



Date: Friday September 29, 2023

ADDENDUM No. 2

REQUEST FOR PROPOSALS FOR ELECTRICITY SUPPLY TO CITY OF CLEVELAND OWNED/OPERATED FACILITIES

Proposal Due Date: Friday, October 6, 2023 5PM EDT

The City of Cleveland is issuing Addendum #2 for the following items:

- Updates to RFP Sections
- Responses to Questions from Proposers, with references to RFP Section updates
- Published Revised RFP Timeline
- Clarification on the Down-Selection Process
- List of Pre-Proposal Conference Meeting Details/Attendees
- REVISED SCHEDULE OF ITEMS PRICE FORM – PAGES 1 AND 2

UPDATES TO RFP SECTIONS

Attention proposers. Please review the following updates to the main RFP sections carefully. The updates also help address several questions submitted for further clarifications, as documented below.

1. **REVISED Proposal Schedule (Page 3 and Pages 19-20);** Deadline for Questions, Responses to Questions and Proposal Deadline (Page 4) – **REFER TO PUBLISHED REVISED RFP TIMELINE SECTION IN THIS ADDENDUM #2 (AND ADDENDUM #1) FOR RELEVANT SCHEDULES AND DATES**
2. **Section 1.4 City's Commitment to Sustainability (Page 8).** Please note the **additional text**. No changes to the rest of the section.

The City intends to further its sustainability commitment through this RFP. To that end, the City is considering the possible installation of approximately 5.5 MW of 'behind-the-meter' solar at up to 6 (six) City facilities with a projected in-service date of December 2024. Additionally, the City presently plans to install an additional 7.9 MW of 'behind-the-meter' solar by a December 2025 in-service date. **In addition, supporting renewable energy growth through the purchase of certified Renewable Energy Credits (RECs) and sourcing physical renewable energy for the electricity supply not impacted by these potential 'behind-the-meter' solar applications, shall be evaluated favorably.** As these dates are estimates, a party responding to this RFP by submitting a Proposal (sometimes herein "Proposer" or "Respondent") shall not only provide pricing as requested, but shall also describe in its Proposal how to best structure this arrangement. The City does not guarantee that any of the solar anticipated to be installed, will actually be installed.



- Section 5.0 Pricing: Product Pricing:** Note changes to **relevant dates**, based on the published timeline.

Each pricing shall be based on the Proposer's **October 5, 2023 close-of-business curve (proposals are due October 6, 2023)**

- Section 5.0 Pricing: Sub-section c-2** under Product A: All-Inclusive Conventional Power (Page 10):

Revised language: The only pass-through charges, if any, will be **regulatory pass through charges limited to FERC orders, PJM Emergency events, a change in Federal, State or Local law, Public Utilities Commission of Ohio (PUCO) issued orders, or unforeseen electric utility tariff revisions during the term of the proposed contract. The selected proposer as supplier shall provide a written and detailed description of such charges, as soon as the supplier is aware of the same.** Please note the City is tax exempt from State and local sales, use, and excise taxes.

- Section 5.0 Pricing: Sub-section c-ii 5** under Product A: All-Inclusive Conventional Power (Page 11):

Additional Language:

Quotations shall include all fixed-for-term capacity charges;

Should the City participate in PJM Economic (only) demand response for select city facilities during the term of this contract, the proposer shall state how they plan to adjust for the capacity costs for said facilities, for the remainder of the contract term.

- Section 5.0 Pricing: Sub-section d-2** under Product Structure A-1: Flexible Power (Page 11):

Revised language: The only pass-through charges, if any, will be **regulatory pass through charges limited to FERC orders, PJM Emergency events, a change in Federal, State or Local law, Public Utilities Commission of Ohio (PUCO) issued orders, or unforeseen electric utility tariff revisions during the term of the proposed contract. The selected proposer as supplier shall provide a written and detailed description of such charges, as soon as the supplier is aware of the same.** Please note the City is tax exempt from State and local sales, use, and excise taxes.

