

Request for Information



**City of Minneapolis
Finance and Property Services**

**Request for Information for
Electricity from Renewable Generation Sources
for Minneapolis Municipal Operations & Community-Wide Goals**

Issue Date: July 29, 2019

Responses Due by: Wednesday, October 16, 2019 at 4:00pm

Responses Due by October 16, 2019



www.minneapolismn.gov

July 29, 2019

To whom it may concern:

Attached is a Request for Information soliciting information on feasible renewable electricity options to enable the City of Minneapolis (City) to power its municipal operations with 100% renewable electricity by 2023. The City's estimated municipal operation's annual electricity need in 2023 is 100 million kWh. The City is also interested in concepts that would help meet the City's 100% city-wide renewable electricity goal by 2030 as outlined in Resolution 2018R-121 (April 27, 2018).

The City is not interested in renewable energy credits from existing projects. The City is interested in generation concepts that are "additive" to the existing Xcel Energy transmission grid. This includes both projects that are 'shovel ready' and new project ideas that would bring about renewable electricity resources that otherwise would not have been built based on current requirements and commitments. Please refer to the Invitation section of this RFI for further details on the project attributes that the City seeks with this request.

Responses are due by 4:00 PM CDT on October 16, 2019.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Brian Millberg".

Brian Millberg
Energy Manager
City of Minneapolis

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REQUEST FOR INFORMATION

for

Electricity from Renewable Generation Sources

for

Minneapolis Municipal Operations

I. INVITATION:

The City of Minneapolis (“City”) invites interested parties to respond to this Request for Information (“RFI”) regarding Electricity Supply from Renewable Generation Resources as a comprehensive initiative intended to:

- a) facilitate a transition to 100 percent renewable energy supply in electricity use for City Municipal Operations by January 1, 2023,
- c) provide an opportunity for the City to contribute to the initiation of new qualified renewable energy generation resources as opposed to solely tapping renewable electricity from existing generation resources already in operation,
- d) afford the City the opportunity, at its discretion, to expand its commitment to renewable electricity to cover additional City requirements above and beyond those represented by its own facilities.

The City recognizes that product offerings in the competitive power market continue to evolve and increase, particularly in the area of renewably generated electricity. The purpose of this RFI is to gather information from experienced developers and suppliers of renewably generated electricity so that the City can release a Request for Proposals (RFP) for a new resource to provide the City with 100% renewably sourced electricity for its municipal operations by January 1, 2023. The City is seeking the input of experienced and knowledgeable energy suppliers to help envision, formulate, and assess opportunities to achieve municipal commitments and future metropolitan goals.

This RFI is strictly an inquiry. No contract or agreement will be entered into as a result of this process. However, the information contained in the RFI responses will help the City advance its supply planning efforts, which will result in the release an RFP for a new resource to provide the City with 100% renewably sourced electricity for its municipal operations by January 1, 2023.

The City’s current electricity usage for its municipal operations is 101 million kWh annually, spread out over 1,670 accounts. The electricity is utilized in the following areas of the City’s municipal operations:

Type of Account	Number of Accounts	kWh Annual Usage	% of Total Usage for Municipal Operations
City Owned Buildings	200	32,270,000	32%
Fresh Water Treatment and Distribution Facilities	10	40,970,000	40%
Street Signals and Street Lighting	1,450	28,10,0000	28%
TOTALS	1,670	101,340,000	100%

All of the electricity accounts for the City are in Xcel Energy’s service territory. The City recognizes that it participates in a regulated utility market with Xcel Energy having certain rights to the distribution of electricity within its territory. The City seeks innovative concepts that can be implemented within the current regulatory environment.

The City is currently enrolled in two separate contracts in the Xcel Energy Renewable*Connect program, a 10-year contract for 17.8 million kWh annually (expiring in 2027) and a 5-year contract for 42.2 million kWh annually (expiring in 2023). These contracts bring the amount of renewably derived electricity to 60% of the City's usage. The Renewable*Connect program provides Renewable Energy Credits to the City at a cost of \$0.006/kWh to \$0.008/kWh on top of the regular cost of the electricity from Xcel Energy. The purpose of this RFI is to learn about the types of new resources that might be available when the 2023 contract expires which could provide additional renewable electricity to help meet 100% of the City's usage at a significantly lower cost than the Renewable*Connect program. The City anticipates a need for approximately 82 million kWh annually starting in 2023 increasing to approximately 100 million kWh annually in 2027.

In addition to powering the City's municipal operations with 100% renewable electricity by 2023, the City has established a goal of powering the entire community's electricity needs with 100% renewable electricity by 2030 as established by City Resolution 2018R-121 This is estimated to be a total of 3,900 million kWh annually (including the 100 million kWh for municipal operations). This RFI seeks information on meeting this much larger renewable resource need as well.

