For Participants on the Phone

• Follow along with slides posted at: http://www.philaenergy.org/public_bids/renewable-energy-power-purchasing-agreement-request-for-proposal/

• After announcing yourselves, all lines will be muted

• Please submit immediate questions you’d like to ask presenters to Dominic.McGraw@phila.gov
Purpose

• Mayor Kenney’s commitments to 100% clean energy and 80 x 50
• Leading by example
• Risk and cost mitigation

www.phila.gov/green
Municipal Energy Master Plan Goals

- Reduce greenhouse gas emissions from the City’s built environment 50 percent by 2030
- Reduce the City’s built environment energy use 20 percent by 2030
- Generate or purchase 100 percent of all electricity for the City’s built environment from renewable resources by 2030
- Maintain or reduce the City’s built environment cost of energy
Request for Information (RFI) Process

• Purpose of RFI: explore rooftop solar opportunities, explore renewable energy offtake agreements, and understand commercially available emerging technology

• Cost and approach of renewable energy offsite power purchase agreements fits best within our current procurement strategy
City Energy Office and Procurement

• The mission of the Energy Office is to:
  • Strategically procure cost effective, reliable, safe, clean energy and conventional energy systems for city government
  • Promote energy conservation and efficiency within City facilities by providing education, technical expertise and analysis of energy used
  • Develop and implement projects and programs that promote the efficient use of energy and reduce the City's environmental impact

• Energy procurement priorities:
  • Transparency
  • Low costs
  • Budget stability
  • Clean energy
Electricity Procurement

- PJM subaccount for all City Funds: General, Aviation, Water
- Current LSP: Direct Energy
- Current energy procurement consultant: EnerNOC
- All contracts subject to City procurement rules
City’s Energy Purchasing Approach

• Fix 80-90% of purchases ahead of time
• Provide budget stability
• PPA to provide 20-40% of electric load (140,000-280,000 MWh/yr)
City Load Profile - July

City of Philadelphia, Daily Load Profile - Jul 2016
City Load Profile - December

City of Philadelphia, Daily Load Profile - Dec 2016
RFP Project Requests

• Looking for projects including one or more plants located in the PJM ISO territory with a strong preference for a plant(s) located as close to Philadelphia as possible

• COP will consider both plants that are currently operating and new/undeveloped plants for this project

• COP is open to the submission of creative proposals that aggregate multiple projects to provide a more balanced and stable load curve
RFP Submission Requirements

- Cover Letter, Introduction and Executive Summary
- Technical Submittal including:
  - Contract and Term Sheet
  - Financial and Business Experience Summary
- Form of contract and requested exceptions to contract terms
- Signed Economic Opportunity Plan (EOP)

DISCLAIMER: See Request for Proposals for full listing of submission requirements.
Economic Opportunity Plan

• Joseph Weney, Joseph.Weney@Phila.gov, 215-683-2079
Project Goals

- Demonstrate the City’s commitment to clean and renewable energy
- Long-term price stability that will improve cost efficiency for the City’s operations
- Increase budgetary certainty - through reducing overall costs and/or reducing risk escalation of electric costs
- Source renewable energy from one or more plants within PJM and as close as possible to Philadelphia’s city limits
- Enhance public awareness of the PEA’s and the City’s efforts to pursue sustainable and progressive technologies
- Help fulfill the City’s AEPS compliance requirements

DISCLAIMER: See Request for Proposals for full listing of project goals.
Timeline

• Questions due: November 1, 2017
• Answers to questions will be posted: November 8, 2017
• Proposals due: November 29, 2017
• Need to capitalize on investment tax credit (ITC) by 2019
  • 30% ITC for projects that commence construction through 2019
  • 26% for projects that commence construction through 2020
  • 22% for projects that commence construction through 2021
  • After 2021, the commercial credit drops to a permanent 10%
• Project requires City Council approval
• COP will accept electric delivery July 1, 2018 or after
Questions?

• All questions should be submitted to energy@phila.gov by November 1, 2017

• For participants on the phone, send immediate questions to Dominic.McGraw@phila.gov