

OCTOBER 13, 2020

ADDENDUM NO. 2
FOR
REQUEST FOR PROPOSALS (RFP) FOR CITY OF CHICAGO MUNICIPAL ELECTRICITY SUPPLY INCLUDING RENEWABLE
GENERATION
SPECIFICATION NO. 1209143

For which submittals are scheduled to open at 4:00 p.m. CST, on November 6, 2020

RESPONDENTS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM IN THE COVER LETTER OF THEIR SUBMITTAL

REVISIONS TO THE DOCUMENTS:

The following changes are hereby made to the RFP:

- 1) Form 5, Part C. The second sentence of the paragraph beginning “* Contractor’s estimate....” is hereby changed to the following: “Pass-through Charges are as defined in Exhibit B of the ESA”.

The following changes are hereby made to the ESA:

- 1) Section 1. Definitions. The definition of Capacity Charge is hereby changed to the following: “Capacity Charge”: means a charge for fulfilling the capacity requirements imposed by PJM associated with the Listed Account”.
- 2) Section 1. Definitions. The definition of Transmission Service Charge is hereby changed to the following: “Transmission Costs”: Means the charge for Network Transmission Service and Transmission Enhancement Charges, each as identified in the applicable Transmission Tariff for the provision of transmission service by PJM within the ComEd service territory, associated with the Listed Accounts”.
- 3) Exhibit B. The first sentence of the paragraph beginning “Pass Through Charges” is hereby changed to the following: “Pass Through Charges: Contractor will pass through to City, without mark-up, tariffed charges for Capacity Charges, Transmission Service Charges, transmission and distribution losses (together, the “Pass-Through Charges”).

Questions / Answers:

<u>QUESTIONS / ANSWERS</u>	
Question 1	<p>Is the Electricity Supply Agreement (ESA) you are seeking beginning January 1, 2022 and continuing for an initial term of five years is the longest ESA that the city is looking for? We normally see a minimum of 15 to 20 year ESA and find it difficult to supply a 5 year term. Can you please give us more details?</p> <p>RESPONSE: Per Section 5 of the ESA, the City may choose to extend the Initial Term of the ESA. This decision to renew or not renew would be determined by circumstances present at the time of the decision. If the Initial Term of the ESA is insufficient to accommodate Proposer’s Supply Plan for serving the City, Proposer may provide details in their Form 5, Section D of the required City commitment to accommodate Proposer’s Supply Plan.</p>
Question 2	<p>Will the City consider bundled power purchase agreements to allow City to capture value of carbon offsets generated as a result of switching to renewable energy?</p> <p>For example, Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) impact on O’Hare / Midway: https://www.faa.gov/about/office_org/headquarters_offices/apl/research/environmental_policy/</p> <p>RESPONSE: The City is interested in retail supply backed by bundled power purchase agreements comprised of electricity supply and all environmental attributes. The renewable energy attributes associated with supplied electricity must be fully allocated and transferred to the City and documented in a manner aligned with RE100 guidelines for making credible renewable electricity usage claims with Renewable Energy Certificates (RECs).</p> <p>(http://prod.re100.climategroup.manifesto.sh/sites/re100/files/2020-09/RE100CREDIBLECLAIMS.pdf)</p> <p>Per Form 5. Part D, Proposer should complete the form to the best of its ability for all Renewable Generation Resources incorporated into Proposer’s Supply Plan, and further should describe in Section 3 of Respondent’s Proposal how any shortfall in generation for each Renewable Generation Resource relative to the Expected MWh by year will be handled (i.e., will Proposer provide comparable substitute resources to the City to fill any such gap at the same price?).</p>
Question 3	<p>Background information on the value of Bundled PPA:</p> <p>Definition: A “bundled” PPA is one in which the seller is selling both the power and the environmental attributes, while an “unbundled” PPA includes only the power. In an unbundled PPA, the developer may sell the RECs to a different purchaser under a REC contract.</p> <p>The environmental attributes, as carbon offsets, have market value and can be sold by City to generate revenue, or for compliance with CORSIA requirements for O’Hare, Midway and Gary/Chicago airports.</p>

