



MERCED IRRIGATION DISTRICT (MEID)
 Invitation for Bid (IFB)

MID-IFB-2018-02

Purchase CY 2019 Resource Adequacy (RA) for MEID’s Distribution System

Notice is hereby given that the Merced Irrigation District (MEID) calls for bids to sell Resource Adequacy (RA) to MEID to meet its obligations in the Turlock Irrigation District (TID) Balancing Authority (BA).

This solicitation does not commit MID to award a Confirmation, pay any costs incurred in the preparation of the response, or to procure or contract for Resource Adequacy. MID reserves the right to accept or reject any or all IFB responses or portions thereof and to cancel in part or in its entirety this IFB, if it is in the best interest of MID to do so.

1. Bids are requested for the 2019 calendar year based on the monthly MW distribution of RA shown below.

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|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 2019 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| MW | 77 | 80 | 82 | 87 | 113 | 127 | 130 | 137 | 130 | 96 | 85 | 80 |

2. MEID will accept bids for any combination of volumes and months, but only up to the maximum volumes as outlined in the above table. Additionally, all offers must include pricing that reflects each month independently. For example, if an offer is for March through May, then the offer would include a separate price for March, April and May.
3. Bids can be submitted for any whole number of MWs in any months that bidders have RA available for sale. Bid units shall be in \$/kW-mo.
4. Criteria for bidding include: Resources can be anywhere in the CAISO BAA. Resources in other BAAs may bid if there is a transmission path from that unit to TID. Any Generating Unit in a utility transmission system that has or is eligible for a WAPA energy allocation has such a transmission path.
5. Seller’s Generating Unit(s) must make a showing that it has Resource Adequacy Qualified Capacity sufficient to meet or exceed the requirements of TID's Resource Adequacy Policy in a timely manner. Seller must certify to MEID in writing that sum of all the sales from the Generating Unit does not exceed the RA Capacity of the resource for any months sold to MEID.

6. TID has the final say on the actual RA Capacity of the Generator consistent with the TID RA Policy. Any documentation signed or provided by Seller may also be supplied to TID, however, pricing terms may be removed/redacted (MEID recommends this and when MEID supplies this information to TID it will redact pricing information).
7. The portion of the resource providing the Resource Adequacy Qualified Capacity must not be committed to another BA for meeting load or reserve requirements, or for the purposes of Resource Adequacy Requirements or something similar to another BAA, and for resources outside the CAISO BA, must not be committed for a sale of energy, capacity, ancillary service, or any other sale to an entity other than MEID;
8. MEID is requesting a Firm RA Product. Seller will be responsible for Replacement RA with increments as small as on a daily basis if needed. Seller will be responsible for all penalties, fines, fees and additional costs as a result of non-delivery of RA for a given month. Seller will be responsible for 125% of the total costs associated with the acquisition of such alternative RA resource or absent a purchase by MEID or TID, Seller will be responsible for up to TID's all-in cost of resources, which is \$9.27/kW-mo.
9. If the resource is within the CAISO:
 - a. TID must be able to specify the source in the CAISO Day Ahead (DA) and Real Time (RT) markets. The resource's CAISO Resource ID must be supplied in the confirmation.
 - b. TID must be able to specify the resource as the source for a CAISO export in the Day Ahead (DA) market. (Referred to as a Supporting Resource.)
 - c. The resource must follow CAISO bidding and scheduling requirements such that TID has the ability to tie an export from the CAISO to the resource in a manner that achieves a higher priority export than that of a self-schedule. The supplier may provide an alternate resource to the extent it is not unduly burdensome to TID.
 - d. An agreement allowing MEID to compensate Seller for energy and other costs in the event that TID schedules the Resource may be agreed to in the final confirmation. In the absence of an energy agreement between MEID and Seller, Seller will be compensated as outlined in the Generator's Masterfile and paid for energy at the Generator's Pnode Locational Marginal Price (LMP).
10. If the resource is outside the CAISO, TID must be able to schedule the resource at any time up to 75 minutes prior to the delivery hour.
 - a. If TID is not able to do so, then the resource will be treated as not available and penalties from item 8. will apply.
 - b. An agreement allowing MEID to compensate Seller for energy and other costs in the event that TID schedules the Resource must be agreed to in the final confirmation. MEID requests supporting documentation or calculations for the energy price and other costs (heat rates, startup costs, etc.) required by the Seller. A CAISO calculated indexed price (such as, but not limited to, NP-15 Day Ahead and FMM) is also an alternative.
11. The TID RA Policy, the TID/MEID Power Sales Agreement and the MEID Confirmation specific to the TID BA are available with this IFB on the MEID website at www.mercedid.com. It is highly recommended that bidders review Section 6 of the TID/MEID Power Sales Agreement, the entire TID RA Policy and the Confirmation before submitting bids. The Confirmation utilizes the WSPP as a master agreement and serves as a guide. Successful bidders may adjust the terms

of the Confirmation during negotiations. However, MEID will not negotiate its requirement for Firm RA.

12. Questions regarding this IFB may be addressed in writing and sent to Rich Dragonajtys via E-mail at rdragonajtys@mercedid.org prior to Friday, February 16th before 2:00 PM. Unless the question is in writing, it will not be considered. Questions and the answers from MEID will be answered by responding to all members of the IFB mailing list plus anyone else who shows an interest in this IFB. This email will be sent out on 2/20/2018.
13. Bids should be date stamped no later than 3:00 PM on February 23, 2018. Bids should be attached to an email and delivered to: rdragonajtys@mercedid.org
14. This IFB will begin negotiation for a final Confirmation for RA. This Confirmation will ideally be completed by March 16, 2018.
15. Successful bidders will be informed of upcoming contract negotiations on or before March 1, 2018. Unsuccessful bidders will be informed when MEID fulfills its 2019 RA Requirements.
16. SCHEDULE:
 - a. IFB out on Tuesday, February 13, 2018.
 - b. Questions due by Friday, February 16, 2018.
 - c. MID will respond to questions by Tuesday, February 20th, 2018.
 - d. Bids will be due on Friday, February 23rd, 2018 at 3:00 PM.
 - e. Estimated Confirmation completion date is Friday, March 16th, 2018.

Rich Dragonajtys
Merced Irrigation District