

Central Hudson Gas and Electric

# Request for Proposals

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## Bulk Energy Storage Scheduling and Dispatch Rights

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**FINAL VERSION**

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## Bulk Energy Storage Scheduling and Dispatch Rights Request for Proposals

# 1 General Information

## 1.1 Introduction

Central Hudson Gas and Electric Corporation (“CHGE”) is issuing this Request for Proposal (herein referred to as the “RFP”) to solicit Offers (“Offers”) from developers (“Bidders”, each a “Bidder”) for the offering described herein, which requires scheduling and dispatch rights for new front-of-the-meter (“FTM”) energy storage resources.<sup>1</sup> These offerings are described further in Section 2, and further explained in the Appendices to this document.

CHGE is administering this RFP to meet the requirements of Case 18-E-0130, *In the Matter of Energy Storage Deployment Program*, the *Order Establishing Energy Storage Goal and Deployment Policy* (“Storage Order”), the *Order Directing Modifications to Energy Storage Solicitations* (“Storage Order Modifications”), and the *Order Directing Further Modifications to Energy Storage Solicitations* (“Storage Order Further Modifications”); combined, the “Storage Orders”.<sup>2</sup> In its decision, the New York State Public Service Commission (“Commission”) ordered all New York State electric utilities, including CHGE, to procure a total of at least 10 MW of energy storage dispatch rights Agreements for up to a 15-year term, so long as awarded Offers do not exceed a Utility-Defined Procurement Ceiling.<sup>3</sup> The Project(s)<sup>4,5</sup> must be operational by December 31, 2028 and are eligible for a New York State Energy Research and Development Authority (“NYSERDA”) Market Acceleration Bulk Incentive (“MABI”).

To receive the NYSERDA MABI, each project that is successful through Round 2 of the utility evaluation process must enter into an agreement directly with NYSERDA (“MABI Agreement”) in addition to executing an Energy Storage Services Agreement (“ESSA”) with CHGE.<sup>5</sup> NYSERDA will administer and pay the MABI, which is separate from any payment that successful Bidder(s) may receive from CHGE. Payment structure and timing will be aligned between the MABI Agreement and CHGE ESSA. The MABI Agreement is included as Appendix F.

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<sup>1</sup> Front-of-the-meter resources are those directly interconnected on the electric distribution or transmission networks or in connection with an electric generation asset.

<sup>2</sup> Case 18-E-0130 - *In the Matter of Energy Storage Deployment Program*, the *Order Establishing Energy Storage Goal and Deployment Policy* (“Storage Order”) issued and effective December 13, 2018, the *Order Directing Modifications to Energy Storage Solicitations* (“Storage Order Modifications”) issued and effective April 16, 2021, and the *Order Directing Further Modifications to Energy Storage Solicitations* (“Storage Order Further Modifications”) issued and effective March 16, 2023.

<sup>3</sup> The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, CHGE may procure more or less than the targeted MW amount in the Storage Order.

<sup>4</sup> As defined in the Energy Storage Services Agreement (“ESSA”) (Appendix D1).

<sup>5</sup> For more information from NYSERDA: (<https://www.nysesda.ny.gov/All-Programs/Energy-Storage-Program/Developers-and-Contractors/Bulk-Storage-Incentives>) Participation in the utility procurements precludes a Projects eligibility for the NYSERDA Bulk Energy Storage Incentive Program (PON 4139).

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Definitions for capitalized terms can be found in Exhibit A of the CHGE ESSA. Bidders must adhere to definitions used herein.

Unless stated otherwise, any references to Articles, Sections, or Appendices are to Articles, Sections, or Appendices contained in these RFP Instructions.

All clock times specified throughout these RFP instructions are in Eastern Prevailing Time (“EPT”).

## 1.2 Schedule and Process

CHGE’s expected RFP schedule is as follows:

<b>Step</b>	<b>Action</b>	<b>Date</b>
<b>1</b>	CHGE posts RFP and Contract documents	<b>June 10, 2024</b>
<b>2</b>	Interested Bidders submit qualification data as a prerequisite to submitting a Round 1 bid proposal	<b>July 8, 2024</b>
<b>3</b>	CHGE notifies prospective Bidders of their qualification status	<b>August 6, 2024</b>
<b>4</b>	Approved qualified Bidders submit bid proposals for Round 1 review	<b>September 9, 2024</b>
<b>5</b>	Round 1 bid review complete	<b>November 18, 2024</b>
<b>6</b>	Round 1 Bidders notified	<b>November 25, 2024</b>
<b>7</b>	Selected Round 1 Bidders submit detailed bid proposals for Round 2 review	<b>February 18, 2025</b>
<b>8</b>	Round 2 bid review complete	<b>May 9, 2025</b>
<b>9</b>	Round 2 Bidders notified	<b>May 15, 2025</b>
<b>10</b>	Contract signing with successful Round 2 Bidder(s)	<b>May 2025 - October 2025</b>

### Round 1 versus Round 2 Offers

The intent of using a 2-round approach is to provide a more streamlined and administratively manageable approach to the RFP process for all participants. The focus of Round 1 will be more heavily weighted toward the financial aspects of the offers (e.g., project costs and credit worthiness of developer) and energy storage technology with higher-level review of information relating to the project development experience, interconnection viability, site location, subcontractor credentials, and project schedule. For Round 1 Bidders selected by CHGE to participate in Round 2, Round 2 will encompass refinements to the financial aspects and energy storage technology for the projects and require more detailed information of the interconnection costs, developer subcontractor’s financial and project experience depth, demonstrated site control, and an achievable project schedule.

