



**SUSTAINABLE WESTCHESTER
WESTCHESTER SMART POWER
ELECTRIC AGGREGATION PROGRAM
REQUEST FOR PROPOSALS (“RFP”)**

**Accounts Served by
Consolidated Edison and New York State Electric & Gas**

January 29, 2016

Proposals must be received on or before 11 am EST, February 22, 2016 and must be submitted by email to leowiegman@sustainablewestchester.org, mgordon@sustainablewestchester.org, and gweinberg@sustainablewestchester.org

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Purpose

Sustainable Westchester Inc (“SW”) seeks to select an Energy Service Company (“ESCO”) licensed to supply electricity in New York State as the Competitive Supplier of electric power to “Participating Municipalities”- municipal members of SW that have passed enabling legislation and have approved a binding **Memorandum of Understanding (“MOU”)** attached as **Attachment 3**, demonstrating a legal commitment to participate in the **Westchester Smart Power Electric Aggregation Program** (“Program”). Service is to begin no earlier than the meter read dates in April 2016. Through this RFP, SW is soliciting supply bids from ESCOs qualified to provide electric power to residents and businesses in the Participating Municipalities, in accordance with contract terms and specifications described herein.

SW will evaluate submissions made in response to this RFP to select the ESCO to enter into a tri-party **Electric Service Agreement (“ESA”)** with SW and each of the Participating Municipalities, attached as **Attachment 1**. The ESCO chosen to be the Competitive Supplier for the Program will assist Sustainable Westchester in maintaining the Program to include eligible residential and small commercial accounts located within the Participating Municipalities’ boundaries receiving supply service from Consolidated Edison Company of New York (“Con Ed”) or New York State Electric & Gas (“NYSEG”). The Competitive Supplier must coordinate with Participating Municipalities’ designated staff, Sustainable Westchester and its partners in order to deliver services required under the ESA.

The **New York State Public Service Commission “Order Granting Petition in Part” (Issued February 26, 2015, Case 14-M-0564)** attached as **Attachment 2**, approved SW’s petition to implement an opt-out Community Choice Aggregation Program for its municipal members. 24 municipalities have adopted either a local law (for villages and towns) or an ordinance (for cities) enabling Community Choice Aggregation as of the date delineated below (see Table 1).

Table 1: CCA Enabled Municipalities that have adopted Local Law.

CCA Enabled Municipality	Adoption date of local law or ordinance enabling CCA
Village of Rye Brook	June 23, 2015
Village of Ossining	July 1, 2015
Town of Bedford	July 7, 2015
Town of Somers	July 9, 2015
Town of Lewisboro	July 13, 2015
Town of Croton-on-Hudson	July 13, 2015
Town of Ossining	July 14, 2015
Town of Mamaroneck	July 22, 2015
Town of North Salem	July 29, 2015
Village of Irvington	August 10, 2015
Town of Cortlandt	August 18, 2015
Village of Pleasantville	August 24, 2015
Town of Pound Ridge	September 8, 2015
Village of Tarrytown	September 8, 2015
City of White Plains	September 8, 2015

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Table 1: CCA Enabled Municipalities that have adopted Local Law.

City of New Rochelle	September 16, 2015
Village of New Castle	September 21, 2015
Village of Mount Kisco	September 21, 2015
Town of Greenburgh	September 29, 2015
Village of Larchmont	October 19, 2015
Village of Hastings-on-Hudson	October 20, 2015
Town of Eastchester	October 20, 2015
Village of Pelham	November 3, 2015
Village of Mamaroneck	November 23, 2015

After passage of the local law or ordinance, Participating Municipalities approved and signed (or will sign, as described below) the MOU. All of the signed MOUs of Participating Municipalities as of the issuance of this RFP are included as **Attachment 4**. The MOU commits each participating municipality to sign the ESA, in the event a Compliant Bid is received by a qualified ESCO in response to this RFP. Compliant Bids must meet one of the following criteria (adapted from MOU):

- a. the default price is guaranteed to be consistently less than the utility price for the same customer class, within the same utility defined zone, on a monthly basis; or
- b. the default price is fixed at a level that is less than the average utility price for the same commodity, for the same customer class, within the same utility defined zone, over the preceding twelve-month period (most recent rate information available); or
- c. the default price is at first set at a level that is less than the average utility price for electricity, for the same customer class, within the same utility defined zone, over the preceding twelve-month period, and only floats upward by less than twenty-five percent (25%) of the price increases implemented by the utility.

The average utility price of the preceding twelve-month period is to be independently calculated by an independent energy consultant using Con Edison monthly MSC pricing, including all adjustments, and is expected to roughly conform to calendar year 2015. However, individual customers must be allowed to switch to Con Ed or NYSEG default service, should they elect to do so, at any time, without penalty of any kind.

