

**STATE OF WISCONSIN
Department of Administration
Division of State Facilities**



**REQUEST FOR PROPOSALS
RENEWABLE ENERGY PURCHASE AGREEMENT
27877-AS**

May 30, 2007

State of Wisconsin
Department of Administration
Division of State Facilities
Post Office Box 7866
Madison, WI 53707-7866

The State of Wisconsin is hereby soliciting competitive proposals from eligible electricity providers in the state of Wisconsin for 90,000 megawatt-hours (MWh) of renewable electrical energy annually by the end of 2007, and potentially up to 180,000 megawatt-hours (MWh) of renewable electrical energy annually by the end of 2011. All agreements must be on a long-term (10 year or longer) arrangement.

The 90,000 MWh requirement is enough renewable electrical energy to meet the 10% annual requirement of ss. 16.75 (12) (b) by December 31, 2007. The 180,000 MWh requirement is for enough renewable electrical energy to meet the 20% annual requirement of ss. 16.75 (12) (b).

The Department of Administration will aggregate the renewable energy purchase rather than attempt to identify renewable energy quantities per agency or agency location.

Introduction

In 2006, the Wisconsin Legislature enacted the Energy Efficiency and Renewables Act 141. ACT 141 created section 16.75 (12) (b) Wis. Stats., which requires the Department of Administration to establish goals for each agency such that the renewable percentage for total annual electricity be at least 10% by December 31, 2007; and 20% by December 31, 2011.

Under the statute, "Agency" means the Department of Administration, the Department of Corrections, the Department of Health and Family Services, the Department of Public Instruction, the Department of Veterans Affairs, and the Board of Regents of the University of Wisconsin System.

In determining whether the goals are met the Department of Administration may consider only the electric energy that is purchased from an electric provider that serves the agency facility under an arrangement with a term of 10 years or more.

The statute further states that an agency is not required to generate or purchase electric energy derived from renewable resources if the generation or purchase is "not technically feasible or cost-effective."

Proposal Parameters:

The State of Wisconsin is interested in signing a single or multiple long-term power purchase agreements with electricity providers that can provide renewable energy to the Midwest Independent System Operator (MISO) transmission system. The State will evaluate power purchase agreements up to 180,000 MWh, with 90,000 MWh deliverable by the end of 2007. Proposals will be evaluated based on availability, term, cost, product structure, location, and ability to execute a purchase arrangement to supply renewable power by the end of 2007. Those proposals that provide the State of Wisconsin with an opportunity to stabilize energy costs or hedge future cost increases may be given preference.

Under ss. 16.75 (12) (b), the State is required to enter into renewable energy purchasing agreements of ten years or longer. The Public Service Commission of Wisconsin (PSC) has assured the Department of Administration that ten-year arrangements can be accomplished using existing statutory authority, but may require new tariffs. All regulatory questions may be directed to the PSC.

Renewable energy provided to the State of Wisconsin under this solicitation shall not be included in the determination of compliance with the renewable portfolio standard (RPS) or double counted in any other renewable energy program.

To be considered as a renewable resource for electrical energy, the resource can derive electricity from any of the following as defined in ss.196.378(1)(h) and (j) Wis. Stats:

- A fuel cell that uses a renewable fuel.
- Tidal or wave action.
- Solar thermal electric or photovoltaic energy.
- Wind power.
- Geothermal technology.
- Biomass.
- A resource with a capacity of less than 60 megawatts that derives electricity from hydroelectric power.
- Any other resource, except a conventional resource, that the Public Service Commission of Wisconsin designates as a renewable resource in rules promulgated under s. 196.378(4).

Eligible electricity provider has the meaning expressed in ss. 16.957 (1) (f) and (g).

The Department of Administration is not prescribing any requirement for the source of the energy other than it originate from one (or more) of the eligible sources listed above.

All renewable electricity provided will be considered as being delivered to the State of Wisconsin owned facility upon delivery to the contracting electricity provider and the Midwest Independent System Operator (MISO).

Confidentiality

Proposers that wish their proposal to be considered confidential must complete form DOA-3027 Designation Of Confidential And Proprietary Information, a copy is attached. Think Energy, Inc. is a consultant to the State of Wisconsin through a grant from the Responsible Purchasing Network administered by the Center for a New American Dream. Think Energy is subject to a non-disclosure agreement with the State. Think Energy will serve in an advisory role to the evaluation committee, they will review the proposals and treat them confidentially.