- Section 5.0 Pricing: Sub-section d-4** under Product Structure A-1: Flexible Power (Page 11):

Revised Language: Initial Lock: **80% for year 2**, and **not 50% as stated in the original RFP.**

Percentages to be initially locked by year are 100% for year 1, **80% for year 2**, and 50% for year 3 (final 6 months of the original 2 ½ year contract term)

- Section 5.0 Pricing: Sub-section d-ii 4** under Product Structure A-1: Flexible Power (Page 12):

Additional Language:

Quotations shall include all fixed-for-term capacity charges;



Mayor's Office of Sustainability
75 Erievue Plaza, 1st Floor, Suite 115
Cleveland, OH 44114
Phone: (216)664-2455
Email: Sustainability@clevelandohio.gov

Should the City participate in PJM Economic (only) demand response for select city facilities during the term of this contract, the proposer shall state how they plan to adjust for the capacity costs for said facilities, for the remainder of the contract term.

9. **Section 5.0 Pricing Sub-section e 1-a:** Product B: Structured Pricing and Product to Incorporate Behind the Meter Solar (Pages 12-13):

Revised Language: Simplifying the sequence for the Structured Pricing and Product. Start w/ a fully fixed, full swing contract incorporating an adder including Capacity costs, but NOT with an underlying LMP based contract, as was stated in the original RFP.

Presently, the City plans to proceed as follows:

1 Commencing approximately Nov 1, 2023 (December 2023 Meter Read dates):

- a. Execute a fully fixed, full swing contract incorporating an “adder” including Capacity cost.

The rest of the section remains unchanged ‘From approximately December 2024 through May 2026’:

10. **Section 5.0 Pricing Sub-section e 1-e:** Product B: Structured Pricing and Product to Incorporate Behind the Meter Solar (Pages 12-13):

Revised language: Replace ‘shall’ with ‘may’ in the second sentence of this clause, due to the potential nature and timing of the solar installation at the Airport facility.

Airport load (Item #7- Table 6 ‘Solar Sites’) shall remain on fixed price, full swing product until approximately December 2025, at which time it may be included with a new shape or left on LMP until its Solar comes online.

QUESTIONS SUBMITTED BY PROPOSERS

1. [We] would like to request historical data from FE Ohio in relation to the Electricity Supply to City Owned/Operated Facilities RFP. 2. Given the number of accounts we’re looking for an efficient route to request the LOA from the City and historical data from FE Ohio. 3. Would the city be able to sign a master letter of authorization for release of the historical data for all of the accounts referenced in the RFP master list? Please let us know if you are aware of any processes that may already be in place to streamline access to this data.

A: The City of Cleveland issued a Letter of Authorization (LOA) request form from First Energy in the RFP as (Exhibit B) to be submitted to the City and returned to the Proposer with the City’s authorizing official signature. The LOA includes a general statement request to First Energy to release data information to multiple Illuminating and Ohio Edison accounts. We did not issue a master letter of authorization, in order to have transparency of proposers requesting data, and to meet First Energy’s requirements for data release.

2. Can you provide detailed output/shape for the planned solar developments?

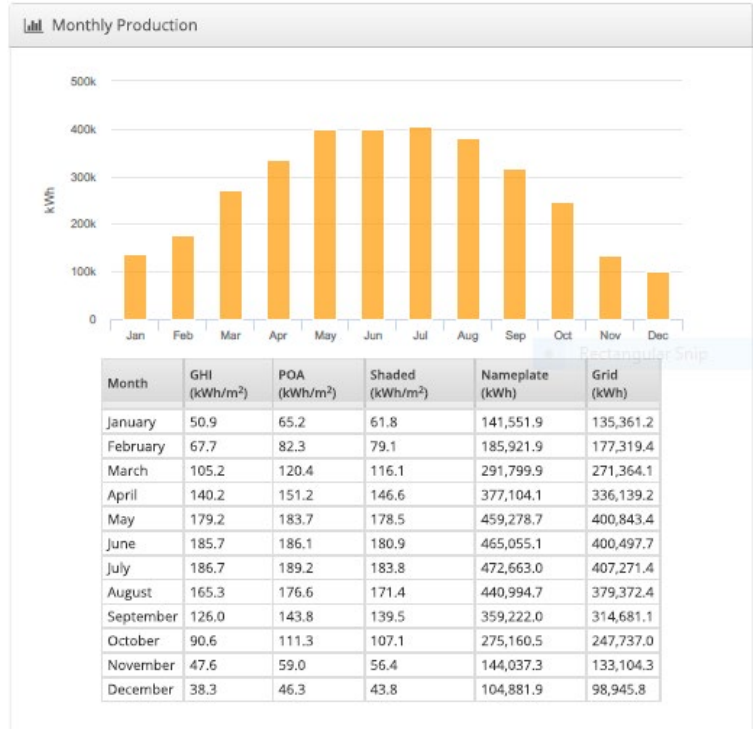
A: Please refer estimated monthly load shapes for the seven (7) planned solar developments. Please use this information only for a high-level understanding, while providing your



