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Bulk Energy Storage RFP 2024

CENTRAL HUDSON GAS & ELECTRIC (“CHGE”) REQUEST FOR PROPOSAL (“RFP”) INDUSTRY FEEDBACK & RESPONSE

GENERAL QUESTIONS: (starting on 6/10/2024)

Q1) Can Central Hudson clarify what an approved bidder is?

A1) An approved bidder is an organization that satisfies the qualification criteria described in the RFP Section 2.2. All bidders must meet the qualification requirements to be eligible to submit formal Round 1 Offers. Bidders must submit all required qualification materials by July 8, 2024, and Central Hudson will review materials for completeness and inform the Bidders of their eligibility to submit Round 1 Offer. See CHGE Bulk Energy Storage RFP-2024 (sections 2.2, 4.1 and 4.2), Appendix A, Appendix C5, and Appendix C7 for more details.

APPENDIX E – Preferred Locations

Q2) Is the minimum size greater than 5 MW for the RFP only with 5.5 MW limited to the Saugerties Substation area, or is 5.5 MW for both the RFP & the Saugerties Substation area?

A2) The minimum size of greater than 5.0 MW (e.g., 5.1 MW) is applicable across the entire Central Hudson territory for the RFP, including the Saugerties Substation area; the suggested minimum size of 5.5 MW is specific to the Saugerties Substation area.

Q3) Is the maximum size 10 MW or 12 MW?

A3) There is no maximum dispatchable capacity requirement for an energy storage project submitted in response to this RFP; the 12 MW maximum size for the Saugerties Substation area is a suggestion based on the present infrastructure.

Q4) Is the maximum size of 12 MW only for the Saugerties Substation area?

A4) Please refer to the response provided in A3 above.

GENERAL QUESTIONS

Q5) Does Central Hudson have Appendix D2 in MS Word for modifications to the document from Bidder?

A5) Yes, Central Hudson can post a version of the document in Microsoft Word format for developer convenience.

Q6) Is Central Hudson open to redline changes to Appendix D1 (“ESSA”)?

A6) Central Hudson’s intent is that developers will accept the ESSA terms and conditions as presented. Central Hudson will post a version of the document in Microsoft Word format for developer convenience.

Q7) Does Central Hudson have Appendix A in MS Word for Bidder to Fill in and then submit in PDF format?

A7) Yes, Central Hudson can post a version of the document in Microsoft Word format for developer convenience.

Q8) Does CHGE have Appendix C7 in MS Word for Bidder to Fill in and then submit in PDF format?

A8) Yes, Central Hudson can post a version of the document in Microsoft Word format for developer convenience.

Q9) The RFP states a minimum Battery Energy Storage System (“BESS”) size of 10 MW in total (greater than 5.0 MW for each location). What is the maximum BESS project size CHGE is willing to contract for over a 5 year, 10 year or 15 year term?

A9) There is no maximum dispatchable capacity requirement for an energy storage project submitted in response to this RFP.

Q10) Does a Bidder’s BESS project have to be physically located in the Preferred Locations (Appendix E)?

A10) No, Central Hudson is receptive to considering BESS project interconnections located anywhere within the Central Hudson electric system for siting the energy storage project.

Q11) Does Central Hudson have an interest in procuring bulk storage projects that are of larger sizes (greater than or equal to 90 MW) and interconnected at transmission level voltages (greater than or equal to 69 kV)?

A11) Central Hudson will evaluate all Offers, regardless of size or interconnection voltage level, from qualified Developers that meet the operational criteria described in the RFP. Larger energy storage units may be more difficult or more expensive to site due to Central Hudson electric system limitations.

Q12) Is an option to lease document sufficient for providing evidence of site control in Round 1? Or are the only acceptable forms of site control a binding letter of intent or option to purchase?

A12) The minimum threshold of site control should be a binding letter of intent or an option to purchase document; an option to lease document can be sufficient for Round 1 Offer evaluation.

