

November 18, 2008
Invitation to Potential Bidders: Procurement of Renewable Energy Attributes for Executive Order 111 Compliance

OVERVIEW OF REQUEST AND EXECUTIVE ORDER 111 REQUIREMENTS

The New York Power Authority (“NYPA” or “Authority”) is hereby issuing a request for bids for the purchase of Renewable Energy Attributes (hereinafter, “Attributes” or “REC”s) for itself and/or resale to its customers.

Seven hundred (700) mWh of renewable energy Attributes will be purchased for compliance with New York State Executive Order 111 dated June 10, 2001 (hereinafter, “EO 111”). EO 111 was continued by Governor David A. Paterson via Executive Order No. 1 on March 20, 2008. Potential suppliers are referred to the Guidelines for Executive Order III, Section 5, Requirements for the Purchase of Renewable Power, for a description of the products sought under this solicitation. Please see the link to the Guidelines to the Executive Order, shown below.

(http://www.nyserda.org/programs/State_Government/exorder111guidelines.pdf.)

The Authority will be purchasing REC’s for 2008, and may consider longer terms based upon bid economics and NYPA customer needs. Quantity and other terms are shown on [Attachment A](#). All purchases will be in the Authority’s name.

Bids are due by close of business December 3, 2008 and are to be submitted via email to robin.shanen@nypa.gov.

EO 111 Eligible Resource Types

For compliance with EO 111, eligible resource types are defined as those facilities generating energy from the following technologies:

- Wind
- Solar thermal
- Photovoltaics
- Sustainable managed biomass, which for these purposes shall include all wood resources, with the exception of contaminated waste wood, and shall exclude utility-scale facilities that co-fire with coal
- Tidal
- Geothermal

- Methane waste (from landfills or anaerobic digesters)
- Fuel cells

Hydro production will not be considered for EO 111 compliance purchases.

NEW YORK STATE ENVIRONMENTAL DISCLOSURE PROGRAM

All suppliers must satisfy the requirements of the Environmental Disclosure Program Rules and Procedures for Conversion Transactions, or any successor rules, established by the NYS PSC. A Conversion Transaction occurs when an entity that sold energy into the New York Independent System Operator (“NYISO”) Spot Market and an entity that purchased energy a like amount of energy out of the NYISO Spot Market during the same settlement period jointly identify for the Administrator of the Environmental Disclosure Program such packet of energy such that it can be disaggregated, for environmental disclosure purposes, from the residual pool of Spot Market energy. Conversion Transaction procedures are described in more detail on the Department of Public Service website at: http://www.dps.state.ny.us/Final_Rules_and_ProceduresCTnov5.htm.

In accordance with this requirement, the Attributes must be associated with electrical energy delivered into the New York Independent System Operator (NYISO) spot market directly from a supplier and/or marketer.

Potential suppliers may also be asked to furnish proof of prior or current contracts for the commodity stated herein to demonstrate their ability to satisfactorily operate in the renewable energy market.

FOLLOWING SUPPLIER SELECTION AND CONTRACT AWARD:

VERIFICATION OF RIGHTS TO ATTRIBUTES

Throughout the contract term, NYPA will require certification/ verification of delivery of all rights to the Attributes purchased by NYPA as follows:

- Each invoice submitted by the successful bidder requesting payment must be accompanied by an appropriate Certification, which will identify the number and vintage of all Attributes for which payment is requested, bear an appropriate certification as to the eligibility of such Attributes and transfer all rights and assignments to NYPA.
- In the event the NYS PSC solely or in conjunction with others, creates sanctions, adopts or begins participation in a Generation Tracking System in the New York Control Area (“NYCA”) during the term of the agreement contemplated in this bid solicitation, each

Attribute associated with fulfillment of the supplier's requirements must be transferred to an account designated by NYPA.

- Facilities providing products that are not located in the NYCA, but are located in a control area with a compatible generation tracking system at the time of submittal of the Bid Proposal, must deliver REC's to an account designated by NYPA. For example, the NEPOOL Generation Information System and the PJM GATS system are deemed compatible systems by the administrator of the NYS Environmental Disclosure Program.
- For facilities outside the NYCA, NYPA will require verification of the electricity market of origin through "NERC" tags for each delivery.

No Double Counting:

In no event shall the Attributes of the generation associated with NYPA's contract(s) under this solicitation be assigned or sold by the supplier in another transaction. Any assignment or application by the seller of the Attributes associated with a contract with NYPA under this solicitation to any other entity, program or jurisdiction, whether associated with a publicly administered program or a voluntary transaction, is strictly prohibited.

SUBMISSION OF BID PROPOSALS

BIDS ARE TO BE SUBMITTED VIA EMAIL TO ROBIN.SHANEN@NYPA.GOV BY CLOSE OF BUSINESS DECEMBER 3, 2008.

- Suppliers should use the form of [Attachment B](#) included herein, or provide substantially similar information.
- Suppliers may provide quotations for any or all of the quantities and products requested.
- Awards may be made to more than one supplier.

Bidder shall provide, along with pricing for REC's, location and name of associated facility(ies) and eligible resource type for Attributes bid. In addition, Bidder shall provide a brief description of its business organization and history, financial condition and most recent audited financial statements.

Required Contract Agreement

Selected suppliers shall be required to execute a contract substantially similar to the contract set forth in [Attachment C](#). No material changes to this contract will be accepted.

Evaluation process and Criteria

Submittals must be complete, in conformance with the specifications and other requirements of this solicitation, and must include all documentation, evidence or verification requested.

Submittals will be evaluated according to price, with consideration given to creditworthiness, and customer policy goals, if applicable.

Basis for Disqualification

A potential supplier may be disqualified and their bid not considered for reasons including, but not limited to, the following:

- receipt of the bid after the deadline for submission;
- failure to meet all eligibility requirements;
- incomplete bid submittal;
- willful misrepresentations in the bid submittal;
- illegal or undue attempts to influence the bid review process;
- a determination by NYPA, in its discretion, that some or all bid proposals should be rejected.

Communication during the RFP Process

NYPA's contact for this solicitation is:

Robin Shanen, Analyst, Power Resource Planning and Acquisition

Telephone: 914-287-3764

Fax: 914-390-8156

Email: robin.shanen@nypa.gov