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CHGE, in its sole discretion, may amend the RFP schedule and/or documentation at any time and for any reason. CHGE will endeavor to notify Bidders of any changes to the RFP and will not be liable for any costs or inconvenience incurred by Bidders or any party due to a change or for failing to provide notice of any change. Changes to the RFP will be posted on the RFP website.<sup>6</sup>

## 2 CHGE RFP: Eligibility and Requirements

### 2.1 RFP Overview

Per the Storage Orders, CHGE seeks Offers to procure the dispatch rights of at least 10 MWs<sup>7</sup> of qualified energy storage systems. CHGE will consider Offers exclusively for energy storage projects connected to CHGE's electric transmission or distribution system that are capable of individual, direct participation in the New York Independent System Operator ("NYISO") Markets<sup>8</sup>. Before an energy storage system may be considered in response to this RFP, it must be capable of acting as a stand-alone asset, regardless of whether it is co-located with an electric generation asset.

CHGE has one preferred location identified within its electric service territory (Appendix E). Bidders are not required to submit bid proposals for this one preferred location if there are other locations within CHGE electric service territory that are of more interest to the bidders.

Projects that may not participate in this RFP include:

1. Energy storage systems that have an executed interconnection agreement prior to December 13, 2018, the date of the Storage Order.
2. Any project with a Commercial Operation Date ("COD") prior to the execution of an ESSA with CHGE.

Successful Round 2 Bidders that are selected by CHGE must enter into an ESSA with CHGE for a term of up to fifteen years.<sup>9</sup> Throughout the ESSA term, CHGE will be assigned as the energy storage facilities' Energy Manager and will be granted the sole right and responsibility to bid and schedule the energy storage asset into the NYISO Markets. Successful Round 2 Bidders must be (or become) an active NYISO Market Participant prior to the signing of the ESSA with CHGE,<sup>10</sup> provide all information and support

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<sup>6</sup> RFP website: <https://www.cenhud.com/about-us/projects/bulk-energy-storage-rfp-2024/>

<sup>7</sup> The Offer prices received will dictate the total MWs procured given the availability and limitations on available funding. As such, CHGE may procure more or less than the targeted MW amount in the Commission Order.

<sup>8</sup> As defined in the ESSA (Appendix D1).

<sup>9</sup> Bidders may propose terms up to and including fifteen years per the Commission's Storage Orders.

<sup>10</sup> A successful Round 2 Bidder must be an active NYISO Market Participant, retain operational control of the asset, and is responsible for receiving real time dispatch signals/instructions from NYISO Market during the ESSA term. CHGE will be responsible for asset bidding, scheduling, and NYISO settlements during the ESSA term.

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necessary to successfully complete the energy storage asset registration in the NYISO Markets and comply with all NYISO and Federal Energy Regulatory Commission (“FERC”) requirements. Successful Round 2 Bidders must also provide the necessary staffing, secure communications, metering, and telemetry required to participate in the NYISO Markets for Products as defined in the ESSA.<sup>11</sup> Developers will retain ownership of the energy storage Project and will be required to maintain the system in a manner that meets or exceeds requirements specified in the ESSA. Developers must also operate the energy storage asset in accordance with the schedules set and communicated by CHGE and/or the NYISO. See Section 2.5, the Appendices to the RFP, and the ESSA for additional details.

Throughout the ESSA term, CHGE will have the sole right and responsibility to bid and schedule the energy storage asset into the NYISO Markets.<sup>12</sup> CHGE will receive all wholesale market revenues via standard NYISO billing mechanisms and pay any NYISO-related wholesale market charges. Developers are responsible for enabling and maintaining service for both Station Use<sup>13</sup> and energy storage charging, including all delivery costs which may reflect standby and buyback charges to the extent applicable based on the Interconnection Point and operating parameters.<sup>14</sup> The developer must pay all distribution and supply costs for Station Use and for Distribution Charging Energy Costs,<sup>15</sup> – which must be included in the determination of the Offer. CHGE will directly pay wholesale Supply Charging Energy Costs.<sup>16</sup>

At the end of the ESSA term, scheduling and dispatch rights will revert to the developer for the remainder of the energy storage asset’s useful life. CHGE and the developer will notify the NYISO of the scheduling and dispatch rights transfer with enough lead time to effectuate the change simultaneous with the end of the ESSA term.

Bidders are expected to review the instructions in this RFP and its Appendices, as well as review the RFP specific clarifications and responses in any posted RFP Questions & Answers (“Q&A”), to design Offers that meet or exceed all requirements. To the extent there are any discrepancies between the RFP or

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<sup>11</sup> As defined in the ESSA (Appendix D1).

<sup>12</sup> CHGE intends to provide charging and discharging schedule to the contracted energy storage project operator(s) by 3 PM [EPT] on the Calendar Day prior to the Operating Day via email. Within the Operating Day, any changes to the energy storage asset schedule in the NYISO Real Time Market (“RTM”) will be communicated through dispatch signals originating from the NYISO. The energy storage assets are expected to have Automatic Generation Control (“AGC”) capability and the appropriate secure communications telemetry to enable it to follow NYISO base points and qualify for NYISO wholesale market capacity, energy, and ancillary service products. Lead time for dispatch signals will be based on NYISO schedule for operating reserve and RTM energy. Energy storage assets are expected to install secure telemetry, revenue quality metering, and communications that meet the NYISO and CHGE requirements to enable RTM dispatch.

