

#GreenworksPHL



# GREENWORKS

A VISION FOR A SUSTAINABLE PHILADELPHIA

**City of Philadelphia Renewable Energy  
Power Purchasing RFP Pre-Proposal Meeting**

City Energy Office  
October 25, 2017



## 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/](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](mailto:Dominic.McGraw@phila.gov)



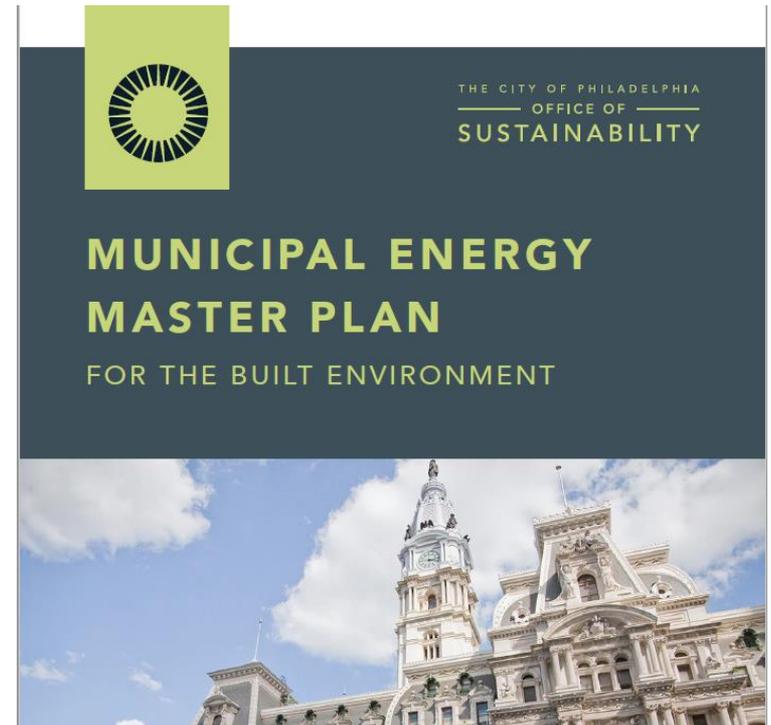


## Purpose

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



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## 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
  - Budget stability
  - Low costs
  - 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



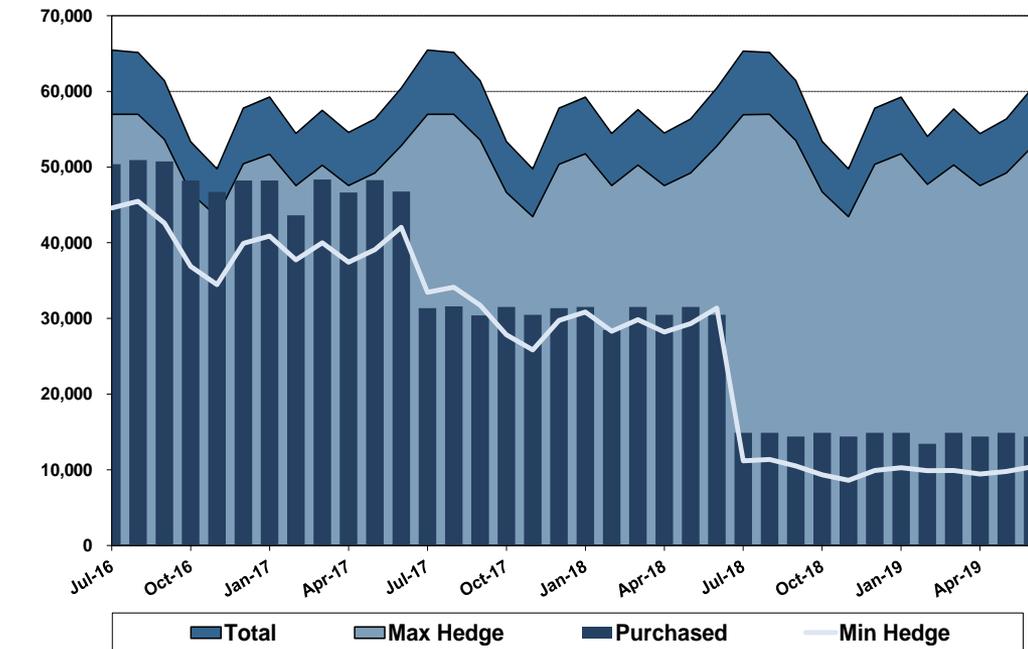


## City's Energy Purchasing Approach

- 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 Of Philadelphia Electric Hedge Status, 9/30/2016