	<p>RECs, or renewable energy credits per MWh of production, have the least value, while ISO 14001 compliant carbon offsets which represent one metric ton of CO2 not emitted, have the highest market value under the United Nations Framework Convention on Climate Change (UNFCCC).</p> <p>City signed the Chicago Climate Charter as a commitment to UNFCCC goals https://www.chicago.gov/content/dam/city/depts/mayor/Press%20Room/Press%20Releases/2017/December/2017ChicagoClimateCharter.pdf</p> <p>RESPONSE: See question 2 response.</p>
Question 4	<p>Will City consider bundled power purchase agreements to allow City to capture value of carbon offsets?</p> <p>RESPONSE: See question 2 response.</p>
Question 5	<p>Are the accounts that will be provided for the City expected to be used for consumption reference or is the City proposing these locations as potential locations for renewable generation?</p> <p>RESPONSE: Exhibit C to the RFP consists of a list of electricity accounts to be served by the Contractor per the terms of the ESA. If a potential Proposer has not yet obtained this list, it is available to them by sending a request to electricitysupply@cityofchicago.org</p>
Question 6	<p>Will the City provide historical 8760 hourly load data for aggregation of all accounts?</p> <p>RESPONSE: This data is available from Commonwealth Edison using the information the City has provided in RFP Exhibit C. See Answer to Question 5.</p>
Question 7	<p>Would you elaborate on alternate / separate term options for renewable production?</p> <p>RESPONSE: If the question is referring to a potential PPA term that is different than the ESA term, FORM 5, Part D provides details of this. Also see Answer to Question 1.</p>
Question 8	<p>Can ESA be revised?</p> <p>RESPONSE: Section 4.6 of the RFP covers the procedure for Proposers taking exception to any requirements of the RFP, which includes any provision of the ESA.</p>
Question 9	<p>Define the term 'New Build'. Is it pre-financed, pre-construction, pre-COD, etc?</p> <p>RESPONSE: Please refer to Section 7, Definitions, of the RFP where "New Build" is defined.</p>
Question 10	<p>Will Ameresco work as a consultant to City, or will they receive a fee from the supplier?</p> <p>RESPONSE: Ameresco is a City contractor providing energy consulting services and receives a fee for such services directly from the City per the terms of its contract. There will be no fee paid to Ameresco from any supplier related to Ameresco's work for the City on this RFP or during the term of the ESA.</p>
Question 11	<p>Do you see this primarily as a way to re-envision / displace your current energy supplier? Or is it meant to primarily to precipitate new renewable energy construction?</p> <p>RESPONSE: The City's existing Electricity Supply Agreement (ESA) expires as of the January 2021 meter reading dates. This RFP is expected to result in a new ESA with supply service commencing as of the January 2021 meter read dates.</p>
Question 12	<p>What does the City need with respect to equitable co-benefits?</p> <p>RESPONSE: The City has defined the scope of equitable co-benefits in section 4.2.3 of the RFP. Additionally, in section 1.3, the City defines the equitable clean energy transition in detail. The City encourages all respondents to reference section 4.2.3 and section 1.3, and all linked references to fully understand the scope of this requirement. The City will use Form 6 to evaluate the respondents proposed local and equitable co-benefits.</p>
Question 13	<p>Is the City considering interview for the finalists?</p> <p>RESPONSE: In the RFP document, Section 4.5, Interview with RFP Respondents, it states the City of Chicago may invite Respondents to interview if they are deemed necessary for award of a contract.</p>
Question 14	<p>Does the City have a preference for renewable technology or location?</p> <p>RESPONSE: The City is interested in the proposal that provides maximum value to the City in terms of the evaluation criteria (see RFP Section 4).</p>
Question 15	<p>Will chosen vendor supply net metering credits to the City? Or are they displacing your existing energy supplier for the next 5 years?</p> <p>RESPONSE: See answer to Question 11.</p>
Question 16	<p>Will the City accept supply that only begins in 2023 or 2024?</p> <p>RESPONSE: Section 4.6 of the RFP covers the procedure for Proposers taking exception to any requirements of the RFP, which includes any provision of the ESA.</p>
Question 17	<p>Do we need to be a load serving entity (e.g. a licensed retailer) to supply your energy?</p> <p>RESPONSE: See Section 1.2 of the RFP. The signatory to the ESA, normally the Respondent, must be an ARES and therefore a load serving entity. Firms who are not ARES may participate as a Team Members.</p>
Question 18	<p>Will the City be providing any roofs on which we can build solar?</p> <p>RESPONSE: If respondents are willing to put forward equipment or supplies for City installation, the City is open to consider rooftops, or partnerships with sister agencies. Resources such as Elevate Energy's solar map may be a useful tool for these efforts: https://www.elevateenergy.org/programs/solar-energy/community-solar/cook-county-solar-map/.</p>
Question 19	<p>Does the City own any land on which we could build solar within the City limits of Chicago?</p> <p>RESPONSE: The City has not assembled such a list for this RFP.</p>
Question 20	<p>Does the City own any land elsewhere in Illinois or other states on which we could solar?</p> <p>RESPONSE: See Answer to Question 19.</p>
Question 21	<p>Do you plan to engage a third party consultant to run the RFP, or will the City run the RFP directly?</p> <p>RESPONSE: The RFP is underway and is being conducted by the City of Chicago Department of Assets, Information and Services.</p>
Question 22	<p>Is the City interested in the energy coming from one project or can we utilize multiple projects within our renewable portfolio?</p>