<sup>13</sup> As defined in the ESSA (Appendix D1).

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

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Appendices and any RFP Q&A, then the RFP and Appendices supersede and govern.<sup>17</sup> Bidders will submit all required documentation of Offers as articulated in this RFP and its Appendices. Offers will be evaluated based on the quantitative and qualitative criteria described in Section 3.

All costs attributable to the Bidder for the proposed Project, prior to the proposed Project's Commercial Operation Date ("COD")<sup>18</sup> and throughout the ESSA term, must be considered in the Offer Price. It is strongly recommended that Bidders consider the value of market participation and all potential revenue sources for the energy storage Project in the post-ESSA term when determining an Offer Price.

The successful Bidder with a fully executed ESSA will receive payments from CHGE and NYSERDA reflecting the Offer Price.<sup>19</sup>

Payment terms, structure and milestones are described in detail in the CHGE ESSA (Appendix D1) and MABI Agreement (Appendix F).

### 2.2 Bidder Qualification

All Bidders must meet the qualification requirements to be eligible to submit formal Round 1 Offers. The intent of Bidder requirements is to ensure time is allocated to reviewing well-developed Offers that have the best opportunity to meet the In-Service Deadline of December 31, 2028.

Bidders must submit all required qualification materials by the specified due date. CHGE will review materials for completeness and inform Bidders of their eligibility to submit a Round 1 Offer. See Appendix A and Appendix C7 for more detail. One qualification submission will suffice for CHGE's consideration. To be approved to submit a Round 1 Offer, Bidders must, at minimum:

1. Demonstrate experience deploying the proposed commercialized energy storage technology at scale with Dispatchable Capacity of at least 2 MW in a single project in an expeditious manner.
2. Provide at least three years of Audited Financial Statements.<sup>20</sup> For purposes of confidentiality, CHGE will sign and return a completed Confidentiality and Non-Disclosure Agreement from the Bidder, which can be found in Appendix D2.
3. Provide a written certification that all RFP requirements have been reviewed, are understood, and will be complied for each Offer provided. Failure to meet all RFP requirements may result in

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<sup>17</sup> Please note there may be instances of additional changes and/or clarifications made in the RFP and Appendices that are not fully aligned with or differ from the responses provided in any posted Q&A. The Q&A will be updated to account for these.

<sup>18</sup> As defined in the ESSA (Appendix D1).

<sup>19</sup> The Offer Price will be provided via two separate payments from CHGE and NYSERDA. The two payments will equal the Offer price. The split between the two will be provided during the contracting phase.

<sup>20</sup> As defined in the ESSA (Appendix D1).



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automatic Offer rejection. Electronic certification can be achieved using the “Bidder Information” tab in Appendix B if desired.

4. Complete the Qualification Questionnaire (Appendix A).
5. Complete the Bidding Team Info (Appendix C7).

CHGE will evaluate Bidder’s submitted Qualification Questionnaires and Bidding Team Info for completeness and adherence to minimum requirements to determine if Bidders will be approved to submit Offers.

### 2.3 Minimum Size Requirements

Proposed energy storage Projects must be greater than 5.0 MW of Dispatchable Capacity<sup>21</sup> at each location (i.e., not the result of aggregated smaller projects at different sites/locations), interconnected electrically within CHGE’s electric service territory and separately metered from any other electric load or electric generation at the site. Energy storage systems of exactly 5.0 MW of Dispatchable Capacity or less, existing energy storage systems, and/or new energy storage systems eligible for Value Stack compensation are ineligible to participate in this RFP.

### 2.4 Site Control

Bidders who demonstrate site ownership or site control for each of the Projects proposed for electric interconnection within CHGE’s electric service territory will receive priority in the bid evaluation process. Site control must be demonstrated and detailed as described in Appendix C1.

### 2.5 Technical Requirements

#### 2.5.1 System and Operational Requirements

Bidder may assume the following usage profile for purposes of energy storage system specification, which reflect the most likely range of system usage by CHGE over the ESSA term:<sup>22</sup>

- Energy storage system must be greater than 5.0 MW of Dispatchable Capacity at each location.

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<sup>21</sup> “Dispatchable Capacity” means the MWs that can be continuously dispatched by the energy storage system as defined in the ESSA (Appendix D1).

<sup>22</sup> Operational parameters shown here are offered to Bidders for purposes of technical system design-only. These parameters are separate and distinct from commercial performance requirements described in the ESSA (Appendix D1).

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- At least 2 hours of Storage Duration<sup>23</sup>. Energy storage systems with longer Storage Duration are preferred (e.g., 4, 6, 8 or more hours).
- Preferred capability to operate up to 5 Cycles per Calendar Day and at least 300 Cycles per year.<sup>24, 25</sup>
- $(\text{Discharge Throughput}) = (\text{Dispatchable Capacity}) * (\text{Storage Duration}) * (\text{number of Cycles})$

For example, for a 10 MW, 4-hour energy storage system, with 300 Cycles per year capability, the Discharge Throughput<sup>26</sup> is 12,000 MWH per year (10 MW \* 4 hours \* 300 Cycles/year).

