



Independent Electricity
System Operator

Demand Response Pilot Request for Proposal

Issue 1.0

RFP - 60

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1. Introduction

1.1 About the IESO

- 1 The Independent Electricity System Operator (“IESO”) is a not-for-profit corporate entity established by the *Electricity Act* (Ontario). The IESO is responsible for ensuring there is enough power to meet Ontario’s electricity needs in real time while also planning and securing energy for the future. It does this by: balancing the supply of and demand for electricity in Ontario through the electricity market; planning for the province’s medium- and long-term energy needs; and securing clean sources of supply to meet those needs. The IESO is also responsible for fostering the development of a conservation culture in the province.
- 2 Additional information regarding the IESO can be found at: www.ieso.ca

1.2 Objectives of this RFP

- 3 This RFP is issued by the IESO as an invitation to qualified interested parties to submit Proposals for the provision of Load Following Service under the *demand response pilot program*, as set out herein.
- 4 This RFP describes the process by which the IESO intends to select one or more Respondents to enter into a Contract with the IESO for the provision of Load Following Service under the *demand response pilot program*.
- 5 The purpose of this RFP is to ensure that the IESO contracts for the Project in an economical, timely and efficient manner through a process that is fair, transparent and accessible to qualified parties and consistent with the provisions set forth in the Provincial Government’s Management Board of Cabinet Procurement Directive.

1.3 Scope of this RFP

- 6 This document covers all of the timelines, document format, and legal issues relating to this RFP process.
- 7 This RFP is not a tender call. This RFP does not commit the IESO in any way to select a Preferred Respondent or to award a Contract.
- 8 The IESO reserves the right to reject any or all Proposals, to amend or terminate this RFP process at any time, and to retain all Proposals.
- 9 This RFP shall only create contractual relations between the IESO and a Respondent upon the IESO receiving a Proposal from such Respondent that is fully compliant with the terms and conditions set out herein.

1.4 Conventions

- 10 Terms and acronyms used in this document that are italicized have the meanings ascribed thereto in Chapter 11 of the Market Rules for the Ontario Electricity Market.
- 11 Each of the rights and powers reserved by the IESO in this RFP may be acted upon by the IESO in its sole and absolute discretion.
- 12 All monetary amounts herein refer to lawful currency of Canada.

1.5 Mandatory and Recommended

- 13 This RFP specifies numerous format and content-related requirements. Some of them are mandatory and some of them are not mandatory, but recommended and desirable.
- 14 The words “must”, “shall”, and “required” mean a mandatory requirement that must be met in a substantially unaltered form in order for the Proposal to receive consideration. Notwithstanding any of the other terms or conditions of this RFP, if a Proposal is not in substantial compliance with a mandatory requirement of this RFP, in the sole and absolute discretion of the IESO, the IESO shall disqualify the Proposal from this RFP process.
- 15 The words “should” and “desirable” mean a recommended condition not considered essential, but having a significant degree of importance to the objectives of the RFP and for which preference may be given.

1.6 Definitions

- 16 In addition to the terms defined elsewhere in this RFP, capitalized terms shall have the meanings given to them below:
 - “**Addenda**” means the documents expressly identified as addenda and issued by the IESO to Respondents in accordance with this RFP and “**Addendum**” means any one of such documents.
 - “**Affiliate**” has the meaning given to that term in the Business Corporations Act (Ontario) and, for the purposes of this RFP, if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.
 - “**Availability Score**” has the meaning given to it in section 3.1.3.
 - “**Behind-the-Meter Generation**” means *energy* produced by a Behind-the-Meter Generator. For the purpose of this RFP, the entire Demand Response Capacity of each Project that uses Behind-the-Meter Generation to provide at least some portion of its Demand Response Capacity will be considered Behind-the-Meter Generation.
 - “**Behind-the-Meter Generator**” means a generation unit that delivers *energy* to load without using the *transmission system* or *distribution systems*.
 - “**Briefing Session**” has the meaning given to it in section 4.7.
 - “**Closing Date**” means the deadline for the IESO to receive a Proposal (and any amendment(s) thereto) as set out in the Timetable.
 - “**Conflict of Interest**” means any situation or circumstance where, in relation to this RFP process, the Respondent has an unfair advantage (whether real or perceived) or engages in conduct, directly or indirectly, that may give it an unfair advantage, including (i) having or having access to information in the preparation of its Proposal that is confidential to the IESO or the Government of Ontario and not available to other respondents to this RFP; (ii) communicating with any official or representative of the IESO or the Government of Ontario with a view to influencing preferred treatment in this RFP process; or (iii) engaging in conduct that compromises or could be seen to compromise the integrity of the open and competitive RFP process and render that process non-competitive and unfair.
 - “**Contract**” means a written binding agreement between the IESO and a Preferred Respondent substantially in the form of the Definitive Contract.
 - “**Contract Service Term**” means a period of 24 consecutive months beginning on the Service Commencement Date.
 - “**Definitive Contract**” means the final form of the Draft Contract or, if the Draft Contract is not indicated as such by the IESO, the most recent version of the Draft Contract as of the deadline for IESO to issue Addenda and the Definitive Contract indicated in the Timetable.
 - “**Demand Response**” means the reduction of *energy* consumption at a *facility* or set of *facilities* through Load Reduction, use of Behind-the-Meter Generation, or other commercially available technology that is capable of reducing the *energy* consumption from the *IESO-controlled grid*.
 - “**Demand Response Capacity**” means the amount of power, measured in MW, available to the IESO as Demand Response, subject to the terms of the Contract, from a given Proposal.

- **“Demand Response Pilot Project”** means a Successful Proposal that operates and receives payment under the terms and conditions of its Contract.
- **“Demand Response Resource”** means a *facility*, or set of *facilities*, that is capable of Demand Response in response to program triggers or *dispatch instructions* from the IESO.
- **“Draft Contract”** means the initial draft form of the Definitive Contract issued in Appendix D of this RFP, as such draft may be revised and amended from time to time by one or more Addenda, in accordance with this RFP.
- **“Eastern Standard Time”** has the meaning given to it in the Time Act (Ontario). Daylight savings time is not considered in this RFP.
- **“Envelope”** has the meaning given to it in section 2.3.2.
- **“Five Minute Scheduling”** means the process by which *dispatch instructions* are issued to a Demand Response Resource by the IESO as frequently as on a 5-minute basis in the *real-time dispatch process*.
- **“Form of Offer”** means the form attached hereto as Appendix C.
- **“Hourly Scheduling”** means the process by which physical operating instructions are issued to a Demand Response Resource for a given hour by the IESO on an hourly basis.
- **“Hours of Availability”** means the hours in which a Successful Proposal is expected to submit *bids* into the *energy market* and follow Five Minute Scheduling or Hourly Scheduling, as identified by the Respondent in its Proposal and required under the Contract.
- **“IESO”** has the meaning specified in Section 1.1.
- **“Intent to Participate Form”** means the form attached hereto as Appendix B, **“Intent to Participate Form”**, as completed and executed by the Respondent.
- **“Load Following Service”** means a change in *energy* output or *energy* consumption in response to Five Minute Scheduling or Hourly Scheduling, as applicable, in order to meet changing levels of *demand*. For the purpose of this RFP, the operational obligations that constitute Load Following Service are set out in Schedule 8 of the Definitive Contract.
- **“Load Following Service Hours”** means the hours from 5:00 am until 11:00 pm Eastern Standard Time on Monday to Friday, inclusive.
- **“Load Reduction”** means a method of providing Demand Response Capacity, other than Behind-the-Meter Generation, by which a measure is or measures are undertaken to reduce *energy* consumption in response to price signals.
- **“Lowest Proposed Capacity Price”** has the meaning given to it in section 3.1.4.
- **“Mandatory Requirements”** means, collectively, the Mandatory Submission Requirements, the Mandatory Technical Requirements, the Pricing Proposal Requirements, and any other mandatory requirement set out in this RFP, including those requirements which are mandatory pursuant to section 1.5 (e.g., certain requirements under sections 4 and 6).
- **“Mandatory Submission Requirements”** has the meaning given to it in section 2.4.
- **“Mandatory Technical Requirements”** has the meaning given to it in section 2.5.
- **“Maximum Facility Load”** means the maximum instantaneous active power that the Project can consume, expressed in MW.
- **“Months of Availability”** means the months, on an annual basis, in which the Project is expected to be available to provide Load Following Service, as identified by the Respondent in its Proposal and required under the Contract.
- **“Non-Disclosure Agreement”** means the non-disclosure agreement attached hereto as Appendix A.
- **“No Unit Commitment”** means Unit Commitment will not be used to schedule the Project.
- **“Offer Letter”** has the meaning set out in section 7.1.
- **“Other Hours”** means all hours that are not Load Following Service Hours.
- **“Participant Type”** means a *wholesale consumer*, a *demand response aggregator*, or a *demand response direct participant* as applicable.

- **“Preferred Respondent”** means a Respondent, including its successors and assigns, selected by the IESO pursuant to this RFP, to enter into a Contract.
- **“Price Score”** has the meaning given to it in section 3.1.4.
- **“Pricing Proposal Requirements”** has the meaning set out in section 2.7.
- **“Project”** has the meaning given to it in the Draft Contract attached as Appendix D.
- **“Proposal”** means the Respondent’s formal response to this RFP.
- **“Proposal Extracts”** has the meaning given to it in the Draft Contract.
- **“Proposal with Locational Limits”** has the meaning given to it in section 2.3.3.
- **“Proposed Capacity Price”** means the Proposed Contract Price divided by the Demand Response Capacity, expressed in \$/MW-year.
- **“Proposed Contract Price”** means the total annual price at which the Respondent commits to make available its entire proposed Demand Response Capacity to provide Load Following Service as set out in its Proposal for each 12 month period of the Contract Service Term.
- **“Proposed Project”** means the Respondent’s proposed Project as set out in its Proposal. For greater certainty, each Proposal represents a separate Proposed Project.
- **“Ramp Time”** means the greater of (i) the amount of time the Project requires to ramp up its entire Demand Response Capacity and (ii) the amount of time the Project requires to ramp down its entire Demand Response Capacity.
- **“Ramp Time Score”** has the meaning given to it in section 3.1.3.
- **“Respondent”** means any individual, corporation, general partnership (acting through its partners), limited partnership (acting through its general partner), consortium or joint venture (acting through the legal entities comprising the consortium or joint venture) that submits an Intent to Participate Form, a Non-Disclosure Agreement and a Proposal, in the case of a partnership (general or limited) or a consortium or joint venture, includes each of the partners (general or limited) in the partnership and each of the entities comprising the consortium or joint venture, as the case may be.
- **“Restricted Person”** means any person who, or any member of a group of persons acting together, any one of which:
 - a) Has, directly or indirectly, its principal or controlling office in a country that is subject to any economic or political sanctions imposed by Canada for reasons other than its trade or economic policies,
 - b) Has as any part of its business the illegal manufacture, sale, distribution or promotion of narcotics substances or arms, or is or has been involved in the promotion, support or carrying out of terrorism,
 - c) In the case of an individual, he or she (or, in the case of a legal entity, any of the members of its board of directors or its senior executive) has been sentenced to imprisonment or otherwise given a custodial sentence, other than a suspended sentence, for any criminal offence, other than minor traffic offences, less than five years prior date at which the consideration of whether such individual is a “Restricted Person” is made hereunder,
 - d) Has as its primary business the acquisition of distressed assets or investments in companies or organizations which are or are believed to be insolvent or in a financial standstill situation or potentially insolvent,
 - e) Is subject to a claim of the IESO or any other Governmental Authority under any proceedings (including regulatory proceedings) which have been concluded or are pending at the time of any proposed transaction and which (in respect of any such pending claim, if it were to be successful) would, in the view of the IESO, in either case, be reasonably likely to materially affect the performance by the Preferred Respondent of its obligations under the Contract,

