MAINE PUBLIC UTILITIES COMMISSION, DOCKET NO. 2021-00369

REQUEST FOR PROPOSALS FOR RENEWABLE ENERGY GENERATION AND TRANSMISSION PROJECTS

Question and Answer Log

Q1: Are standalone, front-of-the-meter energy storage projects eligible for bid into the Generation Phase (i.e. not paired with wind/solar/hydro/biomass etc.)?

A1: Standalone energy storage projects are not precluded by the Act. However, a proposal for any such project would be considered in the context of the intent of the Act. Any such proposal should also describe the nature of the benefits it would provide, and how such benefits would be quantified and conveyed.

Q2: Can you confirm if both the transmission and generation phases will occur? Is there a chance that the transmission RFP will result in no generation phase? Is the plan to have awards for both a transmission and generation project?

A2: It is the Commission's intent, consistent with the Act, to make awards for both transmission and generation projects.

Q3: Are Generation bids required to facilitate the "construction and development in Northern Maine of a biomass generator fueled by wood or wood waste"? Or is this just preferred?

A3: The Act directs the Commission to "make every effort to ensure that at least one such [generation] contract supports the construction and development in northern Maine of a biomass generator fueled by wood or wood waste."

Q4: The RFP states that "Proposals for energy-only are preferred." Does this mean that bids that include capacity and REC value will be seen less favorably? Will the RFP contract for any ISONE ancillary services?

A4: In response to the first part of the question, the answer would depend on the details of the proposal. In the context of any proposal for ISO-NE ancillary services, the bidder should provide support for approval of such a contract pursuant to the provisions of Section 3 of the Act.

Q5: Is there any additional information available about where within NMISA the highest need is?

A5: The question is unclear and cannot be answered as submitted.

Q6: Does the RFP imply that 130MW is the largest sized project that would be preferred? Or is there no limit so long as the project makes economic and electrical sense?

A6: The RFP reference to 130 MW is not intended to convey any preference or limitation with respect to project size.

Q7: Must Generation Projects connect to the new Transmission Projects? Or do they have the option of connecting to existing lines?

A7: The Act directs the Commission to procure generation projects designed to connect to and transmit generated power using the transmission line(s) to be procured.

Q8: Does the RFP expect that we will receive information on the location of the potential transmission lines on or around March 7th? What happens if the transmission project is not built?

A8: Yes, as stated in section 1.3 of the RFP, Transmission Project Relevant Information will be made available to generation bidders with an appropriate NDA beginning on March 7, 2022. As further stated in sections 5.3.3 and 8.2, proposals must clearly identify any contingencies.

Q9: What is the expected date for posting the materials listed as “To be posted” on the RFP website?

A9: Staff is targeting mid-January 2022 to post the remaining materials.

Q10: Can energy storage sited and operated to facilitate the interconnection of renewable energy resources located in northern Maine by reducing the curtailment of such resources bid into the transmission phase of the RFP as “storage-as-transmission”?

A10: If the intent would be to propose an energy storage facility as a “Transmission Project” pursuant to the RFP and the Act, such a proposal does not appear to be consistent with the applicable definitions and requirements.

Q11: The RFP states that "The rights to capacity on a Transmission Project will be conveyed to one or more transmission and distribution utilities (T&D Utilities) pursuant to a Transmission Service Agreement (TSA), and, ultimately, used to connect and transmit power from one or more Generation Projects." Does this mean that a Generation Project can connect to the Transmission Project through Versant's Maine Public District T&D system to the northern end of the transmission line, or wheel power through the Northern Maine Independent System Administrator to the transmission line, or would the generation project have to have a dedicated physical line running directly from the generator to the transmission line? Note that the RFP later states that the Generation Project must address "Approvals required by ISO-NE or NMISA, including those related to interconnection of the proposed project." Since a Generation Project that was directly connected to the transmission line to ISO-NE and selling to a transmission and distribution utility in ISO-NE wouldn't be part of NMISA, under what circumstances would approvals be required by NMISA if it wasn't permissible to wheel power through NMISA to the transmission line?

A11: The referenced statements in the RFP were not intended to convey the intent suggested by the question. How and at what point a project would propose to interconnect to a Transmission Project should be specified in the bidder's proposal. Regarding the references to NMISA approvals, these are on an "as applicable" basis.