- Maximum Discharge Throughput in MWH per year (not Cycles per year) will be used by CHGE as one of the limiting criteria used to operate the energy storage system and must be maintained by the developer through the ESSA term. In Section 3.1 (Offer Evaluation Criteria - Quantitative Factors), higher maximum Discharge Throughput provided by the Bidder could yield higher Net Market Value for the Bidder's Offers.
- Must demonstrate a minimum Round-Trip Efficiency ("RTE")<sup>27</sup> of 70% or higher.
- For the average state of charge<sup>28</sup> which will depend on the Storage Duration offered by the Bidders, the most likely range of energy storage system operation would be to have at least 1 hour of electric energy generation capability at rated Dispatchable Capacity available during most of the hours in the year and to have the energy storage system at approximately 100% state of charge during the majority of the hours in the year in order to maximize wholesale market revenues.

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<sup>23</sup> Storage Duration means the number of continuous hours of electric energy generation (i.e., discharge) capability of an energy storage system at rated Dispatchable Capacity.

<sup>24</sup> Cycle means the sequence of injecting electric energy into an energy storage system (i.e., charge), then withdrawing electric energy from an energy storage system (i.e., discharge, generate), where one Cycle is the charge and discharge of an energy storage system's total Dispatchable Capacity.

<sup>25</sup> Expected actual daily usage could be as low as zero Cycles or as high as 5 Cycles per Calendar Day for an energy storage system with as few as 2-hour Storage Duration for example.

<sup>26</sup> Discharge Throughput means the energy storage system's total electric energy generation (i.e., discharge) capability in MWH over a specified time period.

<sup>27</sup> Round-Trip Efficiency ("RTE") means the maximum total amount of discharged Energy which can be delivered from the energy storage system to the Energy Delivery Point (measured in MWH) divided by the maximum total amount of charging Energy needed to fully charge the energy storage system (measured in MWH) expressed as a percentage, which ratio shall be measured as shown in Exhibit C "Storage Rating Tests" of the ESSA (Appendix D1).

<sup>28</sup> Average state of charge is defined as ratio of average stored energy capacity available throughout ESSA term divided by total useable energy storage capacity at 100% state of charge.

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All proposed Projects must meet the following requirements over the ESSA term. The methodologies and definitions for each requirement are detailed in the ESSA (Appendix D1):

- Must maintain a Dispatchable Capacity rating at least equal to the Offer's Guaranteed Dispatchable Capacity over the ESSA term.
- Must maintain the Storage Duration at least equal to the Offer's Guaranteed minimum Storage Duration over the ESSA term.
- Must provide a maximum Discharge Throughput in MWH per year at least equal to the Offer's Guaranteed maximum Discharge Throughput in MWH per year over the ESSA term.<sup>29</sup>
- Must maintain a Round-Trip Efficiency at least equal to the Offer's Guaranteed minimum Round-Trip Efficiency over the ESSA term.
- Must maintain at least a 96% of the hours available for dispatch at rated Dispatchable Capacity in each calendar quarter.
- Must have a minimum Response Rate (or Ramp Rate) of at least 10% of the energy storage system's maximum Dispatchable Capacity per minute over the ESSA term.

### 2.5.2 Interconnection Requirements

Bidders must have completed and submitted an interconnection application at the time of Offer submittal, preferably Round 1. In addition, all proposed Projects must complete appropriate and applicable Interconnection Studies<sup>30</sup>, receive NYISO Energy Resource Interconnection Service ("ERIS") rights, and receive NYISO Capacity Resource Interconnection Service ("CRIS") rights. Bidders must remain active in the applicable interconnection queue for proposed Projects until that Project has been interconnected.

Offers must have a single exclusive NYISO Interconnection Point, the ability to send/receive the electronic signals of CHGE and meet NYISO and CHGE secure communications requirements to enable participation in NYISO Markets.

Energy storage projects that have an executed Interconnection Agreement prior to December 13, 2018, the date of the Storage Order, are ineligible to participate in this solicitation.

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<sup>29</sup> See the ESSA (Appendix D1) and Section 6 for definitions.

<sup>30</sup> NYISO and local utility distribution studies as required per interconnection location and associated requirements.

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Bidders will be responsible for all activities and costs associated with NYISO and/or CHGE secure communications requirements to enable participation in NYISO Markets. Bidders should submit their known and/or best estimates of interconnection costs as part of their Offer in Rounds 1 and 2.

Please refer to Appendix C2 and the ESSA (Appendix D1) for additional information.

### 2.6 Credit Requirements

Bidders must provide an irrevocable Letter of Credit (Appendix D1 Exhibit N) to CHGE prior to the time of ESSA execution. The irrevocable Letter of Credit (“LOC”) will be maintained by the Bidder and retained by CHGE from ESSA execution throughout the ESSA term with CHGE and proof of such active LOC must be provided at least once in each 24-month period of the ESSA term.

Security requirements are fully described and detailed in Appendix C5 and the ESSA (Appendix D1). To the extent there are any discrepancies between the RFP documents and Appendix D1, then Appendix D1 (the ESSA) supersedes and governs.

