

2024 Request for Proposals
for
Off Island Capacity
(New England Control Area)

Issued by
PSEG Long Island on behalf of the
Long Island Power Authority

Issued January 16, 2024



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1.0 INTRODUCTION

PSEG Long Island, LLC (“PSEGLI”), on behalf of the Long Island Power Authority (“LIPA”), is issuing this 2024 Request for Proposals for Off Island Capacity (“2024 Off Island Capacity RFP”). LIPA is seeking to procure generating capacity electrically located in the New England Control Area for the NYISO Capability Years 2025 – 2026 and 2026 – 2027, as described in Section 1.3.1 that is eligible to qualify as Long Island Locational ICAP under NYISO Rules. Such capacity, when combined with LIPA’s transmission rights associated with the Cross Sound Cable, will contribute to meeting LIPA’s Long Island Locational ICAP obligation. In addition, NYISO Rules require that the generating plant(s) providing the Installed Capacity must be able to produce and deliver Energy during a Supplemental Resource Evaluation (“SRE”) request by the NYISO, as may be required from time to time to address system reliability emergencies¹. Unless otherwise defined in Sections 1 through 9 of this RFP, capitalized terms used in this document shall have the definitions as set forth in the Glossary (Appendix C).

1.1 LIPA Overview

- 1.1.1 LIPA is a corporate municipal instrumentality and political subdivision of the State of New York. LIPA and its wholly-owned subsidiary, the Long Island Lighting Company d/b/a LIPA, by and through its agent, the Long Island Electric Utility Servco LLC (“Servco”), a subsidiary of PSEGLI, provides electric service to approximately 1.2 million customers in its service area, which includes Nassau County and Suffolk County and the portion of Queens County known as the “Rockaways,” in the State of New York (the “LIPA Service Territory”).
- 1.1.2 To meet its customers’ electricity requirements, LIPA has secured power supply resources, primarily through various power purchase agreements with third-party generation and transmission developers and has undertaken a variety of demand-side initiatives to reduce system peak demand.
- 1.1.3 Pursuant to the Second Amended and Restated Operation Services Agreement (“A&R OSA”) dated December 15, 2021, as it may be restated, amended, modified, or supplemented from time to time, between LIPA and PSEGLI, PSEGLI through its operating subsidiary, Servco, assumed the responsibility as LIPA’s service provider, to operate and manage the transmission and distribution system (“T&D System”) and other utility business functions as of January 1, 2014. On January 1, 2015, PSEGLI assumed responsibility for power supply planning and procurement, and its affiliates provide certain services, such as purchasing power and fuel procurement related to these

¹ SRE requests are described in Section 5.12.1.10 of the NYISO Market Administration and Control Area Services Tariff (“NYISO MST”) and in Section 6.7.10 of the NYISO Transmission and Dispatch Operations Manual. While SRE requests are possible, it is highly unlikely that any such requests will be made during the term of the CPA.

responsibilities. Additional information about LIPA² and PSEGLI³ can be found on their respective websites.

- 1.1.4 LIPA and Cross Sound Cable Company, LLC are parties to a Firm Transmission Capacity Purchase Agreement under which LIPA purchases the full capacity of an HVDC transmission project between Shoreham, New York and New Haven, Connecticut (“Cross Sound Cable”).
- 1.1.5 PSEGLI and Servco (hereinafter collectively referred to as “PSEGLI”), as agent of and acting on behalf of the Long Island Lighting Company d/b/a LIPA per the A&R OSA, will administer this RFP. LIPA, as the principal, will be the contracting party under any contract that may result from this RFP. Any such contract must be approved by the LIPA Board of Trustees (“LIPA Board”), the New York State (“NYS”) Office of the State Comptroller (“OSC”), and the NYS Attorney General (“AG”) prior to becoming effective.

1.2 Common Terms

- 1.2.1 A response to this RFP submitted by a party is referred to herein as a “Proposal.”
- 1.2.2 A party submitting a Proposal is referred to herein as a “Respondent.”
- 1.2.3 The eligible generating resource(s)⁴ located in the New England Control Area that is(are) proposed by a Respondent to provide Contract Capacity, and Energy pursuant to an SRE request, in response to this RFP is(are) referred to herein as the “Project(s).”

1.3 Description of Solicitation

- 1.3.1 This RFP is seeking the following:
- Up to 345 MW of qualified Installed Capacity⁵ (“Contract Capacity”) electrically located in the New England Control Area as measured at the interconnection point between the New England High Voltage Pool Transmission Facility and the Cross Sound Cable which is identified as .I.SHOREHAM 138 99, that is eligible to qualify as Long Island Locational ICAP

² LIPA’s website: www.lipower.org

³ PSEGLI’s website: www.psegliny.com

⁴ Generating resource is an individual generating unit, a power plant or a portion of a unit or a power plant that is capable of producing dispatchable electric power.

⁵ According to the NYISO MST, Energy Storage Resources, Intermittent Power Resources, and Limited Control Run of River Hydro Resources that are not electrically located within the New York Control Area are not eligible to participate in the NYISO Installed Capacity market. Resources in External Control Areas that have an Energy Duration Limitation are not eligible to participate in the NYISO’s Installed Capacity market. The foregoing capitalized terms are as defined in the NYISO Rules.

under NYISO Rules by the NYISO deadline as outlined in the NYISO rules and requirements for capacity suppliers.

- LIPA will accept Proposals for any single one or both of the following NYISO Capability Years:
 - NYISO Capability Year 1: May 1, 2025 through April 30, 2026
 - NYISO Capability Year 2: May 1, 2026 through April 30, 2027
- The Contract Capacity may be provided by aggregating capacity from more than one generating resource. However, the capacity of each generating resource offered for each NYISO Capability Year must be a minimum of 25 MW.
- Each Proposal shall specify the minimum (no less than 25 MW) and maximum (345 MW) Contract Capacity that is being offered from a Project(s) at the proposed pricing. LIPA may elect to purchase any amount within the specified limits.
- LIPA reserves the right to select more than one Proposal to fulfill the total amount of capacity to be purchased through this RFP.
- Respondents must commit to provide Energy from the Project(s) pursuant to an SRE request issued by the NYISO.