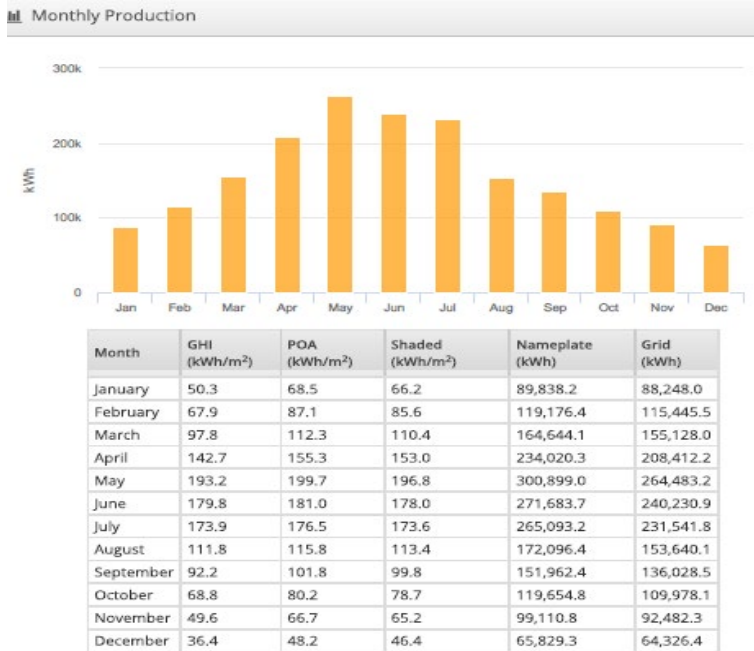
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75 Erievue Plaza, 1st Floor, Suite 115
Cleveland, OH 44114
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responses. The selected electricity supplier will be provided more accurate solar generation curves, depending on the status of the 'behind-the-meter' solar projects.

Crown Water Treatment: 955 Clague Rd, Westlake OH 44145



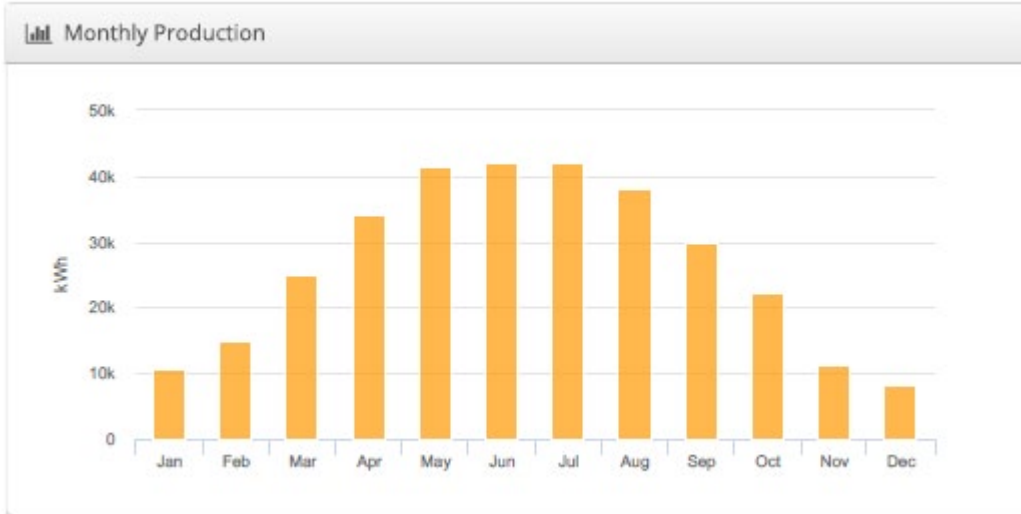
Green Road Pump Station: 4095 Green Rd, Beachwood OH 44122





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75 Erievue Plaza, 1st Floor, Suite 115
Cleveland, OH 44114
Phone: (216)664-2455
Email: Sustainability@clevelandohio.gov