Q12: The RFP states " Commence construction on or after September 30, 2022, unless the Commission determines that additional capacity on the Transmission Project(s) accepted through this RFP process would remain available after consideration of proposals for all qualified and viable Generation Projects that would be constructed after September 30, 2022." Will the time in which power is delivered be taken into account when determining the additional capacity of the Transmission Projects? For example, if a transmission line had a 400 MW capacity and 400 MW of nameplate solar projects were chosen, would that transmission line be considered "full"? Or if a dispatchable Generation Project like a hydro or biomass project committed to delivery only when the solar projects were not using transmission capacity, i.e. at night and any period other than mid-day full sun at STC, would that unused capacity be considered available? Since dispatchable facilities are able to dispatch at any time, but will not know when especially wind projects committed to delivery, will dispatchable projects be allowed to provide a flexible bid stating that they can deliver up to a certain amount of power at any hour of the day such that their available power is allocated to any empty transmission hourly slots?

A12: The extent to which additional capacity would be available for projects that commence construction prior to September 30, 2022 would be determined after consideration of the expected output from actual proposals received.

Q13: Is a Generation Project required to bid all of its generation into the RFP? Or could a 24 hour resource like hydro or a biomass project bid it's night-time generation into the RFP and sell its daytime capacity elsewhere?

A13: Generation projects are not required to bid all of their output, provided that the structure and associated PPA comply with any applicable market rules.

Q14: How is a partial fill handled for the marginal project. For example, a transmission line might have 20 MW of capacity left and the next best Generation Project is 21 MW. Will it be given the opportunity to resize to meet the 20 MW available, or will it be passed over if the next project after it was 19 MW? If the 19 MW project was chosen, who does the remaining 1 MW go to?

A14: This cannot be answered in the abstract and will be determined based on the proposals received.

Q15: Is the time when energy is delivered by a Generation Project taken into account when evaluating the proposed PPA price, and if so, what parameters and formulas will be used to do so?

A15: The analysis will include consideration of the expected hourly output of the facility and the applicable hourly LMP, as well as the present value of the energy over the PPA term.

Q16: The RFP requires proposed Generation Projects address "Approvals required by ISO-NE or NMISA, including those related to interconnection of the proposed project." Earlier the RFP required that "The output of a Generation Project will be conveyed through one or more Power Purchase Agreement(s) (PPAs) between one or more investor-owned transmission and distribution utilities and the bidder of any proposal." It appears that the PUC determines which investor-owned transmission and distribution utility must sign a PPA with the Generation Project and on what terms. If it is the case, then how could the Generation Project owner know what approvals would be required by ISO-NE since they wouldn't know if they had to wheel power through ISO-NE to the end customer or what route the power would have to take to the customer without knowing anything about which investor-owned transmission and distribution company the customer was or where the PPA would call for the power to be delivered until after the RFP results were announced?

A16: The approvals noted in the RFP apply to project development, operation and wholesale market related matters, which are not necessarily the same as the contractual arrangement with the utility.

Q17: One of the evaluation criteria is the "Projected market value of energy, capacity, and/or RECs" Without knowing which investor-owned transmission and distribution company the Generation Project will be assigned a PPA with and that company's avoided cost of energy, capacity, and/or RECs it is difficult to design a project to this criteria. Will you publish the avoided cost of energy, capacity, and/or RECs for each investor-owned transmission and distribution company and allow bidders to designate which company would be their PPA counterparty in order to provide transparency in how this criteria will be applied?

A17: In evaluating the value of the contract products, the Commission will consider various factors, including the expected value of energy from a given project compared to other projects and including factors such as project location, and expected output profile, as well as the expected value for any capacity and RECs from the project. This evaluation will be done in the context of expected prevailing market values for the products, and not by reference to any utility-specific avoided costs.

Q18: Can you please publish the weightings for each criteria published in the criteria section as well as a detailed description of how points will be granted within each criteria.

A18: As noted in the RFP, evaluation of proposals will include various quantitative and qualitative factors as specified in the Act. As such, Bidders will not be provided with a mathematical weighting formula or point system.