1.3.2 The Contract Capacity selected hereunder, when combined with the Unforced Capacity Deliverability Rights (“UDRs”) associated with the Cross Sound Cable, must be eligible to be recognized as Long Island Locational ICAP by the NYISO. Respondent(s) must document in their Proposal(s) that (i) the Project(s) will not have a forward Capacity obligation in the ISO-NE Capacity markets for any of the applicable NYISO Capability Years; or (ii) if the Project(s) currently has a forward Capacity obligation in the ISO-NE Capacity markets for any of the applicable NYISO Capability Years, that Respondent will buy out of such obligation as outlined in the ISO-NE rules and requirements for capacity suppliers to ensure that the Contract Capacity will be available to LIPA as required by this RFP.

2.0 GENERAL TERMS

2.1 Other Requirements

- 2.1.1 The Project(s) must not have a permanent or retirement delist bid that has been accepted by ISO-NE and that would preclude Respondent from providing Contract Capacity for all or any portion of the applicable NYISO Capability Years.
- 2.1.2 Respondent(s) must agree to provide all information and support necessary to successfully complete asset registration of the Project(s) in the NYISO markets and comply with all NYISO requirements, including NYISO Information Obligations.
- 2.1.3 Respondent(s) must agree to provide operational performance data as detailed in Section 6.3.5 of this RFP.
- 2.1.4 Respondent(s) awarded a Capacity Purchase Agreement under this RFP must comply with all applicable NYISO requirements, including:
- Qualify with the NYISO as an External Installed Capacity Supplier by submitting requisite data as specified in Section 4.9.1 of the NYISO Installed Capacity Manual (“ICAP Manual”).
 - Consistent with Section 4.2 of the ICAP Manual and Section 5.12.8 of the NYISO Market Administration and Control Area Services Tariff (“MST”), submit results from a DMNC/DMGC test or data from actual operation from within the DMNC Test Periods specified in Section 4.2.1 of the ICAP Manual, to the NYISO no later than the time specified in the ICAP Event Calendar.
 - Submit operating data to the NYISO in accordance with Section 4.4 of the ICAP Manual and Section 5.12.5 of the NYISO MST.
 - Certify to the NYISO, pursuant to Section 4.9.3.1 of the ICAP Manual, that Contract Capacity offered to LIPA under Respondent’s Proposal has not been sold, or committed for sale, elsewhere for each month that Respondent intends to supply Contract Capacity to the NYCA.⁶
 - Demonstrate the ability to deliver Energy to the NYCA border pursuant to an SRE request in accordance with Section 4.9.3.2 of the ICAP Manual.

⁶ Respondents to this RFP may buy out of an existing capacity obligation in the New England Control Area in order to satisfy the requirements of this RFP.

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- Provide verifiable documentation confirming that the External Installed Capacity Supplier's Project is located in the New England Control Area and is eligible to satisfy deliverability requirements of Section 4.9.3.2 of the ICAP Manual.

2.1.5 Respondent(s) selected pursuant to this solicitation will be responsible for any and all penalties incurred by LIPA due to failures by the Respondent to fulfill applicable NYISO requirements with respect to the Project(s), which include but are not limited to (i) failure to provide required information to the NYISO in accordance with Section 5.12.12.1 of the NYISO MST, (ii) failure to respond to an SRE request in accordance with Section 5.12.12.2 of the NYISO MST, and (iii) failure to qualify part or all of the Contract Capacity as Long Island Locational ICAP in accordance with the rules and requirements contained in the NYISO ICAP Manual. In addition, in the event the NYISO imposes a deficiency charge on LIPA as a result of a Capacity shortfall from the Project pursuant to Section 5.14.2 of the MST, Respondent will be responsible for any such deficiency charge.

2.1.6 To the extent the Project is assessed ISO-NE charges directly, including negative Capacity Performance Payments, the Project shall be solely responsible for such charges. To the extent a positive Capacity Performance Payment is made to the Project pursuant to the ISO-NE and NYISO Rules, LIPA shall be entitled to receive such credits for performance of the Contract Capacity during the Term.

2.2 Firm Pricing Commitment

2.2.1 Proposed pricing shall be all-inclusive, as further described in Section 6.3.6.

2.2.2 Proposed pricing must be firm and all terms and conditions must be open for acceptance by LIPA through the "Firm Pricing Required Through" date noted in the RFP Schedule (see Section 4.0, Table 4-1).

2.3 Contracting – Form of Agreement

2.3.1 The selected Respondent(s) will be required to execute a Capacity Purchase Agreement. LIPA's Form of Capacity Purchase Agreement is available for downloading in Microsoft Word format from the RFP Webpage (see Section 3.2).

2.3.2 A Respondent may propose non-substantive exceptions to LIPA's Form of Capacity Purchase Agreement to clarify Respondent's special circumstances. In such an event, Respondent shall provide a redline mark-up showing such changes. It must be emphasized that the nature and extent of any exceptions taken to the terms and conditions will be a major factor considered in the qualitative evaluation of Proposals. Respondents that demonstrate a willingness to accept LIPA's

Form of Capacity Purchase Agreement with no material exceptions will be given more favorable consideration in the qualitative evaluation (see Section 7.2.2).

2.4 Interconnection Requirements

2.4.1 The selected Project(s) must maintain valid interconnection agreement(s) to the New England Control Area.

2.5 Credit Requirements

2.5.1 Respondent(s) is hereby put on notice that if they are selected in this procurement and awarded a Capacity Purchase Agreement, they will be required, shortly after the Capacity Purchase Agreement becomes effective, to provide security in the form of either a letter of credit or a parental guarantee meeting the Credit Requirements in the amount of \$50,000 per MW which shall be replenished in accordance with the requirements of the LIPA Form of Capacity Purchase Agreement.

