



Request for Proposals

2023 Bulk Power Energy Storage Request for Proposals

**New York State Electric & Gas Corporation
Rochester Gas and Electric Corporation**

2023 Bulk Power Energy Storage Request for Proposals

- 1.0 General Information..... 1
 - 1.1 Introduction..... 1
 - 1.2 Schedule and Process 2
- 2.0 NYSEG and RG&E RFP: Eligibility and Requirements 3
 - 2.1 RFP Overview..... 3
 - 2.2 Bidder Qualification..... 4
 - 2.3 Minimum Size Requirements 5
 - 2.4 Site Control..... 5
 - 2.5 Technical Requirements 5
 - 2.5.1 System and Operational Requirements..... 5
 - 2.5.2 Interconnection Requirements..... 6
 - 2.6 Credit Requirements 7
 - 2.7 Safety Requirements 7
- 3.0 Offer Evaluation Criteria 8
 - 3.1 Quantitative Factors 8
 - 3.2 Qualitative Factors 9
- 4.0 Offer Submittal Process 11
 - 4.1 Proposal Submission Instructions..... 11
 - Phase I and Phase II Process 11
 - 4.3 Offer Submission Format..... 12
 - 4.4 Offer Fee..... 15
 - 4.5 Number of Offers and Variations Allowed Per Bidder 17
- 5.0 Collusion and Other Prohibited Activities 18
 - 5.1 Collusion 18
 - 5.2 Confidentiality 18
 - 5.3 Execution of Agreement..... 18
 - 5.4 Termination Rights 19
- 6.0 Definitions..... 20
 - Definitions..... 20

List of Appendices

Appendix	Title
A	Bidder Qualification
B	Offer Form
C1	Site Control
C2	Electric Interconnection
C3	Technical Information
C4	Permitting & Schedule
C5	Financial & Credit Information
C6	Bidder Checklist
C7	Bidding Team Information
C8	Offer Changes
C9	Warranties, Performance Guarantees and Maintenance Plans
D1	NYSEG Energy Storage Services Agreement
D2	RG&E Energy Storage Services Agreement
D3	Energy Storage Services Agreement Issues Matrix
D4	Energy Storage Services Agreement Term Sheet
D5	Energy Storage Services Agreement Term Sheet Issues Matrix
D6	W9
E	Preferred Locations
F	NYSERDA Sample Incentive Agreement

1.0 General Information

1.1 Introduction

The New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”) are jointly issuing this Request for Proposals (herein referred to as the “RFP”) to solicit Offers (“Offers”) from developers (“Bidders”, each a “Bidder”) for the offering described herein, which requires Scheduling and Dispatch Rights for new front-of-the-meter (“FTM”) energy storage resources¹. These offerings are described further in Sections 2 and further explained in the Appendices to this document.

NYSEG and RG&E are administering this RFP to meet the requirements of Case 18-E-0130, *In the Matter of Energy Storage Deployment Program* (“Storage Order”).² In its decision, the New York Public Service Commission (“NYPSC”) ordered all New York utilities to procure at least 10 MW of energy storage, so long as awarded Offers do not exceed a utility-defined ceiling.³ Per the NYPSC, the project(s)⁴ must be operational by December 31, 2028 and are eligible for a New York State Energy Research & Development Authority Incentive (“NYSERDA Incentive”).

To receive the NYSEDA Incentive, each winning Bidder of the utility procurement must enter into an agreement (“NYSEDA Incentive Agreement”) directly with NYSEDA in addition to executing an Energy Storage Services Agreement (“Agreement”) with NYSEG or RG&E.⁵ The incentive payments will be NYSEDA administered and will be provided separately from any payments by NYSEG or RG&E. Payment structure and timing will be aligned between the NYSEDA Incentive Agreement and NYSEG/RG&E Energy Storage Services Agreement. Bidders should submit one Offer Price regardless of the funding source. If the Offer is accepted, then the potential incentive split between either of the Companies and NYSEDA will be communicated at that time. The sample NYSEDA Incentive Agreement is included as Appendix F.

Definitions for capitalized terms can be found in Section 6 of the RFP or in Exhibit A of the NYSEG / RG&E Agreement. Bidders are expected to adhere to definitions used herein.

¹ Front-of-the-meter resources are those interconnected on distribution or transmission networks or in connection with a generation asset.

² December 13, 2018, New York Public Service Commission Decision in Case 18-E-0130 and April 16, 2021, Order Directing Modifications to Energy Storage Solicitations in Case 18-E-0130 and March 16, 2023, Order Directing Further Modification to Energy Storage Solicitations in Case 18-E-0130.

³ The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, NYSEG and/or RG&E may procure more or less than the targeted MW amount in the NYPSC Order.

⁴ As defined in the Agreement (Appendix D1/D2)

⁵ Participation in the utility procurements precludes a Projects eligibility for the NYSEDA Bulk Energy Storage Incentive Program (PON 4139)

**New York State Electric & Gas Corporation
Rochester Gas and Electric Corporation**

2023 Bulk Power Energy Storage Request for Proposals

Unless stated otherwise, any references to Articles, Sections or Appendices are to Articles, Sections, or Appendices contained in these RFP Instructions.

All clock times specified throughout these RFP instructions are in Eastern Prevailing Time (EPT).