Q19: Storage doesn't appear in the evaluation criteria but is listed as a potential option in the RFP. Please describe where in the criteria the benefits of storage will be considered, what quantitative rankings will be assigned to storage, and on what basis.

A19: Refer to section 4 of the RFP which discusses evaluation criteria. See also Q&A 1 and 18.

Q20: The RFP states "Proposals for energy-only are preferred." Can you explain how this is evaluated in the evaluation criteria. Are all energy-only projects taken before any other projects are considered? Or are energy-only projects given a higher score, and if so how much higher of a score, specifically, and in which criteria, specifically?

A20: Please see Q&A 4

Q21: It is very unclear what happens to a winning Generation Project if the associated winning Transmission Project fails to be completed or is not completed on time. Given

that the completion of the Transmission Project is a necessary contingency for each and every one of the Generation Projects that will be built by definition of the RFP, how does the RFP anticipate addressing this contingency?

A21: Bidders may propose contractual provisions in the PPA to address these concerns.

Q22: How will the PUC ensure that a transmission proposal selected through the RFP process will include all necessary costs for downstream upgrades to the ISO-NE transmission system required to interconnect at least the amount of renewable energy generation selected through the RFP process?

A22: The required interconnection-related facilities and upgrades associated with each transmission and generation proposal will be determined by the applicable market rules, tariffs, and associated processes administered by the ISO-NE.

Q23: Please confirm that there are no restrictions on direct communication between transmission and generation developers before or after the Phase 1 bid due date.

A23: Confirmed.

Q24: Are partnerships between transmission and generator developers allowed? For example, can a generator offer a price that is specific to a transmission proposal from a specific transmission developer?

A24: Partnerships between transmission and generation developers are permitted.

Q25: Are dedicated generation-lead lines allowed to submit transmission proposals?

A25: Assuming the line complies with all other applicable requirements of the Act and the RFP, yes.

Q26: Transmission proposals are required to be a “345 kV double circuit” line or a line of greater capacity”. What is the metric for “greater capacity”? Would a single circuit transmission line with a voltage greater than 345 kV qualify as “greater capacity”?

A26: A “metric” for “greater capacity” has not been established. It would be reasonable to assume that the requirement would be interpreted and applied consistent with the plain meaning of “greater capacity” and the intent of the Act

Q27: If the TSA is for 30 years and is executed upon contract award it would effectively shorten the life of the transmission project to less than 30 years for financial modeling purposes, which will increase the cost of the TSA to the T&D Utilities. Please confirm that (a) the term of a TSA between the transmission developer and the T&D utility is

inclusive of the transmission line development period, and (b) transmission bids can include options for TSA terms longer than 30 years.

A27: As stated in section 3.1 of the RFP, the preferred term of the TSA is 30 years, which will commence on the effective date of the TSA with the T&D Utility and will be inclusive of the period of time for development, construction and commercial operation of the line. Terms of a different duration may be considered and approved by the Commission, but any proposal for a term of a duration that is different than 30 years must be explicitly supported and justified by the bidder in its proposal.

Q28: Will ISO-NE or any other parties act as an advisor or provide a technical analysis to the Commission on bid proposals before awards are announced? If so, please provide an overview of advisory services that ISO-NE or other parties are expected to provide so that bidders may have a full appreciation of the role of ISO-NE and other consultants in assisting the Commission to evaluate proposals.

A28: The Commission currently has no contractual arrangements for advisory or technical assistance with respect to the bid proposals. The extent to which there would be arrangements in the future, or that assistance would be provided on an informal basis, has not yet been determined. Please see section 8.3 of the RFP.

Q29: Does the Commission have any concerns with interstate commerce violations given the requirement that renewable generation proposals must be from projects located in Northern Maine?

A29: The procurement is being conducted pursuant to the requirements of the Act. The Commission is not in a position to offer guidance to potential bidders with respect to the legal issue noted in the question.

Q30: Under section 4 of the RFP, Evaluation Criteria, please explain the difference in item “A” and item “B”.

A30: To the extent that all costs are not proposed to be borne by Maine ratepayers, criteria "B” would apply. Please also see the “note regarding evaluation of costs” in section 4.