- f) Is, or any Affiliate thereof is, subject to protection under the Companies' Creditors Arrangement Act (CCAA), creditor protection or any other bankruptcy or insolvency proceedings.
- g) Has been convicted of an offence under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), or has been convicted of the commission of a money laundering offence or a terrorist activity financing offence under the *Criminal Code* (Canada), or
- h) Whose standing or activities are inconsistent with or may compromise the reputation or integrity of the IESO.
- **“RFP”** has the meaning given to it in section 4.4.
 - **“RFP”** means this Request for Proposal.
 - **“RFP Coordinator”** means the IESO’s authorized representative, and the Respondent’s point of contact, for all purposes relating to this RFP, as specified in Section 4.1.
 - **“Service Commencement Date”** means May 1, 2016, such earlier date as may be mutually agreed upon by the Preferred Respondent and the IESO, or such later date as may be determined by the IESO, in its sole and absolute discretion.
 - **“Successful Proposal”** means a Proposal for which the Preferred Respondent has entered into a Contract with the IESO.
 - **“Timetable”** means the schedule of key procedural dates and times relating to this RFP, as specified in Section 4.8.
 - **“Total Score”** means the amount that is equal to the sum of Availability Score, Ramp Time Score, and Price Score.
 - **“Transmission Zones”** means the ten (10) transmission zones identified in the table in section 2.3.3 and illustrated in the map provided in Appendix H.
 - **“Unit Commitment”** means the utilization of advanced scheduling either day-ahead or four hours ahead of the *real-time dispatch process* which results in at least two hours of scheduled curtailment of Demand Response Resources real-time in exchange for a demand response *bid* guarantee as defined in the Contract.
 - **“Upper Price Threshold”** means the maximum dollar amount that the IESO shall accept as a Proposed Capacity Price in a Respondent’s Proposal under the RFP process. For greater certainty, any Proposal with a Proposed Capacity Price greater than the Upper Price Threshold shall be disqualified from the RFP process. The dollar amount of the Upper Price Threshold (i) was established and fixed by the IESO prior to the issuance of this RFP and (ii) shall remain confidential and not be disclosed to any Respondent until after all Contracts awarded under the RFP process have been finalized.

– End of Section –

2. Deliverables

2.1 Purpose of the RFP

- 17 The IESO is seeking Proposals from Respondents and to enter into Contracts with the Preferred Respondents in order to test the capability of Demand Response Resources to provide Load Following Service.
- 18 The IESO is seeking to develop a diverse portfolio of Demand Response Pilot Projects provided by Participant Types with the following characteristics:
- Project scheduling type: Hourly Scheduling or Five Minute Scheduling;
 - Project commitment type: Unit Commitment or No Unit Commitment; and
 - Project curtailment plan type: Behind-The-Meter Generation or Load Reduction.
- 19 Additionally, the IESO intends to examine the following while these Demand Response Resources are providing Load Following Service:
- Integrating different Demand Response Resources into the operation of the *IESO-controlled grid* and assessing their capabilities at both the bulk transmission and distribution levels to provide Load Following Service; and
 - Identifying the opportunities that Demand Response Resources could provide to the future operation of the *IESO-administered markets* and how best to integrate them into the *IESO-administered markets*.

2.2 Respondent's Obligations

2.2.1 Definitive Contract

- 20 The Definitive Contract associated with this RFP will form the basis of the Contract to be entered into between a Preferred Respondent and the IESO. The Definitive Contract outlines the obligations that a Preferred Respondent and its Successful Proposals will be required to meet including, but not limited to, registration requirements, operational requirements, and data submission requirements. It is the Respondent's sole responsibility to read and understand all of the terms, conditions, and obligations of the Definitive Contract (and any related documents referenced therein) prior to submitting any Proposal. Should a Preferred Respondent or its Successful Proposal fail to meet its obligations outlined in the Contract, the Preferred Respondent and its Project may be subject to reduced payments, liquidated damages and termination of the Contract.

2.2.2 Capacity Based Demand Response Resources

- 21 A Successful Proposal may use capacity which is already committed to the *capacity based demand response program* to provide some or all of its Demand Response Capacity, subject to the following requirements: (i) the Hours of Availability of the Successful Proposal must not overlap with the hours in which any of the Successful Proposal's capacity is committed to the *capacity based demand response program*, and (ii) the Preferred Respondent must notify the IESO (in accordance with the Measurement and Verification process outlined in Schedule 7 of the Definitive Contract) of the period of time in which the Successful Proposal's capacity is committed to the *capacity based demand response program*. Further, if a Successful Proposal includes capacity committed to the *capacity based demand response program* pursuant to the terms of this section 2.2.2, the Preferred Respondent shall be solely responsible for managing the impact of each program on the other including, for greater certainty, any costs, expenses, liability, obligations, penalties, reduced

payments, or any other adverse consequence of any kind or nature whatsoever relating to any default or breach under the *capacity based demand response program*.

2.3 Scope of Work

2.3.1 Services Required

- 22 The IESO seeks to acquire Load Following Service from Demand Response Resources that are directly connected to the *IESO-controlled grid* or embedded within *distribution systems* that are directly connected to the *IESO-controlled-grid* in order to test the load following capabilities of Demand Response Resources.
- 23 The IESO seeks to procure up to 100MW, in aggregate, of Load Following Service from up to 20 proposals received by the IESO under this RFP.
- 24 The Definitive Contract associated with this RFP sets out the obligations that Successful Proposals are required to meet.
- 25 Preferred Respondents will be offered a Contract to provide Load Following Service for the Contract Service Term. There shall be no extension or renewal of any Contract awarded through this RFP.

2.3.2 Project Envelopes

- 26 The IESO is seeking to contract Load Following Service from Demand Response Resources that cover a variety of project types and a variety of project characteristics. To support this outcome, the IESO has identified three mutually exclusive project envelopes (collectively, “Envelopes” and each, an “Envelope”) in which Proposals will be considered. The Envelopes will be used in the evaluation process, as described in section 3, to support project diversity and program learnings.
- 27 The three Envelopes are as follows:
 - Envelope 1** – *Demand response aggregators* with Five Minute Scheduling
 - Envelope 2** – *Demand response aggregators* with Hourly Scheduling
 - Envelope 3** – *Demand response direct participants* or *wholesale consumers* with Hourly Scheduling

2.3.3 Locational Limits

- 28 In order to successfully incorporate *demand response aggregators* into its system models, and to promote a diverse portfolio of Demand Response Pilot Projects, the IESO has established limits on Maximum Facility Load for Proposals in Envelopes 1 and 2 based on the Transmission Zone in which they are located. These locational limits only apply to a Proposal in Envelopes 1 or 2 where more than one *demand response contributor* will be used to provide the proposed Demand Response Capacity (each a “Proposal with Locational Limits”).
- 29 As set out in section 2.4 and Appendix E, all Proposals must identify, amongst other things, the Transmission Zone in which the Proposed Project will be located. The Respondent is solely responsible for ensuring that it selects the correct Transmission Zone in its Proposal.
- 30 The Maximum Facility Load for each Proposal with Locational Limits must not exceed the Maximum Facility Load Constraint for the relevant zone as set out in the table below. If the Maximum Facility Load in any such Proposal exceeds the applicable Maximum Facility Load limit listed in the table below, the Proposal will be disqualified.
- 31 During the evaluation and selection process (as set out in section 3) the aggregate Maximum Facility Load for Proposals with Locational Limits that are selected in each of the Transmission Zones shall not exceed the maximum load constraint for the relevant zone as set out in the table below (the “Maximum Load Constraint”).

| Transmission Zone | Maximum Facility Load Limit (Applies to a single Proposal) | Maximum Load Constraint (Applies to the sum of selected proposals) |
|--------------------------|---|---|
| Toronto | 35 MW | 100 MW |
| East | 35 MW | 100 MW |
| Essa | 35 MW | 50 MW |
| Ottawa | 35 MW | 100 MW |
| Niagara | 35 MW | 50 MW |
| Southwest | 20 MW | 40 MW ¹ |
| West | 15 MW | 30 MW ² |
| Northeast | 0 MW | 0 MW |
| Northwest | 0 MW | 0 MW |
| Bruce | 0 MW | 0 MW |

2.4 Mandatory Submission Requirements

- 32 Each Proposal must include a completed Mandatory Submission Requirement Form located in Appendix E, in accordance with the terms listed in Appendix E, or the related Proposal will be disqualified.

2.5 Mandatory Technical Requirements

- 33 Any Proposal with a Demand Response Capacity of less than 1 MW or greater than 35 MW will be disqualified. Any Proposal with a Demand Response Capacity equivalent to less than 10% of the Maximum Facility Load will be disqualified.
- 34 Only *demand response aggregators* may select Five Minute Scheduling. Any Proposal for a *wholesale consumer or demand response direct participant* that selects Five Minute Scheduling will be disqualified.
- 35 Only Proposals with Hourly Scheduling may select Unit Commitment. Any Proposal that selects Five Minute Scheduling and Unit Commitment will be disqualified.
- 36 Any Proposal with a Ramp Time greater than 60 minutes will be disqualified. Only Proposals participating in Unit Commitment may have a Ramp Time that is more than 30 minutes. Any Proposal that is not participating in Unit Commitment and selects a Ramp Time that is more than 30 minutes will be disqualified.