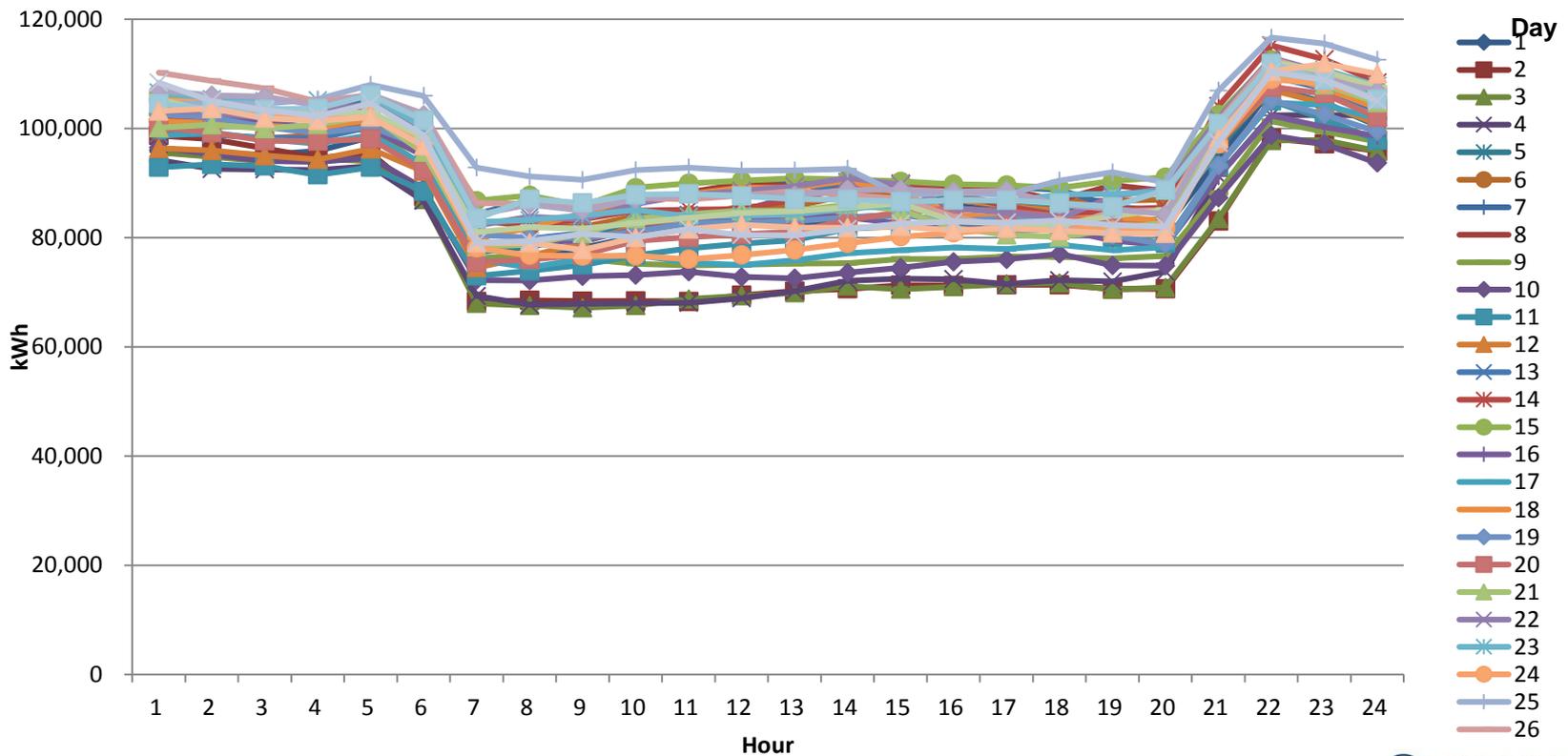
MWh Based on PJM Annual Usage of 695,500 MWhs