1.2 Schedule and Process

NYSEG’s and RG&E’s expected RFP schedule is as follows:

Milestone	Action	Milestone Date
1	Issue final RFP and contract documents	July 10, 2023
2	Interested Bidders submit bids for Phase I Review	September 1, 2023
3	Phase I Review complete	October 13, 2023
4	Phase I winning bidder(s) notified	October 20, 2023
5	Issue Phase II Review documents to winning bidder(s)	November 3, 2023
6	Phase II bidder(s) submit final bids	December 15, 2023
7	Phase II Review complete	February 9, 2024
8	Phase II winning bidder(s) notified	February 16, 2024
9	Contracts executed (3 to 6 months from selection)	March – July 2024

The RFP schedule and documentation are subject to change at any time and for any reason. NYSEG and RG&E will endeavor to notify Bidders of any changes to the RFP but shall not be liable for any costs or liability incurred by Bidders or any party due to a change or for failing to provide notice of any change. Changes to the RFP will be posted on the RFP website.⁶

If Bidders have any questions, please review the Questions and Answers document on the RFP website. The Questions and Answers document contains questions that NYSEG and RG&E received in prior rounds of this RFP. If Bidders still have questions, they can be submitted until October 20, 2023. The NYSEG and RG&E teams will address questions within 1 week of submittal and post all Q&A on the RFP websites. To ask a question, email the question to BulkStorage@AVANGRID.com.

⁶ RFP Website: **NYSEG:** <https://www.nyseg.com/smartenergy/innovation/bulk-energy-storage>
RG&E: <https://www.rge.com/smartenergy/innovation/bulk-energy-storage>

2.0 NYSEG and RG&E RFP: Eligibility and Requirements

2.1 RFP Overview

Per the New York Public Service Commission⁷, NYSEG and RG&E seek Offers totaling at least 10 MW⁸ per company. NYSEG and RG&E will consider Offers exclusively for energy storage projects connected to the transmission or distribution system that are capable of individual direct participation in New York Independent System Operator Markets⁹ (“NYISO Markets”). NYSEG and RG&E have identified Preferred Load Areas in its respective service territory’s and may consider additional distribution or transmission benefits associated with resources located in those areas.

Winning Bidders will be required to enter into an Agreement with NYSEG or RG&E for a term of up to fifteen years.¹⁰ Throughout the Agreement term, NYSEG or RG&E will be assigned the sole right and responsibility to bid and schedule the storage asset into NYISO Markets. Winning Bidders must become NYISO Market Participants¹¹, provide all information and support necessary to successfully complete asset registration in the NYISO marketplace, and comply with all NYISO and Federal Energy Regulatory Commission (“FERC”) requirements. Winning Bidders must also provide the necessary staffing, communications, metering and telemetry required to participate in the NYISO markets for Products as defined in the Agreement.¹² Winning Bidders will retain ownership of the energy storage Project and will be required to maintain the system in a manner that meets or exceeds requirements specified in the Agreement. Winning Bidders must also operate the assets in accordance with the schedules set and communicated by NYSEG, RG&E and/or the NYISO. See Section 2.5, the Appendices to the RFP, and the Agreement for additional details.

Throughout the Agreement term, NYSEG and/or RG&E will have the sole right and responsibility to bid and schedule the storage asset into the NYISO markets. NYSEG and/or RG&E will receive all associated NYISO revenues and will pay any NYISO-related charges. Bidders are responsible for enabling and maintaining service for both Station Use and storage charging, including standby and buyback charges to the extent applicable based on Interconnection Point. The Bidder is responsible for paying for all distribution and supply costs for Station Use and for Distribution Charging Energy Costs – which should

⁷ December 13, 2018, New York Public Service Commission Decision in Case 18-E-0130 and April 16, 2021, Order Directing Modifications to Energy Storage Solicitations in Case 18-E-0130 and March 16, 2023, Order Directing Further Modification to Energy Storage Solicitations in Case 18-E-0130.)

⁸ The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, NYSEG/RG&E may procure more or less than the targeted MW amount in the NYPSC Order.

⁹ As defined in the Agreement (Appendix D1/D2)

¹⁰ Bidders may propose terms up to and including fifteen years per the PSC Order.

¹¹ The Winning Bidder will be a NYISO Market Participant, retain operational control of the asset, and is responsible for receiving real time dispatch signals/instructions from NYISO Market during the Agreement term. NYSEG and/or RG&E will be responsible for asset bidding, scheduling, and NYISO settlements during the Agreement term.

¹² As defined in the Agreement (Appendix D1/D2)

2023 Bulk Power Energy Storage Request for Proposals

be included in the determination of the Offer. NYSEG and/or RG&E will directly pay for Supply Charging Energy Costs.

At the end of the Agreement term, scheduling and dispatch rights will revert to the Bidder for the remainder of the asset's useful life. NYSEG and/or RG&E and the developer will notify the NYISO of the scheduling and dispatch rights transfer with enough lead time to effectuate the change at the end of the Agreement.

Bidders are expected to review the instructions in this RFP and its Appendices and design Offers that meet or exceed all requirements. Bidders will submit all required documentation of Offers as articulated in this RFP and its Appendices. Offers will be evaluated based on the quantitative and qualitative criteria described in Section 4.

This RFP will be conducted in two Phases. The Companies will review Bidder Offers in Phase I and notify Bidders of their approval to submit a Phase II Offer. This will minimize work for the Companies and the Bidders as certain Offers will not be viable options for the Companies. These Offers will not proceed to Phase II and no additional work will be required of the Bidder.