2.6 Technical Evaluation Requirements

- 37 Each Proposal must include a completed Technical Evaluation Requirement Form located in Appendix F, in accordance with the terms listed in Appendix F, or the related Proposal will be disqualified.

¹ In the Southwest, the maximum load constraint is equivalent to two (2) blocks of up to 20 MW. If the IESO received three Proposals with Locational Limits in the Southwest, each with a Maximum Facility Load of 11 MW, only a maximum of 2 projects could be selected. One project could be attributed to the first block of 20 MW and a second could be attributed to the second block of 20 MW, since each block would only have 9 MW remaining, the other 11 MW project could not also be selected.

² In the West, the Maximum Load Constraint is equivalent to two (2) blocks of up to 15 MW. See explanation for Southwest above.

2.7 Pricing Proposal Requirements

- 38 Each Proposal must include a completed Pricing Proposal Requirement Form located in Appendix G, in accordance with the terms listed in Appendix G, or the related Proposal will be disqualified. Further, if the Proposed Contract Price is greater than the Upper Price Threshold, the Proposal will be disqualified.

– End of Section –

3. Proposal Evaluation

3.1 Evaluation Criteria

39 All Proposals will be evaluated based on a staged approach as detailed in this section 3.

| Evaluation Criteria | Maximum Score |
|--|------------------|
| Mandatory Submission Requirements (see Appendix E) | Pass/Fail |
| Mandatory Technical Requirements (see section 2.5) | Pass/Fail |
| Pricing Proposal Requirements – 1. Proposed Capacity Price vs. Upper Price Threshold | Pass/Fail |
| Technical Evaluation Requirements (see Appendix F) | 40 |
| 1. Availability | 20 |
| 2. Ramp Time | 20 |
| Price Evaluation (see Appendix G) | 20 |
| 1. Proposed Capacity Price | 20 |
| Total Available Points per Proposal | 60 |

3.1.1 Mandatory Requirements

40 Each Proposal must comply with all Mandatory Requirements in the RFP. Each Proposal will be checked for the presence or absence of the Mandatory Requirements, including but not limited to the Mandatory Submission Requirements, the Mandatory Technical Requirements, and the Pricing Proposal Requirements. The Mandatory Requirements will be assessed on a pass/fail basis. A Proposal that does not meet all of the Mandatory Requirements will be disqualified by the IESO from further consideration.

3.1.2 Proposal Evaluation

41 Proposals which satisfy the Mandatory Requirements will be evaluated, scored, and ranked based on the criteria and weightings set out in sections 3.1.3 and 3.1.4.

3.1.3 Technical Evaluation

42 Proposals satisfying the Mandatory Requirements will be scored based on the information provided by the Respondent in Appendix F using the following scoring criteria:

1. Availability (maximum score = 20):

The availability score for each Proposal will be calculated based on the following formula:

$$\text{“Availability Score”} = A \times B \times C$$

Where:

A = The maximum score (20);

B = $((3 \times [\text{Number of Load Following Service Hours}]) + [\text{Number of Other Hours}]) \div 348$.

C = Months of Availability \div twelve (12).

For selection purposes, availability score will be rounded to two decimal points.

2. Ramp Time (maximum score = 20):

The Ramp Time score will be assessed based on the amount of time the Proposed Project requires to ramp the full proposed Demand Response Capacity. Respondents will be required to select one of the five options below and will receive the score noted in brackets at the right of the relevant option (“**Ramp Time Score**”). Note that since the amount of time a Project requires to ramp down may be different than the amount of time it requires to ramp up, the Respondent must select the option that corresponds with the longer of the two times.

- Ramp Time of 10 minutes or less (Ramp Time Score = 20)
- Ramp Time of 15 minutes or less but not 10 minutes or less (Ramp Time Score = 15)
- Ramp Time of 20 minutes or less but not 15 minutes or less (Ramp Time Score = 10)
- Ramp Time of 30 minutes or less but not 20 minutes or less (Ramp Time Score = 5)
- Ramp Time of more than 30 minutes but not more than 60 minutes (Ramp Time Score = 0)

3.1.4 Price Evaluation

- 43 Respondents shall include in the Proposal their Proposed Contract Price to meet all obligations as defined in this RFP and the Definitive Contract.
- 44 In evaluating price submissions in a proposal, the IESO will assign a maximum score of 20 to a proposal received by the IESO under this RFP that has the lowest Proposed Capacity Price out of all proposals that meet the Mandatory Requirements (“Lowest Proposed Capacity Price”). All other proposals received by the IESO under this RFP that meet the Mandatory Requirements will receive a pro-rated Price Score based on their Proposed Capacity Price using the following formula:

$$\text{“Price Score”} = 20 - (20 \times (\text{Proposed Capacity Price} - \text{Lowest Proposed Capacity Price}) \div (\text{Upper Price Threshold} - \text{Lowest Proposed Capacity Price}))$$

- 45 For selection purposes, Price Score will be rounded to two decimal points.

3.2 Evaluation Process

3.2.1 Evaluation and Selection

- 46 The IESO will evaluate all Proposals to determine whether they have met the Mandatory Requirements detailed throughout the RFP.
- 47 For those Proposals that have a Proposed Capacity Price that is less than or equal to the Upper Price Threshold the IESO will evaluate whether such Proposals have met the Mandatory Submission Requirements.
- 48 For those Proposals meeting the Mandatory Submission Requirements, the IESO will further evaluate whether such Proposals have met the Mandatory Technical Requirements.
- 49 For those Proposals meeting the Mandatory Technical Requirements, the IESO will evaluate and score such Proposals based on the Technical Evaluation Requirements and Proposed Capacity Price.
- 50 All proposals received by the IESO under this RFP that have successfully completed the aforementioned steps of the evaluation process will be ranked based on their respective Total Score, producing an initial ranking of such proposals with the highest Total Score ranked first and the lowest ranked last.
- 51 Preferred Respondents will then be selected from the ranked list of proposals by means of the three rounds described below, subject to the constraints in section 3.2.2 and the tie-breaking criteria in section 3.2.3.

Round 1 (project type): The highest ranked proposal in each Envelope will be selected.

Round 2 (commitment type): If no proposal with Unit Commitment was selected in Round 1, the highest scoring proposal with Unit Commitment will be selected or, if no proposal with No Unit Commitment was selected in Round 1, the highest scoring proposal with No Unit Commitment will be selected. Alternatively, if at least one proposal with Unit Commitment and one proposal with No Unit Commitment were selected in

Round 1, no proposal will be selected in Round 2. This round will be omitted if either there are no proposals with Unit Commitment or no proposals with No Unit Commitment.

Round 3 (capacity fulfillment): Additional proposals will continue to be selected in this round based on their ranking (highest to lowest) until no further proposals can be selected without violating one of the constraints outlined in section 3.2.2. For greater certainty, a lower ranked proposal could be selected over a higher ranked proposal in Round 3 if the selection of such higher ranked proposal (on its own or in combination with previously selected proposal(s)) violated one of the constraints outlined in section 3.2.2, where the lower ranked proposal remained in compliance with such constraints.

3.2.2 Constraints

- 52 Proposals will be ineligible for selection through the process outlined in section 3.2.1 if their selection would cause one or more of the following constraints to be violated:
- a. No more than 100 MW of Demand Response Capacity, in aggregate, will be procured under this RFP.
 - b. A maximum of 20 proposals will be selected through this RFP.
 - c. A maximum of 1 proposal with a proposed Demand Response Capacity of more than 20 MW will be selected.
 - d. A maximum of 2 proposals each with proposed Demand Response Capacities of more than 15 MW will be selected. For greater certainty, constraint “d” is inclusive of constraint “c” (i.e., If one proposal with a capacity of more than 20 MW has already been selected, then only one more proposal with a capacity of more than 15 MW will be eligible for selection. Similarly, if two proposals greater than 15 MW but not more than 20 MW have already been selected, then no proposal with a capacity greater than 20 MW will be eligible for selection and no further proposal greater than 15 MW will be eligible for selection. In either case, proposal with a capacity of less than 15 MW would continue to be eligible for selection unless they violate another constraint).
 - e. No more than 50 MW of Demand Response Capacity, in aggregate, will be selected from proposals where Behind-the-meter Generation will be used to provide any portion of the proposed Demand Response Capacity.
 - f. A maximum of 35 MW of Demand Response Capacity, in aggregate, will be selected from any one Respondent and its Affiliates.
 - g. For proposals in Envelopes 1 and 2 with more than one (1) *demand response contributor*, the sum of the Maximum Facility Load of proposals selected in each Transmission Zone shall not exceed the maximum load constraint set out in section 2.3.3.

3.2.3 Tie-Breaking

- 53 If during the evaluation and selection process more than one proposal has the same Total Score and all of such proposals cannot be selected due to the constraints identified in section 3.2.2, then the following tie-breaking criteria shall be applied. Such proposals will be compared on the first criterion on the list below and only compared on each subsequent criterion until a tie no longer persists.

Tie-Breaking Criteria

1. Lowest Price
 2. Shortest Ramp Time
 3. Highest Load Following Service Hours
 4. Envelope with fewest selected Projects at the time of selection
 5. Transmission Zone with fewest selected Projects at the time of selection
 6. Smallest Demand Response Capacity
 7. Smallest Maximum Facility Load
- 54 For example, if two proposals were tied and only one could be selected, they would be compared first on price. If the price of the proposals was different, the lower cost proposal would be selected. If the proposals had the same

price, they would then be compared on Ramp Time. This process would continue progressively down the list of criteria until one project was selected over the other.

3.2.4 General

- 55 If a Proposal contains any false or misleading statement the Proposal may be rejected. If, in the opinion of the IESO, such information was intended to mislead the IESO in its evaluation of the Proposal, the Proposal will be rejected.
- 56 The IESO may, but is not obliged to, seek clarification or verification documentation from any Respondent or in connection with any Proposal or any aspect of a Proposal. The review and evaluation, including the ranking, of any Proposal may rely on, take into account, and include any information and documentation obtained through such clarification or verification documentation.
- 57 Notwithstanding any other provision of this RFP, the Respondents will not submit and the IESO will not accept any clarifications, rectifications, information, or documentation in respect of the Proposal after the Closing Date and time listed in section 4.8 without the prior approval of the IESO or at the invitation or request of the IESO.
- 58 The IESO's decision on whether or not a Proposal substantially satisfies the provisions of this RFP and the Contract will be final and the IESO need not consult with the Respondent in making its decision.