Consumption Data

Each participating municipality's historical usage for those accounts eligible for the Program are shown in **Attachment 5, Participating Municipality Consumption Data**. **Attachment 5** distinguishes Participating Municipalities by utility service territory (as separate tabs of the spreadsheet).

Total peak load for eligible residential and small commercial accounts in all 24 municipalities is 384.5 MW. Total annual consumption for eligible residential and small commercial accounts in these 24 municipalities is about 1.2 billion kWh. Please note that all 24 municipalities are not guaranteed to have approved and signed the MOU before bids are due, and will therefore not participate.

As of the release of this RFP, the following 18 Participating Municipalities have approved the MOU, and are fully committed to join the Program. See Table 2.

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Table 2 Participating Municipalities that have approved MOU to join CCA RFP.

Participating Municipality	MOU Status
City of New Rochelle	MOU Approved
Town of Bedford (note: Bedford is split between Con Ed and NYSEG territories)	MOU Approved
Town of Greenburgh	MOU Approved
Town of Lewisboro	MOU Approved
Town of Mamaroneck	MOU Approved
Town of New Castle	MOU Approved (Awaiting signature page)
Town of North Salem	MOU Approved
Town of Ossining	MOU Approved
Town of Somers	MOU Approved
Village of Hastings-on-Hudson	MOU Approved
Village of Irvington	MOU Approved
Village of Larchmont	MOU Approved
Village of Mamaroneck	MOU Approved
Village of Mount Kisco	MOU Approved
Village of Ossining	MOU Approved
Village of Pelham	MOU Approved
Village of Rye Brook	MOU Approved (attached is signed resolution approving MOU. Awaiting MOU signature page)
Village of Tarrytown	MOU Approved

The following 6 CCA enabled Municipalities have not yet approved the MOU, but are expected to review and potentially approve at their next Board or Council meeting. See Table 3.

Table 3 CCA Enabled Municipalities that have not approved MOU to join CCA RFP.

Participating Municipality	MOU Status
City of White Plains	MOU under review
Town of Cortlandt	MOU under review
Town of Eastchester	MOU under review
Town of Pound Ridge	MOU under review
Village of Croton-on-Hudson	MOU under review
Village of Pleasantville	MOU under review

Sustainable Westchester will forward all newly approved MOUs to all respondents as they come in, giving as much time as possible for ESCOs to adjust their pricing. The chosen Competitive Supplier will work with Sustainable Westchester to establish the appropriate list of the eligible supply accounts at the time the ESA is to become effective.

Request Specifications

Upon completion of the RFP, the selected Competitive Supplier will be expected to enter into the ESA provided in **Attachment 1**. Sustainable Westchester would like to highlight some important features of the ESA and clarify the proper format of acceptable bids:

1. ESCO must complete and submit the required Prices and Terms form included as Exhibit A-1 and A-2 of the ESA. A separate form must be filled out for the Con Ed service area and the NYSEG service area. For each form submitted, please indicate which utility service area (simply circle the appropriate utility name in the introductory paragraph of the form).
2. This is a non-binding RFP. The award decision and product choice is at the sole discretion of SW.