Please note that certain aspects of Phase I Offers will be considered binding, while other components may change between Phase I and Phase II. References to Phase I and Phase II and their respective binding and non-binding components, as well as RFP instructions, are detailed in Section 4 of this document and each appendix.

All costs attributable to the Bidder for the proposed project prior to the proposed Project's Commercial Operation Date ("COD") and throughout the Agreement term should be considered in the Offer Price. It is strongly recommended that Bidders consider the value of market participation and all potential revenue sources for the energy storage Project in the post-Agreement period when determining an Offer Price.

If awarded, the Bidder will receive payment from NYSEG and/or RG&E and NYSERDA reflecting the Offer Price¹³. Payment terms, structure, milestones are described in detail in the NYSEG and/or RG&E Agreement (Appendix D1/D2) and NYSERDA Incentive Agreement (Appendix F).

2.2 Bidder Qualification

All Bidders must meet certain requirements. The intent of Bidder requirements is to ensure well-developed Offers that will meet the In-Service Deadline of December 31, 2028

Bidders must, at minimum:

¹³ The Offer Price will be provided via two separate payments from NYSEG and/or RG&E and NYSERDA. The two payments will equal the Offer price. The split between the two will be provided during the contracting phase.

2023 Bulk Power Energy Storage Request for Proposals

1. Demonstrate experience deploying the proposed commercialized storage technology at scale with Dispatchable Capacity of at least 2 MW in a single project in an expeditious manner.
2. Provide at least three years of audited financial statements.
3. Provide a written certification that all RFP requirements have been reviewed, are understood, and will be complied with for all Offers to be provided. Failure to meet all RFP requirements will result in automatic Offer rejection
4. Complete the Bidder's Qualification Questionnaire (Appendix A).

2.3 Minimum Size Requirements

Proposed projects must be greater than 5 MW of Dispatchable Capacity at each location (i.e., not the result of aggregated smaller projects at different sites/locations), interconnected electrically within NYSEG's or RG&E's service territory and separately metered from any other load or generation at the site. Systems of exactly 5 MW or less, existing storage systems, and/or new systems eligible for Value Stack compensation are ineligible to participate.

2.4 Site Control

Bidders should respond to all Phase I questions with as much information as possible. Bidders are not required to have site control by the Phase I submittal date, however Bidders must have site control by the Phase II submittal. The location submitted in Phase I is binding.

Bidders must have existing site ownership or site control for all the proposed Projects to be electrically connected within NYSEG's or RG&E's service territory. Site control must be stated in Appendix B (Offer Form) and demonstrated and detailed as described in Appendix C1.

2.5 Technical Requirements

2.5.1 System and Operational Requirements

Bidder may assume the following usage profile for purposes of system specification, which reflect probable range of system usage by NYSEG and/or RG&E over the Agreement period¹⁴:

¹⁴ Operational parameters shown here are offered to Bidders for purposes of technical system design-only. These parameters are separate and distinct from commercial performance requirements described in the Agreement.

2023 Bulk Power Energy Storage Request for Proposals

- Energy storage system able to maintain electric energy output at rated Dispatchable Capacity for four hours.
- Capability to operate at least 350 cycles per year¹⁵, limited to one cycle per day, where one cycle is the charge and discharge of a battery's total useable energy storage capability.
- Average state of charge of 50-80%¹⁶
- Maximum 2800 MWh Throughput per MW per year of Dispatchable Capacity maintained through the life of the Agreement.¹⁷

All proposed Projects must meet the following requirements over the Agreement period. The methodologies and definitions for each requirement are detailed in the Agreement (Appendix D1/D2)

- Must maintain at least a 98% Availability for dispatch in each calendar year
- Must demonstrate a minimum Roundtrip Efficiency of 80% over the term of the Agreement
- Must maintain a Dispatchable Capacity rating at least equal to the Offer's Guaranteed Capacity over the term of the Agreement
- Must have a minimum Response Rate (or Ramp Rate) of at least 10% of the battery energy storage system's Dispatchable Capacity per minute over the term of the Agreement
- Must comply with NYISO tariff requirements for providing Voltage Support Services¹⁸

2.5.2 Interconnection Requirements

Bidders must have completed and submitted an interconnection application at the time of Offer submittal. In addition, all proposed Projects must complete appropriate and applicable Interconnection Study(s)¹⁹ and receive Capacity Resource Interconnection Service ("CRIS") and/or Energy Resource Interconnection Services ("ERIS") rights, as applicable. Bidders must remain active in the applicable interconnection queue for proposed Projects until the Project has been interconnected.

¹⁵ Expected actual annual usage could be as low as 100 cycles, one cycle per day

¹⁶ Average state of charge defined as ratio of average stored energy capacity available throughout Agreement period divided by total useable energy storage capacity at 100% state of charge.

¹⁷ See the Agreement (Appendix D1/D2) and Section 6 for definitions

¹⁸ We expect the Projects to adhere to the leading and lagging requirements defined in the NYISO Ancillary Services Manual: <https://www.nyiso.com/documents/20142/2923301/ancserv.pdf/df83ac75-c616-8c89-c664-99dfea06fe2f>

¹⁹ NYISO and local utility distribution studies as required per interconnection location and associated requirements.

2023 Bulk Power Energy Storage Request for Proposals

Offers must have a single exclusive NYISO Point of Interconnection (“POI”), can send/receive the electronic signals of NYSEG and/or RG&E, and meet NYISO communications requirements to enable participation in NYISO markets.

Storage projects that have an executed interconnection agreement prior to December 13, 2018, the date of the Storage Order, are ineligible to participate in this solicitation.