Q13) Does a bidder who had successfully prequalified in a prior year's CHGE Bulk Energy Storage RFP still need to re-submit the Pre-Qualification documents and appendices for this 2024 CHGE Bulk Energy Storage RFP?

A13) All interested bidders need to submit Pre-Qualification documents and appendices for this 2024 CHGE Bulk Energy Storage RFP even if a bidder had successfully prequalified in a prior year's CHGE Bulk Energy Storage RFP, because a bidder's company financial situation, personnel composition, etc. may have changed over the past several years.

Q14) Appendix F (the NYSERDA Sample Agreement) states that projects must achieve Commercial Operation by December 31, 2025 (Article 3.1). If selected in the Central Hudson RFP, will this date be adjusted to align with the RFP (December 31, 2028) in the NYSERDA Agreement?

A14) Yes, if a bidder is awarded a Dispatch Rights contract as a result of this Central Hudson RFP, the NYSERDA Agreement's Commercial Operation Date ("COD") will be changed to match the COD in Central Hudson ESSA (Appendix D1) based on the bidder's proposed COD.

Q15) In Appendix C7, the Team Members that have to be selected and listed at time of Qualification submission are Bidder, Developer, Long-Term Owner, Parent Company, and Credit Support Provider. Under "Bidding Team Experience", should only the tables that are relevant to the Team Members listed above be filled out? For example, is it necessary to fill out Table 3 under "Bidding Team Experience", if the Integrator does not have to be selected and listed at time of Qualification submission?

A15) It is necessary to fill out only the 'Bidding Team Experience' tables relevant to the stage of the RFP. More specifically, the 'Bidding Team Experience' tables must be completed for 'Bidding Team Overview' Team Members that are required for Qualification, Round 1 Offer, or Round 2 Offer, respectively. If a 'Bidding Team Overview' Team Member does not need to be selected for a particular stage of the RFP, then the 'Bidding Team Experience' table(s) do not need to be completed as part of that RFP stage submittal.

Q16) Is there a specific deadline for any additional questions to be submitted? We do not see that date anywhere on the website or RFP documents.

A16) No, there is not a specific deadline for any additional questions to be submitted. This Q&A Document will be updated periodically to publicly post all Questions received from interested bidders and CHGE Answers to those corresponding questions. Please check CHGE website periodically for updates to this Q&A Document and to the status of other RFP Documents.

Q17) Considering that an express feeder will be required to serve the proposed Battery Energy Storage System (“BESS”), will CHGE consider one Point Of Interconnection (“POI”) on the electric distribution system for a 10+ to 12 MW BESS?

A17) Yes, CHGE will consider one POI at the electric distribution substation level for a single 10 MW or 12 MW BESS.

Q18) There is an expectation of 5 Cycles per day. Can CHGE provide clarity on that requirement and for what market service? How often is that expected to occur annually?

A18) The RFP indicates a maximum of 5 Cycles per day is possible; it is not an expectation of the RFP. The RFP also indicates at least 300 Cycles per year. The number of Cycles per day will depend on wholesale market conditions and the economic selection or decision to discharge/charge in the New York Independent System Operator (“NYISO”) electric energy market. The number of times that 5 Cycles in one dispatch day occurs annually (in a calendar year) will depend on wholesale market conditions.

Q19) The requirement for 100% state of charge at most or the time is challenging for Li Ion technology. Is that a firm requirement as it is also challenging for charging and efficient Battery Energy Storage System (“BESS”) operation.

A19) The RFP requests the Energy Storage facility maintain a state of charge during most of the hours in the year at a level that allows for the Energy Storage facility to be ready to discharge at rated Dispatchable Capacity for at least one (1) hour. This state of charge requirement is meant to allow for the participation in the New York Independent System Operator (“NYISO”) 10-minute spinning reserve ancillary service market. Furthermore, the Energy Storage facility would maintain 100% state of charge during the majority of the hours in the year in order to maximize wholesale market revenues, which includes complying with NYISO electric capacity market rules.