	RESPONSE: Proposers may include more than one renewable project in their Supply Plan for the City. See RFP Form 5, Section D.
Question 23	Will the City entertain providing credit support if needed? Such as adequate assurance in the event of ratings downgrades, etc.? RESPONSE: The ESA does not envision the City providing credit support or any form of adequate assurances to the Contractor.
Question 24	Confirm if Commissioner David Reynolds will make the final decision on behalf of the City of Chicago. RESPONSE: The AIS Commissioner has authority pursuant to the Municipal Code of Chicago to procure and enter into a contract for electricity supply, including renewable energy. The RFP's evaluation process is described in detail in Section 4 of the RFP.
Question 25	As we offer an open source distributed energy management solution, it perfectly fits the City of Chicago ambition to achieve higher carbon savings/lower costs. Using our optimization strategies, it allows balancing the City of Chicago power consumption with variable pricing. However we need to partner with an Electricity Provider for a complete offer. Therefore our question is whether you facilitate a matchmaking session as part of the RFP? RESPONSE: The RFP allows firms seeking partners to pool their areas of expertise in order to provide the best possible proposal to the City. That said, there will not be a "matchmaking session" as part of the RFP. A list of all RFP webinar attendees was provided to anyone that signed up for notifications related to this procurement.
Question 26	I had a few questions regarding the RFP. 1.Does repowering a facility count as new build? 2.Are you considering purchasing the other attributes from the facilities (ie. the Renewable Energy Credits) RESPONSE: reference Green E guidelines/bundled Repowering a facility in a manner that complies with the Green-e Renewable Energy Standard for Canada and the United States v3.4 will be counted as New Build. The City is interested in retail supply backed by bundled power purchase agreements comprised of electricity supply and all environmental attributes including renewable energy certificates (RECs). Per Form 5. Part D, Proposer should complete the form for all Renewable Generation Resources incorporated into Proposer's Supply Plan, and further should describe in Section 3 of Respondent's Proposal how any shortfall in generation for each Renewable Generation Resource relative to the Expected MWh by year will be handled (i.e., will Proposer provide comparable substitute resources to the City to fill any such gap at the same price?) (https://www.green-e.org/docs/energy/Green-e%20Standard%20v3.4%20US.pdf)
Question 27	I am seeking immediate clarification WRT subject solicitation, Section 5.3. Currently we hold contracts with the City that require regular communication, often with members of the team that will be working on this solicitation. Please confirm that these communications are still allowed. RESPONSE: A potential Respondent that has an existing contract with the City may continue to communicate with the City per the scope and terms of its contract with the City. However, the potential respondent must comply with RFP Section 5.3's procedure for communicating with the City on any aspect of this RFP.
Question 28	We are looking to request hourly data from ComEd. In order to do so, ComEd would need net meter numbers included in the customer list we have. Can meter number data be provided to us? RESPONSE: The City's experience is that the information the City provided in RFP Exhibit C is sufficient for potential Respondents to obtain all necessary interval data from ComEd. See Answer to Question 5 for instructions on how to obtain Exhibit C if your firm does not already have it.
Question 29	Legal/Credit 1. How will the Purchase Order process described in Section 9 of the ESA apply to this transaction? RESPONSE: The process described in Section 9 pertains to the selected vendor when performing any work under this contract. 2. Section 20 of the ESA - Contractor in our case is not a rated entity. Will the City be relying on a parent company's ratings? What if the parent company is not investment grade when the transaction is executed? Will adequate assurance be required upon execution? If so, what is the form and how will the amount be calculated? RESPONSE: An answer will be provided in Addendum No. 3. 3. If adequate assurance is initially provided, will the Contractor have the obligation to inform the City if the Contractor's ratings' downgrade occurs? Will the adequate assurance be returned to Contractor if during the term of the agreement, if the Contractor's parent's ratings are upgraded to BBB- by Standard & Poor's and/or Baa3 by Moody's (provided that the City chooses to rely on parent's ratings)? RESPONSE: An answer will be provided in Addendum No. 3. 4. The RFP defines Adequate Assurance as a cash deposit, letter of credit or parental guarantee, but does not set specific requirements for the parent's credit standing. Will there be specific requirement for the parent's credit standing and if yes, what are these requirements? RESPONSE: An answer will be provided in Addendum No. 3. 5. Will the Contractor have the right to request security from the City if the City's credit ratings are downgraded to below investment grade? RESPONSE: See Answer to Question 23.
Question 30	MBE/WBE 1. Referencing 32. Multi Project Labor Agreement (PLA) of the Electric Sales Agreement, under this Contract would projects be subject to the PLA? RESPONSE: If there is work pursuant to and as part of the scope of the ESA for which the PLA would be applicable, then such work would be subject to the PLA.