3.0 COMMUNICATIONS

3.1 Communications during the RFP Process

- 3.1.1 Pursuant to New York State Finance Law sections 139-J and 139-K, this RFP includes and imposes certain restrictions on communications between a Respondent and either PSEGLI or LIPA during the procurement process. The Respondent is restricted from making contact (i.e., an oral, written or electronic communications that a reasonable person would infer as an attempt to influence the award, denial, or amendment of a contract) with any PSEGLI or LIPA representative, other than as designated herein, from the date of issuance of this RFP through the final award and approval of the resulting contract(s) by LIPA and the Office of the State Comptroller (the “Restricted Period”). PSEGLI staff, consultants and advisors, LIPA staff, and the LIPA Board are required to obtain certain information if contacted during the Restricted Period in order to determine the responsibility of the Respondent pursuant to these two statutes. Certain findings of non-responsibility may result in rejection for contract award and immediate disqualification from the RFP process.
- 3.1.2 Respondents must direct all communications and questions regarding this RFP only to the listed designated contact (the “Designated Contact”) or through the designated email address (the “Designated Email Address”). All written communications from LIPA to Respondent will be sent through e-mail.
- 3.1.3 The Designated Contacts for the 2024 Off Island Capacity RFP are:
- John Koroglu & Edmund Petrocelli**
- 3.1.4 The Designated Email Address for the Designated Contacts of the 2024 Off Island Capacity RFP is:
- PSEG-LI-2024OffislandCapacityRFP@pseg.com
- 3.1.5 The Designated Contact(s) may be updated and/or supplemented as needed, and all such changes will be posted on the RFP Webpage.
- 3.1.6 Other than as provided herein, any contact regarding this RFP with PSEGLI staff, consultants or advisors, LIPA staff, or LIPA Board who are working on this RFP during its pendency may be grounds for disqualification from the RFP process and barred from future procurements.
- 3.1.7 Further information about these requirements can be found in the section “Lobbying Guidelines Regarding Procurements, Rules, Regulations, or Ratemaking,” which is posted on the RFP Webpage.

3.2 RFP Webpage

3.2.1 For further information, please refer to the RFP Webpage:

<https://www.psegliny.com/aboutpseglongisland/proposalsandbids/2024OffIslandCapacityRFP>

3.2.2 The RFP Webpage is a public site, accessible to anyone at any time. The RFP Webpage, which does not require a password or login information, allows Respondents to download documents referenced in this RFP. Updates and additional information may be posted periodically on the RFP Webpage. It is the responsibility of the participants to periodically visit the RFP Webpage to check for potential updates.

3.3 Questions about the RFP

3.3.1 All questions and requests for clarifications regarding the RFP may be submitted by sending an email to the designated email address listed in Section 3.1.4. The Respondent Clarifications Request Form included in Appendix A of the RFP must be completed and included as an attachment to the email in PDF format.

3.3.2 Questions and requests for clarifications regarding the RFP must be submitted on or before the end of the Question Submittal Window as set forth in the RFP Schedule listed in Section 4.0.

3.3.3 All questions, requests for clarification, and responses concerning this RFP will be posted on the RFP Webpage and available for review by all interested parties.

3.4 Pre-Bid Webinar

3.4.1 A pre-bid webinar will be held on February 14, 2024. Interested parties should register to the pre-bid webinar by sending an email to the Designated Email Address.

4.0 RFP SCHEDULE

The following RFP Schedule is based upon expectations as of the release date of this RFP. PSEGLI reserves the right to modify the RFP Schedule at its sole discretion at any time during the Restricted Period as defined in Section 3.1.1.

Table 4-1: RFP Schedule

Activity	Target Date
Release of RFP	January 16, 2024
Pre-Bid Webinar	February 14, 2024
Question Submittal Window*	January 16, 2024- March 22, 2024
Proposal Submittal Deadline	April 5, 2024, 5:00 PM EST
Proposal Selection(s) (planned)	May 6, 2024
Firm Pricing Required Through	September 30, 2024
Service Commencement Date(s)	May 1, 2025 or May 1, 2026, as applicable

* Window for submittal means start date (at 12:00 am) for acceptance of questions and end date (at 11:59 pm) for acceptance of questions.

5.0 PROPOSAL PROCESS

5.1 General

- 5.1.1 The Proposal Submittal Requirements are set forth in Section 5.4. All RFP documents may be obtained from the RFP Webpage.
- 5.1.2 To be considered for selection, Proposals must comply with each of the submittal requirements set forth in Section 5.4.
- 5.1.3 PSEGLI and LIPA assume no responsibility for errors or misinterpretations resulting from the use of incomplete sets of RFP documents.

5.2 Interpretation or Correction of RFP Documents

- 5.2.1 Any Respondent who discovers any ambiguities, inconsistencies, omissions, or errors or is in doubt as to the meaning or intent of any part of the RFP documents may request an interpretation from PSEGLI. Such request should be submitted via the Question-and-Answer process described in Section 3.3. Requests must be made during the Question Submittal Window.
- 5.2.2 If a Respondent fails to notify PSEGLI of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Respondent shall assume the risk and shall not be entitled to alter its Proposal after the Proposal Submittal Deadline.
- 5.2.3 Any modifications to the RFP documents will be furnished via the RFP Webpage.

5.3 Proposal Expenses

- 5.3.1 The Respondent shall bear any and all labor, materials and content costs and expenses required for or in connection with (i) preparation of its Proposal; (ii) subsequent actions taken by the Respondent up to the effectiveness of the Capacity Purchase Agreement(s), including clarification of its Proposal and negotiation of the Capacity Purchase Agreement(s); (iii) all taxes, duties, fees, and other charges that may be associated with completion and operation of the Project(s); and (iv) compliance with all local, state, and federal laws and regulations that may affect the Project(s) and the Capacity Purchase Agreement(s).

5.4 Proposal Submittal Requirements

- 5.4.1 For this RFP, a Proposal is based on a Respondent's offer to provide a specific amount of Contract Capacity in MWs from one or more Projects located in the New England Control Area in addition to being available to respond to an SRE if required to by the NYISO.