– End of Section –

4. Communicating with the IESO

4.1 RFP Coordinator

- 59 The IESO has appointed the following person as its RFP Coordinator for all purposes relating to this RFP process:

Kathie Callan CSCMP (CPP), CPM
Senior Procurement Specialist
Independent Electricity System Operator
Tel: (905) 855-6192
Email: Kathie.Callan@ieso.ca and rfp.info@ieso.ca

4.2 General Communications

- 60 Unless specifically stated otherwise in this RFP, all communications relating to this RFP shall be addressed to the RFP Coordinator in writing by email and shall be executed by an authorized signing officer of the Respondent.
- 61 No verbal instructions or verbal information provided to the Respondent will be binding on the IESO. The Respondent shall not rely upon any information or instructions relating to this RFP other than those provided in writing by the RFP Coordinator.

4.3 Submitting a Proposal

- 62 Anyone wishing to submit a Proposal shall do so, in accordance with this RFP, to the IESO's RFP Coordinator.
- 63 In order for a Proposal to be considered under this RFP, such Proposal (and any amendments thereto) must be received by the IESO prior to the Closing Date and time as set out in the Timetable. For greater certainty, a Proposal or Proposal amendment, as applicable, will be deemed to be received by the IESO (i) once it enters the IESO's electronic mail server and (ii) becomes capable of being retrieved and processed by the IESO.
- 64 Any information or documentation forming part of a Proposal must be submitted to the IESO by email and such information or documentation must be directly attached to or contained within such email. The IESO will not accept any information or documentation submitted to the IESO in connection with this RFP by way of an electronic link or cloud computing service.
- 65 More than one Proposal may be submitted by the same Respondent; however, no Respondent and its Affiliates may submit more than a total of 10 Proposals (cumulatively). Each Proposal must be submitted to the IESO in a separate email. If more than one Proposal is submitted in a single email, the IESO, at its sole and absolute discretion, may disqualify one or all of the Proposals within the email. If more than 10 Proposals are submitted by a Respondent and its Affiliates only the first 10 Proposals received by the IESO will be accepted.
- 66 Each Proposal must be submitted separately following these instructions. If more than one Proposal is being submitted, each one should be identified with the number associated (i.e., 1, 2, 3, 4, etc...). The number should be included after the Vendor Name (i.e., ABC#1 for the first proposal ABC#2 for the second and so on).
- 67 Each Proposal amendment must be submitted separately following these instructions. If more than one Proposal is being amended, each Proposal's amendment should be submitted in a separate email, identified as follows: the amendment number being submitted (i.e., 'first amendment', 'second amendment', 'third amendment', etc...) followed by the Vendor Name and the number associated with the corresponding Proposal that is being amended. For example, the second amendment to a Respondent's second Proposal must be identified as 'Second Amendment to <Vendor Name> #2).

- 68 Each Proposal or amendment, as applicable, must be clearly marked as “Demand Response Pilot RFP-60 Proposal (Insert Vendor Name & Proposal #) – Private & Confidential”.
- 69 The Proposal’s pricing submission, detailed in Appendix G, must be submitted as a separate attachment to the Proposal submission email, entitled “Demand Response Pilot RFP-60 – (Insert Vendor Name & Proposal #) Pricing Proposal – Private & Confidential”.
- 70 The Proposal’s list of proposals, detailed in section 6.5, must be submitted as a separate attachment to the Proposal submission email, entitled “Demand Response Pilot RFP-60 – (Insert Vendor Name & Proposal #) List of Proposals – Private & Confidential”.
- 71 The Proposal must contain the Respondent’s full legal name and return address, and must provide the main contact information of the Respondent.
- 72 If the Respondent wishes to amend its Proposal, it must do so in accordance with the terms of this RFP and must be received by the IESO prior to the Closing Date and time listed in section 4.8. Any amendment to a Proposal should clearly indicate what part of the Proposal the amendment is intending to affect or replace.
- 73 If the Respondent wishes to withdraw its Proposal, the IESO must receive a written request from the Respondent by email indicating same prior to the Closing Date and time listed in section 4.8.³

4.4 Questions, Clarification, and Discrepancies

- 74 The IESO’s written instructions and specifications will be considered clear and complete unless written attention is called to any apparent discrepancies or incompleteness before the Closing Date and time listed in section 4.8.
- 75 The Respondent is advised to examine all of the documents comprising this RFP and should promptly report any errors, omissions or ambiguities. It is the responsibility of the Respondent to seek clarification from the RFP Coordinator on any matter it considers to be unclear and the IESO shall not be responsible for any misunderstanding on the part of the Respondent concerning this RFP.
- 76 The Respondent may direct questions or seek additional information in writing by emailing the RFP Coordinator. In order to submit questions or seek additional information from the RFP Coordinator, Respondents must have previously submitted a Non-Disclosure Agreement and such questions or request for additional information must be received by the RFP Coordinator prior to the deadline for submitting questions set out in the Timetable.⁴ For greater certainty, the IESO will be under no obligation to respond to any such questions or inquiries until it has received a completed Non-Disclosure Agreement from the Respondent.
- 77 A Respondent may, if it considers its enquiry set out in a request for information (“RFI”) to relate to commercially sensitive matters, request the RFI to be kept confidential by setting out the request in the RFI and by clearly marking the RFI as “Commercial in confidence”. The IESO may in its discretion respond to the RFI on a confidential basis.
- 78 To ensure consistency and quality of information provided to Respondents, all significant interpretations, responses, and supplemental information and instruction provided by the IESO shall be issued in the form of Addenda and provided to all Respondents by posting on MERX, without revealing the sources of the inquiries.
- 79 Notwithstanding the foregoing, the IESO is under no obligation to provide additional information or clarification.

4.5 Due Diligence

- 80 The Respondent shall be responsible for obtaining its own independent financial, legal, accounting, and technical advice with respect to this RFP and any information included in any addenda, attachments, appendices, data, materials, or documents made available, provided or required pursuant to this RFP.

³ Such withdrawal request will be deemed to be received (i) once it enters the IESO’s electronic mail server and (ii) becomes capable of being retrieved and processed by the IESO

⁴ Such questions or requests for additional information will be deemed to be received by the RFP Coordinator (i) once it enters the IESO’s electronic mail server and (ii) becomes capable of being retrieved and processed by the IESO

- The IESO will not be liable under any circumstances for any information or advice or any errors and omissions that may be contained in this RFP or in the addenda, attachments, appendices, data, materials, or documents made available, disclosed or provided to the Respondent pursuant to this RFP.
- The IESO makes no representation or warranty, either express or implied, in fact or in law, with respect to the accuracy or completeness of this RFP or such addenda, attachments, appendices, data, materials, or documents.
- The IESO will not be responsible or liable under any circumstances for any claim, action, cost, loss, damage, or liability whatsoever arising from the Respondent's reliance on or use of this RFP or any other addenda, attachments, appendices, data, materials, or documents provided by the IESO.

4.6 Non-Disclosure and Intent to Participate

- 81 The Respondents shall execute the Non-Disclosure Agreement attached hereto as Appendix A and return the duly executed copy, by email, to the RFP Coordinator, in accordance with the deadline set out in the Timetable. Changes to the Non-Disclosure Agreement will not be accepted.
- 82 The Respondent shall execute the Intent to Participate Form attached hereto as Appendix B and return it, by email, to the RFP Coordinator, to ensure that it is received by the IESO in accordance with the deadline set out in the Timetable.
- 83 The IESO will not accept any submitted Proposal from Respondents who do not complete the Non-Disclosure Agreement and Intent to Participate Form by the deadline specified in the Timetable.

4.7 Briefing Session

- 84 The IESO will be holding one (1) RFP briefing session on April 14, 2015 and reserves the right to schedule a second briefing session (each, a "Briefing Session") prior to the Closing Date.
- 85 In order to participate in the Briefing Session, Respondents must submit a completed Non-Disclosure Agreement and register with the RFP Coordinator no later than April 10, 2015.
- 86 Details of the Briefing Session will be provided after registration and submission of the completed Non-Disclosure Agreement.

4.8 Timetable for RFP

- 87 The following Timetable sets out the schedule and key dates and times (Eastern Standard Time) in this RFP process.

| | |
|---|------------------------|
| RFP release date | April 1, 2015 |
| Deadline for registration for Briefing Session and, for any Respondent wishing to participate in the Briefing Session, submission of the duly executed Non-Disclosure Agreement | 3:00 pm April 10, 2015 |
| Briefing Session | April 14, 2015 |
| Respondent's deadline for submitting questions | 3:00 pm April 17, 2015 |
| Respondent's deadline for submitting duly executed Intent to Participate Form and Non-Disclosure Agreement ⁵ | 3:00 pm May 12, 2015 |
| IESO deadline for issuing Addenda and Definitive Contract | May 14, 2015 |
| RFP Closing Date (deadline for IESO to receive Proposal(s)) | 3:00 pm June 4, 2015 |
| Anticipated selection of Preferred Respondents | June 25, 2015 |
| Anticipated contract award date | July 23, 2015 |

- 88 The IESO reserves the right to accelerate or postpone any of the dates set out above and add, eliminate, or re-order any of the steps in the Timetable from time to time by Addenda.
- 89 If a Respondent fails to submit or the IESO fails to receive a Proposal by the Closing Date and time listed in this section 4.8, then the IESO will disqualify the Respondent from this RFP process.
- 90 If any Addendum is issued after the deadline for issuing addenda, the IESO may, but is not obligated to, extend the RFP Closing Date for a reasonable amount of time having regard to the circumstances.

4.9 Debriefing Session

- 91 Respondents who submitted one or more Proposals but who were not selected as a Preferred Respondent may request a debriefing within 60 calendar days after the written notification of their status. The IESO may hold a single debriefing meeting for each Respondent in which they can discuss any of their rejected Proposals. Requests must be made in writing as instructed by the IESO in its notification. The intent of the debriefing session is to assist the Respondent in presenting a better proposal in subsequent procurement opportunities. Any debriefing provided is not offered for the purpose of providing an opportunity to challenge this RFP procurement process.

– End of Section –

⁵ Applicable to Respondents that did not register for the Briefing Session and which, consequently, did not previously provide a duly executed Non-Disclosure Agreement.