### 2.7 Safety Requirements

CHGE requires that all Bidders recognize that physical safety is of paramount importance. In connection with this solicitation and executed ESSA, Bidders will be required to provide safety information related to the technology for the Project in Appendix C3 and information regarding safety history, including for the entities that will construct, operate, and maintain the Project(s). Energy storage Projects must meet all Department of Buildings, Fire Department, government agency, and any other Authority Having Jurisdiction (“AHJ”) design and safety requirements as required and applicable. See Appendix C4 for additional details.

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### 3 Offer Evaluation Criteria

CHGE will consider quantitative and qualitative criteria to evaluate Offers.

See below for a detailed summary of quantitative and qualitative criteria, and the process by which the Review Team will evaluate and prioritize Offers.

#### 3.1 Quantitative Factors

For both Rounds 1 and 2, Bidders must completely fill out and provide the information requested in the Offer Form (Appendix B) spreadsheet file. Please clearly mark (using one consistent indicator) any/all Round 2 information that changed from Round 1. Bidders should provide only their best Offer Price without consideration to the source of the funding during each round of bid submission. Bidder's Round 2 Offer Price must not exceed 15% of Bidder's Round 1 Offer Price.

Projects will be ranked based on their Quantitative Scores. The number of Projects and MW level to which CHGE will procure is a function of the Offer price, and scoring of Offers based on evaluation criteria, and the availability of the NYSERDA MABI.

CHGE will use the following formula based on the present worth value of a prospective energy storage project's forecast of value, benefits, and pricing to evaluate Bidder Offers:

$$\text{Quantitative Score} = (\text{Net Market Value}) + (\text{Distribution Benefit}) - (\text{Offer Price})$$

$$\text{Net Market Value} = (\text{Energy Value} + \text{Ancillary Services Value} + \text{Capacity Value}) - (\text{Charging Cost} + \text{NYISO Fees})$$

Where:

**Energy Value** = Projected revenues from NYISO Energy market over the ESSA term.

**Ancillary Services Value** = Projected revenues from NYISO Operating Reserves market over the ESSA term.

**Capacity Value** = Projected revenues from NYISO Capacity market over the ESSA term.

**Charging Cost** = Expected costs of electric energy charging at projected Locational Based Marginal Pricing ("LBMP")<sup>31</sup>.

**NYISO Fees** = Includes participation fees, and related charges made by the NYISO to the asset scheduler/bidder.

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<sup>31</sup> As defined in the ESSA (Appendix D1).

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**Distribution Benefit** considers quantifiable benefits associated with an energy storage system's location in the CHGE electric system. Where applicable, a distribution value may be assigned to Offers based on proposed Interconnection Point in the CHGE service territory.

**Offer Price** submitted by Bidders based on Project-specific hurdle rate and financing requirements.

### 3.2 Qualitative Factors

CHGE will use the following qualitative criteria:

1. **Project Viability** – Evaluates the likelihood that the Project can be successfully developed and can meet use case requirements for the ESSA term. Increasing levels of information will be required at the Round 1 and Round 2 stages as outlined in the applicable Appendices. Evaluation will consider the Project's viability, risks, and likelihood of meeting Commission requirements for operational Projects by December 31, 2028. Preference will be given to Projects that can demonstrate the ability to meet the RFP's Guaranteed Commercial Operation Deadline of December 31, 2028.
2. **Credit Quality** – Evaluates the Bidder's ability to perform all financial and financing obligations under the ESSA. Increasing levels of information will be required at the Qualification, Round 1 and Round 2 stages as outlined in the applicable Appendices. Evaluations will include the response to Financial & Credit Information (Appendix C5), adherence to Forms of Letter of Credit and/or cash collateral terms as specified in Appendix D1 Exhibit N. Preference will be given to Offers that meet all security requirements and adhere most closely to the terms described in the provided Letter of Credit.
3. **Adherence to Terms** – Measures Bidder adherence to the terms and conditions provided in the ESSA (Appendix D1) and the MABI Agreement (Appendix F). Redlines to either agreement provided by Bidders as part of their Round 2 refined Offer package will be noted by CHGE and NYSERDA during the evaluation period. Preference will be given to Offers that most closely adhere to the CHGE and NYSERDA agreements as posted to ensure timely execution of the agreements and the Commercial Operation of the Project prior to the Guaranteed Commercial Operation Deadline.
4. **System Design** – Evaluates system specifications, warranties, expected operational parameters and associated restrictions/ limitations on use of the proposed Project. Increasing levels of information will be required at the Round 1 and Round 2 stages as outlined in the applicable Appendices. Evaluation will consider technical responses provided in Appendix C3 coupled with additional technical materials provided (e.g., warranties). Preference will be given to proposed systems that demonstrate capabilities to meet CHGE's use case(s) while minimizing restrictions on the use of the system.

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5. **Bidding Team Experience** – Evaluates the extent of the Bidder’s and Bidder Team’s energy storage experience and familiarity with the NYISO wholesale markets (e.g., previous development and/or operating experience) as described in the Bidding Team Info (Appendix C7). CHGE reserves the right to request and contact references as part of the solicitation process. Increasing levels of information will be required at the Round 1 and Round 2 stages as outlined in the applicable Appendices. The experience of the entire team will be evaluated, but preference and additional weight will be given to direct Bidder and developer experience relative to others.
6. **Safety** – Evaluates physical and cybersecurity safety, risks, and mitigation plans provided by the Bidder.
7. **Bidder Concentration** – CHGE will consider the volume of MW capacity per Bidder to ensure a diversity of Projects.