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- 5.4.2 Any Proposal that is deemed Non-Responsive will not be evaluated. A Non-Responsive Proposal includes one that:
- is not in conformance with RFP requirements and instructions;
 - is conditioned on the occurrence of some other act or omission (other than as required by law). (For example, a Proposal that is dependent upon the extension of an existing contract, cancellation of another contract⁷, and/or not being selected in another RFP);
 - contains Material Omission(s);
 - contains Non-Material Omissions that have not been cured by the required date;
 - includes exceptions to LIPA's Form of Capacity Purchase Agreement that impose unacceptable risk to LIPA; and/or does not meet the submission requirements set forth herein.
- 5.4.3 Proposals submitted in response to this RFP must be submitted in accordance with the proposal sections outline set forth in Section 6.2.2 in terms of format and sequence. A Proposal that does not follow the required proposal sections outline may not be evaluated.
- 5.4.4 The Respondent must complete all procurement and data forms, as further described in Sections 6.3.12 and 6.3.13, as applicable.
- 5.4.5 A Respondent submitting multiple Proposals must identify if any are mutually exclusive from other Proposals from that Respondent.
- 5.4.6 A Proposal shall be submitted in the complete name of the party expecting to execute any resulting Capacity Purchase Agreement.
- 5.4.7 The Proposal must be executed by a person who is duly authorized to bind a Respondent to a Capacity Purchase Agreement.
- 5.4.8 A Proposal submitted in response to this RFP must be received by the Proposal Submittal Deadline. Any Proposal received after this deadline will be categorized as Non-Responsive and will be disqualified from further evaluation. After the Proposal Submittal Deadline, no material changes may be made to a Respondent's Proposal.
- 5.4.9 Proposals must be submitted via email to the Designated Email Address listed in Section 3.1.4. Hard copies of Proposals are not acceptable. The maximum allowable email size is 15 MB. Multiple emails are acceptable.
- 5.4.10 There is no proposal fee applicable to this RFP.

⁷ Proposals that entail Respondent buying out of an existing Capacity obligation in the New England Control Area for the specified NYISO Capability Year(s) shall not be considered a "cancellation of another contract" under this RFP.

6.0 PROPOSAL ORGANIZATION

6.1 General Requirements

- 6.1.1 A Proposal must include each of the required elements set forth herein. This requirement applies to each Proposal submitted by a Respondent (i.e., each Proposal shall stand alone in satisfying these requirements).
- 6.1.2 The Respondent may submit complementary information not explicitly requested within the RFP documents. Such information shall be provided in addition to, not in lieu of, the requested information.
- 6.1.3 All documents, schedules, and similar items submitted as a part of a Proposal must be clearly labeled and organized in a fashion that facilitates easy location and review.

6.2 Proposal Outline

- 6.2.1 Proposals submitted in response to this RFP should follow the proposal sections outline in Section 6.2.2 in terms of format and sequence. A Proposal that does not follow the required proposal sections outline format and sequence may not be evaluated. Note that not all requirements listed within the proposal sections outline may be applicable to all Proposals. A Respondent should exercise its judgment when determining whether a requirement is applicable to its Proposal. In case of doubt, the Respondent should contact the Designated Contact(s) for this RFP. If the Respondent ultimately determines that a specific section is not applicable to its Proposal, the Respondent should so indicate in its Proposal.

Note that Proposal Sections 11, 12, and 13 listed in the Proposal Section Outline should be provided as individual files.

6.2.2 Proposal Sections Outline

1. Cover Letter
2. Table of Contents
3. Executive Summary
4. Company Data and Relevant Experience
5. Project Description & Operating Data
6. Proposed Contract Capacity & Pricing
7. Execution Plan for meeting ISO-NE and NYISO Requirements for Exporting Contract Capacity and Responding to an SRE
8. Respondent's Creditworthiness
9. Disclosures & NYS Vendor Registration for Contracting Entity
10. Confidentiality
11. LIPA's Form of Capacity Purchase Agreement Completed by Respondent
12. Procurement Forms
13. Respondent Data Form

6.3 Proposal Content

6.3.1 Cover Letter

- 6.3.1.1. The cover letter shall include highlights and special features of the Project(s).
- 6.3.1.2. The cover letter shall contain a statement clearly indicating the period during which the Proposal (including pricing) will remain effective. At a minimum, the Proposal must remain effective through the "Firm Pricing Required Through" date noted in the RFP Schedule.
- 6.3.1.3. The cover letter shall include contact information for the Respondent's primary point of contact, including name, title, address, telephone number, and email address.
- 6.3.1.4. The cover letter shall be signed by the Respondent's primary point of contact and the individual(s) who are duly authorized by the Respondent to make a binding offer.

6.3.2 Table of Contents

6.3.2.1. Proposals should include a table of contents that clearly lists all items submitted in response to this RFP (including appendixes, exhibits, tables, pictures) and is consistent with the proposal sections outline listed in Section 6.2.2.

6.3.3 Executive Summary

6.3.3.1. Proposals should include a summary, no more than two pages, of the Project's key features, characteristics, pricing, and distinguishable attributes with a focus on how the Proposal meets the objective(s) of the RFP.

6.3.4 Company Data and Relevant Experience

6.3.4.1. The Respondent must provide the following information about its company and experience:

- Full legal company name, address, and telephone number of the intended contracting party.
- Legal company organizational form (e.g., corporation, partnership, limited liability company), date formed, jurisdiction of organization, and identification of any relevant affiliates.
- Ownership status of the company or any direct or indirect parent company (e.g., privately held or publicly traded).
- Company history and experience in the operation of the Project(s) and any other grid-connected generation projects. The response should include project names, related capacity (in MW), technology, date of initial commercial operation, and location.
- Organizational chart that describes the reporting relationships of all the Respondent's key personnel and team members/partners along with a summary of key personnel's relevant experience.

6.3.5 Project Description & Operating Data

6.3.5.1. The Respondent must provide a full and complete detailed description of the Project(s) that would provide the proposed Contract Capacity including technology.

6.3.5.2. Equivalent forced outage rates demand (EFORd) for each month over the most recent 60 months at the time of response to the RFP. The EFORd data should be consistent with the NYISO EFORd

calculation. Selected Project(s) will be required to provide this data up to the pertinent contract capability year.