Bidders will also be responsible for all activities and costs associated with NYSEG and/or RG&E and NYISO communications requirements to enable participation in NYISO Markets. Bidders should submit their known and/or best estimates of interconnection costs as part of their Offer.

Please refer to Appendix C2 and the Agreement) for additional information.

2.6 Credit Requirements

Bidders must provide a Letter of Credit to NYSEG and/or RG&E at the time of Agreement execution. The Letter of Credit will be maintained by the Bidder from Agreement execution throughout the term of the Agreement with NYSEG and/or RG&E.

Security requirements are fully described and detailed in the Agreement (Appendix D1/D2). To the extent there are any discrepancies between the RFP documents and Appendix D1/D2, Appendix D1/D2 supersedes and governs.

2.7 Safety Requirements

NYSEG and RG&E require that the Bidders recognize safety is of paramount importance. In connection with this solicitation and executed Agreement, Bidders will be required to provide safety information related to the technology for the Project in Appendix C3 and information regarding safety history, including for the entities that will construct, operate, and maintain the Project(s). Storage Projects must meet all Building, Fire Department, and any other government agency design and safety requirements as required and applicable. See Appendix C4 for additional details.

3.0 Offer Evaluation Criteria

NYSEG and RG&E will consider quantitative and qualitative criteria to evaluate Offers.

See below for a detailed summary of quantitative and qualitative criteria, and the process by which Offers will be evaluated and prioritized. As detailed in this RFP and its Appendices, many responses in Phase I will be able to be refined in Phase II. Phase I and Phase II submittals are evaluated using the quantitative and qualitative factors below. Information submitted in Phase I may be considered binding if identified as such in Section 5.2.

3.1 Quantitative Factors

Bidders should provide only their best Offer Price without consideration to the source of the funding. Projects will be ranked based on their Quantitative Scores. The number of projects and MW level to which NYSEG and RG&E will procure is a function of the Offer price, and scoring of Offers based on evaluation criteria, and the availability of NYSERDA Incentive.

NYSEG and RG&E shall use the following formula based on its forecast of value, benefits, and pricing to evaluate Bidder Offers:

$$\text{Quantitative Score} = \text{Net Market Value} + \text{Distribution Benefit} + \text{Environmental Benefit} - \text{Offer Price}$$

Net Market Value =

$$(\text{Energy Value} + \text{Ancillary Services Value} + \text{Capacity Value})$$

$$- (\text{Charging Cost} + \text{NYISO Fees})$$

Where:

- **Energy Value:** projected revenues from NYISO energy markets over its delivery term
- **Ancillary Services Value:** projected revenues from participation in 10-minute and 30-minute Operating Reserves markets.
- **Capacity Value:** projected revenues from NYISO capacity markets over its delivery term
- **Charging Cost:** expected costs of charging at projected LBMP prices
- **NYISO Fees:** includes participation fees, and related charges made by the NYISO to the asset scheduler/bidder

Distribution Benefit considers quantifiable benefits associated with a storage system's location in the NYSEG and/or RG&E distribution system. Where applicable, a Marginal Cost of Service (MCOS)²⁰

²⁰ MCOS overview: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F939372C-9297-4C3E-B7C4-1AE88E854A04}>

2023 Bulk Power Energy Storage Request for Proposals

distribution value will be assigned to Offers based on the proposed Interconnection Point in NYSEG and RG&E's service territories.

Environmental Benefit Where applicable, an environmental value will be determined and assigned to each Offer

Offer Price submitted by Bidders based on Project-specific hurdle rate and financing requirements.

3.2 Qualitative Factors

NYSEG and RG&E will use the following qualitative criteria:

1. **Location** – While it is not required, NYSEG and RG&E will evaluate proposals on whether the proposed project is in a Preferred Load Area as designated by the Companies. See Appendix E for maps and detailed descriptions.
2. **Project Viability** – Evaluates the likelihood that the Project can be successfully developed and can meet use case requirements for the Agreement period. Evaluation will consider the Project's viability, risks, and likelihood of meeting NYPSC requirements for operational Projects by December 31, 2028 Preference will be given to Projects that can demonstrate ability to meet the RFP's COD deadline.
3. **Credit Quality** – Evaluates the Bidder's ability to perform all financial and financing obligations under the Agreement. Evaluation will include the response to Financial & Credit Information Appendix C5, adherence to Forms of Letter of Credit and/or cash collateral terms as specified in Appendices D1/D2. Preference will be given to Offers that meet all security requirements and adhere most closely to the terms described in the provided Letter of Credit.
4. **Adherence to Terms** – Measures Bidder adherence to the Agreement and Terms provided in Appendix D1/D2. Redlines to the Agreement will be provided by Bidders as part of their Phase II package and reviewed by NYSEG and RG&E during the evaluation period. Preference will be given to Offers that most closely adhere to the Agreement to ensure timely execution of the Agreement and the Guaranteed Commissioning Date.
5. **System Design** – Evaluates system specifications, warranties, expected operational parameters and associated restrictions/ limitations on use of the proposed Project. Evaluation will consider technical responses provided in Appendix C3 coupled with additional technical materials provided (e.g., warranties). Preference will be given to proposed systems that demonstrate capabilities to meet NYSEG's and RG&E's use case while minimizing restrictions on use of the system.
6. **Bidder Team Experience** – Evaluates the extent of the Bidder's and Bidder Team's energy storage and New York experience (e.g., previous development and/or operating experience) as described in Appendix C7. NYSEG and RG&E reserve the right to request and contact references as part of the solicitation process. The experience of the entire team will be evaluated, but

2023 Bulk Power Energy Storage Request for Proposals

preference and additional weight will be given to direct bidder and developer experience relative to others.