Q31: Section 4 of the RFP lists “Economic benefits to Northern Maine” under item (D). Please provide information on:

a. How bidders should categorize the economic benefits in their proposals, for both generation and transmission.
b. Any weighting that specific types of economic benefits will be given in the evaluation of the proposal.

c. Whether economic benefits that are realized in Maine but outside of Northern Maine will be given any weighting in the evaluation of the proposal.
d. Whether bidders that are awarded a PPA or TSA will be required to prove the economic benefits are achieved as part of their contract, as was the case for contracts awarded in the 3210-G procurements.

A31: a. The RFP does not include a prescribed method for categorizing economic benefits.

b. See Q&A 18

c. The Act requires that the Northern Maine Renewable Energy Development Program be administered to, among other things, "realize direct and near-term economic benefits in northern Maine." Other benefits not explicitly required by the Act, such as those noted by the question, may also be considered.

d. The RFP does not include similar provisions to the 3210-G procurements in this regard.

Q32: Are generators required to submit separate $100,000 security deposits for every transmission solution/interconnection option it proposes to utilize? Or will a renewable generation project with multiple potential transmission interconnection points be considered a single submission with multiple prices for the purposes of the security deposit?

A32: Generation projects are required to submit the required security deposit on a per-project basis.

Q33: Are generators allowed to submit a single proposal that includes multiple project configurations, different sized projects, and projects with different technology combinations, or are separate proposals required? If separate proposals are required, are generators required to submit separate $100,000 security deposits for each proposal?

A33: Generators may submit a single proposal that includes various proposal options (a separate Generation Proposal Form is required for each option). Generation projects are required to submit the required security deposit on a per-project basis.

Q34: In previous solicitations the Commission has expressed a preference for energy-only contracts. In this RFP will the Commission prefer bids to include energy, capacity attributes and RECs?

A34: As stated in section 5.3.3. the Commission prefers proposals for energy only.

Q35: The Commission will consider proposals that include the capacity attributes associated with a generator bid but the Commission is not required to include capacity in any contract awards. Please list the factors (e.g., potential for ratepayer savings) the Commission will consider when deciding whether to award contracts that include capacity attributes.

A35: The evaluation of capacity would depend on the details of the proposal. See also Q&A 17.

Q36: The Commission will consider generator proposals that include the RECs but it is not required to include RECs in any contract awards. Please list the factors the Commission will consider when deciding whether to award contracts that include RECs.

A36: The evaluation of RECs would depend on the details of the proposal. See also Q&A 17.

Q37: The due date for generation proposals is May 1, 2022, which happens to fall on a Sunday. Will the Commission consider shifting the due date to April 29, 2022, or May 2, 2022?

A37: Yes, the due date for generation proposals should have been May 2, 2022. The schedule will be updated accordingly.

Q38: Are transmission proposals expected to include or bear the risks of necessary network upgrades identified throughout the ISO-NE process, or will those be shared with or in any way borne by winning generation proposals?

A38: The transmission project would be expected to bear the risks and costs associated with the interconnection facilities and network upgrades related to it unless the proposal includes an explicit provision to the contrary. In either case, in the context of proposal evaluation, such risks and costs may be similarly associated with, or attributable to, the transmission proposal.

Q39: Should transmission proposals account for the Interconnecting Transmission Owner's Interconnection Facilities that would be required by generators (i.e., high voltage substation(s) at the point of transmission line interconnection) or should those be accounted for in the generation proposals?

A39: See the response to Q38.

Q40: Section 3.1 states that "proposals are requested for the development, construction, and operation of a 345-kV double circuit transmission line, or a line or lines of greater capacity." Please clarify what greater capacity means. Would a single circuit 345kV line with a very high megawatt capacity be a compliant proposal?

A40: See Q&A 26.

Q41: Can energy storage that is sited and operated to facilitate the interconnection of renewable energy resources located in northern Maine by reducing the curtailment of such resources be paired with an eligible transmission proposal under the transmission phase of the RFP due March 1? The joint transmission-energy storage proposal would describe the nature of the benefits it would provide and how such benefits would be quantified and conveyed.

A41: A transmission proposal that complies with all applicable provisions of the Act and RFP and which also includes a storage component in its proposal may not be inconsistent with the applicable requirements of the Act; however, such a proposal should provide the statutory basis for inclusion of such a component.