- 6.3.5.3. DMNC Test data as required by NYISO Rules, or the ISO-NE equivalent (i.e., Seasonal Claimed Capability (SCC)) for the most recent two calendar years available.
- 6.3.5.4. Respondent must provide historical operating data for the two most recent NYISO Capability Years. Data submissions must be in the form of Generating Availability Data System (“GADS”) Data or data equivalent to GADS Data in accordance with Attachment K of the ICAP Manual.
- 6.3.5.5. The Respondent must provide a list of planned and unplanned outages and derates, if any, for the Project(s) for the past five (5) years, including: to/from dates; outage cause and description; MW affected; corrective actions taken, if any; repairs undertaken.
- 6.3.5.6. The Respondent must provide a schedule of planned outages from 2025 through the proposed NYISO Capability Year(s).

6.3.6 Proposed Contract Capacity & Pricing

- 6.3.6.1. The Respondent must specify the minimum (no less than 25 MW) and maximum Contract Capacity that is being offered at the proposed pricing for each NYISO Capability Year. LIPA may elect to purchase any amount within the specified limits. LIPA may also elect to purchase either one or both of the NYISO Capability Years being offered. The Contract Capacity may be provided by aggregating capacity from more than one generating resource. The capacity of each generating resource offered must be a minimum of 25 MW.
- 6.3.6.2. The Proposal shall include proposed Capacity pricing in \$/kW-month for Contract Capacity for each NYISO Capability Year proposed.
- 6.3.6.3. Energy, pursuant to an SRE request by the NYISO, will be compensated by LIPA to the extent necessary to support any make-whole amount that may be applicable due to the negative difference in the Project’s cost of generation to supply SRE Energy and the ISO-NE LMP price of Energy as described in Section 4.1.8 of the NYISO Market Administration and Control Area

Services Tariff (“NYISO MST”). The Project shall provide to LIPA pertinent documentation for their generating cost as required by the NYISO.

6.3.6.4. All proposed pricing must be firm through at least the “Firm Pricing Required Through” date noted in the RFP Schedule in Section 4.0.

6.3.7 Execution Plan for meeting ISO-NE and NYISO Requirements for exporting Contract Capacity and responding to an SRE request

6.3.7.1. Respondent must describe how it intends to meet ISO-NE and NYISO Requirements for exporting Contract Capacity and Responding to an SRE request for the selected NYISO Capability Years.

6.3.7.2. The Respondent must provide a statement affirming that the Contract Capacity is located in the New England Control Area, including the name of the ISO-NE Capacity Zone where the Contract Capacity is electrically located. This statement should affirm that Contract Capacity is eligible to be exported in accordance with ISO-NE rules and is eligible to qualify as Long Island Locational ICAP in accordance with NYISO Rules.

6.3.7.3. The Respondent must provide a statement affirming that the Project(s) will not have a forward Capacity obligation in the ISO-NE Capacity markets for the specified NYISO Capability Year(s) to ensure that such Project(s) is available to provide Contract Capacity to LIPA for the specified NYISO Capability Year(s). If the Project has an existing Capacity obligation in the ISO-NE Capacity market, the Respondent must provide a statement affirming that it is able to buy out of its obligations and will provide the required Contract Capacity for the applicable NYISO Capability Years. (As indicated in the Form of CPA, failing to provide the required Contract Capacity will subject the Respondent to liquidated damages and potential NYISO deficiency charges.)

6.3.7.4. The Respondent must provide a statement affirming that the Project(s) does not have a permanent or retirement delist bid that has been accepted by ISO-NE and that would preclude Respondent’s capability to provide Contract Capacity for all or any portion of the specified NYISO Capability Year(s).

6.3.7.5. The Respondent must provide a statement affirming that (i) the Project(s) has been registered with the NYISO as an External Installed Capacity Supplier or that (ii) the Respondent will register the Project(s) with the NYISO as an External Installed Capacity Supplier.

6.3.8 Respondent’s Creditworthiness

6.3.8.1. The Proposal must contain evidence of the Respondent’s (and the Respondent’s creditworthy parent company, if applicable) financial condition and financial capacity to operate and maintain

the Project as evidenced by the following information, which must be included, if available, in the Proposal and certified by Respondent's chief financial officer. If such information is unavailable, then similar, representative information must be provided:

- For Respondent's three (3) most recent fiscal years, Respondent's audited consolidated financial statements, including its income statement, balance sheet, statement of cash flows, and statement of retained earnings. (If the Respondent does not have such financial statements, the audited financial statements from the Respondent's parent should be provided.)
- Respondent's annual reports for the past three (3) years. (If the Respondent does not have annual reports, the annual reports from the Respondent's parent should be provided.)
- Demonstration that Respondent's financial arrangements are sufficient to support the Project through the Term.

6.3.8.2. The Respondent must provide details of any events of default or other credit issues experienced by the Respondent.

6.3.8.3. If rated by S&P, Moody's, Fitch, or any other rating agency, the Respondent must provide its most recent credit ratings. (If the Respondent does not have a credit rating, the credit rating of the Respondent's parent should be provided.)

6.3.8.4. Respondent(s) must provide a statement affirming that if its Proposal is selected in this RFP and awarded a Capacity Purchase Agreement, Respondent will provide security in the form of either (i) a letter of credit or (ii) a parental guarantee meeting the Credit Requirements in the amount of \$50,000 per MW subject to replenishment as set forth in the CPA.

6.3.9 Disclosures & NYS Vendor Registration for Contracting Entity

6.3.9.1. Indicate whether the Respondent has filed and updated the required Vendor Responsibility Questionnaire online via the NYS VendRep System or confirm that the Respondent has obtained its NYS Vendor Identification Number. If a NYS Vendor Identification Number has been obtained, please provide that information for each intended contracting entity of the Respondent. If selected under this procurement, Respondent(s) are required to provide a Vendor Identification Number for each intended contracting entity no later than two weeks after Proposal Selection. The NYS Comptroller's Office targets approximately one-week turnaround from Vendor Identification Number request to completion of the no-fee request. See further details regarding the NYS Vendor Identification Number and related instructions in Section 7.1.