7. **Safety** – Evaluates potential safety, risks, and mitigation plans associated with Bidder implementation plans.
8. **Bidder Concentration** – NYSEG and RG&E will consider the amount of MW per Bidder to ensure a diversity of Projects.

4.0 Offer Submittal Process

4.1 Proposal Submission Instructions

All Offers must be submitted via email to BulkStorage@AVANGRID.com on or prior to the due date and time. Each Offer should be submitted via a separate email. **The emailed Offer must be sized less than 20MB total.** The Offer Form must be submitted without modifications to the Excel file structure or format. All other submissions must be in a single PDF format mirroring the organization of the RFP documents described in the Section 5.3 table. Bidders who fail to submit by the due date and time will be excluded from the Offer evaluation process. Therefore, Bidders are encouraged to make submissions well in advance of the closing time to avoid any potential issues that may occur. NYSEG and RG&E shall not be held responsible for technical email or other issues that may delay receipt of proposals. Any questions on or technical issues with submitting an Offer before the deadline should be promptly directed to BulkStorage@AVANGRID.com.

Phase I and Phase II Process

This RFP will be conducted in two Phases. Phase I is open to all interested entities. The NYSEG and RG&E will review bidder submissions to Phase I and notify bidders of their approval to submit a Phase II bid(s).

Bidders must complete all requisite Appendices as part of their Phase I bid, however, not all information will be considered binding. Please refer to the table below as a guide to what appendix inputs are considered binding vs. those that are non-binding. Please note that instructions within each Appendix may supersede this categorization, as some sub-components of an otherwise non-binding attachment are considered binding. The reverse can be true as well.

Any changes to a bidder's application between Phase I and Phase II must be disclosed using Appendix C8, Offer Changes. Bidders may change any non-binding bid information as they choose, but the Companies may also re-evaluate bids based upon on these changes. This is true of Appendix B, the Offer Form. Bid information that is binding in Phase I may not be changed in Phase II, i.e.: Appendix C1 (Site Control) on Phase I is non-binding, however, the location identified within this appendix is binding. The location can't change between Phase I and Phase II.

2023 Bulk Power Energy Storage Request for Proposals

Appendix	Title	Phase I	Phase II
A	Bidder Qualification	Binding	N/A
B	Offer Form	Non-Binding	Binding
C1	Site Control	Non-Binding	Binding
C2	Electric Interconnection	Binding	Binding
C3	Technical Information	Non-Binding	Binding
C4	Permitting & Schedule	Non-Binding	Binding
C5	Financial & Credit Information	Non-Binding	Binding
C6	Bidder Checklist	Partial	Complete
C7	Bidding Team Information	Non-Binding	Binding
C8	Offer changes	N/A	Required
C9	Warranties, Performance Guarantees and Maintenance Plans	Non-Binding	Binding
D1	NYSEG Energy Storage Services Agreement	N/A	N/A
D2	RG&E Energy Storage Services Agreement	N/A	N/A
D3	Energy Storage Services Agreement (ESSA) Issues Matrix	N/A	Binding
D4	ESSA Term Sheet	N/A	N/A
D5	ESSA Term Sheet Issues Matrix	Binding	N/A
D6	W9	Binding	N/A
E	Preferred Locations	N/A	N/A
F	NYSERDA Sample Incentive Agreement	N/A	N/A

4.3 Offer Submission Format

Bidders can submit one or more Offers for this RFP. Each individual Offer should be provided in a single PDF document and submitted via email. Multiple Offers should be submitted in multiple PDFs with one Offer per PDF per submission email. Only complete Offers will be accepted and evaluated. **Offers are due no later than 5:00 P.M. EPT on September 1, 2023.**

It is the Bidder’s responsibility to thoroughly review all provisions of the respective supporting documents and all requirements of this RFP process and to understand all anticipated costs that should be factored into the Offer price. Bidders are encouraged to mark sections of their bids confidential as needed so they are treated as such by the review team.

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2023 Bulk Power Energy Storage Request for Proposals

Offer proposals shall be organized as follows:

Proposal Section	Proposal Section Title	Reference	Submission Format
N/A	Cover Letter		Searchable PDF
N/A	Bidder Checklist Form	• Completed Appendix C6	Searchable PDF
Offer Body	<ul style="list-style-type: none"> Proposed ESS Solution Description Project Schedule Potential Risks and Challenges Professional Background and Experience with the Proposed Solution 		Searchable PDF
Offer Appendices	• Bidder's Qualification	• Complete RFP Appendix A	Searchable PDF
	• Offer Form	• Completed RFP Appendix B (One per Offer, Variant of Offer)	XLS
	• Site Control	• Completed RFP Appendix C1	Searchable PDF
	• Electric Interconnection	• Completed RFP Appendix C2	Searchable PDF
	• Technical Information	• Completed RFP Appendix C3	Searchable PDF
	• Permitting & Schedule	• Completed RFP Appendix C4	Searchable PDF
	• Financial & Credit Information	• Completed RFP Appendix C5	Searchable PDF
	• Bidding Team Information	• Completed RFP appendix C7	Searchable PDF
	• Offer Changes	• Completed RFP appendix C8	Searchable PDF
	• Warranties, Performance Guarantees and Maintenance Plans	• Completed RFP Appendix C9	Searchable PDF
	• Redlines to Agreement	• Redlines to RFP Appendix D1/D2	Searchable PDF
	• Agreement Issues Matrix	• Completed RFP Appendix D3	Searchable PDF
	• Redlines to Term Sheet	• Redlines to RFP Appendix D4	Searchable PDF
• Term Sheet Issues Matrix	• Complete RFP Appendix D5	Searchable PDF	
• W9	• Completed W9	Searchable PDF	