5. Contract

5.1 Finalize Terms of Contract

- 92 It is the intention of the IESO that any issues with respect to the Draft Contract are to be finalized prior to the IESO deadline for issuing Addenda and Definitive Contract, as set out in the Timetable, so that the Definitive Contract, once issued, will not be further modified and the Contract is to be executed by the Preferred Respondent without further negotiation or amendment, except for amendments, changes, modifications and additions as follows:
- a) Relating to the determination by the IESO regarding which parts, if any, of the Proposal are to be incorporated by reference or otherwise, including as Proposal Extracts, into the Contract pursuant to express provisions of the Contract and any amendments, changes, modifications and additions as a consequence of or in connection with such incorporations;
 - b) To those provisions or parts of the Definitive Contract which are indicated as being subject to completion or finalization or which the IESO determines, in its sole and absolute discretion, require completion or finalization, including provisions which require the modification or the insertion or addition of information relating to the Respondent's corporate structure;
 - c) To those provisions or parts of the Definitive Contract which the IESO determines, in its sole and absolute discretion, require completion, finalization or modification based on the Proposal including amendments, changes, modifications and additions contemplated in, referred to, or required under the terms of the Definitive Contract;
 - d) That are necessary to create or provide for a duly authorized and legally complete and binding agreement;
 - e) That are necessary to enhance clarity in legal drafting; or
 - f) That are necessary to complete the following schedules in the Contract:
 - Schedule 4 - CAPACITY, RAMP TIME, AVAILABILITY, CURTAILMENT SCHEDULE, PROJECT CHARACTERISTICS, AND AVAILABILITY RATE
 - Schedule 5 - NOMINATED REPRESENTATIVES FOR NOTIFICATIONS
 - Schedule 6 - PROPOSAL EXTRACTS

5.1.1 Failure to Finalize Contract

- 93 If at any time, following the selection of the Preferred Respondent but prior to the execution of the Contract, the IESO reasonably forms the opinion that a mutually acceptable Contract is not likely to be reached with a Preferred Respondent within a reasonable time, the IESO may then cease all discussions with that Respondent and may select another Preferred Respondent using the processes set out in section 3.2.

– End of Section –

6. Proposal Submission Requirements

6.1 Proposal Format

- 94 The Respondent shall provide the Proposal by email in Microsoft Word .doc or .docx format or Adobe pdf.
- 95 The Proposal shall clearly reference the title of this RFP.
- 96 The Proposal shall be executed by an authorized signing officer of the Respondent.
- 97 The Proposal shall set out the Respondent's full legal name and return address, including the contact information for the Respondent's point(s) of contact.
- 98 The Proposal shall be prepared in separate versions if the Respondent is submitting alternative solutions, and each version should follow the format prescribed in this RFP.
- 99 The Proposal pricing component must be submitted in a separate attachment.
- 100 The Proposal shall be in English only.
- 101 The Proposal shall consist of an "Offer Letter", "Technical Proposal", "Pricing Proposal", and "List of Proposals". To facilitate ease of evaluation by the IESO's evaluation team, and to ensure each Proposal receives full consideration, the Proposal should be organized in the format specified in this section 6, using the recommended section titles and sequences.

6.2 Part I: Offer Letter

- 102 The Respondent must complete and submit the Form of Offer attached as Appendix C as part of their Proposal.

6.3 Part II: Technical Proposal

- 103 The technical portion of the Proposal shall confirm the Respondent's detailed understanding of the RFP and should be presented as follows:
 - A. **Table of Contents**
 - B. **Executive Summary:** This section should provide a brief profile of the Respondent and overview of the Proposal. It should summarize the Respondent's qualifications and relevant experience; comment on the Respondent's ability to provide the Project, and the methodology to be used in providing the Project; and, should specify any intended use of sub-contractors or third parties.
 - C. **Approach, Methodology and Schedule:** This section must include the Mandatory Submission Requirements in the format specified in Appendix E. It must also include the Technical Evaluation Requirements in the format specified in Appendix F. The mandatory format for each of these items is also available for download from MERX (as a Microsoft Word document).
 - D. **Other:** Any other material, documentation, supporting schedules, exhibits or supplementary information not specifically addressed elsewhere but which is considered by the Respondent to be necessary to provide a complete understanding of its Proposal, that is relevant to this RFP should be contained or referenced in this part of the Proposal. The Proposal shall clearly identify all attachments, each of which shall be considered a part of the Proposal. Any assumptions made by the Respondent, which are not explicitly stated elsewhere in its Proposal, should also be described in the response to this section.
 - E. **Respondent's Composition:** In setting out the details of the Respondent's composition, the Respondent shall specify whether the Respondent is an individual, a sole proprietorship, a corporation, a partnership, a joint venture, an incorporated consortium or a consortium that is a partnership or other legally recognized entity. If the Respondent is a joint venture or a combination of prime and sub-contractors, the Proposal shall clearly: (a) identify the prime contracting member, as the IESO will only contract with one party for the Project; (b) include a business profile detailing the principal businesses and corporate directions of the

individual members; (c) specify the roles and responsibilities of the individual members; (d) identify the financial and other material relationships between the individual members; and (e) describe how the members of the joint venture – or prime/sub-contractor combination – are organized as a team in responding to this RFP.

6.4 Part III: Pricing Proposal

104 This component of the Proposal, which shall include the Proposed Contract Price and Proposed Capacity Price, must be submitted in the format specified in Appendix G. The mandatory format for this item is also available for download from MERX (as a Microsoft Word document). The pricing proposal must be provided in a separate file attachment.

6.5 Part IV: List of Proposals

105 The Respondent must list all Proposals submitted by it and each of its Affiliates under this RFP. Each proposal must be identified as described in section 4.3. The List of Proposals must be provided in a separate file attachment.

– End of Section –

7. Offer Letter

7.1 Form of Offer Letter

106 The Respondent must provide an offer letter in the form of the Form of Offer attached as Appendix C (the “Offer Letter”).

7.2 Declaration of Acceptance

107 The Respondent must indicate in its Offer Letter that it has read and understood the RFP, and has accepted the provisions contained in the RFP. Failure to accept all of the provisions contained in the RFP, subject to the qualification set forth below regarding the Draft Contract, will result in disqualification of the Proposal.

108 The terms set out in this RFP and, subject to section 5.1, the Definitive Contract will be the minimum terms and conditions for the supply of the Project by the Preferred Respondent, if any, in accordance with this RFP. The Respondent must accept these terms in its Offer Letter. A copy of the Respondent’s standard terms is not an acceptable response to this requirement. An assumption that accepted contract terms from previous contracts with the IESO will continue to be valid is not an acceptable response to this requirement. An acceptance of the terms conditional upon amendments to the Definitive Contract proposed by the Respondent is not an acceptable response to this requirement.

109 The Respondent must clearly declare in its Offer Letter that, if selected by the IESO as a Preferred Respondent under a Contract, it will:

- i. be able to provide the Project in an efficient and professional manner; and
- ii. be able to achieve the Service Commencement Date.

7.3 Authorized Representative(s)

110 The Respondent must identify one or more persons as its authorized representative(s) for all matters relating to the Proposal and any subsequent Contract between the Respondent and the IESO. The Respondent must confirm that anything said or done by such representative(s) shall be deemed to have been said or done by the Respondent.

7.4 Conflict of Interest

111 The Respondent must indicate in its Offer Letter whether or not the Respondent has any Conflicts of Interest (actual or perceived) with respect to this RFP process. Where applicable, the Respondent must declare in its Offer Letter any situation that is or may be a Conflict of Interest. Respondents who have a Conflict of Interest with respect to this RFP may be disqualified.

7.5 Disclosure of Disputes

112 The Respondent shall provide in its Offer Letter a description and disclosure of each claim, lawsuit or other dispute in excess of \$100,000 in which the Respondent was involved in the last five (5) years for which any arbitration or court proceeding was commenced.

– End of Section –

8. General RFP Terms and Conditions

8.1 IESO's Right to Amend, Supplement, Cancel, or Disqualify

113 Notwithstanding anything contained in this document to the contrary, the IESO may at any time, without liability, cost, or penalty to the IESO:

- i. amend or supplement this RFP, alter any date specified in this RFP, or cancel this RFP;
- ii. elect not to accept any of the Proposals (and, without limiting the generality of the foregoing, the IESO shall not be obligated to select any given Proposal on the basis of cost, ability to meet the requirements of this RFP, or otherwise);
- iii. waive informalities and defects in any Proposal, conduct such investigations of any Respondent that it sees fit with respect to this RFP, and consider any information whatsoever of any Respondent with respect to this RFP;
- iv. in its sole and absolute discretion, disqualify any Respondent who, in the IESO's opinion, is a Restricted Person;
- v. disqualify any Proposal before the Proposal is fully evaluated if, in the opinion of the IESO, the Proposal contains false or misleading information; or if the Respondent or any of its employees, agents, contractors or representatives contact any member of the IESO other than the RFP Coordinator with respect to this RFP; or if the Respondent has failed to satisfy any of the Mandatory Requirements of this RFP.

8.2 Withdrawal of Proposals

114 Proposals shall be irrevocable for 180 days from the Closing Date and time listed in section 4.8.

8.3 Confidentiality

115 All material, data, information, or any item in any form (including any intellectual property rights derived there under) supplied by or obtained from the IESO, or derived from any data which the Respondent may have acquired in connection with this RFP, the selection and negotiation process under this RFP, both before and after the issuance of the RFP:

- Is the sole property of the IESO and must be treated as confidential in accordance with the Non-Disclosure Agreement. The Non-Disclosure Agreement is applicable with respect to responding to this RFP,
- Is not to be used for any purpose other than responding to this RFP and the fulfillment of any subsequent Contract, and
- Must be returned to the IESO upon request.

116 The Proposal and any accompanying documentation submitted by the Respondent shall become the property of the IESO and shall not be returned.

117 The Respondent must clearly identify any information in its Proposal or any accompanying documentation which is supplied in confidence and for which confidentiality is to be maintained by the IESO as "**Proprietary and Confidential**". The confidentiality of such information will be maintained by the IESO, except as otherwise required by law or by order of a court or tribunal. The IESO may disclose the Proposal, on a confidential basis, to the IESO's advisors for the purpose of evaluating or participating in the evaluation of Proposals. In addition, the IESO may share any material, data, information, or item with the Ontario Ministry of Energy or the Ontario Energy Board (OEB). If no corresponding information is identified as "**Proprietary and Confidential**", the

respondent will be automatically deemed to have certified to the IESO that no portion of the Proposal contains proprietary or confidential information for which confidentiality is to be maintained by the IESO.