# City Load Profile - July

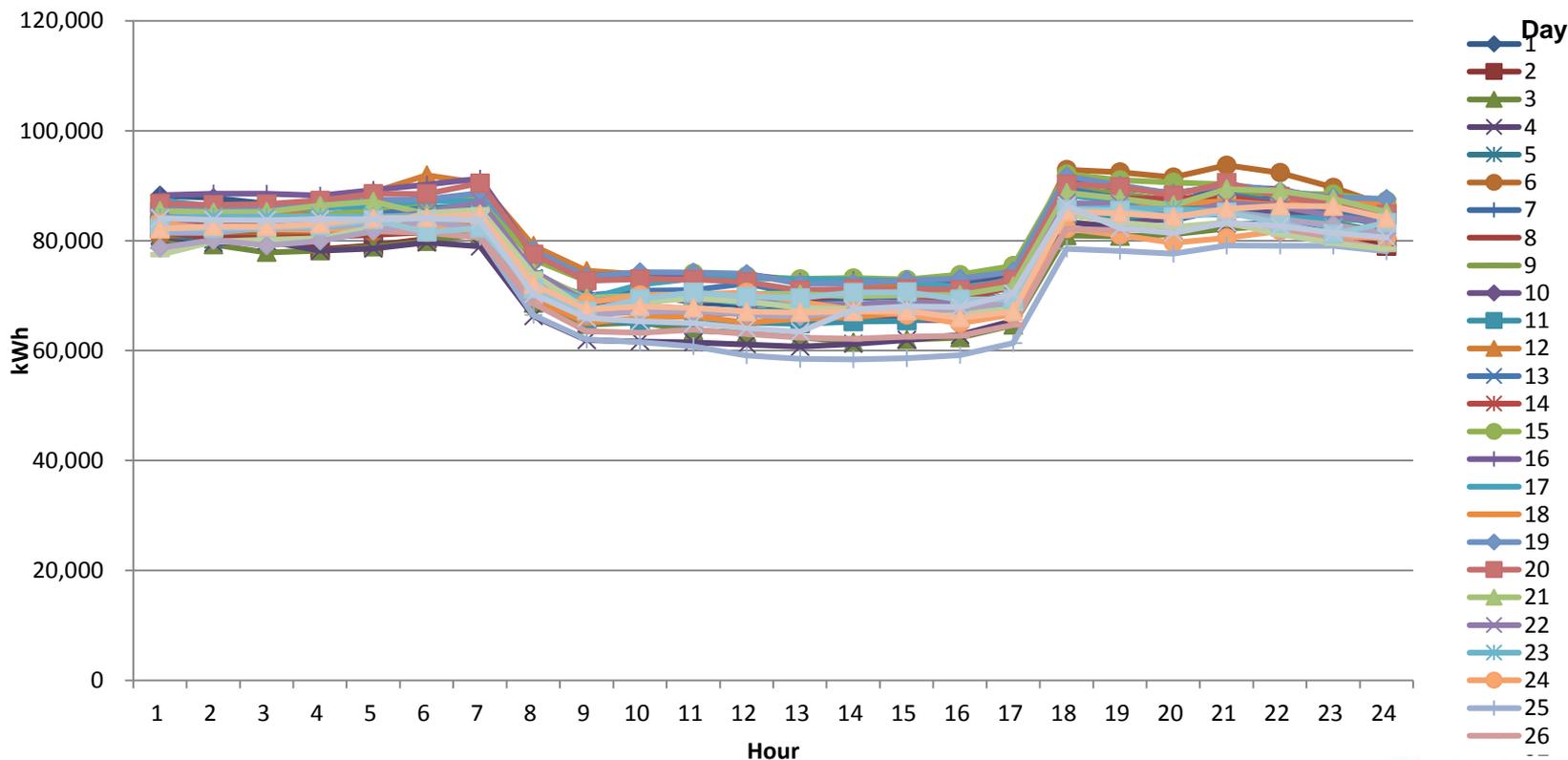
## City of Philadelphia, Daily Load Profile - Jul 2016





# 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.

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## Economic Opportunity Plan

- Joseph Weney, [Joseph.Weney@Phila.gov](mailto: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.

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## 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](mailto:energy@phila.gov) by November 1, 2017
- For participants on the phone, send immediate questions to [Dominic.McGraw@phila.gov](mailto:Dominic.McGraw@phila.gov)