Cover Letter

The cover letter shall include the following:

- Bidder legal name and address
- The name, title and telephone number of the individual authorized to negotiate and execute the Agreement

2023 Bulk Power Energy Storage Request for Proposals

- The signature of a person authorized to contractually bind Bidder's organization
- A statement that the Bidder has read and understands all provisions of the RFP Bidder Checklist

Bidder Checklist

Bidder should provide to NYSEG and RG&E the properly completed Bidder Checklist (Appendix C6) as part of an Offer. A Bidder Checklist is needed for each Offer submitted.

Offer Body

This section should contain a response to the RFP Requirements as described in Appendices to this RFP. Please limit proposals to 10 pages maximum not including the Cover Letter, Checklist, and Appendices. The following information addresses major areas that shall be included in Bidder's Offer:

- Proposed energy storage system
 - Energy Storage System Design Characteristics (e.g., equipment, configuration)
 - Energy Storage System Performance Characteristics (e.g. Roundtrip Efficiency, Guaranteed Availability, Maximum and Minimum State of Charge, Capacity and System Efficiency Degradation Rate)
 - Description of warranties and approach to maintaining Availability and Performance Guarantees
- Project Schedule
- Potential risks and challenges with detailed plans to address/mitigate
- Professional background and experience with the proposed solution

Offer Appendices

Bidders must complete all required documentation required of Offers as described in the Appendices to this RFP. See Appendices for details of what is required to be submitted. This document only provides a very high-level description of what is described in detail in the various Appendices.

Redlines to Term Sheet and Agreement

For Phase I, Bidders shall complete a full review of the Term Sheet provided in Appendix D4. Any exceptions shall be marked in a redlined copy and attached to the Phase I offer. Bidders will also summarize the proposed changes in the table provided in Appendix D5.

During Phase II, Bidders shall complete a full review of the Agreement provided in Appendix D1/D2 for both commercial and legal terms. Any exceptions shall be marked in a redlined copy and attached to the Offer. Bidders will also summarize the changes in the form provided in Appendix D3.

NYSEG and RG&E will assume all material issues have been identified in the Phase II redline and will establish a timeline for Agreement execution accordingly. Acceptance of an Offer is not considered

2023 Bulk Power Energy Storage Request for Proposals

acceptance of Agreement redlines by NYSEG and/or RG&E. However, Bidder should be prepared to sign redlined version if selected.

Additional Materials

Bidders can provide information not specifically requested in the body of the Offer as an appendix or a separate attachment. Such items can include:

- Project experience examples (no more than one-page per Project)
- Organizational charts and resumes
- Other relevant information

4.4 Offer Fee

Approved Bidders must provide a non-refundable "Offer Fee" in the amount of \$5,000 for each Offer at the time of submission.

1. Purpose of Offer Fee

The Offer Fee is intended to contribute to NYSEG and RG&E administrative costs to assemble, review, prioritize, and award Offers to Bidders. Offer Fees are also intended to reflect the Bidder's commitment to prepare thorough, competitive Offers.

2. Form of Offer Fee

The form of the Offer Deposit will be made by cash.

NOTE: If a Bidder fails to submit the Offer Fee within the required time frame listed above, the Bidder's Offer may be rejected.

3. Submission of Offer Fee

Cash may be deposited through a wire transfer as instructed by NYSEG and RG&E. Bidders have until 5 p.m. EPT on September 1, 2023 to remit their fee.

4. Remittance

Prior to remitting your payment, please send remittance details to the Sales Administration team at SalesAdminUSA@avangrid.com and copy BulkStorage@avangrid.com. This will ensure the funds are applied correctly and timely. Please include the following:

- Company Name
- Debtor/Non-Consumption Account Number (If you do not have a debtor/non-consumption account number already, please also submit an updated and signed W9 (Appendix D6) with your bid so that the Companies may create an account for you.)
- Payment Amount

**New York State Electric & Gas Corporation
Rochester Gas and Electric Corporation**

2023 Bulk Power Energy Storage Request for Proposals

- Expected Payment Date

Additionally, please be sure to include the following in the addenda field of your payment:

- Company Name
- Debtor/Non-Consumption Account Number
- Invoice Number

New York State Electric & Gas:

Payment to be submitted by ACH or Wire Transfer to the following:

New York State Electric & Gas

ABA 021000089

Account 00040387

swift code CITIUS33XXX

Citibank N.A.

111 WALL STREET

NEW YORK, NY 10043

Rochester Gas & Electric:

Payment to be submitted by ACH or Wire Transfer to the following:

Rochester Gas & Electric

ABA 021000021

Account 0000058503

Swift code: CHASUS33XXX

J.P. Morgan Chase & Company

4 New York Plaza 13 FL, MC

New York, NY 10004

5. Refund of Offer Fee

2023 Bulk Power Energy Storage Request for Proposals

In the event the RFP is canceled prior to review of any Offers, the Offer Fee will be refunded. After the evaluation process has begun, no refunds will be considered or made in respect of any Offer, whether or not selected.