118 The IESO shall not be required to maintain the confidentiality of any such information that:

- a. is or becomes generally available to the public without fault or breach on the part of the IESO or its advisors of any duty of confidentiality owed by the IESO or its advisors to the Respondent or to any third party;
- b. the IESO and its advisors can demonstrate had been rightfully obtained by the IESO or its advisors, without any obligation of confidence, from a third party who had the right to transfer or disclose such information to the IESO and its advisors free of any obligation of confidence;
- c. the IESO and its advisors can demonstrate had been rightfully known by, or in the possession of, the IESO and its advisors at the time of disclosure, free of any obligation of confidence when disclosed; or
- d. has been independently developed by the IESO and its advisors.

119 A Respondent shall treat its Proposal as confidential and it must not be disclosed by the Respondent without the prior written authorization of the IESO other than to any entities and Persons involved in the preparation of the Respondent's Proposal(s) under this RFP, provided that the Respondent obtains similar confidentiality commitments from each entity and Person involved in the preparation of the Respondent's Proposal(s) until the conclusion of the RFP and selection of the Preferred Respondents, if any.

8.4 FIPPA Compliance

120 The Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31 ("FIPPA"), as amended, applies to information provided to the IESO by a Respondent. In making its Proposal, the Respondent acknowledges that the terms and conditions of any Contract between a Preferred Respondent and the IESO may be disclosed by the IESO where the IESO is obligated to do so under FIPPA, by an order of a court or tribunal or pursuant to a legal proceeding.

121 By submitting any personal information requested in this RFP, the Respondent agrees to the use of such information as part of the evaluation process, for any audit of this procurement process and for contract management purposes.

8.5 Non Exclusivity

122 By submitting a Proposal and participating in the process as outlined in this RFP, the Respondent expressly agrees that no contract or agreement of any kind is formed under, or arises from, this RFP, prior to the signing of a formal written Contract in respect of the services.

123 Nothing herein is intended nor shall be construed as creating any exclusive arrangement with a Preferred Respondent. The resulting Contract shall not restrict the IESO from acquiring similar services from other sources.

8.6 Governing Law

124 This RFP and the Contract between the IESO and a Preferred Respondent shall be governed by and shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario in any suit, action or proceeding arising out of or in connection with this RFP and the Contract between the IESO and a Preferred Respondent.

8.7 No Claims

125 Neither party shall have the right to make claims against the other (including any application or other proceeding for a review by any court or other body) with respect to this RFP process, the selection of any Proposal or

Respondent, the failure to be selected to enter into a formal agreement, or the failure to honor submissions prior to the execution of a formal written agreement.

8.8 Respondents Shall Bear Their Own Costs

126 The Respondent shall bear all costs associated with or incurred in the preparation and submission of its Proposal.

– End of Section –

Appendix A: Non-Disclosure Agreement

PROJECT: Demand Response Pilot IESO RFP-60, released April 1, 2015

WHEREAS the undersigned company or individual (as applicable, the “Independent Contractor”) and the *Independent Electricity System Operator* (“IESO”) wish to exchange information and enter into discussions on a confidential basis with respect to the above referenced project (the “Project”);

AND WHEREAS in the course of discussing or evaluating the Project, it may become necessary for the IESO and the Independent Contractor to provide each other with information and/or documentation that each party considers to be of a confidential nature;

NOW THEREFORE in consideration of each party being provided with such *Confidential Information* (as hereinafter defined), the parties agree:

1. Confidential Information. “*Confidential Information*” means all data and information, in any form, related to the Project and the business and operations of either party including, without limitation, any and all corporate, financial, economic, legal and customer information, proprietary and trade secrets, technology, accounting records and *confidential information* of third parties, that has been or will be provided by either party (the “Disclosing Party”) to the other party (“the “Receiving Party”).

Confidential Information does not include information which: (a) is already in the public domain or becomes available to the public other than through an act or omission of the Receiving Party; (b) must be disclosed pursuant to a legal compulsion; (c) is acquired without obligation of confidence from a source, other than the Disclosing Party, that has a legal right to disclose such information; (d) is previously known by the Receiving Party at the time of disclosure or is independently developed by the Receiving Party without violating the obligations of confidentiality in this agreement; or (e) the Disclosing Party has consented in writing to the Receiving Party's disclosure of such information.

A party claiming any of the foregoing exceptions shall have the burden of proof to establish such applicability.

2. Representatives. “Representatives” means directors, officers, employees, contractors, agents, lawyers, advisors and consultants of a party to this agreement, and includes any Representatives of an *affiliate* of a party.

3. Restricted Use of Confidential Information. The Receiving Party shall keep the *Confidential Information* confidential and shall use at least the same degree of care in safeguarding *Confidential Information* as it uses for its own information of like importance, but in no event less than a reasonable standard

of care. Notwithstanding the foregoing, the Receiving Party may disclose the Confidential Information to those of its Representatives who require such information for the purposes of the Project, provided that such Representatives are made aware of and required to comply with the obligations of confidentiality contained in this agreement. The Receiving Party shall comply with other reasonable *security* measures regarding the Confidential Information requested in writing by the Disclosing Party.

4. Term and Survival. This agreement takes effect on the date it is executed by the Independent Contractor. Notwithstanding the return or destruction of all or any part of the *Confidential Information*, the terms of this Agreement shall nevertheless remain in full force and effect until seven (7) years from the date hereof.

5. Return or Destruction of Confidential Information. All *Confidential Information* and any reproductions thereof (both written and electronic) which are in possession of the Receiving Party and its Representatives shall be destroyed or returned to the Disclosing Party immediately following the Disclosing Party's request.

6. Compelled Disclosure. Where the Receiving Party is compelled by law to disclose any *Confidential Information*, it shall provide the Disclosing Party with prompt written notice and co-operate in good faith with the Disclosing Party in any reasonable, lawful action that the Disclosing Party takes to resist such disclosure.

7. No Representations or Warranties. No representations or warranties, express or implied, are made as to the quality, accuracy, completeness or *reliability* of either party's *Confidential Information*. The Disclosing Party shall have no liability whatsoever with respect to the use of or reliance upon the Confidential Information by the Receiving Party.

8. Title. The Disclosing Party retains all title to its *Confidential Information* and all reproductions thereof. This agreement shall not be construed as granting or conferring any rights to the Receiving Party by license or otherwise in any Confidential Information (including any patent, patent application, trademark, copyright or trade secret) disclosed under this agreement.

9. Remedies. Any violation or threatened violation of this agreement by the Receiving Party will cause irreparable injury to the Disclosing Party, entitling the Disclosing Party to equitable relief, including injunctive relief and specific performance in addition to all other remedies available at law or equity.

10. Indemnity. The Receiving Party shall be responsible for any disclosure of *Confidential Information* by any of the Receiving Party's Representatives that is not permitted by this agreement and for any failure by any of the Receiving Party's Representatives to comply fully with the terms of this agreement. The Receiving Party shall defend, indemnify and hold harmless the Disclosing Party from and against all actions, damages, claims, and costs arising out of any breach of this agreement which arise out of any willful misconduct by or any negligent act or omission of the Receiving Party or its Representatives, except that in no event shall the Receiving Party or its Representatives be liable to indemnify and hold harmless a Disclosing Party or the Disclosing Party's directors, officers or employees from or in respect of:

- Any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages; or
- Any loss of profit, loss of contract, loss of opportunity or loss of goodwill.

The Disclosing Party shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the Disclosing Party.

11. Miscellaneous. This agreement shall not be amended, assigned, nor shall any obligation be waived, except in writing signed by each party. This agreement benefits and binds the parties and their respective successors and permitted assigns. If any part of this agreement is deemed invalid or unenforceable, the balance of this agreement shall remain valid and in full force and effect. This agreement represents the complete agreement between the parties with respect to the subject matter hereof. This agreement is applicable with respect to responding to the abovementioned RFP.

12. Execution via Email. This agreement may be signed in counterparts and delivered by mail or email, each of which shall be deemed an original and all of which shall constitute one agreement.

13. Governing Law. This agreement shall be governed by and shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario in any suit, action or proceeding arising out of or in connection with this agreement.

Agreed to this ___ day of _____, 2015 by,

Independent Contractor - Full Legal Name

Address

Authorized Signature

Print Name and Title

- and -

Independent Electricity System Operator
655 Bay St. Suite 410, PO Box 1 Toronto ON M5G 2K4

Kathie Callan

Kathie Callan CSCMP, (CPP) CPM
Senior Procurement Specialist

Once completed and signed, please return this
non-disclosure agreement to:

***Kathie Callan CSCMP (CPP) CPM,
Senior Procurement Specialist***

By Email: Kathie.Callan@ieso.ca and rfp.info@ieso.ca

- End of Section -

Appendix B: Intent to Participate Form

To: Independent Electricity System Operator (IESO)
Kathie Callan CSCMP, (CPP) CPM,
Senior Procurement Specialist
Tel: (905) 855-6192
Email: Kathie.Callan@ieso.ca and rfp.info@ieso.ca

Company: _____

Address: _____

City: _____ Postal Code: _____

Phone: _____ Fax Number: _____

Email address: _____

We have received a Request for Proposals from the IESO entitled Demand Response Pilot **RFP #60** and
(select as applicable):

- we intend to submit a Proposal
- we do not intend to submit a Proposal

Signature: _____

Title: _____ Date: _____

–End of Section –

Appendix C: Form of Offer

Attention: Kathie Callan CSCMP, (CPP), CPM

Procurement Specialist

Independent Electricity System Operator

Tel: (905) 855-6192

Email: Kathie.Callan@ieso.ca and rfp.info@ieso.ca

FROM: [Name of Respondent] (the “Respondent”): _____

RE : Offer Letter in response to Demand Response Pilot IESO RFP- 60 (the “RFP”)

This offer letter (the “**Offer Letter**”) forms a part of the Proposal that is being submitted in response to the RFP. The Respondent warrants and represents the accuracy and completeness of the information provided below, and understands and accepts each of the conditions and commitments set below. Capitalized terms not otherwise defined herein shall have the meaning given to them in the RFP.