Gunning Rec Center: 16750 Puritas Ave, Cleveland OH 44135



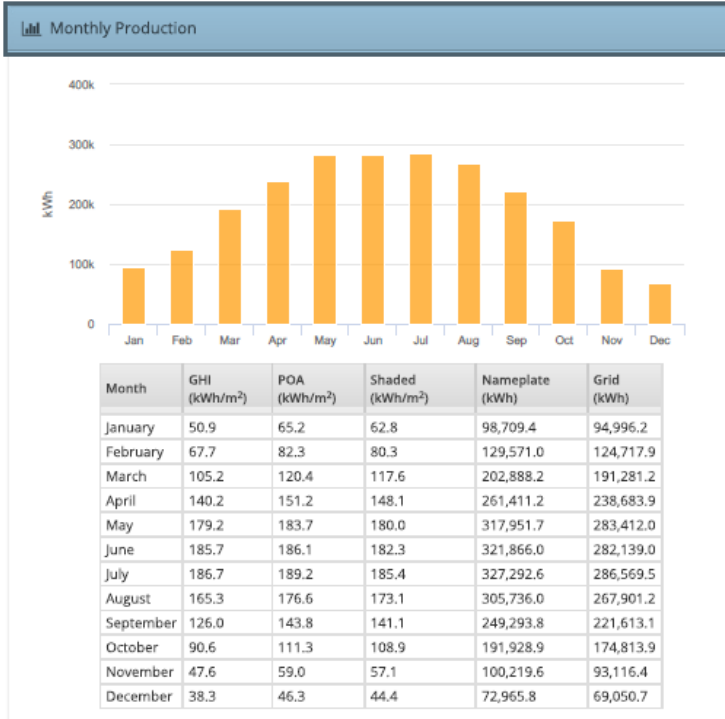
Harvard Yards Complex: 4150 E. 49th St, Cleveland OH 44105





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75 Erievue Plaza, 1st Floor, Suite 115
Cleveland, OH 44114
Phone: (216)664-2455
Email: Sustainability@clevelandohio.gov

Parma Pump Station: 5981 Deering Ave, Parma Heights OH 44130

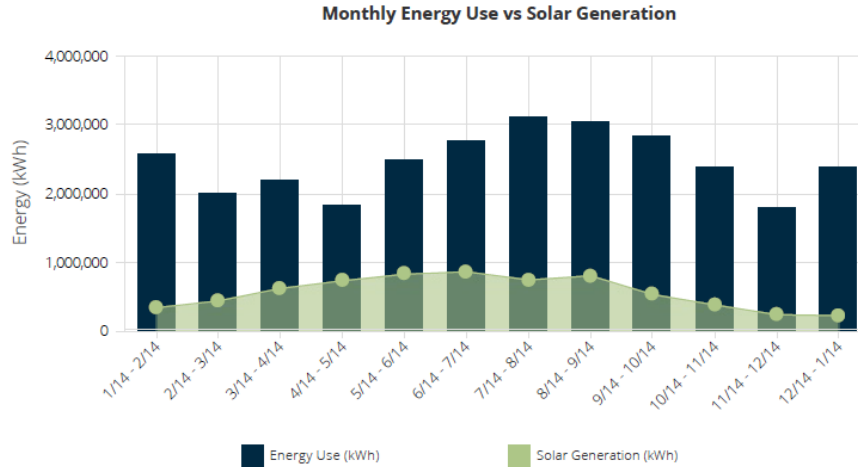


Pleasant Valley Pump Station: 5711 West Pleasant Valley Rd, Parma OH 44129





Cleveland Hopkins Airport: 5501 Rocky River Dr. (Hopkins), Cleveland, OH, US, 44135 - MS -1



3. Can you provide timelines of construction for the projects?
A: Approximately December 2024 for the 1st 6 sites referenced in Table 6 and approximately December 2025 for the 7th site – the Airport facility.

4. What is the probability of construction of each project?
A: We expect to have more certainty in Year 1 of the requested electricity supply term, viz. before November 2024.