	<p>2. Is the City of Chicago interested ONLY in Minority and Woman Business Enterprise participation, or is there value in identifying Veteran, Service Disabled Veteran, LGBTQ and/or Disability Owned Business Enterprises? RESPONSE: City of Chicago encourages the use of certified vendors in all of our local programs, Minority and Woman Business Enterprise “M/WBE”; Veteran Business Enterprise “VBE”; and Business Enterprise for People Disabilities “BEPD.”</p> <p>3. Due to the nature of delivery of electricity not lending itself to direct subcontract/supply opportunities, will the City give credit to Indirect Participation and Supply Chain Diversity efforts and local engagement? RESPONSE: No, indirect participation cannot be considered toward fulfillment of M/WBE goals for this contract.</p> <p>4. If the Supplier/Contractor enters into a Power Purchase Agreement (PPA) with a renewable project developer, will the diversity status of the project development partner, and project development partner sub-contractors, be credited towards overall diversity participation? RESPONSE: If the subcontractor’s involvement is considered a Commercially Useful Function “CUF” the City will review your M/WBE plan accordingly.</p>
<p>Question 31</p>	<p>Renewable Delivery</p> <p>1) Does the City have specific preferences for renewable technology types (i.e., wind or solar) for the new build or existing generation, or is the City indifferent and open to the supplier suggesting the optimal mix? RESPONSE: See Answer to Question 14.</p> <p>2) Are the types and percentages of renewables requested expected to be the same across all three account groups (large, small, and lighting)? RESPONSE: See RFP Form 5, Part D which reads, in part, “The Proposer may allocate the costs associated with the Qualifying Renewable Resources amongst the City’s different account groups (Small, Large 50, and Lighting) as it sees fit, but any such costs that the Selected Respondent expects the City to pay must be included in the Pricing Proposal”.</p> <p>3) Does the City consider repowered wind facilities to qualify as new build generation assets? RESPONSE: Repowering a facility in a manner that complies with the Green-e Renewable Energy Standard for Canada and the United States v3.4 will be counted as new build.</p> <p>https://www.green-e.org/docs/energy/Green-e%20Standard%20v3.4%20US.pdf</p> <p>4) Can the City elaborate on its preference and evaluation scoring for local renewable sources? For example:</p> <p>a. Is there a defined maximum distance from the City that is considered as “close proximity”? RESPONSE: There is no defined maximum distance for “close proximity”. Respondents are encouraged to provide detail about how proposed new build activities proximate to the City enable Chicago’s residents to share a substantial portion of the community and societal benefits.</p> <p>b. Are projects expected to be in PJM only or will the City consider projects in MISO? RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>c. Are renewable sources located within close proximity to the City but outside of Illinois acceptable? RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>5) In the RFP Section 1.3, the City states a preference for a five-year term and that the term of the ESA may be extended at the City’s discretion. Under what circumstances would the City be willing to extend? RESPONSE: See Answer to Question 1.</p> <p>Would the City consider signing an ESA longer than five years with specific terms covering circumstances under which the agreement could be terminated? RESPONSE: See Answer to Questions 16 regarding taking exception to any provision of the RFP or ESA. An Initial Term of longer than 5 years for the ESA is not consistent with the terms of the RFP or ESA and would require an exception. In granting any such exception, the City would want to fully understand why the City’s approach of providing for the possibility of an PPA with a greater than 5 year term would deliver less benefits to the City than the alternate approach suggested by Proposer.</p> <p>6) Would the City be willing to agree to purchase the power from the new build renewable generation project(s) for a period longer than five years regardless of which company is the retail supplier of record? Does the City have a preference for whether this agreement(s) is structured separately as a PPA or as part of the firm, fixed price ESA with the chosen retail supplier? RESPONSE: See Answer to Question 1.</p> <p>7) Can the City clarify the note on line 20 of Form 5, Part D supply plan? Can you provide an example scenario of this situation? RESPONSE: By way of an example, Proposer’s Supply Plan calls for a New Build Renewable Generation wind project and to obtain financing for the project the Proposer needs a 10 year commitment from the City at a specified price. Proposer would need to describe the full details of the project in Form 5, Part D. If Contractor was chosen as the Selected Proposer, the City and the Selected Proposer would seek to negotiate a PPA covering the parties’ commitment to each other with respect to the New Build Renewable Generation wind project since the term of that commitment would extend beyond the Initial Term of the ESA. Agreement on the PPA would be a necessary pre-condition for execution of the ESA.</p> <p>8) Can one supplier include in its response alternate versions of Form 5 with distinct pricing proposals using different assets and renewable timelines? RESPONSE: Yes.</p>

	<p>9) Are developers permitted to bid the same renewable projects across multiple retail supplier responses? RESPONSE: Yes, see Addendum #1 issued on October 6, 2020.</p>
<p>Question 32</p>	<p>Product</p> <p>1) Please provide further clarification regarding Transmission pass-through request. Does this include only Network Integrated Transmission Service (NITS) charges, or NITS and Transmission Enhancement Costs (TEC)? RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>2) Please provide further clarification regarding passing through Losses. RFP mentions distribution AND transmission Losses. Is it the intent that the Transmission Loss component inherent to the LMP is separated and billed as its own line-item? RESPONSE: See ESA Exhibit B. Pass Through Charges include transmission and distribution losses. The Fixed Retail Adder includes MLC (Marginal Loss Credit), among other components. MLC should be estimated by Proposer and included in the Fixed Retail Adder to adjust for PJM's use of a marginal loss methodology.</p>
<p>Question 33</p>	<p>1. RFP Section 2.2.1: Please verify if a PDF scan of an ink signature is acceptable. RESPONSE: Yes, this would be acceptable.</p> <p>2. RFP Section 1.3, bullet 3 and Section 31: Please explain what portions of the overall opportunity a piggybacking agency will be enabled to participate in. For example, if the piggybacking agency has a "right" to require a PPA for new renewable generation or minority spend requirements, opportunities such as that are not unlimited for suppliers. Also, pricing for each agency would be concrete and unique. Additionally, please clarify if any piggybacking request is subject to supplier's agreement to the request? If the City were to commit to a long term PPA, does the City envision sister agencies desiring to enter into a PPA for the same project that had already been fully subscribed? Would the sister agency provide credit support to secure its payment obligations under a long term PPA? RESPONSE: The details as to how a reference contract might be accomplished by individual sister agencies will be up to those individual agencies and the City cannot make any representations as to how that process might occur.</p> <p>3. Exhibit A: does the City have any energy efficiency improvements on the horizon? If yes, what is the scope and timeframe? RESPONSE: The City continually looks for opportunities to reduce consumption and demand for electricity where economical. The Streetlight upgrade project kicked off in 2017 is a significant example of that, but that project is expected to be completed in mid-2021, before the term of the ESA will begin. The City has no specific energy efficiency projects planned in the next year. Also, see Exhibit A of the RFP which reads in part "Any such plans [for efficiency improvement] will be communicated to the Contractor so that they may plan accordingly."</p> <p>4. Exhibit A: With respect to the requested ability to add accounts, the amount of power under a PPA is finite. Any accounts added later may not be supportable under the renewable commitments made. RESPONSE: Recent history suggests that account additions have largely been balanced by account subtractions (drops). Furthermore, Section 21 of the ESA describes the procedure for adding accounts which provides the Parties with the opportunity to discuss how best to meet the portfolio renewable generation targets associated with the new load, whether that load is material, whether through an existing resource in the Supply Plan (if feasible), or an additional resource to potentially include REC's.</p> <p>5. Agreement, definitions: RPS should be removed from the RFP and Agreement, as it is not a competitive component (ie, on the utility side of the bill). RESPONSE: RPS does appear in ESA Section 1. Definitions, but is not referenced otherwise in either the ESA or the RFP. The City deleted the Definition in Addendum #1.</p> <p>6. Agreement, definitions and Section 23: Please verify if the definition of Costs included in the Settlement Amount definition permits a gains and losses or market vs. contract price comparison to keep the Non-Defaulting Party whole in the event of a default. Note this is an industry-standard component of any damages calculation. RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>7. Agreement, Section 44:</p> <p>a. It is anticipated that a wholesale PPA will be required to fulfill the requirements of the City. The Change in Laws section does not seem to address the Change in Law that will be present in the PPA for wholesale level transactions. How should this be considered? RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>b. In addition, the "pack up and go home" philosophy in the event of a Change in Laws isn't mutually agreed and does not work as well given the added complexity associated with integrating renewable generation into traditional energy supply and the fact that a supplier will hold a specific renewable PPA to serve the City load. It is requested that you reconsider making this provision more industry standard and permit a supplier to pass through documented changes in tariffs and laws. RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>8. Agreement generally: The Agreement lacks any description of PPA components or renewable purchases. In addition, it would be customary for the Agreement to reflect certain considerations from the PPA, passing through the same to the City. Will this be added later? What will be the process for negotiating such changes at a later date when those aspects commence? RESPONSE: Please refer to RFP Form 5, Part D which states, in part, "The City recognizes that the Term of Required City Commitment specified above for New Build Renewable Generation may extend beyond the initial term of the ESA. Given this eventuality, the City is open to negotiating with the Selected Respondent the terms of one or more PPA's that cover the commitment associated with such New Build Renewable Generation resources. Such negotiations would take place</p>