II. RFI OBJECTIVES:

The City is interested in RFI responses that expand our knowledge about the scope of renewable resources to meet our needs described above. A primary goal of this RFI process is to receive well-informed, well thought-out, and clearly communicated renewable electricity procurement opportunities including the types of generation resources and contractual or financial constructs that could provide the following:

- a) 100% of City's electricity needs for its municipal operations to be derived from renewable generations sources by January 1, 2023, and the 100% of the Community's electricity needs by 2030.
- b) Renewable electricity – Defined as electricity derived from wind, solar, geothermal, and wave technology sources, and may include low-impact, small hydro and some forms of biomass after these projects are evaluated for sustainability and environmental justice implications, but specifically excludes electricity derived from fossil fuels, nuclear, incineration of non-biogenic municipal and medical waste, and large-scale future hydroelectric development.
- c) Additionality – The City wishes to be a catalyst for new renewable energy development that would place resources onto the electric grid in excess of the Minnesota state mandated Renewable Portfolio Standard. Ideally, new resources would not be under construction or even financed as of today. The City is not interested in purchasing Renewable Energy Credits (RECs) from an existing resource.
- d) Cost – The City is specifically looking for renewable electricity that can be purchased at a price below the cost of the Xcel Energy Renewable*Connect program.
- e) Time length of contract – The City seeks information on resources with a contract for a period of ten to twenty years.
- f) Local Generation/Geographically located in or close to the City - The City desires to have as many of the new resources located within the City as possible or as close to the City so that the resource is visible to the residents of the City and transmission losses are reduced between the resource and City's points of electricity usage.

- g) Job Creation – The City prefers local labor to the extent possible be used in the planning, construction, and operation of new resources.
- h) Prevailing Wage – all estimated cost assumptions for labor for the construction of the resource should be at or above the prevailing wage for each craft when estimating the cost per kWh.
- i) Minority and Women business and labor participation – The City invites suggestions about how a project could set percentage goals for the Developer to meet on the overall project and on construction labor with the goal of advancing diversity in ownership and workforce.
- j) Electricity production matched to City’s load pattern – A resource portfolio that can produce power during the day and night to provide renewable electricity somewhat aligned with the City’s use of power.

RFI responses will be thoroughly reviewed, analyzed, and used as a basis for informing the City’s electricity procurement options. Each RFI submission will be considered as a stand-alone item as well as in potential combination with ideas submitted by others. RFI Respondents should include enough company information to verify that they possess the appropriate experience, resources, and skill sets to be considered as making credible recommendations.

III. FUNDING ASSUMPTIONS:

The City currently funds participation in renewable electricity procurements through its monthly bill payments for electricity. For the procurement considered in this RFI, the City is open to projects that could include an equity stake or prepayment by the City to lower the overall cost of the renewable electricity.

IV. SUBMISSION REQUIREMENTS AND FORMAT:

All Respondents are asked to submit their firm’s proposed Supply approach and their organizational information in the format outlined below. It is worth reiterating that this RFI is not part of a formal procurement; therefore, responses will be carefully reviewed but not evaluated or scored. The intent is to receive informed recommendations on possible approaches for meeting renewable electricity supply goals and identify options for overcoming Supply challenges.

Respondents are encouraged to answer every applicable section as completely as possible. All responses should, at a minimum, provide enough information to document that the Respondent has appropriate capacity and past experience to qualify their answers as credible and enough narrative description and economic forecast data to be able to assess the feasibility of their proposed scenario.

Organizations that do not respond to this RFI will not be precluded from participating in future Supply procurements.

RFI Response submissions requirements:

- a) Total response page count should not exceed 20 pages.
- b) Executive Summary - Please provide a brief narrative summary overview of your understanding of the City’s electricity supply, sustainability commitments, supply goals, and the highlights of your approach. Summary should clearly delineate which of the objectives listed in Section II above would be met by the proposed product or service’s attributes and

capabilities along with a summary description of unique characteristics of your approach.

- c) Scope of Services - Describe in detail how services will be provided. Include a detailed listing and description of tasks and deliverables.
- d) Financial Construct - Provide payment outline, and include enough general pricing information to illustrate that the project concept would meet the cost goals listed on page 4 of this RFI.
- e) Company Information - Please provide the following descriptive information for the responding company (or if Respondents are a team, the overall team and each member):
 - Name of company or companies
 - Key principals for company or companies and contact information
 - Summary description and/or summary term sheet from recent project that could be applicable to this RFI.
 - Include the name, phone number, and email address of a contact in case the City has questions regarding the submission.

V. PROPOSAL DUE DATE and LOCATION: The Respondent shall submit a PDF version of their response to the following email address:

Brian.millberg@minneapolismn.gov

Submittals must be received by **4:00pm CDT on October 16, 2019**. **NOTE: Late responses may not be accepted.**

VI. QUESTIONS AND CHANGES TO THIS RFI:

The Respondent's primary interface with the City will be with the Contract Manager who will act as the City's designated representative for the RFI. Prospective Responders shall direct inquiries and questions in writing to:

Contract Manager: Brian Millberg, Energy Manager
Finance and Property Services
661 5th Avenue North
Minneapolis, MN 55405
Email ID: brian.millberg@minneapolismn.gov

All questions are due no later than 4:00 PM CDT September 13, 2019. Responses to the questions will be posted by September 20, 2019 on City's Procurement webpage at:

<http://www.minneapolismn.gov/finance/procurement>

The Contract Manager is the official point of contact for the City for questions regarding the RFI before proposals are submitted.

At any time, at its sole discretion, the City may, by written addenda to this RFI, modify, amend, cancel and/or reissue this RFI. If your organization wishes to be notified of any RFI changes or future addendum please send primary point of contact's: name, email address, and phone number to: brian.millberg@minneapolismn.gov with the words "100% Renewable Electricity RFI" in the email subject line.

If an addendum is issued prior to the date information is due, it will be made available on the City of Minneapolis services website at:

www.minneapolismn.gov/finance/procurement

VII. INFORMATION PREPARATION COSTS:

The City shall not be liable or responsible for any costs incurred by the Respondent in the preparation, submission, presentation, or revision of its information, or in any other aspect of the Respondent's pre-information submission activity. No Respondent is entitled to any compensation except under an agreement for performance of services signed by a City-authorized official and the Respondent.