- a) The full legal name of the Respondent is:
- b) The head office address, telephone, facsimile number and email address of the Respondent is:
- c) The name, address, telephone, facsimile number and email address of each authorized contact person for the Respondent is:
- d) The jurisdiction under which the Respondent is governed is:
- e) Each individual referred to in Section 1 (c) above is an authorized representative of the Respondent for all matters relating to the Proposal or to any subsequent discussion(s) to reach a Contract between the Respondent and the IESO. Anything said or done by the authorized representative shall be deemed to have been said or done by the Respondent.
- f) The Respondent consents to the disclosure of the Proposal by the IESO, on a confidential basis, to the IESO’s consultants retained for the purpose of assisting with this RFP process, the Ministry of Energy, and the Ontario Energy Board (OEB).
- g) The Respondent has read and understands the RFP including, without limitation, all Addenda thereto and the Respondent accepts all of the provisions thereof.
- h) The Respondent accepts all of the terms and conditions set out in the Definitive Contract.
- i) The Respondent acknowledges that the *Freedom of Information and Protection of Privacy Act* (“FIPPA”) applies to the IESO. The Respondent accepts that the terms and conditions of the Contract between a successful Respondent and the IESO may be disclosed by the IESO where the IESO is obligated to do so under FIPPA, by an order of a court or tribunal or pursuant to a legal proceeding.
- j) The Respondent has disclosed all disputes as defined in section 7.5 of the RFP.
- k) Insert as applicable:

The Respondent certifies that it does not and will not have any Conflict of Interest (actual or perceived) in submitting the Proposal or fulfilling the obligations as the service provider under the Contract.

Or

The following is a list of situations, in each of which is, the Respondent appears to be or may potentially be in a Conflict of Interest in submitting the Proposal or in fulfilling the obligations as the service provider under the Contract. Other than as set out below, the Respondent certifies that it does not and will not have any Conflict of Interest (actual or perceived) in submitting the Proposal or fulfilling the obligations as the service provider under the Contract.

l) Insert as applicable:

The Respondent has no knowledge of, nor the ability to avail itself of, *Confidential Information* of the IESO in preparing the Proposal (other than *Confidential Information* which may have been disclosed by the IESO to the Respondent in the normal course of this RFP process) which could result in prejudice to the IESO or an unfair advantage to the Respondent.

Or

The following is a list of situations, in each of which the Respondent appears to have knowledge of, or may potentially have the ability to avail itself of, *Confidential Information* (other than *Confidential Information* which may be disclosed by the IESO to the Respondent in the normal course of this RFP process) which could result in prejudice to the IESO or an unfair advantage to the Respondent. Other than as set out below, the Respondent certifies that it does not and will not have any knowledge of, nor the ability to avail itself of, *Confidential Information* (other than *Confidential Information* which may be disclosed by the IESO to the Respondent in the normal course of this RFP process) which could result in prejudice to the IESO or an unfair advantage to the Respondent.

- m) If selected by the IESO as a service provider under a Contract, the Respondent agrees to provide the Project in an efficient and professional manner.
- n) The Respondent is not a Restricted Person.
- o) The Proposed Project meets the definition of a Demand Response Resource included in this RFP.

[NAME OF RESPONDENT] _____

- Authorized Signature: _____
- Name and Title: _____
- Date: _____

– End of Section –

Appendix D: Demand Response Pilot Program Draft Contract

D.1 Demand Response Pilot Program Draft Contract

Provided as a separate file Word format.

– End of Section –

Appendix E: Mandatory Submission Requirements

For the purpose of meeting the Mandatory Submission Requirements as set out in sections 2.4 and 3.1.1 of the *demand response pilot program RFP*, Respondents must provide the following information (see Mandatory Submission Requirements Form below) necessary for the IESO to assess the suitability of a Proposal submitted for evaluation.

- The information must be provided in the following format, which is available for download from MERX (as a Microsoft Word document);
- The required format ensures Respondents identify the key information the IESO will use to assess the suitability of the Proposal for evaluation while avoiding the need for the IESO to apply judgment to isolate or otherwise compile this information from the Proposal;
- This approach is intended to help Respondents ensure submitted Proposals comply with Mandatory Requirements and ensure a fair and transparent procurement process;
- Any Proposal that is not submitted in the following format may be disqualified from the procurement at the sole and absolute discretion of the IESO;
- Any Proposal that does not provide all of the required information may be disqualified from the procurement at the sole and absolute discretion of the IESO;
- Where any discrepancy might occur between what is included in the Mandatory Submission Requirements Form and what is included in the rest of the Proposal, what is included in the Mandatory Submission Requirements Form will be given precedence and used in the evaluation and selection process as set out in section 3; and
- Respondents must submit one (1) Mandatory Submission Requirements Form per Proposal.

Instructions:

| | |
|---|--|
| Respondent | Legal name of the Respondent. Respondent has the meaning given to it in section 1.6 of the IESO <i>demand response pilot program RFP</i> . |
| Proposed Project | Name and/or Respondent Proposed Project identifier as applicable. Proposed Project has the meaning given to it in section 1.6 of the IESO <i>demand response pilot program RFP</i> . |
| ID | Mandatory Submission Requirement number |
| Mandatory Submission Requirement | Has the meaning given to it in section 2.4 of the IESO Demand Response RFP |
| Response | As required. |
| Respondent Reference | Respondent enters the relevant reference or references to direct the IESO to the corresponding rationale or source in the Proposal. For example, page and paragraph number(s) in the Proposal. |

Mandatory Submission Requirements Form IESO Demand Response Pilot RFP#60

| Respondent Identification: | |
|----------------------------|--|
| Respondent | |
| Proposed Project | |

| Mandatory Submission Requirements | | | |
|--|--|----------|-----------|
| ID | Mandatory Submission Requirement | Response | Reference |
| S1 | Proposed Demand Response Capacity (MW⁶) | | |
| S2 | Maximum Facility Load (MW⁷) | | |
| <p><i>Note: demand response aggregators which respond "Yes" to S4 must ensure that the Maximum Facility Load does not exceed the Maximum Facility Load limit as set out in section 2.3.3</i></p> <p><i>Note: all Respondents must ensure that the proposed Demand Response Capacity is equal to or greater than 10% of the Maximum Facility Load</i></p> | | | |
| S3 | Participant Type (Enter "Yes" for one of options S3a, S3b, or S3c; leave the other options blank) | | |
| | S3a - Wholesale consumer | | |
| | S3b - Demand response aggregator | | |
| | S3c - Demand response direct participant | | |
| S4 | Will the Proposed Project use more than one <i>demand response contributor</i> to provide Demand Response Capacity ("Yes" or "No")? | | |
| <p><i>Note: only Proposals for demand response aggregators are required to provide a response to S4</i></p> | | | |
| S5 | Scheduling Type (Enter "Yes" for one of options S5a or S5b; leave the other option blank) | | |
| | S5a – Hourly | | |
| | S5b – Five Minute | | |
| <p><i>Note: only Demand Response Aggregators may participate as Five Minute resources</i></p> | | | |

⁶ MW value should be rounded up to a single decimal point (e.g. a facility with a proposed Demand Response Capacity of 5.64 should be rounded to 5.7 MW). If the respondent provides a response with more than one decimal point, the IESO will round the response up to a single decimal point.

⁷ MW value should be rounded up to a single decimal point (e.g. a facility with a proposed Maximum Facility Load of 20.155 should be rounded to 20.2 MW). If the respondent provides a response with more than one decimal point, the IESO will round the response up to a single decimal point.

| Mandatory Submission Requirements Continued | | | |
|---|--|----------|-----------|
| ID | Mandatory Submission Requirement | Response | Reference |
| S6 | Commitment Type (Enter "Yes" for one of options S6a or S6b; leave the other option blank) | | |
| | <i>Note: only Proposals with Hourly Scheduling may participate in Unit Commitment</i> | | |
| | S6a – Unit Commitment | | |
| | S6b – No Unit Commitment | | |
| S7 | Transmission Zone (Enter "Yes" for one of options S7a, S7b, S7c, S7d, S7e, S7f, S7g, S7h, S7i, or S7j; leave the other options blank) | | |
| | <i>Note: a map of Ontario's 10 Transmission Zones is available in Appendix H; this map is provided for guidance only, the Respondent is solely responsible for ensuring that the correct Transmission Zone is selected in its Proposal</i> | | |
| | <i>Note: demand response aggregators which respond "Yes" to S4 may only be located in the Transmission Zones from S7a-S7g (as set out in section 2.3.3)</i> | | |
| | S7a – Toronto | | |
| | S7b – East | | |
| | S7c – Essa | | |
| | S7d – Ottawa | | |
| | S7e – Niagara | | |
| | S7f – Southwest | | |
| | S7g - West | | |
| | S7h – Northeast | | |
| | S7i – Northwest | | |
| | S7j – Bruce | | |
| S8 | Curtailed Plan (Enter "Yes" for one of options S8a or S8b; leave the other option blank) | | |
| | S8a - Behind-the-Meter Generation will be used to provide any amount of the proposed Demand Response Capacity | | |
| | S8b - Behind-the-Meter Generation will not be used to provide any of the proposed Demand Response Capacity | | |

Appendix F: Technical Evaluation Requirements

For the purpose of meeting the Technical Evaluation Requirements as set out in sections 2.6 and 3.1.2 of the IESO *demand response pilot program RFP*, Respondents must provide the following information (see Technical Evaluation Requirements Form below) necessary for the IESO to evaluate a Respondent's Proposed Project.

- The information must be provided in the following format, which is available for download from MERX (as a Microsoft Word document);
- The required format ensures Respondents identify the key information the IESO will use to evaluate the Proposal while avoiding the need for the IESO to apply judgment to isolate or otherwise compile this information from the Proposal;
- This approach is intended to help Respondents ensure submitted Proposals comply with Technical Evaluation Requirements and ensure a fair and transparent procurement process;
- Any Proposal that is not submitted in the following format may be disqualified from the procurement at the sole and absolute discretion of the IESO;
- Any Proposal that does not provide all of the required information may be disqualified from the procurement at the sole and absolute discretion of the IESO;
- Where any discrepancy might occur between what is included in the Technical Evaluation Requirements Form and what is included in the rest of the Proposal, what is included in the Technical Evaluation Requirements Form will be given precedence and used in the evaluation and selection process as set out in section 3; and
- Respondents should submit one (1) Technical Evaluation Requirements Form per Proposal.