Q20) Is CHGE open to non-Li Ion technologies for this RFP? If so, what stage of maturity or commercialization would be required?

A20) Yes, CHGE’s RFP for Energy Storage is open to non-Li Ion technologies; the RFP is technology agnostic as long as the storage technology can meet or exceed the requirements specified in the RFP. Any offered technology must have proof of demonstrated commercialization in a wholesale market situation.

Q21) Can CHGE please provide a cost estimate for the Central Hudson Feasibility Study fee? Please note that a dedicated/express feeder may be required for the Battery Energy Storage System (“BESS”) interconnection.

A21) An Energy Storage projects’ Feasibility Study fee will depend on the size and interconnection location on the CHGE electric Transmission & Distribution (“T&D”) system. Therefore, it is difficult to estimate the study fee before the project concept is outlined in the Round 1 Offer.

Q22) Will the Central Hudson Feasibility Study provide an Energy Resource Interconnection Service (“ERIS”) equivalent value for participation in the New York Independent System Operator (“NYISO”) Energy Market? Will additional CHGE studies be required to obtain ERIS?

A22) Central Hudson’s feasibility study will indicate NYISO wholesale energy market ERIS (and Capacity Resource Interconnection Service (“CRIS”)) equivalent values for non-FERC jurisdictional interconnection locations. No additional Central Hudson studies will be required to obtain ERIS (or CRIS) values when the interconnection studies are completed as part of the NYISO Interconnection process for FER jurisdictional interconnection locations.

Q23) Will CHGE need to know both Energy Resource Interconnection Service (“ERIS”) and Capacity Resource Interconnection Service (“CRIS”) interconnection costs? Do both interconnection services need to be requested with NYISO via an interconnection application submission to NYISO?

A23) CHGE expects a Developer’s Offer to include all anticipated project costs; the ERIS/CRIS interconnection study costs are one component of the interconnection cost break-out. No, both interconnection services (CRIS and ERIS) do not need to be requested with the NYISO. However, the Developer must be clear in their Offer package to indicate if ERIS only or ERIS and CRIS will be requested by the Developer from the NYISO as CHGE’s economic evaluation will be based on the project’s interconnection capability at the Point Of Interconnection (“POI”).

Q24) How will CHGE address developer's risk in undergoing the New York Independent System Operator (“NYISO”) interconnection process? The NYISO interconnection process (updated for FERC Order 2023) requires study and commercial readiness deposits which could be at risk due to withdrawal penalties.

A24) The most current NYISO Interconnection Process at the time of Offer must be incorporated into the Developer’s Offer price and Project Schedule. CHGE will assess the economic feasibility and project schedule feasibility when CHGE evaluates the project(s) offered by a Developer.

Q25) Can CHGE please provide more guidance regarding material modifications, including which modifications would be deemed "material" and "non-material"? The New York Independent System Operator (“NYISO”) interconnection process does not allow modifications during the cluster study, and we are curious what modifications CHGE will allow and at what stage.

A25) A “material” modification to an Offer includes items such as, but not limited to, a change from Round 1 bid to Round 2 bid in Offer price that exceeds the limit described in the RFP, a change in technology, a change in

Point Of interconnection (“POI”) on CHGE’s electric Transmission & Distribution (“T&D”) system, a change in the rated Dispatchable Capacity, a change in the Storage Duration, and a change in the property for construction; this is not an all-encompassing list. CHGE respects the NYISO interconnection process and will not allow any modification to a project that is not allowed by the NYISO process.

Q26) Please provide clarification on whether Appendix C5 (Financial and Credit Info) is a part of Qualification or Round 1?

A26) The information requested in Appendix C5 is necessary for the Qualification phase of the RFP. It is anticipated that responses to Appendix C5 will be refreshed in the Round 1 and Round 2 offer packages as additional information becomes available.