Q42: Will the PUC consult with ISO-NE to either: (1) before transmission bids are due, establish elements of a transmission proposal that demonstrate that proposal's capability of delivering the renewable energy contracted for in the RFP; or (2) after bids are received, verify that a transmission proposal is capable of delivering the renewable energy contracted for in the RFP?

A42: Commission Staff anticipates that information relevant to the deliverability of power over the transmission projects will be addressed by transmission project bidders in their proposals. To the extent a generation project bidder seeks information in this regard about a transmission project that is not provided in the Transmission Project Relevant Information Form, the bidder, as stated in section 1.2 of the RFP, may submit an information request. At this point, the PUC does not plan to independently consult with ISO-NE as suggested by the question. See also Q&A 28.

Q43: How should generation proposals evaluate their ability to bid or contract for capacity in ISO-NE if information about system upgrades is not available?

A43: As stated in section 1.2 of the RFP, Generation bidders may request additional information with respect to transmission proposals that is not included in the Transmission Project Relevant Information form. To the extent the requested information is included as part of the transmission project bidder's proposal, and is not proprietary or otherwise confidential, the Commission will endeavor to make it available to Generation bidders. See also Q&A 42.

Q44: Would a 320kV High Voltage Direct Current (HVDC) project capable of transmission at least 1200MW of power be deemed to meet the requirement for "a 345 kilovolt (kV) double circuit "generation connection line" or a transmission line or lines of greater capacity"? In the 2016/2017 Maine Resource Integration Study, ISO-NE determined that a new 345kV double circuit tower line was needed to integrate

1,118MW of interconnection requests in Northern Maine. If a 320kV HVDC transmission line could transmit a greater capacity than 1,118MW would it achieve the requirement of the RFP for “a 345 kilovolt (kV) double circuit “generation connection line” or a transmission line or lines of greater capacity”?

A44: As described in the question, the 320kV HVDC project would appear to meet the requirement noted; however, a formal determination of project eligibility cannot be made in the context of this Q&A process. Please also see Q&A26.

Q45: In evaluating bids, will bidders be expected to identify entities that will purchase the energy delivered over the proposed transmission line and will out of state entities be allowed to participate as part of a multi-state bid proposal pursuant to 35-A MRSA 3210-I (4)(C)?

A45: As noted in Section 3.2 of the RFP, the output of Generation Projects will be conveyed through PPAs to one or more investor-owned T&D utilities. Bidders may identify in their proposal the T&D Utility to which the output would be conveyed or is intended to be conveyed. Please note the relevant proposal requirements set forth in Section 5 of the RFP, including Section 5.3.2., that must be included. Please also note the evaluation criteria set forth in Section 4 of the RFP, including the favorable treatment of proposals that include cost-sharing with other states or other mechanisms to reduce costs for Maine ratepayers.

The process contemplated by 35-A MRSA 3210-I (4)(C) is not specifically directed by the pending RFP.

Q46: In evaluating bids, how will the PUC ensure that new federal incentives for development of transmission lines benefit Maine ratepayers?

A46: To the extent any such federal incentives are available for and would be realized by a developer or bidder of a Transmission Project, relevant details should be provided in the bidder’s proposal, including but not limited to: the amount and nature of the incentives; the eligibility and the status of the project with respect to the incentives; any applicable application and approval processes. Please also note the relevant proposal requirements set forth in Section 5.2.2 of the RFP. Bidders should also detail how, as part of the Transmission Project proposal, any such federal incentives would flow to the benefit of Maine ratepayers. The availability, certainty, amount, and associated benefits to Maine ratepayers from any such incentives would be considered pursuant to the Evaluation Criteria set forth in Section 4 of the RFP.

Q47: Please clarify the intent of the language in Section 8.1 of the RFP regarding the binding nature of the proposal with respect to the (i) bidder's obligation to enter a PPA and (ii) the refundability of the Proposal Security Deposit.

A47: The RFP requires that, if its proposal is selected by the Commission, a bidder would engage in good faith negotiations to reach PPA terms that are acceptable to it, the T&D utility, and the Commission. If, after such good faith negotiations, an acceptable PPA does not result, the bidder would not be bound to enter the PPA and its Proposal Security Deposit would be returned.

Q48: How should a Generation bidder submit the NDA form? Will the bidder's identity remain confidential?