Instructions:

| | |
|---|--|
| Respondent | Legal name of the Respondent. Respondent has the meaning given to it in section 1.6 of the IESO <i>demand response pilot program RFP</i> . |
| Proposed Project | Name and/or Respondent Proposed Project identifier as applicable. Proposed Project has the meaning given to it in section 1.6 of the IESO <i>demand response pilot program RFP</i> . |
| ID | Technical Evaluation Requirement number. |
| Technical Evaluation Requirement | Has the meaning given to it in section 2.6 of the IESO <i>demand response pilot program RFP</i> . |
| Response | As required. |
| Evaluation Reference | Respondent enters the relevant reference or references to direct the IESO to the corresponding rationale or technical source in the Respondent's Proposal. For example, page and paragraph number(s) in the Respondent's Proposal. |

Technical Evaluation Requirements Form IESO Demand Response Pilot Program RFP

| Respondent Identification: | | |
|----------------------------|--|--|
| Respondent | | |
| Proposed Project | | |

| Technical Evaluation Requirements | | | |
|-----------------------------------|---|----------|----------------------|
| ID | Technical Evaluation Requirement | Response | Evaluation Reference |
| E1 | Availability (Enter number of hours for E1a and E1b and number of months for E1c) | | |
| | <i>Note: see "Availability Guide" section in this Appendix F for information on how to calculate responses to E1a, E1b, and E1c</i> | | |
| | E1a – Load Following Service Hours | | |
| | E1b – Other Hours | | |
| | E1c – Months of Availability | | |
| E2 | Ramp Time (Enter "Yes" for one of options E2a, E2b, E2c, E2d, or E2e; leave the other options blank) | | |
| | <i>Note: see "Ramp Time Guide" section in this Appendix F for information on how to respond to E2</i> | | |
| | <i>Note: only Proposals participating in Unit Commitment may select E2e (as set out in section 2.5)</i> | | |
| | E2a – Facility can ramp entire proposed Demand Response Capacity in 10 minutes or less | | |
| | E2b – Facility can ramp entire proposed Demand Response Capacity in 15 minutes or less but not in 10 minutes or less | | |
| | E2c – Facility can ramp entire proposed Demand Response Capacity in 20 minutes or less but not in 15 minutes or less | | |
| | E2d – Facility can ramp entire proposed Demand Response Capacity in 30 minutes or less but not in 20 minutes or less | | |
| | E2e – Facility requires more than 30 minutes to ramp entire proposed Demand Response Capacity but not more than 60 minutes. | | |

• **Availability Guide**

Hours of Availability for each week

Step 1

- In the table provided, enter the number “1” in all cells representing an hour in which, on a weekly basis, the Proposed Project is expected to be available throughout the Contract Service Term (note: no portions of hours will be considered, only enter “1” in hours in which the Project will be available for the entire 60 minutes)

Step 2

- Count all of the hours in the Load Following Service Hours (shaded gray area between 5:00 am and 11:00 pm Eastern Standard Time on weekdays) where you have entered “1” (note: this number cannot exceed 90)
- This value is the number that must be entered in response to Technical Evaluation Requirement E1a (note: this must be a whole number)

Step 3

- Count all of the Other Hours (hours outside of the shaded gray area before 5:00am and after 11:00pm Eastern Standard Time on weekdays and all day on weekends) where you have entered “1” (note: this number cannot exceed 78)
- This value is the number that must be entered in response to Requirement E1b (note: this must be a whole number)

Step 4

- Include the completed table in your Proposal and reference it in the Technical Evaluation Requirements Form

Obligations and *settlements* related to the hours of availability stipulated in any submission to this RFP are set out in the Definitive Contract. The respondent is solely responsible for understanding the implications of its weekly availability schedule and the responses it provides to requirements E1a and E1b.

| Weekly Availability Schedule | | | | | | | |
|-------------------------------------|--------|---------|-----------|----------|--------|----------|--------|
| | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
| 00:00 - 1:00 | | | | | | | |
| 1:00 - 2:00 | | | | | | | |
| 2:00 - 3:00 | | | | | | | |
| 3:00 - 4:00 | | | | | | | |
| 4:00 - 5:00 | | | | | | | |
| 5:00 - 6:00 | | | | | | | |
| 6:00 - 7:00 | | | | | | | |
| 7:00 - 8:00 | | | | | | | |
| 8:00 - 9:00 | | | | | | | |
| 9:00 - 10:00 | | | | | | | |
| 10:00 - 11:00 | | | | | | | |
| 11:00 - 12:00 | | | | | | | |
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| 18:00 - 19:00 | | | | | | | |
| 19:00 - 20:00 | | | | | | | |
| 20:00 - 21:00 | | | | | | | |
| 21:00 - 22:00 | | | | | | | |
| 22:00 - 23:00 | | | | | | | |
| 23:00 - 0:00 | | | | | | | |

Note: all hours for the purpose of this RFP and for the duration of the Contract Service Term, should the Respondent enter into a Contract with the IESO, are Eastern Standard Time (i.e., daylight savings time is not considered)

Note: should your Proposal be selected, the weekly availability schedule provided in your submission will be used to complete your Contract; the Respondent should ensure there is no discrepancy between the table and the Technical Evaluation Requirements Form; should a discrepancy exist, the information in the Technical Evaluation Requirements Form will be given precedence and a Contract will only be executed if it is consistent with the information in the Technical Evaluation Requirements Form.

Months of Availability

Step 1

- In the table provided, in the row labeled “Available (*Yes/No*),” enter the word “Yes” in all months in which the Proposed Project will be available throughout the Contract Service Term. Enter the word “No” in all months in which the Proposed Project will not be available throughout the Contract Service Term.
- Count the number of months in which you have responded “Yes”. This value is the number that must be entered in response to Technical Evaluation Requirement E1c (note: this must be a whole number – no portions of a month will be considered).

Step 2

- In the table provided, in the row labeled “Curtailed Hours (*1-25*),” enter the number of hours in each month in which you commit to curtailing your *energy* consumption in a manner consistent with Schedule 8.
- For each month to which you responded “No” in Step 1, ensure that you respond 0 in Step 2. For each month in which you respond “Yes” in Step 1, ensure that your response in Step 2 is greater than or equal to 1 and less than or equal to 25 (note: this must be a whole number).
- Ensure that the sum of all Curtailed Hours included in the table is equal to or greater than 100.

Step 3

- Include the completed table in your Proposal and reference it in the Technical Evaluation Requirements Form.

Obligations and *settlements* related to the Months of Availability stipulated in any submission to this RFP are set out in the Definitive Contract. The respondent is solely responsible for understanding the implications of its monthly availability schedule and the responses it provides to requirement E1c.

| Monthly Availability Schedule | | | | | | | | | | | | |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Available (<i>Yes/No</i>) | | | | | | | | | | | | |
| Curtailed Hours (<i>1-25</i>) | | | | | | | | | | | | |

Note: Your monthly availability schedule applies to the entire Contract Service Term (e.g. the responses entered into the table for the month of January will apply to both Januaries within the 24 month Contract Service Term)

Note: should your Proposal be selected, the monthly availability schedule provided in your submission will be used to complete your Contract; you should ensure there is no discrepancy between the table and the Technical Evaluation Requirements Form; should a discrepancy exist, the information in the Technical Evaluation Requirements Form will be given precedence and a Contract will only be executed if it is consistent with the information in the Technical Evaluation Requirements Form

• Ramp Time Guide

Step 1

- Assess the amount of time the Proposed Project will require to (i) reduce *energy* consumption from the Maximum Facility Load by the proposed Demand Response Capacity, and (ii) increase *energy* consumption by the proposed Demand Response Capacity to the Maximum Facility Load.
- Select the longer of the two times.
- Assess which of options E2a, E2b, E2c, E2d, or E2e applies to the longer of the two times.
- Enter “Yes” in the response column for the option that applies and leave the other options blank.

Through testing, any Successful Proposal will need to demonstrate the amount of time the Project requires to ramp down its full contracted Demand Response Capacity and to ramp back up its full contracted Demand Response Capacity. Any Successful Proposal that is unable to meet or better the response that was provided to requirement E2 in its Proposal will have its Contract terminated by the IESO (note: testing requirements are set out in Schedule 2 of the Definitive Contract).

Appendix G: Pricing Proposal Requirements

For the purpose of meeting the Pricing Proposal Requirements as set out in sections 2.7 of the IESO *demand response pilot program* RFP, Respondents must provide the following information (see Pricing Proposal Requirements Form below) necessary for the IESO to evaluate a Respondent's Proposed Project.

- The information must be provided in the following format, which is available for download from MERX (as a Microsoft Word document);
- The required format ensures Respondents identify the key information the IESO will use to evaluate the Proposal while avoiding the need for the IESO to apply judgment to isolate or otherwise compile this information from the Proposal;
- This approach is intended to help Respondents ensure submitted Proposals comply with Pricing Proposal Requirements and ensure a fair and transparent procurement process;
- Any Proposal that is not submitted in the following format may be disqualified from the procurement at the sole and absolute discretion of the IESO;
- Any Proposal that does not provide all of the required information may be disqualified from the procurement at the sole and absolute discretion of the IESO;
- Any Proposal wherein the Proposed Contract Price is greater than the Upper Price Threshold will be disqualified; and
- Respondents should submit one (1) Pricing Proposal Requirements Form per Proposal.

Instructions:

| | |
|-------------------------------------|---|
| Respondent | Legal name of the Respondent. Respondent has the meaning given to it in section 1.6 of the IESO <i>demand response pilot program</i> RFP. |
| Proposed Project | Name and/or Respondent Proposed Project identifier as applicable. Proposed Project has the meaning given to it in section 1.6 of the IESO <i>demand response pilot program</i> RFP. |
| ID | Technical Evaluation Requirement number. |
| Pricing Proposal Requirement | Has the meaning given to it in section 2.7 of the IESO <i>demand response pilot program</i> RFP. |
| Response | As required. |

Pricing Proposal Requirements Form IESO Demand Response Pilot Program RFP

| Respondent Identification: | |
|----------------------------|--|
| Respondent | |
| Proposed Project | |

| ID | Pricing Proposal Requirement | Price |
|---|--------------------------------------|-------|
| P1 | Proposed Project Price (\$/year) | |
| P2 | Proposed Capacity Price (\$/MW-year) | |
| <i>Note: see "Capacity Price Guide" below for information on how to respond</i> | | |

• Capacity Price Guide

- The Proposed Project Price is the total annual price at which the Respondent commits to make available its entire Proposed DR Capacity to provide the services as set out in the Definitive Contract.
- The Proposed Capacity Price represents the Proposed Project Price divided by the Proposed DR Capacity (which must be entered in MW).
- For example, if the total annual price for a Proposed Project was \$1 million and the Proposed DR Capacity for the project was 20 MW, the Proposed Capacity Price would be \$50,000/MW-year (calculated as $\$1,000,000/20=\$50,000$).

In any Proposal, if the response provided for Proposed Project Price divided by the response provided for Proposed DR Capacity does not equal the response provided for Proposed Capacity Price, the Proposal may be disqualified from the procurement process at the sole and absolute discretion of the IESO.

Appendix H: **Map of Ontario Transmission Zones**

Provided as a separate document in PDF format.



LDC_with_Zone_Final
_V2.pdf

– End of Document –