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### 4 Offer Submittal Process

#### 4.1 Offer Submission Instructions

A Bidder may submit an Offer in Round 1 only if CHGE has acknowledged that the Bidder meets all Bidder Qualifications. All Offers must be submitted via email to [CHGE-storage-RFP@cenhud.com](mailto:CHGE-storage-RFP@cenhud.com) on or prior to the due date and time. Each Offer must be submitted via a separate email. The emailed Offer must be sized less than 10 MB total to allow for digital intake. If the Offer package exceeds 10 MB in size, please contact CHGE for an alternative transmittal mechanism. The Offer Form must be submitted without modifications to the Excel file structure or format. All other submissions must be in a single PDF format mirroring the organization of the RFP documents described in the Section 4.3 table. Bidders who fail to submit by the due date and time must be excluded from the Offer evaluation process. Therefore, Bidders are encouraged to make submissions well in advance of the closing time to avoid any potential issues that may occur. CHGE is not responsible for technical email or other issues that may delay receipt of Offers. Any questions on, or technical issues with, submitting an Offer before the deadline should be promptly directed to [CHGE-Storage-RFP@cenhud.com](mailto:CHGE-Storage-RFP@cenhud.com).

#### 4.2 Qualification Submission Format

Prospective Bidders must complete the Qualification Questionnaire (Appendix A) and the Bidding Team Info (Appendix C7) **in their entirety** for CHGE to determine a Bidder's eligibility to submit an Offer. Incomplete submittals will result in a disqualification of the Bidder. If Prospective Bidders want their Qualification Questionnaire and other subsequent document submittals to be treated as confidential, a completed and signed Confidentiality and Non-Disclosure Agreement ("NDA") (Appendix D2) must be submitted to CHGE.

**Deadline for the Qualification Submission is no later than 5:00 PM EPT on July 8, 2024 (Monday).**

Qualification Submission must be submitted via email to [CHGE-Storage-RFP@cenhud.com](mailto:CHGE-Storage-RFP@cenhud.com) prior to the due date and time. The emailed submission must be sized less than 10 MB total to allow for digital intake. If the Qualification submission package exceeds 10 MB in size, please contact CHGE for an alternative transmittal mechanism.

Please refer to RFP Appendix A, Appendix C7, Appendix C5, and Appendix D2 for additional details.

#### 4.3 Offer Submission Format

Qualified Bidders are eligible to submit one or more Round 1 Offers for this RFP. Each individual Round 1 Offer must be provided in a single PDF document and notification of the Offer package submittal must be via email to [CHGE-Storage-RFP@cenhud.com](mailto:CHGE-Storage-RFP@cenhud.com). If the Qualification submission package exceeds 10 MB in size, please contact CHGE for an alternative transmittal mechanism.

Multiple Round 1 Offers must be submitted in multiple PDF documents with one Offer per PDF document per submission email. Only complete Round 1 Offers will be accepted and evaluated.



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**Round 1 Offers from Qualified Bidders are due no later than 5:00 PM EPT on September 9, 2024 (Monday). Round 2 Offers will be accepted only from successful Round 1 Bidders, and Round 2 Offers are due no later than 5:00 PM EPT on February 18, 2025 (Tuesday).**

**It is the Bidder’s responsibility to thoroughly review all provisions of the supporting documents and all requirements of this RFP process and to understand all anticipated costs that should be factored into the Round 1 (and Round 2) Offer price. Bidders are encouraged to mark sections of their bids confidential as needed so they are treated as such by the review team.**

Round 1 and Round 2 Offers shall be organized as follows:

<b>Offer Section</b>	<b>Offer Section Title</b>	<b>Reference</b>
N/A	Cover Letter	
N/A	Bidder Checklist Form	<ul style="list-style-type: none"> <li>• Completed Appendix C6</li> <li>• (One per Offer, Variant of Offer)</li> </ul>
Offer Body	<ul style="list-style-type: none"> <li>• Proposed Energy Storage System Solution Description</li> <li>• Project Schedule</li> <li>• Potential Risks and Challenges</li> <li>• Professional Background and Experience with the Proposed Solution</li> </ul>	
Offer Appendices	• Offer Form	<ul style="list-style-type: none"> <li>• Completed RFP Appendix B</li> <li>• (One per Offer, Variant of Offer)</li> </ul>
	• Site Control	• Completed RFP Appendix C1
	• Electric Interconnection	• Completed RFP Appendix C2
	• Technical Information	• Completed RFP Appendix C3
	• Permitting & Schedule	• Completed RFP Appendix C4
	• Financial & Credit Information	• Completed RFP Appendix C5
	• Bidding Team Information	• Completed RFP Appendix C7
	• NATF Cyber Questionnaire	• Completed RFP Appendix C8
	• Cyber Security	• Completed RFP Appendix C9
	• CHGE Energy Storage Services Agreement	• Redlines to RFP Appendix D1
• Contractor Listing Information	• Completed RFP Appendix G	

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### Cover Letter

The cover letter must include the following:

- Bidder legal name and address
- The name, title, email address, and telephone number of the individual authorized to sign and execute the ESSA
- The signature of a person authorized to contractually bind Bidder's organization

### Bidder Checklist & Attestation

Bidder should provide to CHGE the properly completed Bidder Checklist (Appendix C6) as part of an Offer. A separate Bidder Checklist is needed for each Offer submitted.