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3. The Term of the ESA shall not be less than 12 months, and shall not exceed 36 months. ESCOs may submit bids for Term lengths of 12, 21, 24, 33, or 36 months. ESCOs may submit bids at any or all of these terms. Sustainable Westchester does, however, have a strong preference for a 33-month Term. A separate Exhibit A-1 and A-2 form should be filled out for each offered Term length.
4. It is the intent of Sustainable Westchester to select a single Supplier on behalf of all Participating Municipalities.
5. Pricing offers must be sufficient to cover the full costs of the Supplier. Price quotes must include all costs to be charged at the point of entry into Zone H or I inclusive of: fuel, generation use/depreciation/maintenance or repairs, transmission (including congestion costs), location-based marginal pricing uplift charges, ICAP/UCAP capacity, billing, ISO ancillary services or other ISO charges.
6. Supplier must provide 100% of account electric requirements.
7. SW reserves the right to ask for a "Best & Final" bid prior to execution.
8. ESCOs proposal, when submitted, becomes the property of SW. SW does not guarantee any award, whether partial or full, to any respondent.
9. SW reserves the right to disqualify from consideration any respondent who does not comply with the conditions of this RFP.
10. No fees will be assessed to any resident or small commercial retail customer for entering or leaving the Program. Competitive Supplier will not impose any conditions, terms, fees, or charges on any Participating Consumer served by the Program unless the fee is imposed by an authority to which the Competitive Supplier is subject (i.e., federal or state regulatory bodies).
11. The Supplier will arrange for a single consolidated utility bill to be sent to Participating Consumers by the appropriate utility.
12. Neither Sustainable Westchester nor Participating Consumers will be responsible for any costs not specifically identified in ESCO's proposal. Cost elements not known with certainty at the time of the proposal should be identified, and an estimate of the charges during the term of the ESA should be provided.
13. The Competitive Supplier will be responsible for the faithful performance of the contract and shall warrant that it has internal monitoring procedures and processes to ensure compliance.
14. Winning ESCO agrees to remit a Program Manager Fee to Sustainable Westchester of \$0.001 per kilowatt-hour sold to Participating Consumers in the Program. Price quotes must be inclusive of this fee. Fee payment procedures and schedule are delineated in Article 7.3 of the ESA.
15. ESCOs must be capable of providing supply quotes for the following energy mixes:
 - a. Default Product Mix that meets all New York State requirements.
 - b. 100% Renewable Clean Power Product Mix is to be sourced from hydro, wind, or solar produced in the North America, certified by a reliable authority. ESCO shall provide this price offer by separately listing the fixed price quote for the 100% renewable generation and all additional costs to bring the full percentage of renewable energy in its offering to 100%.
16. Participating Consumers must be allowed to migrate from the Default Product to the 100% Renewable Clean Power Product at any time with no fee or penalty (other than rate differential). Collection and credit procedures are to be the responsibility of Con Ed and NYSEG and the individual Participating Consumer. Participating Consumers will be required to remit and comply with the payment terms of Con Ed and NYSEG. Sustainable Westchester and the Participating Municipalities will not be responsible for late or no payment on the part of any of its Participating Consumers, and will have no separate credit or deposit policy.
17. The Program will only affect pricing for power supply. Con Ed and NYSEG will continue to deliver power through its transmission and distribution systems. Responsibility for maintaining system reliability continues to rest with Con Ed and NYSEG. Competitive Supplier shall notify Participating Consumers that if they have service reliability problems, they should contact the appropriate utility for repairs.
18. The Competitive Supplier must provide customer service for Participating Consumers comparable to that provided by utility customer representatives, including those requiring non-

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English verbal and written assistance. The Competitive Supplier must provide customer service for hearing impaired Participating Consumers.

19. SW intends to buy from community renewable installations, where possible. SW prefers to secure electricity from renewable power systems resident in the Participating Municipalities. If a supplier plans to install such systems, and to provide a portion of its power from them to Participating Municipalities, It will do so at no penalty or additional cost. If not, SW reserves the right to displace renewable kWh that would otherwise be provided by the Competitive Supplier with such local resources. Competitive Supplier must include in its bid its willingness to allow for replacement, and delineate the penalty (if any) for such replacement power. See Exhibit A-2 of the ESA.
20. SW would like to call ESCOs' attention to the second paragraph in Article 5.5 of the ESA. This is not a traditional capacity tag allocation contract. Residential and small commercial consumers are not able to control their individual capacity tag through consumption changes at the peak capacity hour. Therefore, our assumption is that Competitive Supplier will, when purchasing (e.g. 33 months forward), purchase capacity for the full Term, realizing that Competitive Supplier's purchases will not be precise, but they will be close. However, SW expects to pursue regulatory intervention from the Public Service Commission, perhaps in tandem with a support filing from Con Ed and from NYSEG. With success, our regulated utilities will create two classes of customers: those participating in the CCA Program, and those not participating. The capacity tag allocations of these two classes would be different. Specifically, capacity tag allocations of those participating will be lower than what you had purchased for them if we achieve demand reductions at the peak capacity hour. Competitive Supplier would therefore have excess capacity to sell in the market due to the regulatory intervention of the utility and of the Public Service Commission. It's that excess capacity that Article 5.5 refers to in requiring that it be sold for the benefit of Program customers.
21. Sustainable Westchester will maintain a website with account management functionality (i.e. on boarding of opt-in, opt out, and "opt up" migration to 100% Renewable Clean Power Product). Sustainable Westchester will then report this activity to Competitive Supplier, who must maintain a database to track account enrollment and billing data. The website will also provide basic information concerning the Program and will facilitate customer inquiries by providing a platform for the submission of questions by email or text.
22. Sustainable Westchester and the Participating Municipalities retain the right to control the content of the Opt-Out Notices. The Opt-Out Notices will be mailed at the expense of the Competitive Supplier.
23. The Competitive Supplier will assist Sustainable Westchester to develop performance reports to the New York State Public Service Commission providing tracking information related to price, service, quality and other factors deemed important. Reporting requirements are specified in the ESA.
24. ESCO agrees to be responsible for all taxes, royalties, fees or other charges incurred with respect to the electricity sold. See ESA Article 8.4.4.

Supplier Qualifications

ESCOs who respond to this RFP are provided the following list of qualification metrics deemed to establish the capacity and capability of an ESCO to serve as the Competitive Supplier for the Program. We request that those responding to this RFP provide responses to each item listed, and to also add other qualifications the responding ESCO believes would enhance the Program.