	<p>after the designation of a Selected Respondent. Reaching agreement on the terms of the PPA(s), should any be required, will be a necessary precondition of the City executing the ESA”.</p> <p>9. General questions on PPA with renewable developer:</p> <p>a. In order to obtain financing, the developer of a newbuild renewable project needs to secure long term offtakers for the output of the project.</p> <p>i. Would the City be able to commit to a project for the full PPA term of 12 to 15 years? RESPONSE: Please see Answer to Question 33.8.</p> <p>ii. The credit profile of the counterparty to the PPA is also an important factor. In structures where a supplier negotiates a PPA with the developer of a renewable project and provides a retail delivered product from the project, the supplier acts, to a certain extent, as a credit intermediary given payment from the retail customer allows for payment to the project developer. In addition, the supplier provides any credit support required by the developer. If the ESA with the supplier were terminated during the term of the PPA or the term of the ESA is shorter than the PPA, would the City provide credit support to the developer to secure its payment obligations under the PPA? RESPONSE: See RFP Form 5, Part D. In this scenario, the City envisions that the PPA would be assignable to the City at the end of the Initial Term of the PPA, or any Extended Term of the ESA, assuming the term of the PPA was continuing beyond such time as the City chose not to extend or further extend the term of the ESA.</p> <p>iii. What does the City propose happens to the PPA at the end of the ESA? RESPONSE: See Answer to Questions 33.9.ii.</p> <p>b. Does the City anticipate being involved in the negotiation of the PPA? RESPONSE: See Answer to Question 33.8.</p> <p>M/WBE spend:</p> <p>a. Please confirm that both Direct Participation and Indirect Participation (so long as both are Commercially Useful Function) count toward the Contract Specific Goals. RESPONSE: Only direct participation can be considered toward fulfillment of M/WBE goals.</p> <p>b. If Indirect Participation counts toward the Contract Specific Goals, may Bidder also rely upon Indirect Participation of its parent company? RESPONSE: : Indirect participation cannot be considered toward fulfillment of M/WBE goals.</p> <p>c. If only Direct Participation counts toward the Contract Specific Goals: while we will review and/or attempt to solicit applicable certified firms (if any), we are currently unaware of any MBE/WBE renewable generation developers. In light of the fact that renewable supply is integral to the RFP, and the fact that energy is a unique commodity where there are very few purchases of traditional widget or construction spend (i.e. we do not buy pencils, print flyers, or have a call center to support a transaction such as this), does the City have any other suggested types of Direct Participation MBE/WBE spend that would count toward the Contract Specific Goals? Further, any employment of WMBE businesses to build a renewable generation facility would be fixed in time (i.e. during the development period), as renewable generation facilities require little means for “employment” following development. In addition, any such employment spends would be those of the generation developer rather than the retail supplier. Any additional suggestions would be appreciated. RESPONSE: The City of Chicago via the Department of Assets, Information and Services can not offer solutions for vendors to fulfill their M/WBE goals. The City recommends vendors to utilize assist agencies as identified in Attachment A of the Special Conditions for M/WBE for solutions to meet the specified M/WBE goals.</p>
<p>Question 34</p>	<p>a) Has COVID-19 affected any of the City’s energy usage? If so – please explain increase/decrease, affected account #’s, and when usage is expected to return to normal. RESPONSE: City electricity usage for the period January – July was down 8.5% (2020 vs 2019) excluding Lighting accounts. Results varied by department with Libraries and Midway Airport experiencing a greater reduction (21% and 15%, respectively) and Water Management experiencing less of a reduction (5%). None of these figures have been adjusted for differences in weather conditions, year over year. The City cannot attribute this electricity usage reduction directly to COVID-19 although that is a likely contributing factor. At this time, the City has not projected a timeframe for a “return to normal”.</p> <p>b) Can the City confirm if they are asking for 100% swing/unlimited bandwidth for the fixed full requirements product? RESPONSE: Yes, 100% swing/unlimited bandwidth for the fixed full requirements product.</p> <p>c) The City mentioned on pre-webinar they are open to a term longer than 5 years. Is there a max on contract term limit that the City can enter into? RESPONSE: The City does not have a pre-defined limit on term. In general, shorter term is better than longer term, subject to price considerations.</p> <p>d) Can the City confirm that MBE/WBE participation must come from businesses within Cook County, IL? RESPONSE: Subcontractors for M/WBE approval provided by the Respondent must be certified by the City of Chicago Department of Procurement Services or Cook County.</p>

