



Renewables RFI Informational Conference – July 30, 2015



One New York: The Plan for a Strong and Just City

New York City Objectives

- **Ensuring reliable and sustainable energy services for both the near- and long-term.**
- **Assessing impacts on energy affordability and cost effectiveness.**
- **Spurring new renewable energy development.**
- **Reducing New York City's carbon footprint.**
- **Reducing criteria pollutant emissions across New York City.**
- **Diversifying energy supply sources and reducing peak demand.**
- **Creating jobs in the renewable energy sector.**
- **Creating effective partnerships with the private sector and the State and other governmental entities in order to achieve City, State and regional renewable energy goals.**

Q&A: RFI -Supplying New York City With Renewable Power





TRANSCRIPT

City of New York Renewables Energy RFI Information Session July 30, 2015

Welcome and Introductions [Ozgem Ornektekin]

Good Morning, Thank you for joining our information session on the recently issued RFI on renewables. My name is Ozgem Ornektekin and I am the Chief Energy Management Officer and Deputy Commissioner at Department of Citywide Administrative Services.

Joining me in this webinar are **Anthony Fiore**, Director of Energy Regulatory Affairs from Mayor's Office of Sustainability, **Robert Craig**, Associate General Counsel and **Susan Cohen**, Assistant Commissioner for Budget, Supply and Reporting from Department of Citywide Administrative Services.

The purpose of the webinar is to give you an overview of the city's energy policy and goals; the objectives of this RFI and to address the questions we've received thus far from potential respondents. Based on the number of questions we received, we do not anticipate this will take the full two hours. With that I would like to turn it over to Anthony Fiore.

One NYC & 40x30 Update [Anthony Fiore]

- Last fall, Mayor de Blasio committed the city to achieving an 80% reduction in greenhouse gases by 2050. Buildings make up 74% of our greenhouse gas emissions, and we started with that sector.
- With the launch of the City's comprehensive long-term sustainability plan, OneNYC, this past spring we added the remaining sectors. Power supply is one of them.
- Last week, the Mayor announced the interim target of 40% reduction in greenhouse gas emissions by 2030, which means that in 15 years we have to be halfway to our overall goal.
- Approximately 1 percent of the city's electric grid now is from renewable sources.
- If we are to meet our goals, we need to vastly increase the amount going into the grid from renewable sources.
- The City spends between 600 and 650 million dollars annually on electricity.
- We want to use our purchasing power to bring new renewable energy into the NYC grid. We want to see what it would take for the City to walk the talk, and be able to procure all its electricity for City operations from renewable sources. We hope that having a large, stable customer will spur innovation and interest in financing and building new options for the City.
- We understand this is not something that will happen overnight, but we want to transform the market in NYC, and this RFI is a step in that direction.

At this point I turn it back over to Ozgem.

RFI Objectives [Ozgem Ornektekin]

I would like to briefly remind the audience of the City's objectives for this RFI:

- Ensuring reliable and sustainable energy services for both the near- and long-term.
- Assessing impacts on energy affordability and cost effectiveness.
- Spurring new renewable energy development.
- Reducing New York City's carbon footprint.
- Reducing criteria pollutant emissions across New York City.
- Diversifying energy supply sources and reducing peak demand.
- Creating jobs in the renewable energy sector.
- Creating effective partnerships with the private sector and the State and other governmental entities in order to achieve City, State and regional renewable energy goals.

Questions and Answers [Susan Cohen and Robert Craig]

What locations or type of buildings does the City serve?	The locations that the City serves include public buildings – office buildings, courthouses, police and fire stations, schools, hospitals, prisons, libraries, and some cultural institutions in all five boroughs among others – along with water pollution control plants, and street and traffic lighting.
Can hourly load data be provided?	Hourly load data is not available. However, the monthly citywide billed load covering City Fiscal Year 2013 and Fiscal Year 2014 has been provided as part of attachment A to the RFI.
How do you define renewable energy? What categories does it include?	Renewables are non-fossil fuel and non-nuclear sources.
Will food waste to energy sources be considered?	Food waste to energy would be considered.
What do you mean by “new” sources?	These are sources that would be brand new to the New York City grid.
Would the city consider many individual projects, or a portfolio-based approach?	The City seeks to obtain 100% renewable electricity for gov’t operations and would prefer a centrally managed portfolio approach. While supply may be provided in phases, as per the RFI request for timelines, we do not intend to procure directly from many individual sources.
What is the City’s preferred time frame for renewable projects?	City prefers to acquire renewables as soon as possible and within a 10-year timeframe. We understand that projects may require lead time and may need to be developed in phases.
What is the percentage of the NYC government's power needs that is currently served by renewable energy sources?	Approximately 1%
Does the renewable energy the City seeks have to be delivered into the city, or would the City consider buying RECs (Renewable Energy Credits) to meet the 100 percent goal?	The City strongly prefers renewable energy that is delivered to the city.
This is not the first RFI that has been requested. What is the incentive to respond, based on the fact that I have not seen any RFQ from the other RFI that was issued?	This is the City’s first RFI for large-scale renewable energy. In 2011 the City issued a Request for Proposals for rooftop solar; that RFP followed an RFI, and resulted in a power purchase agreement.