- A signed attestation that the Bidder has read and understands all provisions of the RFP (Appendix B "Bidder Info" sheet, and Appendix C6)

### Offer Body

This section should contain a response to the RFP requirements as described in Appendices to this RFP. Please limit each Offer to 10 pages maximum not including the Cover Letter, Checklist/Attestation, and Appendices. The following information addresses major areas that must be included in Bidder's Offer; the specific Round 1 and Round 2 offer details are broken out in each Appendix:

- Proposed energy storage system
  - Energy storage system design characteristics (e.g., equipment, configuration, etc.)
  - Energy storage system performance characteristics (e.g., Guaranteed Round-Trip Efficiency, Guaranteed Availability, Guaranteed Dispatchable Capacity, Guaranteed Storage Duration, Guaranteed Maximum Discharge Throughput, Maximum and Minimum State of Charge, Capacity and System Efficiency Degradation Rate, etc.)<sup>32</sup>
  - Description of warranties and approach to maintaining Availability and Performance Guarantees<sup>33</sup>
- Project schedule
- Potential risks and challenges with detailed plans to address/mitigate
- Professional background and experience with the proposed project

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<sup>32</sup> As defined in the ESSA (Appendix D1) and Section 6.

<sup>33</sup> Ibid

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### Offer Appendices

Bidders must complete all required documentation for Offers as described in the Appendices to this RFP. See Appendices for requirements. This document only provides a very high-level description of what is described in detail in the various Appendices.

### Redlines to Agreement

Bidders shall complete a full review of the ESSA (Appendix D1) and the MABI Agreement (Appendix F) for both commercial and legal terms. The MABI Agreement must be signed/executed prior to signing/executing the ESSA. Bidders should be prepared to sign the posted version of the ESSA and the MABI Agreement.

Any concerns with either agreement shall be marked in a redlined copy with reasoning provided in the comment column and attached to either the Round 1 or Round 2 Offer. However, acceptance of an Offer is not considered acceptance of ESSA redlines by CHGE or MABI Agreement redlines by NYSERDA. CHGE and NYSERDA will review all material issues and will set the agreement execution terms accordingly.

### Additional Materials

Bidders can provide information not specifically requested in the body of the Qualification submission as an appendix or a separate attachment. Such items can include:

- Project experience examples (No more than one-page per Project)
- Organizational charts and team member Curriculum Vitae
- Other relevant information

#### 4.4 Offer Fee

Approved Bidders must provide an “Offer Fee” in the amount of **U.S. \$10,000** for each Round 1 Offer and an additional **U.S. \$5,000** for each Round 2 Offer at the time of submission.

##### 1. Purpose of Offer Fee

The Offer Fee is intended to contribute to CHGE’s administrative costs to process, review, evaluate, prioritize, and award Offers to Bidders. Offer Fees are also intended to reflect the Bidder’s commitment to prepare thorough, competitive Offers.

##### 2. Form of Offer Fee

The form of the Offer Fee will be made by cash, cashier’s check, or wire transfer.

**NOTE:** If a Bidder fails to submit the Offer Fee within the required time frame listed below, the Bidder’s Offer will be rejected.

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### 3. Submission of Offer Fee

Cash may be deposited through a wire transfer as instructed by CHGE. Bidders have until 5 PM EPT on September 9, 2024 (Monday) for Round 1 and until 5 PM EPT on February 18, 2025 (Tuesday) for Round 2 to remit their Offer fee. Wire transfer information will be included in the Notice of Qualification to Bidders who qualify to submit Round 1/Round 2 Offers.

### 4. Refund of Offer Fee

In the event the RFP is canceled prior to review of any Round 1 Offers, the Round 1 Offer Fee will be refunded. After the evaluation process has begun, no refunds will be considered or made in respect of any Round 1 or Round 2 Offer, regardless of Round 1 or Round 2 Offer success.

## 4.5 Number of Offers and Variations Allowed Per Bidder

Bidder's Offers are defined by Project Interconnection Point ("IP") (i.e., 1 IP = 1 Offer, 2 IPs = 2 Offers, etc.). There is no restriction on the number of Offers a Bidder may submit. More than one Offer can be located at the same location, but each would require separate Interconnection Point and separate revenue grade metering. In other words, multiple Projects at a single location will be considered separate Projects if they have separate Interconnection Points. In this situation, each Project would require a separate Offer submission.

A separate and complete submission is required for each Offer round. Each Round 1 or Round 2 Offer must be complete as a stand-alone submission and not reference information contained in a previous Round. A Round 1 and Round 2 Offer Fee is required for each Round 1 and Round 2 Offer submitted.

Bidders are permitted to submit variants of Round 1 Offers using the same Interconnection Point by varying the Dispatchable Capacity, the Storage Duration, the maximum Discharge Throughput, the Cycle capability, and/or the Round-Trip Efficiency of the proposed energy storage Project at each location within the allowable amount based on interconnection application rules. Each Round 1 Offer may include up to two Round 1 Variation Offers (i.e., the original Round 1 Base Offer and up to two (2) additional variations of that Round 1 Offer). Only one Round 1 Offer Fee is required for a Round 1 Base Offer plus up to two Round 1 Variation Offers using the same Interconnection Point. No additional variations beyond the Round 1 Base Offer and Round 1 Variation Offers will be allowed for Round 2 Offers.