	<p>e) Can the City confirm the total participation for MBE/WBE is 32%? (MBE: 26% + WBE: 6%) RESPONSE: The participation for M/WBE goals are separately 26% MBE and 6% WBE.</p> <p>f) Can the City provide an estimated contract value so that all bidders are calculating the same contract value to adhere to the MBE/WBE requirements? RESPONSE: The contract value will be determined by each individual Proposal received from Respondents. The MBE / WBE percentages should be calculated by the Respondent from the total contract value of their Proposal.</p> <p>g) Can the City disclose their current energy supplier & the product structure they are contracted on for purchase of electricity & natural gas? RESPONSE: The Contractor under the existing ESA is Constellation NewEnergy. The ESA uses the same 3 account groupings as are used in this RFP (Large50, Small, and Lighting). Small is under a Fixed Price. Large50 and Lighting are under a load following block energy product with passthrough of Capacity, Transmission and losses.</p> <p>h) Do bidders need to provide documentation from the IL Commerce Commission showing they are an alternative retail electric supplier "ARES" – if so, will a screenshot from the website or web link suffice? RESPONSE: Being an ARES is a requirement of Proposers under this RFP. Proposers may submit documentation in their Proposal confirming this status if they wish to do so.</p> <p>i) Regarding the proposed bid timeline – will bidders be expected to hold their pricing submitted on 11/6 until selection (12/11) or contract award (1/8/2021)? RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>j) If yes, the market can move significantly in this time frame. In order for the City to receive the most competitive pricing, will they allow pricing to be refreshed based on current market conditions closer to the contract award date? RESPONSE: An answer will be provided in Addendum No. 3.</p> <p>k) Can the City elaborate on the negotiation period & process regarding contract & the selected respondent's proposed plan? RESPONSE: See RFP Section 1.1. Also Answer to Question 33.8.</p> <p>l) Is the City open to renewable generation sources that are in surrounding states, but not in IL, if the price is cheaper? RESPONSE: See Answer to Question 31.b.</p> <p>m) Is the City willing to pay more to source local renewable generation sources? RESPONSE: See RFP Section 4.2 for the City's Evaluation criteria.</p> <p>n) As bidders gather data and EDI usage on the City's accounts, if ComEd returns any inactive or problem accounts how would the City prefer to be notified of these so that they can be addressed either with a correction or removal from bid? RESPONSE: The City has taken great care to ensure that the RFP includes all known City accounts and that all of those accounts are active. That said, a small number of accounts can expect to be finalized between the issuance of the RFP and contract signature, but none with a material impact on the portfolio load. The City may issue Addenda prior to Proposals being due indicating any changes to the account list from the RFP. A final clean-up of the account list will occur just prior to contract execution.</p>
<p>Question 35</p>	<p>a) Can the City disclose if they are on a current Demand Response program and if so who they work with regarding their DR? RESPONSE: The City has no curtailment service provider (CSP) contract relationship overlapping the term of the ESA.</p> <p>b) Can the City advise if they plan to work with the selected supplier on future energy efficiency projects or plan to use another avenue for these projects? RESPONSE: The City envisions that any future energy efficiency work would be conducted pursuant to another contract or contracts following the issuance of a separate RFP.</p> <p>c) If the City plans to work with the awarded supplier on Demand Response and Energy Efficiency projects, will the ESA be amended to include these services or would these fall under a separate contract agreement? RESPONSE: The City expects that any future Demand Response and Energy Efficiency projects would be governed by an agreement separate from the ESA.</p> <p>d) Can the City elaborate on the request for "Past Project Descriptions" in Section 2 of plan requirements? It is listed in table of contents, but no additional information is provided. RESPONSE: Respondents must provide comprehensive information for 3 or more renewable energy backed retail supply agreements by using Form 4 and provide a one-page narrative project description for each engagement listed on Form 4. See Form 4 and Exhibit D, Section 2.1.1.</p> <p>e) Is there a limit to the # of key personnel bidders can include in their response? RESPONSE: No.</p> <p>f) Can the City disclose any current partnerships with local Chicago, IL businesses (including MBE & WBE) as it relates to energy buying/projects that bidders can potentially work with in relation to this project scope? RESPONSE: The City of Chicago via the Department of Assets, Information and Services can not offer solutions for vendors to fulfill their M/WBE goals. The City recommends vendors to utilize assist agencies as identified in Attachment A of the Special Conditions for M/WBE for solutions to meet the specified M/WBE goals.</p>

