

**19-RFQ-01**  
**Addendum 1**

Illinois Power Agency  
Responses to Bidder Questions

8/30/18

**Question 1.**

*The RFQ states that the agency seeks a Procurement Administrator to “manage” the necessary competitive procurements. Is the agency interested in building additional procurement capabilities internally in order to manage these competitive procurements on an ongoing basis or is the agency interested in hiring a firm that will manage these procurements on an “as needed” basis?*

The Agency is not interested, at this time, in building additional procurement capabilities internally. The hiring of a third-party Procurement Administrator is mandated by Sections 1-75(a) and (b) of the Illinois Power Agency Act (20 ILCS 3855), and the duties of the Procurement Administrator are further delineated in Section 16-111.5(c) of the [Illinois] Public Utilities Act (“PUA”). Those statutory provisions make clear that these functions are conducted by the third-party Procurement Administrator and are not internal functions of the Agency.

The Procurement Administrator conducts procurements that are delineated in various procurement plans developed by the Agency and approved by the Illinois Commerce Commission. On occasion, the Procurement Administrator may be called upon to conduct procurements specifically mandated through legislation that is outside of the Agency’s regular procurement planning and development process (see, for example, the 2012 rate stability procurements and the 2017-2018 initial forward procurements).

**Question 2.**

*What role will the agency serve during the selection process? Is the agency looking for the chosen 3<sup>rd</sup> party to make supplier decisions based on the benchmarks requested?*

The procurements are conducted by the Procurement Administrator, and the results are subject to approval by the Illinois Commerce Commission. The Agency oversees the procurement process as managed by the Procurement Administrator to ensure that it is consistent with its approved procurement plans (and applicable Illinois law), but the Agency does not play a direct role in the selection of bids.

As described in Section 16-111.5(e)(4) of the PUA, the procurement process results in a “request for proposals [that] shall set forth a procedure for sealed, binding commitment bidding with pay-as-bid settlement, and provision for selection of bids on the basis of price.” As the selection of bids is based upon price, the benchmarks are used to screen out high-priced bids prior to bid evaluation.

**Question 3.**

*Is the agency seeking the 3<sup>rd</sup> party to write the supply contracts and credit collateral agreements and obtain final approval from both participating parties?*

As described in Section 16-111.5(e)(2) of the PUA, the Procurement Administrator develops contracts and credit collateral agreements subject to the consensus of the applicable utility (with disputes, if any, resolved by the Illinois Commerce Commission). Potential bidders may comment on draft contracts, but they must agree to accept the final contract as a condition of bidding.

That being said, the contracts used for electricity supply and for RECs have been standardized over the past several years, and the Agency does not expect there to be a need, or desire, for significant changes to the existing contracts and credit requirements.

**Question 4.**

*Does the agency anticipate that the chosen 3<sup>rd</sup> party provider will negotiate on behalf of the agency?*

Section 16-111.5(c)(1)(vii) of the PUA allows the Procurement Administrator to “have the discretion to negotiate to determine whether bidders are willing to lower the price of bids that meet the benchmarks approved by the Commission; any post-bid negotiations with bidders shall be limited to price only and shall be completed within 24 hours after opening the sealed bids and shall be conducted in a fair and unbiased manner.” However, that discretion has never been utilized in past Illinois Power Agency procurements and the Agency does not expect it to be necessary in the future. Further, the contracts developed are standard contract forms which, while subject to a comment process, bidders must agree to accept as a condition of bidding, and no negotiation of contract terms with winning bidders is allowed under the law.

**Question 5.**

*Our company intends to submit PQ, the Company will utilize the services of an external Expert with substantial experience who will serve as advisor to the company in undertaking the required work. Would this be acceptable?*

No. The use of an external expert to satisfy the requirements outlined in the RFQ is not acceptable. Section 1-75(a)(2) of the IPA Act lists specific qualifications required for the “expert or expert consulting firm.” 19-RFQ-01 is a Request for Qualifications seeking to determine whether the applicant experts or firms meet minimum qualifications.

This RFQ is a required step prior to a subsequent Request for Proposals. That RFP will seek specific information on the approach proposed by a qualified Offeror, with the evaluation of proposals received used to award a contract to serve as the Agency’s Procurement Administrator. Proposing to use subcontractors by an Offeror would be acceptable as part of a response to that subsequent Request for Proposals, in which the specific approach proposed by a qualified applicant expert or firm is explained. However, the use of an “external Expert” for the purpose of demonstrating qualifications as part of a response to this Request for Qualifications would not be acceptable, as the “expert or expert consulting firm” would not have demonstrated that it meets statutorily required qualifications.

**For the responses to Questions 6-15, the Agency notes that these questions are not be relevant to responses to 19-RFQ-01, as the RFQ is focused on Offerors demonstrating their qualifications to serve as the Procurement Administrator. Nevertheless, the Agency offers the following responses.**

**Question 6.**

*Does the state of Illinois have updated Atlas(es) for the wind and the solar resources?*

No.

**Question 7.**

*Does the state of Illinois have designated locations for possible wind and solar farms/parks?*

No.

**Question 8.**

*What are the current operating Wind and PV plants in the state of Illinois?*

The Agency does not have a list of such facilities.

**Question 9.**

*What are the wind and PV plants that are under construction / when they reach Commercial Operation?*

The Agency does not have a list of such facilities.

**Question 10.**

*What is the goal for the new Wind & PV capacity to be added over the next five years?*

Please review Chapters 2, 3, and 5 of the Long-Term Renewable Resources Procurement Plan.

**Question 11.**

*If possible please provide a summary of the power generation in the state of Illinois, units capacity/ type/ year of operation.*

The Agency does not have a list of such facilities.

**Question 12.**

*What is the across borders movement of electrical energy for the state of Illinois? Times for net imports and times of net export.*

The Agency does not have this information.

**Question 13.**

*What is the wheeling charges currently in effect?*

The Agency does not have this information.

**Question 14.**

*What are the following main data in current PPAs? Term – duration, Offtaker name, Price per kWh, if available the template of the PPA.*

Results of past procurements conducted by the IPA can be found at:  
[https://www2.illinois.gov/sites/ipa/Pages/Current\\_Approved\\_Plan.aspx](https://www2.illinois.gov/sites/ipa/Pages/Current_Approved_Plan.aspx) and  
[https://www2.illinois.gov/sites/ipa/Pages/Prior\\_Approved\\_Plans.aspx](https://www2.illinois.gov/sites/ipa/Pages/Prior_Approved_Plans.aspx).

**Question 15.**

*Please provide Regulatory publications that are used for licensing an IPP to get the permits & consents, complete design and proceed to get financing and start SPV under project financing.*

The Illinois Power Agency is not a regulatory agency and does not have this information available.

**Question 16.**

*The RFQ document doesn't mention the State of Illinois Forms that are on the Procurement Bulletin here (if you click through to the Procurement Administrator RFQ): <http://www.purchase.state.il.us/ipb/IllinoisBID.nsf/frmBidViewFrameset?ReadForm&view=viewSolicitationsOpenByDate?OpenView&Start=1&Count=250>*

*See Forms A and others. Are bidders also required to submit these forms in addition to the Qualifications Checklist and Technical Proposal?*

No. The State of Illinois forms are not applicable to this Request for Qualifications. Those forms will be a component of the response to the Request for Proposals that will be subsequently issued. (See 20 ILCS 3855/1-75(a)(4)).