6.3.10 Confidentiality

6.3.10.1. As a corporate municipal instrumentality of the State of New York, documents provided to LIPA in response to this RFP are presumptively available to the public under New York's Freedom of Information Law (FOIL), Public Officers' Law (POL) Article 6. Respondents are strongly encouraged to familiarize themselves with FOIL.

6.3.10.2. The Respondent shall indicate in its Proposal, consistent with Section 87(2) of the POL, what information, if any, should not be made publicly available by marking such information as "confidential."

6.3.10.3. Information marked "confidential" will be treated as such to the extent consistent with obligations under FOIL, other applicable law, regulation, or legal process and will not be disclosed except as required by law or as necessary for the evaluation of Proposals.

6.3.10.4. In the event that a FOIL request is received for any or all Proposals submitted in response to this RFP, notification of the FOIL request will be provided to the submitting Respondent pursuant to Section 89(5) of the POL.

6.3.11 LIPA's Form of Capacity Purchase Agreement Completed by Respondent

6.3.11.1. A Respondent should fill out the information requested in the LIPA's Form of Capacity Purchase Agreement.

6.3.11.2. As set forth in Section 2.3, to the extent that a Respondent has any exceptions to LIPA's Form of Capacity Purchase Agreement, the Proposal must include a "redline" of the document showing any proposed text to be inserted, deleted, moved, or otherwise changed.

- Redlines must be provided using "Track Changes" in Microsoft Word.
- The Respondent's modifications that are not clearly identified using "Track Changes" will not be evaluated.
- In accordance with Section 2.3.2 of the RFP, a proposal with CPA exceptions that impose an unacceptable risk to LIPA that cannot be resolved through the CPA negotiation process, will not be evaluated.

6.3.12 Procurement Forms

Each Proposal shall, as applicable, include signed and completed copies of the following procurement forms, which are available on the RFP Webpage:

- Contingent Fee Certification
- Contractor Disclosure of Prior Non-Responsibility Determinations

-
- MacBride Fair Employment Principles
 - Non-Collusive Bidding Certification
 - NYS Vendor Responsibility Questionnaire/Certification
 - Sexual Harassment Policy
 - All MWBE and SVDOB related forms

6.3.13 Respondent Data Form

The Respondent Data Form is a Microsoft Excel file formatted for the Respondent to provide relevant key Proposal information. The form is available for download from the RFP Webpage. Respondents shall fill in this Excel file with all required information regarding the Proposal and submit as an Excel file.

7.0 PROPOSAL EVALUATION & SELECTION

7.1 Evaluation Process

- 7.1.1 The evaluation of Proposals will be conducted pursuant to the requirements of the “LIPA Procurement Guidelines,” a public document that is available on the RFP Webpage.
- 7.1.2 PSEGLI utilizes a multi-phase evaluation process to evaluate Proposals. This evaluation process considers qualitative and quantitative attributes with the intent to ensure a fair and non-discriminatory evaluation process while simultaneously selecting the Projects that provide the highest level of benefits to LIPA customers through the procurement.
- 7.1.3 The evaluation process may request a Respondent to clarify its Proposal for the purpose of assuring a full understanding of its response to the RFP by asking the Respondent written questions during the evaluation process.
- 7.1.4 Interviews may be scheduled with Respondents whose Proposals continue to be under consideration during the later portion of the evaluation process. Such Respondents are each referred to as a “Finalist.” If a Finalist does not have a NYS Vendor Identification Number, they will be required to promptly proceed to obtain one for the intended contracting entity (see 7.1.5 below). If selected under this procurement, Respondent(s) are required to provide a Vendor Identification Number for each intended contracting entity no later than two weeks after Proposal Selection.
- 7.1.5 LIPA may conduct a vendor responsibility determination and may require eligible Respondent(s) to answer questions and provide additional information to supplement the information provided in the NYS Vendor Responsibility Questionnaire to assist the evaluation process in making such a determination. The entity intending to enter a contract with LIPA should file the required Vendor Responsibility Questionnaire online via the NYS VendRep System. To enroll in and use the NYS VendRep System, see the VendRep System Instructions⁸ or go directly to the VendRep System online.⁹ Vendors must provide its NYS Vendor Identification Number when enrolling. To request assignment of a Vendor ID or for VendRep System assistance, contact the OSC’s Help Desk:

Telephone: (866) 370-4672 or (518) 408-4672

Email: ITServiceDesk@osc.state.ny.us

- 7.1.6 LIPA reserves the right to waive Non-Material Omissions in a Proposal.

⁸ VendRep System Instructions: http://www.osc.state.ny.us/vendrep/vendor_index.htm

⁹ VendRep System: <https://portal.osc.state.ny.us/>

7.2 Evaluation Criteria

- 7.2.1 The evaluation of Proposals will be done in accordance with the following qualitative and quantitative evaluation criteria. The criteria below are not necessarily listed in the order of importance.
- 7.2.2 The qualitative evaluation criteria include:
- Ability to meet the Service Commencement Date(s)
 - The Respondent's execution plan for meeting ISO-NE and NYISO requirements
 - Respondent's (or Respondent's parent's) creditworthiness
 - Respondent's experience
 - History of Project(s) reliability and availability
 - Consistency with LIPA's policies and resource plans
 - Degree of exceptions to LIPA's Form of Capacity Purchase Agreement
- 7.2.3 The quantitative evaluation criteria include the all-in costs of the Proposal to LIPA customers. This evaluation includes an assessment of the costs and benefits associated with the proposed capacity purchase, SRE Energy, including the impact on LIPA's other power purchases and sales.

7.3 Contract Process

- 7.3.1 Respondents will be notified if their proposals are selected for contracting. The Capacity Purchase Agreement shall be subject to approval by the LIPA Board for execution. LIPA may disclose to the public the estimated total contract value of any contract submitted for approval to the LIPA Board.
- 7.3.2 Once the LIPA Board approves the Capacity Purchase Agreement for execution, an authorized LIPA officer and an authorized officer of Respondent will execute the agreement within 15 days of LIPA Board approval.
- 7.3.3 The Capacity Purchase Agreement shall not be valid, effective, or binding until approved by the NYS AG and OSC and filed in the Comptroller's Office, in accordance with Section 112 of the NYS Finance Law. No payment for services may be made under the contract until the required approvals have been obtained.