Scope of Services

Respondents shall propose to the State of Wisconsin opportunities to purchase renewable energy under long-term arrangements or through equity participation in one

or more renewable energy facilities. The proposals shall address the following terms and conditions:

- 1. Arrangement Quantity:** Up to 180,000 MWh total annual supply. Supply may be divided to several projects or several providers. The 90,000 MWh requirement is enough renewable electrical energy to meet the 10% requirement of ss. 16.75 (12) (b) by December 31, 2007. The 180,000 MWh requirement is for enough renewable electrical energy to meet the 20% requirement of ss. 16.75 (12) (b).
- 2. Energy Source:** What renewable energy resource(s) are being utilized in the proposal (Wind, solar, landfill gas, etc.)?
- 3. Point of Delivery (POD):** Certify that the renewable electricity provided through this solicitation is provided to the contracting electricity provider and the Midwest Independent System Operator (MISO).
- 4. Price:** Provide a total price, as delivered to the State of Wisconsin, for the renewable energy in \$/KWh. Express the price both as a renewable increment and as a total delivered tariff price. Indicate if the tariff is existing or needs PSC approval.
- 5. Product delivery:** Provide a date when the renewable energy proposed will be available to the State of Wisconsin.
- 6. Term:** All energy proposed must be provided under an arrangement of 10 years or longer.

Proposal Selection Criteria

The State of Wisconsin, at its sole discretion, shall evaluate responsive proposals and select the proposals, if any, which provide the most value to the State, while meeting the requirements of ss. 16.75 (12) (b). Proposals must be valid for a period of sixty (60) days to allow the state to evaluate the proposals received and make an award.

The State of Wisconsin may select one or more proposals in order to meet the statutory requirement.

Proposals that are not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are clearly not economically competitive with other proposals, or are submitted by respondents that lack appropriate creditworthiness, sufficient financial resources, or qualifications to provide dependable and reliable services, may be rejected.

The State of Wisconsin may request additional information or ask to meet with a proposer(s) if a clarification is needed. Proposers should provide as much information as possible in the submittal. Do not presume that additional information will be requested.

The State of Wisconsin reserves the right, without qualification and in its sole discretion, to accept or reject any or all proposals for any reason without explanation to the respondents.

Proposers shall be liable for all its costs and the State of Wisconsin shall not be responsible for any respondent's costs incurred to prepare, submit, or negotiate its proposal, a contract or for any other activity related thereto.

Proposal Deadline and Delivery Requirements:

Submit an original and five (5) copies of your complete proposal by 2:00 P.M. Thursday June 28, 2007 to:

Mr. Ananda Sathasivam
Enterprise Contract Officer
Department of Administration
Delivery Address:
7th Floor
101 East Wilson Street
Madison, WI 53703

All responses to this request for proposals must provide the following information at a minimum:

1. Identify each renewable energy resource being offered and confirm that the resource is a qualifying renewable energy resource under Wisconsin law.
2. Total delivered price. (See scope of services item 4.)
3. Purchase structure and pricing methodology.
4. Delivery timing of the renewable energy.
5. Location of the renewable resource(s).
6. Experience and Capabilities of the proposer, and any subcontractors.
7. List any renewable energy certifications the energy you are proposing is, or may qualify for. Note, renewable certification is not a requirement.

Provide as many additional details as possible for the proposal evaluators:

- Describe the benefits, both economic and non-economic, your proposal provides to the State of Wisconsin.
- If the renewable energy resource facilities are yet to be constructed, list all the pending approvals, permits and public processes (Provide list and schedule).
 - When will the energy be available?
- If your proposal includes generation that requires a biomass fuel stock, please address the sustainability of your fuel source.
 - Do you have long-term purchase agreements for the biomass fuel in place?
- Will the environmental attributes of the renewable energy convey to the state?

The proposal should be no longer than 50 pages including any attachments.

The State of Wisconsin is interested in creative ways to structure this agreement in order to realize the maximum financial, price hedging and cost stability benefits from

purchasing renewable energy. Please include in your submission any innovative purchasing structures you believe will enhance your proposal.

Questions on the Proposal

Questions regarding the request for proposal procedure should be directed to:

Mr. Ananda Sathasivam
Enterprise Contract Officer
Department of Administration
P.O. Box 7866
Madison, WI 53707-7866
E-mail: Ananda.Sathasivam@wisconsin.gov
Telephone 608-266-2201

Vendor conference

A vendor conference will be held on Monday June 11 2007 at 1:00 PM at 101 East Wilson Street, room 7A, Madison, WI; to discuss the RFP, to respond to questions and to provide any needed additional instruction to vendors on the submission of proposals.

Proposal Evaluation Criteria

The State of Wisconsin will assemble a five (5) person proposal evaluation team to evaluate the proposals submitted. All proposals will be evaluated on a 3,000 point system

1. Qualifying renewable energy resource – REQUIREMENT
2. Net Delivered Price – 1,000 Points
3. Location of the renewable resource(s) – 600 Points
4. Delivery Timing of the renewable resource – 500 Points
5. Experience and Capabilities of the proposer, and any subcontractors – 400 Points
6. Purchase structure and pricing methodology – 300 Points
7. Quality and added benefits of Proposal, – 200 Points