**Note: Round 1 Variation Offers may only alter an energy storage system's Dispatchable Capacity, Storage Duration, maximum Discharge Throughput, Cycle capability, and/or Round-Trip Efficiency and the associated price and cost information. Variants in commercial operation date, number of years for the dispatch rights contract, technology type (i.e., Li-ion battery, Flow battery, etc.), location, Interconnection Point or other will not be accepted nor considered as a single Round 1 Offer.**

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An entirely new Round 1 Offer package is not required for each variation. A written explanation is required to indicate which sections are duplicative over multiple Round 1 Variation Offers. Variations of a Round 1 Base Offer must be clearly marked, described as such, and submitted with the Round 1 Base Offer in a single PDF document. A separate Round 1 Offer Form (Appendix B) is required for each Round 1 Variation Offer. No additional variations beyond the Round 1 Base Offer and Round 1 Variation Offers will be allowed for Round 2 Offers.

## 5 Collusion and Other Prohibited Activities

### 5.1 Collusion

Collusion with other Bidders prior to, during, or after the RFP is strictly prohibited. Collusion and other prohibited activities include, but are not limited to: sharing an Offer with other Bidders, discussing Round 1 or Round 2 Offer strategies with other Bidders, engaging in any activity with the intent of influencing the outcome of the RFP in a manner inconsistent with competitive behavior, or taking any action to otherwise undermine the competitive nature of the RFP or benefit from CHGE compensation without the intent or expectation of providing services described in this RFP. CHGE has the sole discretion to determine when collusion or other prohibited activities have occurred and to take any appropriate action, including disqualifying Round 1 or Round 2 Offers, barring participation in future RFPs or programs, and reporting the activity to the New York State Department of Public Service (the “NYSDPS”), the Commission, NYSERDA, and any other appropriate Governmental Authorities.

### 5.2 Confidentiality

In connection with this RFP, CHGE will keep confidential, and not disclose to any person (except as set forth below), any information pertaining to Bidder or its Round 1 or Round 2 Offer(s) provided by or on behalf of Bidder that is non-public, proprietary, or confidential in nature and is clearly marked or otherwise identified as such. The foregoing does not preclude CHGE from publicly identifying the Bidder(s) with whom CHGE will sign an ESSA as a result of this RFP, or from disclosing Bidder’s confidential information (a) to CHGE’s trustees, employees, consultants, contractors and agents for the purpose of evaluating Bidder’s Round 1 or Round 2 Offer(s), (b) to NYSERDA for purposes of administering the MABI, or (c) pursuant to a legal or regulatory requirement (including, without limitation, of the Commission and/or NYSDPS) provided that CHGE will make reasonable efforts to prevent the information’s further disclosure. Confidential information does not include information that (i) is in or enters the public domain other than as a result of CHGE’s unauthorized disclosure, (ii) Bidder expressly authorizes CHGE to disclose, (iii) is already known or becomes known to CHGE on a non-confidential basis other than as a result of a breach of any confidentiality obligation known to CHGE, or (iv) is independently developed by CHGE without reference to the confidential information. This obligation of confidentiality will expire upon execution of a definitive ESSA between the parties with

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## Bulk Energy Storage Scheduling and Dispatch Rights Request for Proposals

respect to the subject of this RFP, in which event the terms of this paragraph will be superseded by the confidentiality provisions of such definitive ESSA.

### 5.3 Execution of Agreement

By submitting a Round 2 Offer, Bidder agrees, if its Round 2 Offer is selected by CHGE, that it is prepared to execute a definitive ESSA and the MABI Agreement consistent with the Bidder's Round 2 Offer. Acceptance by CHGE of Bidder's Round 2 Offer will not constitute an agreement by CHGE to any Bidder's modifications made to the ESSA.

### 5.4 Termination Rights

CHGE reserves the right at any time, in its sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Bidders and without liability of any kind to, or responsibility of, CHGE or anyone acting on CHGE's behalf. Without limitation, grounds for termination of the RFP may include the assertion of any Waived Claims by a Bidder or a determination by CHGE that, following evaluation of the Round 1 or Round 2 Offers, there are no Offers that provide adequate ratepayer benefit.

CHGE, at its' sole discretion, reserves the right to change the Round 1 or Round 2 Offer evaluation criteria for any reason and at any time, to terminate further participation in this process by any Bidder, to evaluate the qualifications of any Bidder, to accept any Round 1 or Round 2 Offer or to enter into any definitive agreement, and to reject any or all Round 1 or Round 2 Offers, all without notice and without assigning any reasons without liability to CHGE or anyone acting on CHGE's behalf. CHGE shall have no obligation to consider and/or award any Round 2 Offer.

In the event of termination of the RFP for any reason, CHGE will not reimburse the Bidder for any expenses incurred in connection with the RFP regardless of whether such Bidder's Round 1 or Round 2 Offer is selected, not selected, rejected, or disqualified.

## 6 Definitions

Key terms in this RFP are defined by CHGE in the ESSA (Appendix D1) Exhibit A.