7.4 Debriefing of Unsuccessful Respondents

- 7.4.1 Upon written request to the Designated Contact(s), an unsuccessful Respondent may request a debriefing. Debriefings will be scheduled after notice has been provided of selection of the successful Respondent(s).

7.4.2 Discussions during any such debriefing will be limited to an analysis of the evaluation of the Proposal submitted by the Respondent requesting the debriefing. Comparisons between Proposals or evaluations of the other Proposals will not be discussed.

7.4.3 Debriefings may be conducted, in person or by telephone, at PSEGLI's discretion.

8.0 RESERVATION OF RIGHTS

8.1 General

8.1.1 This RFP is issued to elicit responses to PSEGLI's/LIPA's inquiry and is not an offer. No contract or binding obligation on PSEGLI or LIPA may be implied from this RFP. No agreement will be formed between any Respondent and LIPA until a written agreement is executed by a selected Respondent and LIPA on terms and conditions acceptable to LIPA and such agreement is reviewed and approved in accordance with state law (See Section 7.3.3).

8.1.2 All material submitted in response to this RFP will become property of LIPA.

8.2 Right to Reject

8.2.1 This RFP does not commit PSEGLI or LIPA to selecting a Proposal, awarding a contract, paying any costs associated with the preparation of a Proposal, or procuring or contracting for any Project whatsoever. PSEGLI or LIPA, based on consultation with PSEGLI, reserves the right, in its discretion, to accept or reject any or all responses to this RFP; to negotiate with all Respondents being selected for contract negotiations; to not move forward with executing an agreement following contract negotiations; and/or to cancel this RFP in whole or in part and to pursue other resource alternatives, which may include negotiating with entities that were not Respondents.

8.3 Right to Bifurcate Proposal Selection

8.3.1 This RFP does not commit PSEGLI or LIPA to making all selections or awarding all contracts to Respondents at the same time.

8.4 Limitations on Changes

8.4.1 A Respondent may be requested to clarify information in its Proposal(s), but it may not alter its Proposal(s) or otherwise submit any additional information after the Proposal Submittal Deadline. Prohibited changes include pricing increases, and/ or changes in the electrical output of a proposed Project.

8.4.2 PSEGLI has endeavored to supply useful information in this RFP and the associated RFP Webpage. However, no representation or warranty, express or implied is made as to the accuracy or completeness of any information contained herein or otherwise provided to any Respondent by or on behalf of PSEGLI. Respondents are encouraged to conduct its own investigation and analysis of all information contained herein or otherwise provided.

9.0 MWBE & SDVOB PARTICIPATION/EQUAL EMPLOYMENT OPPORTUNITY

9.1 NYS MWBE Participation

- 9.1.1 PSEGLI and LIPA are committed to diversity and equal employment opportunities among its contractors and encourage all firms, including firms that are MWBE certified, to submit Proposals in response to this RFP. All certified MWBE firms submitting Proposals to this RFP should be registered as such with the NYS Department of Economic Development. Firms that are not certified but have applied for certification shall provide evidence of filing, including filing date.
- 9.1.2 This procurement does not have any additional MWBE requirements beyond that which the Respondent may have already instituted. Nevertheless, if applicable, Respondents should describe the level that they are utilizing MWBE certified entities. Accordingly, Proposal documents should include completed and executed copies of all required MWBE Forms 100, 101, 102, 103, 104, and 105, as applicable.
- 9.1.3 If a Respondent is certified as a NYS MBE or WBE, they shall provide evidence of this certification in its Proposal.
- 9.1.4 Respondents are encouraged to visit the Division of Minority and Women's Business Development's website.¹⁰

9.2 NYS SDVOB Participation

- 9.2.1 This procurement does not have any additional SDVOB requirements beyond that which the Respondent may have already instituted. Nevertheless, if applicable, Respondents should describe the level that they are utilizing SDVOB certified entities. Accordingly, Proposal documents should include completed and executed copies of all required SDVOB Forms provided on the RFP Website, as applicable.
- 9.2.2 If a Respondent is certified as a NYS SDVOB, they shall include evidence of this certification in its Proposal.
- 9.2.3 For more information regarding NYS SDVOBs, Respondents are encouraged to visit the NYS Office of General Services webpage.¹¹

¹⁰ Division of Minority and Women's Business Development website: <http://esd.ny.gov/MWBE.html>

¹¹ NYS Office of General Services webpage: <http://www.oqs.ny.gov/Core/SDVOBA.asp>

APPENDIX A. RESPONDENT CLARIFICATION REQUEST FORM

Company Name	
Company Mailing Address	
Primary Contact Information	
Name	
Title	
Phone	
Email	
Clarification Request #1	
Clarification Request #2	
Clarification Request #3	

APPENDIX B. REFERENCE LINKS

Item	Link
LIPA Website	www.lipower.org
PSEGLI Website	www.psegliny.com
RFP Webpage	https://www.psegliny.com/aboutpseglongisland/proposalsandbids/2024OffIslandCapacityRFP
VendRep System Instructions	http://www.osc.state.ny.us/vendrep/vendor_index.htm
NYS M/WBE Directory	https://www.osc.state.ny.us/state-vendors/resources/minority-and-women-owned-business-enterprises-mwbes
Division of Minority and Women's Business Development Website	http://esd.ny.gov/MWBE.html
NYS Office of General Services Website	http://www.ogs.ny.gov/Core/SDVOBA.asp
Lobbying Guidelines Regarding Procurements, Rules, Regulations, or Ratemaking	https://www.lipower.org/wp-content/uploads/2016/10/LIPALobbying-3.pdf
LIPA Procurement Guidelines	https://www.lipower.org/wp-content/uploads/2023/06/Board-Policies-6-2023.pdf
NYISO Open Access Transmission Tariff	https://nyisoviewer.etariff.biz/ViewerDocLibrary/MasterTariffs/9FullTariffNYISOOATT.pdf
NYISO Market Administration and Control Area Services Tariff	https://nyisoviewer.etariff.biz/ViewerDocLibrary/MasterTariffs/9FullTariffNYISOMST.pdf
NYISO Installed Capacity Manual	https://www.nyiso.com/documents/20142/2923301/icap_mnl.pdf/234db95c-9a91-66fe-7306-2900ef905338

APPENDIX C. GLOSSARY

Capacity – means the capability to generate and deliver Energy measured in MW.