5. On price bid sheet please define “electricity source %” column
A: Clarified. This column is intended for proposers to clarify the % renewables that are being sourced by default from their conventional power sources/generation mix, before accounting for RECs or additional physical renewable energy.
Revised Column header: Electricity Source (% Renewables - Default)
Please review REVISED SCHEDULE OF ITEMS PRICE FORM – PAGES 1 AND 2

6. Under Governing Law section of the RFP on p.18, it states that the Agreement is governed by “laws of the State of Ohio and the Charter and ordinances of the City.” Can we get clarification on the Charter and ordinances of the City? Usually, we just agree to be bound by state and Federal law.
A: This is typical for any contract entered into by the City with a selected vendor. The City’s Charter and ordinances can be found [here](#), if interested. We are also aware that State and Federal Law would govern certain aspects of the electricity supply.



7. Could we receive further clarification on the Northern Ireland form? We would appreciate general background information and scope of agreement.
A: The Northern Ireland Form is a City of Cleveland Procurement requirement, details can be found [here](#) pursuant to codified [ordinance sec. 181.36](#), the information requested on the form must be supplied by all contractors and any Subcontractors having more than fifty percent (50%) interest in the proposed contract prior to any contract being awarded by the City of Cleveland. Any Contractor or Subcontractor who is deemed to have made false statement shall be declared to have acted in default of its contract and shall be subject to the remedies for default contained in its contract. For failure to cure such a default, the Contractor of Subcontractor shall be automatically excluded from bidding for the supply of any goods or services for use by the City for a period of two years.
https://codelibrary.amlegal.com/codes/cleveland/latest/cleveland_oh/0-0-0-6009

8. Account 08050873985000350648 is an unmetered account; do you have another account number at this location that is metered?
A: Please include in the price proposal as best as possible. We are working with FirstEnergy to change the account status/classification, at the earliest.

9. Note; Account 08050873965001504434 Exists but is Not Active.
A: Please include in the price proposal as best as possible. We are working with FirstEnergy to re-activate this account at the earliest.

10. Is the 10% add/delete provision applied annually? In other words, the City may add/delete 10% of its annual load every year?
A: The 10% add/delete provision is expected to apply to the entire active agreement term/renewal term (either 1, 2 or 2 ½ years for the initial contract term).

11. Please confirm that the Renewable Energy Credits pricing is for RECs in addition to RPS compliance REC requirements.
A: That is correct. The RECs must be retired exclusively for the City of Cleveland.

12. Can changes in law and tariff changes be passed through?
A: Refer to revised RFP section as provided earlier, for what can and cannot be passed-through. [Section 5.0 Pricing: Sub-section d-2](#) under [Product Structure A-1: Flexible Power](#) (Page 11):
Revised language: The only pass-through charges, if any, will be regulatory pass through charges limited to FERC orders, PJM Emergency events, a change in Federal, State or Local law, Public Utilities Commission of Ohio (PUCO) issued orders, or unforeseen electric utility tariff revisions during the term of the proposed contract. The selected proposer as supplier shall provide a written and detailed description of such charges, as soon as the supplier is aware of the same. Please note the City is tax exempt from State and local sales, use, and excise taxes.



13. Historically, have any Airport of Water Supply Facility accounts dropped or been added?
A: Large Water Supply facilities (pumping stations for instance) have been added in the past, but this is infrequent, and with long lead times. There are several smaller accounts associated with AMRs (Automated Meter reads) associated with the Water system however, but with much smaller loads, that do get added and dropped periodically.

14. How long have the Airport and Water Supply Facility accounts been part of the RFP process?
A: To the best of our knowledge, the Airport and Water Supply Facilities have always had a CRES supplier since the electricity was deregulated in Ohio, be it selected through an RFP or an Invitation to Bid Process.

15. Are there any other entities/facilities that could join the RFP or will all adds be from the existing entities/facilities?
A: We are not collaborating with any external organization other than the City of Cleveland's approximately 420 FirstEnergy electric utility serviced accounts, for this RFP. Having said that, adds or deletes can occur with any new or existing facility (ies) in the City's portfolio that are serviced by the FirstEnergy electric utilities, during the term of the contract.

16. Can updates to PJM's RPM Capacity auction results be passed through?
A: Please refer specific Product Pricing sections in the main RFP and this Appendix #2 (Updates to RFP sections) for when and if Capacity is allowed to be passed through, including PJM's RPM Capacity auction results.

17. When does the city plan on making a final decision on the on-site solar installation?
A: We expect to have more certainty in Year 1 of the requested electricity supply term, viz. before November 2024.

