<p>Yes</p>
<p>Proposer would like to offer our electricity supply agreement that would also include components for any RECS to be provided under the RFP. Can we submit the agreement in its entirety for MPEA’s review or do we need to redline the (Form of Agreement) Master Electric Sales Agreement with the additional language?</p>	<p>Provide a redline with any additional language.</p>
<p>Can MPEA provide its tax exemption certificate to the Proposers? Taxes should be applicable to each party and to the extent a party is exempt, they are exempt but the responsibility still lies with each Party respectively.</p>	<p>Yes, see attached exemption certificate.</p> <p>MPEA is an Illinois municipal corporation and is exempt from Retailers' Occupation Tax, the Service Occupation Tax (both state and local), the Use Tax, and the Service Use Tax</p>
<p>The RFP states that the Proposer will be responsible for all Taxes but the Master Electricity Sales Agreement states that taxes appropriately bill or billable to Buyer/MPEA are the responsibility of Buyer/MPEA and remain a liability of Buyer until paid to Seller. What is MPEA’s intent?</p>	<p>The Master Electric Sales Agreement is MPEA’s intent.</p> <p>Also see above regarding MPEA’s tax exempt status.</p>
<p>Is MPEA Agreeable to using the Proposer’s form of Pricing Schedule/Confirmation to outline the deal terms?</p>	<p>Use Exhibit 1-Master Electric Sales Agreement and revised Exhibit 2-Pricing Schedule Confirmation documents provided.</p>
<p>For Transmission – Change in law provision in the Master Electricity Agreement, is MPEA open to changes to that provision? a. How does MPEA view FERC’s Minimum Offer Price Rule Order (“MOPR”)? https://www.powermag.com/the-significance-of-fercs-recent-pjm-mopr-order-explained/</p>	<p>MPEA is requesting proposers to use the provided master sales agreement as it pertains to MOPR.</p>
<p>Proposer is requesting complete current financial statements on MPEA for McCormick Place. Is this something MPEA can provide?</p>	<p>These are available on the MPEA website: https://www.mpea.com/finance/</p>
<p>Please explain MPEA’s dependence on state funding?</p>	<p>The Authority’s expansion project debt service is backed by State sales tax revenue. The Authority’s operating budget is backed by the Authority’s revenues and are not backed by the state.</p>
<p>Can MPEA pay for their energy purchases without the state funding?</p>	<p>Yes.</p>

Is there a set funding set aside to pay us in form of a valid purchase order and if so, when can we see the copy of the same?	No.
If funding is not set aside, would MPEA consider doing so? This will give the Proposer a little bit more assurance to get paid as the funds are already set aside.	No.
Also, since the Proposer is an energy provider, would MPEA put the Proposer on a priority vendor list to be paid first based on the issued purchase order?	No.
With respect to MPEA’s request for our financial statements, would MPEA be willing to accept the Proposer’s financials from an investment grade parent instead of a Parental Guaranty?	Parental statements are acceptable if the sub is wholly owned by the parent; please provide evidence of such ownership with the proposal.
Can MPEA provide more clarity the timing of MPEA’s review of Proposer’s financial statements, and what are the requirements for documentation for the “Proof of Financial Capability”?	<p>MPEA will review the financials prior to recommending a shortlist to its Board.</p> <p>The Evaluation Committee will review proposals in their entirety in accordance with the criteria to determine whether proposer has evidenced proof of financial capability.</p>
In Exhibit 2, Proposer has noted that MPEA has listed transmission costs as being entirely Network Integration Transmission Service (NITS); however, transmission is also charged to end users via Transmission Enhancement Charges (TEC) in accordance with PJM’s Regional Transmission Expansion Plan (RTEP) from Schedule 6 of the PJM Operating Agreement. Please change Exhibit 2 to reflect this.	Exhibit 2 will include (TEC/RTEP) transmission cost. See attached revised Exhibit 2.
Please detail your expected decrease in consumption in 2022 and 2023. I.e. the forecasted usage in 2021 appears to be in line with 2019; however, 2022 shows a 6% decrease from 2021 and 2023 shows a 7% decrease from 2023. Where do these originate from?	The MPEA consumption reduction are in the following areas, campus base load, show schedule of events, and planned operational efficiency at the time of this RFP for unlimited bandwidth supply.
Does MPEA intend to participate in a Demand Response program?	Yes.
Is MPEA looking to fix or pass through capacity? a. Exhibit 2 lists Capacity Charge as a separate cost to be excluded from the pricing submitted (row 15: A+B+C+D+E+O) suggesting that capacity will be passed through based on the applicable PJM Auction Prices (Final Zonal Net Load Price) and the applicable Capacity Obligations. What does MPEA wish for suppliers to populate in Exhibit 2, row 19	A. MPEA is requesting pass through for capacity charges. MPEA Exhibit 2 row 19 is confirmation of PJM Auction prices and proposer additional adders, if any.