A48: Generation bidders should submit the executed NDA into the case file (2021-00369). The Commission's case management system will automatically place the filing in the "secure" section, i.e., it will be visible only to PUC staff and Commissioners.

Q49: In addition to submitting the NDA, what process should a generator use to obtain access to the Transmission Project Relevant Information?

A49: An interested Generation Project should first execute and submit the required NDA. (See Q&A #48). To then access the Transmission Project Information, the Generation Project should submit a request for the information to the Docket No. 2021-00369 case file. The letter should identify and describe the Generation Project and include a demonstration that the Project is "qualified" pursuant to the applicable provisions of the RFP.

Q50: Section 6.2.1 of the form PPA indicates that the Seller Credit Support will be "An amount to be determined on a project-specific basis based on the Commission's assessment of the risks and benefits of this contract." Can the PUC provide some guidance on the possible range of Credit Support requirements so that bidders can estimate the cost? Is the expectation that the Credit Support requirements will be similar to those listed in the term sheets from the 3210-G procurements?

A50: As specified in Section 7.3 of the Request for Proposals, the amount of Project and Performance Security required by either Generation or Transmission projects will be determined on a project-specific basis based on the Commission's assessment of the risks and benefits of the contract. The Commission cannot make those assessments at this point. Bidders can assume that the security-related provisions of term sheets will reflect a careful allocation of the commercial risks of project development and operation among the parties and will specify the amounts of required financial security.

The credit support requirements specified in the recent 3210-G procurements should not be considered as indicative of the Commission's assessment of risks and benefits in this procurement.

Q51: Section 3.7 of the form PPA details the ISO-NE scheduling requirements for energy, for both Versant Power and CMP. The requirements appear to be mostly the same, but can you explain any differences and why these provisions are different for each T&D?

A51: Section 3.7 details the internal bilateral transactions (IBT) protocols followed by Versant Power and CMP in the settlement of wholesale energy transactions within the ISO-NE market settlement system. As such, the protocols are designed to comply with the IBT Protocols as specified in ISO-NE Market Rules and Manuals. The provisions in the standard form PPA have been provided by each respective T&D utility as their standard contract language and may reflect any utility-specific provisions related to their administration of the IBTs.

Q52: Section 5.2(b) of the form PPA provides for Seller to receive liquidated damages in the event of a Transmission Availability Delay of more than five (5) calendar years after the Effective Date, in an amount equal to the Transmission Credit Support provided for Seller in the TSA. Will generation bidders be provided with the Transmission Credit Support amount that is anticipated to be in the TSA, either before bids are submitted or before PPA's are executed?

A52: The amount of credit support to be provided pursuant to any TSA will be determined prior to execution of any contracts and is subject to Commission approval. Such amount(s) will not be determined prior to bid submission.

Q53: The form PPA references a number of Exhibits, but only Exhibit A is included in the document. Will forms of the other Exhibits be provided prior to the bid deadline?

A53: The Exhibits referred to in Section 3.4 of the Standard Form PPA are intended to capture, in chart form, the prices approved by the Commission for various contract products. For an example of the form of these exhibits, please see Exhibit B, Contract Energy Price, to the Fully Executed Goose Cove Agreement filed as item 105 in the Commission's Case Management System, Docket No. 2021-00004.

The Exhibit referred to in Section 3.7 will contain the CMP IBT protocols. The form of this Exhibit has been posted to the Northern Maine RFP page. Please note that the form of this Exhibit is subject to change by CMP as necessary.

The Exhibit referred to in Sections 5.2 and 10.2 will contain a liquidated damages amount that cannot be specified prior to bid submission.

Q54: Could the PUC please clarify where the MWhs for each generation proposal procured by the PUC will be metered? Will the PUC procure MWhs delivered to the ETU at the direct injection point without consideration of the losses along the ETU (gross delivered energy) or will the PUC procure MWhs delivered at the Point of Interconnection (POI) on ISO-NE transmission system with consideration of the losses along the ETU (net delivered energy)?

A54: Staff expects that proposed metering point(s) and physical and market delivery points would be specified in the proposals of Generation Bidders. The quantity of energy (MWhs) to be conveyed through the PPA would be measured at the market delivery point, i.e., pNode, and would not include losses between the Generation Facility and this point.