Capacity Purchase Agreement or CPA – means the agreement setting forth the commercial terms for LIPA's purchase of Contract Capacity and Energy from one or more selected Projects.

Capacity Performance Payment - shall have the meaning designated by ISO-NE in their tariff agreements.

Contract Capacity – has the meaning set forth in Section 1.3.1.

Credit Rating – means, with respect to any Person, the rating by S&P, Moody's, Fitch or any other rating agency agreed to by the Parties then assigned to such Person's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such Person does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such Person as an issuer rating by S&P, Moody's, Fitch or any other rating agency agreed by the Parties.

Credit Requirements – means, with respect to any Person, that such Person has at least two of the following Credit Ratings: (a) "Baa2" or higher from Moody's; (b) "BBB" or higher from S&P; and (c) "BBB" or higher from Fitch.

Cross Sound Cable or CSC – means the HVDC transmission cable connecting the converter station in New Haven, Connecticut with the converter station at the decommissioned Shoreham Nuclear Power Station in Brookhaven, New York.

Delist – has the meaning set forth in the ISO-NE Rules.

DMNC -- means the generator output capability test (Dependable Maximum Net Capacity) used to establish the NYISO Installed Capacity of the Project for the NYISO Summer Capability Period and NYISO Winter Capability Period (as applicable) as set forth in the NYISO Rules.

DMNC Test Period – has the meaning set forth in NYISO Rules.

Energy – means three-phase, 60-hertz alternating current electric energy, expressed in MWh.

External Installed Capacity Supplier – has the meaning set forth in NYISO Rules.

ICAP or Installed Capacity – has the meaning set forth in NYISO Rules.

ICAP Event Calendar – has the meaning set forth in NYISO Rules.

ICAP Manual – has the meaning set forth in NYISO Rules.

ISO-New England or ISO-NE – means the Independent System Operator of New England, and any successor in interest thereto.

ISO-NE Rules – means the ISO-NE Tariff and all ISO-NE manuals, rules, procedures, agreements or other documents relating to sale of Capacity, Energy and ancillary services that govern the participation of market participants with respect thereto in the ISO-NE Markets as in effect from time to time.

ISO-NE Tariff – means the ISO-NE Open Access Transmission or any other tariff applicable to the ISO-NE.

Long Island Locational ICAP - means ICAP that the NYISO recognizes as electrically located on Long Island.

Material Omissions –The failure to provide information required to be submitted with the Respondent’s Proposal by the Proposal Submittal Deadline and where the absence of this timely information submission could result in one or more of the following:

1. Inability to holistically evaluate the Respondent’s Proposal
2. The Respondent obtaining an unfair advantage over other Respondents.
3. Disadvantage to other submitted Proposals.
4. Disadvantage to LIPA.

The failure to provide such information by the Proposal Submittal Deadline would result in a Non-Responsive determination.

Non-Material Omissions –The failure to provide information required to be submitted with the Respondent’s Proposal. The absence of this information submission, if not considered a Material Omission, while still required to complete the Proposal’s evaluation would not hinder such evaluation.

MW – means one megawatt alternating current of Capacity.

MWh – means one megawatt hour (1,000 kilowatt hours) of Energy.

New England Control Area – means the area defined as such by the Northeast Power Coordinating Council glossary of terms dated January 19, 1966, as may be amended from time to time.

New York Control Area – has the meaning as described in the NYISO Rules.

NYISO – means the New York Independent System Operator, Inc. or any successor in interest thereto.

NYISO Capability Period – means, as applicable, the NYISO Summer Capability Period or the NYISO Winter Capability Period.

NYISO Capability Year – has the meaning set forth in NYISO Rules, which is currently May 1 to April 30.

NYISO Information Obligations – means the following information to be provided in accordance with NYISO Rules:

- i. Name, location and other project identification data of the Project;
- ii. DMNC Test and NYISO Contract Capability Period DMNC Test data of the Project as required by the NYISO Rules;
- iii. Documentation that satisfies the maintenance scheduling requirements (as such term is used in the NYISO Rules) relating to the Project; and
- iv. Documentation certifying that Seller has not sold to a Person other than Buyer the same Contract Capacity made available and sold to Buyer.

NYISO Installed Capacity - has the meaning set forth in NYISO Rules.

NYISO Market Administration and Control Area Services Tariff or NYISO MST – has the meaning set forth in NYISO Rules.

NYISO Rules – means the NYISO Tariff, and all NYISO manuals, rules, procedures, agreements, or other documents governing the participation of market participants in the NYISO Markets as in effect from time to time.

NYISO Summer Capability Period – means May 1 through October 31 as currently defined by NYISO Rules.

NYISO Tariff – means the NYISO Open Access Transmission Tariff and/or the NYISO Market Administration and Control Area Services Tariff or any other tariff applicable to the NYISO, as in effect from time to time.

NYISO Winter Capability Period – means November 1 through April 30 as currently defined by the NYISO Rules.

Person – means any individual, entity, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association or other entity or Governmental Authority.

Form of Capacity Purchase Agreement or Form of CPA – means the original Capacity Purchase Agreement template that was posted with the 2024 Off Island Capacity RFP.

Proposal – has the meaning set forth in Section 1.2.

Respondent – has the meaning set forth in Section 1.2.

Service Commencement Date or SCD – means May 1, 2025 or May 1, 2026, as applicable.

Supplemental Resource Evaluation request (an SRE or SRE request) – has the meaning set forth in NYISO Rules.

UCAP or Unforced Capacity – has the meaning set forth in NYISO Rules.

UDRs – means unforced capacity deliverability rights, as defined in the NYISO Rules.

Year – means a period of 365 consecutive days, or 366 consecutive days if such period includes a February 29.