	<p>g) Can the City confirm insurance is not required with the proposal, but will be required upon award selection? RESPONSE: In the RFP, Exhibit D, Section 4.5 states proof of insurance is not required with your submittal but the selected Respondent will have to provide evidence of insurance if chosen for award as identified in the amounts provided in Exhibit F.</p> <p>h) Is it important for the City to have on bill financing for any energy efficiency programs? RESPONSE: No.</p> <p>i) What types of Energy Efficiency programs has City already completed? RESPONSE: Starting in 2014 and continuing in 2015, the City implemented lighting efficiency improvements at 60 public buildings through the RetroFit One program. The City is also upgrading streetlights with LED fixtures through the Smart Lighting program scheduled to be completed in summer 2021.</p> <p>j) What types of Energy Efficiency programs would COC consider? RESPONSE: See Answer to Questions 5.c.</p> <p>k) What is City's appetite for payback periods on EE projects (years)? RESPONSE: See Answer to Questions 5.c.</p> <p>l) Is it important to COC that the Energy Efficiency program manager be the same as the electricity supplier? Has COC participated in Demand Response programs historically? RESPONSE: See Answer to Questions 5.c.</p> <p>m) What method(s) of curtailment have City entities used? RESPONSE: See Answer to Questions 5.c</p> <p>n) Is it important to COC that the electricity supply provider be the same as the DR provider? RESPONSE: See Answer to Questions 5.c</p> <p>o) Can the City confirm it will inform the awarded bidder of any material changes in their usage throughout the contract term? RESPONSE: See ESA Section 10. Which reads in part "In order to assist Contractor in providing accurate expected usage information to City's Delivery Company, the Department will notify Contractor of any anticipated significant changes in the City's actual usage".</p>
<p>Question 36</p>	<p>With regards to the following requirements, will the City be providing additional support to achieve these goals below: <i>"renewable energy generation within (or in close proximity to) City boundaries,"</i></p> <p>a) Will the City be providing land for development use? RESPONSE: See Answer to Question 18.</p> <p>b) Please define "close proximity". Is this with a certain number of miles of the City, the State, within the PJM footprint? RESPONSE: There is no defined distance for "close proximity". Respondents are encouraged to provide detail about how proposed new build activities proximate to the City enable Chicago's residents to share a substantial portion of the community and societal benefits. The RFP defines eligible New Build Renewable Generation as within PJM (pg. 25).</p> <p><i>"prevailing-wage jobs and career pathways for historically disadvantaged communities,"</i></p> <p>c) Is the City going to provide training for technical position to fill such roles? RESPONSE: The selected respondent would provide the employee training needed or provide it through a partnership with one of the entities that does clean energy job training in the state: https://ilcleanjobs.org/job-training-resources/.</p> <p><i>"expanded renewable energy generation access to historically disadvantaged communities,"</i></p> <p>d) Is the City going to invest in infrastructure (such as transmission line) should they be required? RESPONSE: The City is interested in the proposal that provides maximum value to the City in terms of the evaluation criteria (see RFP Section 4).</p> <p><i>"reducing the harm that cumulative air quality burdens cause to communities on the South and West sides of Chicago,"</i></p> <p>e) Is there a baseline for air quality? RESPONSE: The City has not formally set a baseline. The City's recent air quality and health index used a variety of data sets spanning from 2011-2018: https://www.chicago.gov/city/en/depts/cdph/provdrs/healthy_communities/svcs/air-quality-and-health.html.</p> <p><i>"reducing the energy cost burden on under-resourced households"</i></p> <p>f) What sort of baseline will the City be using? 2008 Energy Rates? A Forward view of Energy? Locking in a Rate for a long term to alleviate price risk? RESPONSE: The City defines energy burden as the percentage of household income required to cover energy bills. The City is looking to decrease the current number of residents whose energy bill payments are greater than 6% of their household income.</p> <p><i>"establishing rigorous community engagement to determine the best principles of a just transition (such as providing ample time for community input in renewable energy project siting)."</i></p> <p>g) What sort of engagement has the City performed to date to understand the community desires? RESPONSE: The City is in ongoing dialogue with a variety of residents and community advocates to understand principles to be upheld in a just transition. The text included in City Council Resolution 2019-157 was informed by conversations with community advocates.</p> <p>h) What sort of on-going engagement does the City provide on this topic? RESPONSE: The City is in an ongoing dialogue with residents and community advocates around a variety of environmental issues, including what a just energy transition will look like in the City. Respondents are strongly encouraged to engage local stakeholders around proposed projects.</p>