4.5 Number of Offers and Variations Allowed Per Bidder

Bidder's Offers are defined by Project Interconnection Point (i.e. 1 IP = 1 Offer, 2 IPs = 2 Offers, etc.). There is no restriction on the number of Offers Bidders may submit. More than one Offer can be located at the same location, but each would require separate Interconnection Points and metering. In other words, multiple Projects at a single location will be considered separate Projects if they have separate Interconnection Points. In this situation, each Project would require a separate Offer submission.

A separate and complete submission is required for each Offer. Each Offer must be complete as a standalone submission and not reference information contained in other Offers. An Offer Fee is required for each Offer submitted.

Bidders are permitted to submit variants of Offers using the same Interconnection Point by varying the Dispatchable Capacity of the proposed storage Project at each location within the allowable amount based on interconnection application rules. Each Offer may include up to two Offer Variations (i.e., the original Base Offer and two (2) additional variations of that Offer). Only one Offer Fee is required for a Base Offer plus Offer Variations.

Note: Offer Variations may only alter a system's Dispatchable Capacity and associated price and cost information. Variants in commercial operation date, duration, technology, capabilities, location, Interconnection Point or other will not be accepted nor considered as a single Offer.

An entirely new Offer package is not required for each variation. A written explanation indicating which sections are duplicative over multiple Offer Variations is required. Variations of a Base Offer must be clearly marked, described as such, and submitted with the Base Offer in a single PDF. A separate Offer Form (Appendix B) is required for each Offer Variation.

5.0 Collusion and Other Prohibited Activities

5.1 Collusion

Collusion with other Bidders prior to, during, or after the RFP is strictly prohibited. Collusion and other prohibited activities include, but are not limited to: discussing Bid strategies with other Bidders, engaging in any activity with the intent of influencing the outcome of the RFP in a manner inconsistent with competitive behavior, or taking any action to otherwise undermine the competitive nature of the RFP or benefit from Company compensation without the intent or expectation of providing services described in this RFP. The NYSEG and RG&E shall have the discretion to determine when collusion or other prohibited activities have occurred and to take any appropriate action, including disqualifying Offers, barring participation in future RFPs or programs, and reporting the activity to the New York State Department of Public Service (the “NYDPS”), NYSERDA and any other appropriate governmental authorities.

5.2 Confidentiality

In connection with this RFP, NYSEG and RG&E will keep confidential, and not disclose to any person (except as set forth below), any information pertaining to Bidder or its proposal provided by or on behalf of Bidder that is non-public, proprietary or confidential in nature and is clearly marked or otherwise identified as such. The foregoing shall not preclude NYSEG and RG&E from publicly identifying the Bidders who win contracts as a result of this RFP, or from disclosing Bidder’s confidential information (a) to NYSEG and RG&E trustees, employees, consultants, contractors and agents for the purpose of evaluating Bidder’s proposal, (b) to NYSERDA for purposes of administering the NYSERDA incentive, or (c) pursuant to a legal or regulatory requirement (including, without limitation, of the NYPSC and/or NYDPS) provided that NYSEG and RG&E will make reasonable efforts to prevent the information’s further disclosure. Confidential information does not include information that (i) is in or enters the public domain other than as a result of NYSEG and RG&E’s unauthorized disclosure, (ii) Bidder expressly authorizes NYSEG and RG&E to disclose, (iii) is already known or becomes known to NYSEG and RG&E on a non-confidential basis other than as a result of a breach of any confidentiality obligation known to NYSEG and RG&E, or (iv) is independently developed by NYSEG and RG&E without reference to the confidential information. This obligation of confidentiality will expire upon execution of a definitive Agreement between the parties with respect to the subject of this RFP, in which event the terms of this paragraph shall be superseded by the confidentiality provisions of such definitive Agreement.

5.3 Execution of Agreement

By submitting an Offer, Bidder agrees, if its Offer is selected for NYSEG or RG&E, that it is prepared to negotiate and execute a definitive Agreement consistent with the Bidder’s Phase II Offer and containing such other terms and conditions as may be mutually acceptable to NYSEG and RG&E and the Bidder. NYSEG and RG&E reserve the right to consider, in its evaluation of Bidder’s Offer, any changes Bidder requests to the form of proposed Agreement attached to this RFP. Acceptance by NYSEG or RG&E of

2023 Bulk Power Energy Storage Request for Proposals

Bidder's Offer will not constitute an Agreement by NYSEG and RG&E to any of the Bidder's modifications made to the form of Agreement submitted.

5.4 Termination Rights

NYSEG and RG&E reserve the right at any time, in their sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Bidders and without liability of any kind to, or responsibility of, NYSEG and/or RG&E or anyone acting on NYSEG or RG&E's behalf. Without limitation, grounds for termination of the RFP may include the assertion of any Waived Claims by a Bidder or a determination by NYSEG and RG&E that, following evaluation of the Offers, there are no Offers that provide adequate ratepayer benefit.

NYSEG and RG&E reserve the right to change the Offer evaluation criteria for any reason and at any time, to terminate further participation in this process by any Bidder, to evaluate the qualifications of any Bidder, to accept any Offer or to enter into any definitive Agreement, and to reject any or all Offers, all without notice and without assigning any reasons without liability to NYSEG or RG&E or anyone acting on NYSEG or RG&E's behalf. NYSEG and RG&E shall have no obligation to consider and/or award any Offer.