<p>(C – F)? Is MPEA simply looking for confirmation of current \$/MW-day estimates based on PJM Capacity auctions that have already taken place, with billed actuals to reflect final costs based on the applicable auctions, or is MPEA asking that suppliers fix the Capacity Rate (\$/MW-day) based on their forward curve assumptions?</p> <p>b. Please note that the prices listed in Row 18, C&D, do not reflect the accurate Final Zonal Net Load Prices. PJM conducts Base Residual Auctions and subsequent incremental auctions which ultimately result in a Final Zonal Net Load Price. The prices shown in Row 18, cells C&D reflect the Base Residual Auctions and not the Final Zonal Net Load Price. Final Zonal Net Load Prices for the terms listed can be found here: https://www.pjm.com/markets-and-operations/rpm.aspx. Please confirm that MPEA expect billed capacity prices to reflect the Final Net Zone Load Prices and applicable capacity obligation.</p>	<p>B. MPEA exhibit 2 allows billed capacity prices to reflect the PJM zonal scaling factors for the ComEd zone.</p>
<p>Clarify whether Row E on Exhibit 2 is for “Renewable Compliance Charge/Renewable Portfolio Standard”. As of 6/1/2019, RPS is billed by the utility in Illinois.</p>	<p>Enter Zero.</p>
<p>See Note 3 on Exhibit 2 which says that the Voluntary green-e wind RECs “will be for usage in excess of the renewable portfolio standard (RPS) percentages in <i>Seller’s</i> standard portfolio as required by law.” What does this mean? RPS is billing 100% by the utility (as of 6/1/19). Is MPEA looking for the percentage of RECs that would bring them up to 100% when added to the RPS requirement?</p>	<p>MPEA is requesting 100% Green E REC in addition to utility RPS obligation.</p>
<p>Proposer that the MPEA desires 100% Green-e Certified RECs in excess of the Renewable Portfolio Standard percentage as required by law. There are RECs in the current marketplace that meet applicable Green-e Standards (as the solicitation suggested) and are certifiable, but are not necessarily certified by the Green-e Organization itself. Are these RECs acceptable to the MPEA for the purposes of this solicitation?</p>	<p>MPEA is requesting Green E certified by the organization entity.</p>
<p>As it relates to the Green-e RECs that the MPEA desires, is the MPEA partial to any particular source, location, or vintage or will any mix of nationally source RECs be acceptable as long as they adhere to Green-e Certification Standards?</p>	<p>MPEA prefers local REC, however MPEA understands that limit resources are available and will accept Green E REC from national sources.</p>

<p>Based on the solicitation and MPEA Exhibit-2- Pricing Exhibit, Dynegy understands that the MPEA desires dual billing that is based on ComEd Utility’s TOU Hours. Will the invoice that is provided to MPEA need to look similar to Exhibit 2? If not, what line items must be included on the invoice sent to MPEA on a monthly basis in order to successfully adhere to MPEA’s standard requirements? For instance, if there were line items for the “ON/OFF Peak Electric Service Price”, the “Capacity Charge”, and the “Renewable Energy Certificates” along with the applicable usage as provided by ComEd, would this be sufficient?</p>	<p>The invoice will not have to look like Exhibit 2. Please provide a sample invoice you currently use for MPEA to review. Should include Metered Information for the month, The following energy supply charge line items: Off/On Peak Fixed Supply, Capacity, Transmission, Ancillary Service, losses, REC.</p>
<p>Does the MPEA desire to fix capacity charges or pass these charges through based on the formula provided and the published values from PJM?</p>	<p>MPEA is requesting pass through capacity charges.</p>
<p>If necessary, would a \$2M performance bond would be acceptable in lieu of Parental Guaranty?</p>	<p>Yes. The Authority is willing to consider accepting a performance bond.</p>