	<p>i) Can the ARES engage with these on-going activities? <i>“Procure a safe and reliable electricity supply that is sensitive to the City’s budgetary constraints (in terms of overall cost and cost predictability), without creating significant administrative burden on the City.”</i> RESPONSE: The quoted language is from Section 1.3 of the RFP. That section begins “At the conclusion of the RFP process, the City intends to:…”</p> <p>j) What is the City’s budget for this RFP? This would provide additional insight into what is possible. RESPONSE: The City has not established a budget for electricity supply for 2022 or beyond. As a reference point, the City 2020 Budget for electricity supply is \$43.4 Million for a volume of 973,304 MWh.</p> <p>k) Does the City understand that most ARES’s are not developers of renewable energy generation assets? Conversely, does the City understand that most renewable developers are not licensed to sell in a retail arrangement? If “yes”, does the City understand that the ARES may have to partner with a renewable energy developer? RESPONSE: Yes. One of the reasons the City provided a long timeframe between publication of the RFP and Proposals being due was to allow for companies with different expertise to form teams to generate the best possible Proposal to meet the City’s needs.</p>
<p>Question 37</p>	<p>l) Under the “partner” scenario described above, will just the submitting party have to adhere to the requirements as laid out in the RFP (example: minority owned/women owned requirements)? RESPONSE: Only the submitting party or Respondent needs to adhere to providing the M/WBE requirements as provided in the RFP.</p> <p>m) Is the City willing to provide a notice to proceed (NTP) whereby allowing the supplier to enter into a long term agreement with an underlying renewable developer to source renewable energy? Upon completion of the NTP, the supplier would enter into the underlying contract with the renewable developer. At this point the City would be bound to the terms – is the City willing to sign such a structure? RESPONSE: The City expects that the successful completion of this RFP will result in the execution of the ESA and, only if necessary, one or more PPA’s. See Answer to Questions 33.8.</p> <p>n) This RFP is for a term of 5 years. Most renewable energy purchases, especially for a new build, require at least a term of ten years. Is the City willing to extent their underlying energy procurement to fit with the renewable energy term? If so, is the City willing to purchase all long-term supply should the City want to exit the agreement early for any reason? RESPONSE: See Answer to Question 31.c.5.</p> <p>o) With regard to the pricing requirement, how will the pricing be evaluated? The underlying cost of renewable energy? The cost to fix and firm that energy to meet the retail shape of load? Can the City provide a scorecard? RESPONSE: The City’s evaluation of price will take into account the expected cost to the City of service under the ESA for the period of the Initial Term given prices quoted in Form 5, Parts A, B, and C, as well as the ongoing cost commitment associated with any PPA specified in the Supply Plan and Form 5, Part D, should any such PPA be required. The City will be using a 0-5 scoring system to evaluate each criteria.</p> <p>p) Does the City want a fixed price arrangement for full requirements supply with the renewable energy included? Can the renewable energy be settled separately, yet have it incorporated into the supplier’s invoice? Example: the supplier would supply fixed, firm energy for the City but the renewable energy piece would be billed in separate line across all of the City’s meters and all associated attributes would be retired on the City’s behalf? RESPONSE: See Form 5, Parts A, B and C. “A” and “B” call for fixed price and “C” calls for a specified quantity of fixed price energy, Fixed Retail Adder, and certain Pass-Through Charges. The costs of Qualifying Renewable Generation, including New Build Renewable Generation, must be included in the Form 5, Parts A, B, and C prices, pursuant to Proposer’s Supply Plan.</p> <p>q) While the City may reduce their usage through energy efficiency efforts and/or demand response, will the City provide a make-whole arrangement in such instances where the initial supply of renewable may be higher than the demand once the improvements are made? Will this be looked at annually? RESPONSE: Historically, Demand Response efforts have been designed around reducing electricity demand (kW) during only the highest peak hours of the summer period and have not resulted in a material reduction in monthly or annual kWh. With respect to energy efficiency please refer Answer to Question 33.3.</p> <p>r) The agency’s listed in “Attachment A – Assist Agency List” are these energy providers? Experts in renewable energy? Experts in efficiency? Experts in transmission and distribution? Please provide the reason for this list? Is the submitting entity supposed to partner with any/all of these agencies? Please provide clarity for providing this agency list. RESPONSE: Attachment A – Assist Agency is provided as guidance and a resource for potential Respondents to contact these agencies to assist in verifying if subcontractors are available to provide the necessary skill sets your firm requires.</p> <p>s) As an FYI, the City lists two Attachment As: Assist Agency List and Online EDS Acknowledgements. RESPONSE: Noted. This is an error that the City will correct.</p> <p>t) Would the City amend the stricken language below to “30 calendar days” instead of “60 business days”? ESA: 23. Remedies: <i>“After receiving notice of an Event of Default, if the Defaulting Party remedies or removes the cause(s) of default as provided for above, then the notice will be withdrawn and this Agreement will continue. If either Party fails to cure the Event of Default as provided above and the Non-Defaulting Party chooses to terminate as specified above, then the Non-Defaulting</i></p>

	<p>Party is entitled to damages arising from the Defaulting Party's default. In that event, the Non-Defaulting Party will calculate in a commercially reasonable manner a Settlement Amount payable by the Defaulting Party to the Non-Defaulting Party. The Settlement Amount will be due from the Defaulting Party within 60 business days after liquidation to the Non-Defaulting Party. Cancellation of this Agreement will not relieve either Party of its liability for payments of any outstanding amounts to the other Party.”</p> <p>RESPONSE: Section 4.6 of the RFP covers the procedure for Proposers taking exception to any requirements of the RFP, which includes any provision of the ESA.</p> <p>ESA: 18. Indemnity: u) Can the City clarify if these should be limited to such injury or death or damage related to our performance or non-performance (in the case of 1) and infringements or violations of property rights occurring as a result of the services performed under the agreement? Does the City intend for 1 and 2 to be limited to claims arising under services related to the Agreement?</p> <p>RESPONSE: Section 4.6 of the RFP covers the procedure for Proposers taking exception to any requirements of the RFP, which includes any provision of the ESA.</p>
<p>Question 38</p>	<p>Will you be sharing electric usage for Midway, and possibly Gary Chicago International, if the city pays electric bills there?</p> <p>RESPONSE: No. See Answer to Question 28.</p>

Any and all addenda must be acknowledged by the vendor in their Cover Letter by Addendum number. Failure on behalf of the vendor may be cause for rejection of submittal.

ALL REVISIONS INSCRIBED HEREIN WILL BE INCORPORATED INTO THE SPECIFICATION PER ADDENDUM NO. 2
END OF ADDENDUM NO. 2

**CITY OF CHICAGO
DEPARTMENT OF ASSETS, INFORMATION & SERVICES**

**DAVID J. REYNOLDS
COMMISSIONER**