In the event of termination of the RFP for any reason, NYSEG and RG&E will not reimburse the Bidder for any expenses incurred in connection with the RFP regardless of whether such Bidder's Offer is selected, not selected, rejected or disqualified.

6.0 Definitions

Definitions

Key terms in this RFP are defined by NYSEG and RG&E below. See Exhibit A in the Agreement (Appendix D1/D2) for additional RFP definitions not included below.

Base Offer: The Bidder's primary Offer submitted in response to this RFP

Beginning Energy Level: The total amount of Energy (in MWh) stored by the Energy Storage Resource at the beginning of the Day-Ahead Market day or a Real-Time Market interval.

Bidders: Entities that submit Offers in response to this RFP.

Bidding Entity: Developer(s) submitting one or more Offers to this RFP.

Capacity Degradation: The decline of total energy capacity attributed to the battery modules.

Charge Response Rate (Ramp Rate): The speed at which a storage system can move from zero output to its Maximum Allowable Charge Rate, measured as described in the Storage Rating Test Exhibit to the Agreement (Appendix D1/D2).

Cycle: The sequence of injecting electric energy into a battery then withdrawing electric energy from a battery, where one cycle is the charge and discharge of a battery's total Dispatchable Capacity.

Designated Schedule: Refers to a NYISO scheduling strategy that NYSEG and/or RG&E will use to offer in to NYISO Markets. It will consider operational parameters of the energy system, market prices, and any limitations on usage as specified in the Agreement.

Discharge Response Rate (Ramp Rate): The speed at which the storage system can move from zero output to its Maximum Allowable Discharge Rate, measured as described in the Storage Rating Test Exhibit to the Agreement (Appendix D1/D2).

Dispatchable Capacity: The MWs that can be continuously dispatched by the storage system and measured as described in the Storage Rating Test Exhibit to the Agreement.

Environmental Value: The pecuniary value ascribed to reductions in greenhouse gas emissions (GHGs) and other benefits.

General Partner: Has responsibility for the actions of the business, can legally bind the business and is personally liable for all the business's debts and obligations.

Greenhouse gases: Includes carbon dioxide, methane, nitrous oxide, fluorinated and other gases.

Host Utility: Transmission or distribution system owner at the Project's Interconnection

2023 Bulk Power Energy Storage Request for Proposals

Lower Operating Limit: The minimum MW level at which the Energy Storage Resource is willing to operate.

Lower Storage Limit: The minimum amount of energy an energy storage resource is physically capable of storing.

Market Participant: An entity, excluding the ISO, that produces, transmits, sells, and/or purchases for resale Unforced Capacity, Energy or Ancillary Services in the Wholesale Market. Market Participants include: Transmission Customers under the ISO OATT, Customers under the ISO Services Tariff, Power Exchanges, Transmission Owners, Primary Holders, LSEs, Suppliers and their designated agents. Market Participants also include entities buying or selling TCCs. Definition per NYISO Market Service Tariff (MST) Section 2.13. See the MST for more information.

Maximum Allowable Charge Rate: The maximum warranted MW quantity of electric energy that a resource using the NYISO participation model for electric storage resources can receive from the grid.

Maximum Allowable Discharge Rate: The maximum warranted MW quantity that a resource using the participation model for electric storage resources can inject into the grid.

Minimum Allowable Charge Rate: The minimum warranted MW level that a resource using the NYISO participation model for electric storage resources can receive from the grid.

Minimum Allowable Discharge Rate: The minimum warranted MW output level that a resource using the participation model for electric storage resources can inject onto the grid.

Offers: Energy storage Project proposals submitted by Bidders to this RFP.

Offer Variation: An offer using the same Interconnection Point as the Base Offer but varies by Dispatchable Capacity.

Participant: See Bidder.

Preferred Load Areas: Specific geographic and electrically connected areas that are preferred locations for Projects. See Appendix E.

Rated Power: Measured in megawatts (MW), the intensity of the electricity delivered to the grid from the battery energy storage system.

Response Rate (Ramp Rate): How quickly the Energy Storage Resource can respond to dispatch instruction from the NYISO under various operating conditions.

State Environmental Quality Review Act: New York's State Environmental Quality Review Act (SEQR) requires all state and local government agencies to consider environmental impacts equally

2023 Bulk Power Energy Storage Request for Proposals

with social and economic factors during discretionary decision-making. This means these agencies must assess the environmental significance of all actions they have discretion to approve, fund or directly undertake.

Subsidiary: Of any Person means any corporation, general or limited partnership, joint venture, limited liability company, limited liability partnership or other Person that is a legal entity, trust or estate of which (or in which) (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors (or a majority of another body performing similar functions) of such corporation or other Person (irrespective of whether at the time capital stock of any other class or classes of such corporation or other Person shall or might have voting power upon the occurrence of any contingency), (b) more than 50% of the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) more than 50% of the beneficial interest in such trust or estate, is directly or indirectly owned or Controlled by such Person.

System Efficiency Degradation: The decline of Dispatchable Capacity not attributed to the battery modules.

Throughput: The total electrical energy injected into and withdrawn from the energy storage resource over a specified period.

Upper Operating Limit: The physical maximum MW level which the Energy Storage Resource is willing to operate.

Upper Storage Limit: The maximum amount of energy an energy storage resource is physically capable of holding.

Utility-Defined Procurement Ceiling: The maximum the utility is allowed to pay based on the total net value of the projected benefits per the December 13, 2018, New York State Public Service Commission Decision in Case 18-E-0130.