18. Can the city provide a general load shape of what the on-site solar will look like? Will this be an evenly distributed impact across all accounts (excluding #7) listed in table 6?
A: Refer Load shapes for the on-site solar provided in an earlier response, including #7.

19. It was mentioned on the call (Pre-Proposal Mtg.) that the bidding supplier may get extra points for offering RECs other than just nationally sourced, and to provide the specific source. Is there a preferred region or location? Or is the city just interested in the site name and location that we purchase from?
A: Preference would be for RECs sourced from in-state (Ohio) or at a minimum, from within the PJM territory.

20. Under Product Pricing – Product B: Please confirm that during December 2024 – May 2026, only the sites with potential solar installation should be placed under an LMP and Capacity Pass-through pricing option, while the remaining accounts are to stay under fully fixed.
A: That is correct.



21. For billing the Accounts, does the City prefer to have Utility Consolidated Billing? If the City wants Dual Billing, where they receive a bill from the utility and one from the supplier, can the supplier provide a Summary Bill? This means provide one invoice with all of the charges on it, with an excel spreadsheet with each individual account number charges itemized and listed.

A: Utility consolidated billing is preferred. If the supplier provides summary bill for dual billing scenarios, then no – the

22. Will the City be using the Suppliers paperwork for the contract, will they be using their own paperwork, or a combination of the Suppliers and the City's paperwork? If the City will be using the Supplier's paperwork, will the City provide redlines on the supplier's paperwork?

**A: As stated in the RFP: "The City expects to enter into a supplier contract based upon and incorporating, to the greatest extent possible, the terms set forth in this RFP."
Therefore, it is most likely that the resultant contract would be a combination of the Supplier's and the City's paperwork.**

23. To confirm, the City does not want any paper copies of the proposal, they want only four (4) digital copies on flash drives or CD-ROMs? 17. Are there any specific reports the City looking for from the awarded supplier?

A: We do not prefer paper submissions for sustainability purposes of reducing physical paper usage. We prefer electronic submissions of flash drives or external protected share drives. Email is also considered acceptable, so long as the proposers accept liability for the timely and successful delivery of their proposals.

23. Will the City use a supplier's contract?

A: No. As stated in the RFP however, "The City expects to enter into a supplier contract based upon and incorporating, to the greatest extent possible, the terms set forth in this RFP."

24. It looks like Customer Number 08050873985000350648 is listed in First Energy's system as "Account Not Eligible", which basically means there is a block on the account, preventing us from accessing this account's historical usage. Unblocking this account requires the city to send an email request to First Energy (copied) requesting to unblock this account, allowing us to access the historical usage and potentially enroll it, if we would win the RFP with the city

A: Please include in the price proposal as best as possible. We are working with FirstEnergy to change the account status/classification, at the earliest.



PUBLISHED REVISED LONG-TERM ELECTRICITY RFP TIMELINE:

TIMELINE	SUMMARY
September 12, 2023 Tuesday	RFP Released
September 18, 2023 Monday 10AM EDT	Non- Mandatory Pre-Proposal Conference
September 20, 2023 Wednesday 5PM EDT	Deadline for Written Questions
September 29, 2023 Friday 5PM EDT	City publishes answers to all questions and issues final RFP Addenda
October 6, 2023 Friday 5PM EDT	Final Proposals Due
October 18, 2023 Wednesday 3PM EDT	(Estimated) Board of Control Meeting to approve vendor selection
November 3, 2023 Friday 5PM EDT	(Estimated) Full contract execution w/ final price, if refreshed price is different
Nov 10, 2023 Monday 3PM ET	Enrollment Deadline for December 2023 Meter Read Cycles
Nov 24, 2023 Friday 8AM ET	Electricity Supply Commences

CLARIFICATION ON THE DOWN-SELECTION PROCESS:

The top three proposals will be down-selected approximately October 11, 2023, for virtual presentations, followed by a request for price refresh by October 17-18, 2023, and then a final selection for recommendation of award. This process of down-selection may include request for additional clarifications and virtual presentations from the proposers.