What is the likelihood that there will be a RFQ coming?	The purpose of this RFI is to gather sufficient information to develop and issue an RFP, or Request for Proposals, rather than an RFQ. Well-developed responses to this RFI will move the process forward.
How much is NYC budgeted for to obtain their energy goals?	The City's budget to meet its own operational energy and greenhouse gas reduction goals are outlined in the City's Ten-Year Capital Strategy; Fiscal Years 2016-2025.
What is the approximate rate per kWh that NYC spends for its electric energy? Can that cost be broken down into commodity, transmission and delivery?	The City's current electricity rate averages sixteen cents per kilowatt hour, of which 60% is combined commodity and transmission; the balance is delivery.
What is the general timeframe for issuing the RFP and awarding contracts?	The time frame is open. No decisions have been made, but we expect to set an aggressive schedule.
Will NYPA be a participant in this solicitation for renewable power?	This is not a solicitation. No decisions regarding specific vendors have been made at this time.
Is January 1, 2018 - the projected date for delivery of new renewable supply based on the expiration of the New York Power Authority full requirements contract?	The City seeks renewable power as soon as possible but there is no requirement to meet a January 2018 delivery date.
Will ConEd's PSC No. 12 tariff be available to renewable suppliers?	The PSC No. 12 tariff applies only to New York Power Authority public customers.
Is the City seeking a full requirements offer?	The priority is full supply of renewable energy.
Will respondents be required to provide In City capacity?	All else being equal, renewable energy with capacity is preferred. Subject to what we learn from RFI responses, we may ask for offers with and without capacity.
Can a supplier provide an energy-only, "block power" or a load-following product?	We expect the RFI responses to assist in framing the type of products to be requested in the RFP. Therefore, we encourage respondents to propose alternatives and would appreciate receiving explanations of the merits of the different alternatives. For this reason, and because no decisions have been made with respect to capacity products, please feel free to propose one or more energy-only products in your response.
Are there any restrictions on partnering with NYC?	Partnership and/or contractual relations are subject to various controls and regulations. We encourage proposers to provide information about relationships they recommend.

Is there a possibility to expand the scope of the RFP to include additional City loads?	This is not an RFP. It is too early in the process to determine the scope.
Would the City consider a longer term than the 30 years specified?	Potential terms will be explored subject to what we learn from RFI responses.
What approvals and/or legislative actions will be required for the RFP to be issued?	If the City takes delivery through a third party, a contract with that party will be required and will be subject to normal contract requirements. It is too early to determine whether any legislative actions would be required.
What approvals and/or legislative actions are required for contract awards to be issued?	All contracts are subject to approval by the New York City Comptroller.
What does the City contemplate with the RFI request to provide an overview of the financial information associated with the project and services outlined in the response?	The City contemplates receiving sufficient financial information from respondents to draft an RFP.
Can the City comment on the structure contemplated where the respondent's product is delivered to a third party energy services company or other entity?	The City prefers a centrally managed portfolio approach, but it is too soon to specify the structure.
What role is ConEd expected to play in this process?	That will depend on how the product is delivered.
Can a single entity submit multiple bids and/or multiple projects for consideration?	A single entity can submit multiple projects in response to this RFI.
Would the RFP be open to market participants with resources outside of the NYISO control area?	This is not an RFP. In any resulting RFP, we would consider resources that have the characteristics suggested in this RFI.
Will GHG "credits" qualify a project as green?	GHG "credits" alone do not meet the City's objectives.
Can this RFI be broadened to include renewable thermal sources, geothermal heat pumps in particular?	Renewable thermal sources might be part of a portfolio approach to electricity generation. Alternatively, for facility-specific projects, vendors can submit their technology solutions to DCAS Energy Management through the IDEA website at http://www.nyc.gov/html/dem/html/Programs_and_Projects/idea.shtml

Conclusion [Anthony Fiore]

This concludes the question and answer portion of the informational session. If you have additional questions please submit those by August 6, 2015 to Susan Cohen (her contact information is provided in the RFI). The answers to questions discussed today and those that are received in writing by August 6, 2015 will be posted on the DCAS Energy Management website on August 14th and directly emailed to the indicated points of contact for those who have downloaded the RFI. Thank you for your interest in the City's renewable energy objectives. We look forward to your responses.