1. ESCOs must have the authority to sell electricity to applicable retail customers in New York and be properly licensed to supply customers in both the Con Ed and NYSEG service territories.
2. ESCOs should identify the specific steps utilized to enroll accounts via EDI.

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3. Competitive Supplier must have the materials, time and resources to support Program marketing, outreach and education tasks. Documentation should include proof of an existing local or toll-free telephone number for customer service and complaints related to the Program.
4. The Competitive Supplier must maintain sufficient personnel, management expertise, and financial capacity to support Program operations.
5. Submit the firm's (or the firm's parent company) most recent audited financial statement that identifies the company's long-term credit rating, if ESCO has not already done so as part of the RFI process.

Proposal Evaluation

Proposals will be evaluated based on the criteria that Sustainable Westchester considers to be the best fit for the Participating Municipalities' interests. Such criteria include, but are not limited to, the following:

1. The ESCO's ability to supply electric energy, capacity and related services that best meet the requirements of the Program, in the sole discretion of Sustainable Westchester;
2. The ESCO's credit worthiness, as verified by an independent accounting firm;
3. Bid price compliance (as described above), as verified by an independent energy consulting firm;
4. Compliance with instructions for preparing and submitting bids;
5. ESCO's express willingness to sign the ESA as attached;
6. Completion of Exhibit A-1 and A-2 of the ESA.
7. Completion of the **Confidentiality Agreement (Attachment 6)**

Submission Deadline

This RFP was electronically sent on January 29, 2016 to prospective suppliers already vetted through the RFI process. **All proposals must be received in pdf format at the email addresses specified below, by 11:00am EST on February 22, 2016.** Please specify length of time bids will remain valid. SW requests that bids be valid for at least 3 hours (2:00pm EST on February 22, 2016).

Option to Modify or Cancel Request

This request is not an offer to purchase power supply and associated services. SW reserves the right to accept or reject any and all responses and also reserves the right to cancel or reissue this request at any time throughout the process. SW is not responsible for any costs incurred by other parties in the preparation of responses to this RFP.

Authorization

Recipients of this RFP are authorized to access summary and interval data for the Participating Consumers' accounts from Con Ed and NYSEG, for the sole purpose of responding to this RFP. This authorization expires on March 1, 2016.

Confidentiality and the New York State Freedom of Information Law

SW will treat all information provided by ESCOs as public information following the conclusion of the selection process unless ESCO requests information to be treated as confidential at the time of bid submission. Any request for confidential treatment of information must be included in the cover letter of ESCO's proposal in addition to the specific statutory basis supporting the request and an explanation of why disclosure of the information is not in the best interest of the public and the specific basis under the New York State Freedom on Information Law (Public Officers Law, Article 6, Sections 84-90) for the exemption from disclosure of such information. The cover letter must also contain the name, address

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and telephone number of the individual authorized to respond to SW about the confidential nature of the information. If the ESCO designates any information in its proposal as confidential, the Competitive Supplier must also submit one (1) copy of the proposal from which confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the proposal as possible.

ESCOs must also fill out, sign, and return the Confidentiality Agreement (Attachment 6).

Bid Submission

Suppliers must deliver proposals to the recipients below via email by the due date. Please provide the name and contact information (phone, fax, email, cell phone number) for the sales representative that will accept and process the contract. If different from the above, the name and contact information (phone, fax, email, cell phone number) for the sales representative that will manage the contract.

At this time, no bidder conference call or meeting has been scheduled, but all recipients of this RFP will be updated on any planned conferences. In addition, SW intends to set up a central online forum where all questions and responses, updates, scheduled events, etc... will be posted for all recipients to see and respond to. Further details forthcoming. In the meantime, you may email or call us any questions you have at the email addresses and/or phone numbers listed below.

Email submissions, and any questions and correspondence should be made to the following contacts at Sustainable Westchester:

Mike Gordon
Co-chair, Executive Committee, Sustainable Westchester Board of Directors
mgordon@sustainablewestchester.org
(914) 282-7000

Leo Wiegman
Executive Director, Sustainable Westchester
leowiegman@sustainablewestchester.org
(914) 980-9437

Glenn Weinberg
Consultant, Sustainable Westchester
gweinberg@sustainablewestchester.org
(646) 785-7204

Attachments:

- Attachment 1 Electric Service Agreement ("ESA")
- Attachment 2 New York State Public Service Commission Order (**February 26, 2015, Case 14-M-0564**)
- Attachment 3 Memorandum of Understanding ("MOU") and signatures from Participating Municipalities
- Attachment 4 Participating Municipalities' Signed MOUs
- Attachment 5 Participating Municipality Consumption Data
- Attachment 6 Confidentiality Agreement