PRE-PROPOSAL MEETING OVERVIEW

ATTENDEES:

Organization	Name
The City of Cleveland	Rich Barton, Operations Manager
The City of Cleveland – Cleveland Public Power	Chris Williams, Energy Procurement Manager
The City of Cleveland – Mayor's Office of Sustainability	Anand Natarajan, Assistant Director
The City of Cleveland – Airport	Elizabeth Lehman, Sustainability Coordinator
The City of Cleveland – Mayor's Office of Sustainability	Tim Kovach, Decarbonization Strategist
The City of Cleveland – Mayor's Office of Sustainability	Tikora Alexander, Project Coordinator



Mayor's Office of Sustainability
75 Erievue Plaza, 1st Floor, Suite 115
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Organization	Name
WGL Energy	Lynn Porrazzo
WGL Energy	Karen Piasecki
WGL Energy	Brianna Goodwin
Dynegy	Corey Hendricks
NextEra	Philip Grimes
(Unidentified)	Call-In User 3 (Unidentified)

Highlights –

Reviewed RFP Timeline (see above)

Reviewed RFP Components and Requirements

Equal Opportunity Subcontracting goals have been waived.

All Questions were asked to be submitted in writing by Wednesday September 20, 2023.

Anticipated Account Enrollment dates and details (meters & rate codes) (see RFP section p.6)

On-Site Solar Renewable Estimated Projections

Pricing considering behind-the-meter onsite solar

4-6 General Fund Water facilities estimated to begin December 2024

Airport solar is projected to begin December 2025 (estimation)

Be aware solar projects could drastically change in load volume, requesting flexibility

No participation from external Energy Supply Consultants

Pricing Matrix Review

- **Product A:** All-inclusive conventional power (100% full swing, load following, no Material Adverse Change proposals for electricity) - include pricing for 100% Green-e certified RECs. Separate premium for add/delete >10% of provided load
- **Product A-1:** Percentage of load locked, after determined time frame, City can lock the remaining percentage
- **Product B:** Structured Pricing and Product to incorporate solar (assumes solar)

Evaluation Components

RFP Submissions will be evaluated by the following categorized scoring totaling to 100pts.

Price	Similar Customer Competency	Product & Services Competency	Proposal Meets City's Needs	Ability to Provide Physical Renewable Supply	Financial Stability	Sustainability of Respondents; Own Operations	Total
35	5	5	35	5	10	5	100



City of Cleveland
Justin M. Bibb, Mayor

Mayor's Office of Sustainability
75 Erieview Plaza, 1st Floor, Suite 115
Cleveland, OH 44114
Phone: (216)664-2455
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Please acknowledge receipt of this Addendum No. 2 by signing and including this document with your RFP responses.

Signature of Proposer & Name of Company

Today's Date

Thank you

A handwritten signature in black ink that reads "Tikora Alexander".

Tikora Alexander
Project & Grant Administrator
Mayor's Office of Sustainability, City of Cleveland

2023 ELECTRICITY SUPPLY FOR CITY OF CLEVELAND FACILITIES

SCHEDULE OF ITEMS PRICE FORM – Page 1

Proposers Must Complete the Entire Form

Submitted By: _____

Company: _____

Firm Address: _____

City/State/Zip: _____

Email: _____

Telephone: _____

Signature: _____

Title: _____

Printed Name: _____

Date: _____

Year 1 (Dec 2023 – Nov 2024)

Product Offering		Year 1
Electricity Source (% Renewables - Default)	RECs (%)	Fixed Cost (Cents/kWh) – 100% Load
	100% (default)	
	50%	
	0%	
Proposer Defined Product		
_____ %	_____ %	

2023 ELECTRICITY SUPPLY FOR CITY OF CLEVELAND FACILITIES

SCHEDULE OF ITEMS PRICE FORM – Page 2

Year 2 (Dec 2024 – Nov 2025)

Product Offering		Year 2	
Electricity Source (% Renewables - Default)	RECs (%)	Fixed Cost for 80% Load Locked (Cents/kWh)	Fixed Cost for 100% Load Locked (Cents/kWh)
	100% (default)		
	50%		
	0%		
Proposer Defined Product			
_____ %	_____ %		

Year 3 (6 Months: Dec 2025 – May 2026)

Product Offering		Year 3	
Electricity Source (% Renewables - Default)	RECs (%)	Fixed Cost for 80% Load Locked (Cents/kWh)	Fixed Cost for 100% Load Locked (Cents/kWh)
	100% (default)		
	50%		
	0%		
Proposer Defined Product			
_____ %	_____ %		