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NY Prize
Powering a New Generation of Community Energy

May 17, 2016

Agenda

- Introduction / Context - Micah Kotch, NYSERDA
- Application Process, Structure and Timing - Mike Razanousky , John Saintcross, NYSERDA
- Legal Issues, Janice Dean, NYSERDA
- Q&A

REV

Reforming the Energy Vision (REV)

Reforming the Energy Vision — New York's comprehensive strategy to enable self-sustaining clean energy markets supporting a cleaner, more reliable, and affordable energy system.

- What Do We Want and Need?

  - ✓ Affordability
  - ✓ Reliability
  - ✓ Choice and Control
  - ✓ Emissions Reductions
  - ✓ Economic Development & Jobs

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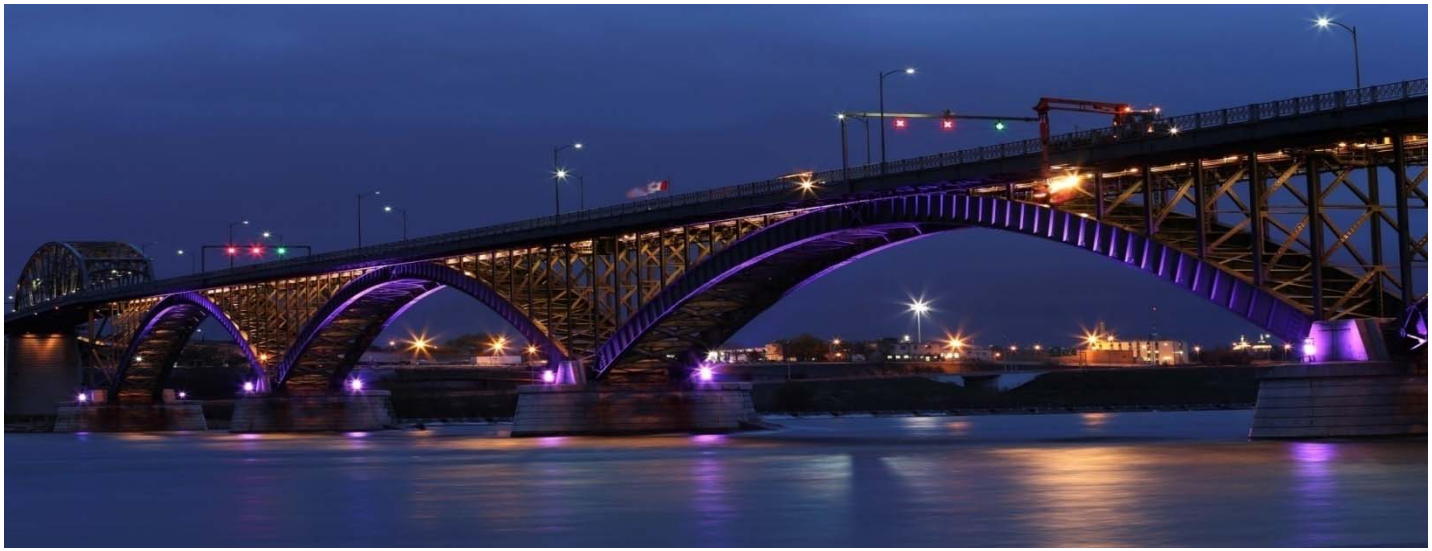
Community Engagement

Your community is an important component of this revolution...



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NY Prize – Multi-Stage Competition

- The $40 million NY Prize community microgrid competition (RFP 3044 is comprised of three stages:
- Stage 1: Feasibility Assessment (Closed)
- Stage 2: Engineering Design and Financial /Business Plan (Open)
- Stage 3: Microgrid Build-out and Operation

Note: some financially viable projects may accelerate out of our timeline

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NY Prize

Cultivating Community Prospects

- Community teaming arrangements
- Consider targeting utility “opportunity zones”
- Embedded utility/community-municipal partnership
- Energy efficiency, CHP, solar, other resources part of resource portfolio (leverage portfolio of current incentive programs)
- Mix of customer types
- Critical public facilities in mix (minimum of one must be included)
- Consider REV demonstration/laboratory

Benefits of Maintaining Critical Services

- Valuation of benefits is based upon the underlying value of the public services maintained during major outages
- FEMA's Hazard Mitigation Grant Benefit-Cost Analysis methodology:

  - Applies standard economic values and site-specific variables to characterize the economic damages that may result if an outage interrupts fire, hospital, police, or emergency medical services

  - Can also be applied to value the impact of lost water, wastewater, and electric power service

- The model includes worksheets designed to help the user apply FEMA's methodology to estimate the value of protecting each of these services during extended outages
- The model can also accommodate the valuation of benefits for other services using methods tailored to the characteristics of a particular site

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NY Prize Stage 1 Feasibility Study

- Pipeline of 83 feasibility studies
- Evaluation & Analysis underway shortly
- Replicable strategies ("playbook") for communities in NY and beyond
- All Final Reports from Stage 1 will be made public

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NY Prize – Stage 1 Feasibility Study

- Minimum feasibility specifications (technical, financial, commercial, regulatory and benefit cost analysis) are prescribed; **all** communities work to same scope
- Not necessary to participate in Stage 1 to participate in Stage 2
- High level analysis (+/- 30% accuracy)
- Local distribution utility involvement a necessity
- Competition produces “winners” – even those that do not move on in competition
  - Studies become “starting place” for alternate, bottom up innovations at the community level

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NY Prize
Community Grid Competition

Stage 2 Quick Guide

June 6, 2016

NY Prize – Competition Schedule[1]

Milestone	Date
Stage 1 Proposals Evaluated	Weekly through May 28, 2015
Stage 2 Open/Entries Accepted	October 12, 2016
Stage 2 Proposals Evaluated	December 2016
Stage 3 Open/Entries Accepted	January 2018
Stage 3 Proposals Evaluated	April 2018
Stage 3 Project Selection / Contracting	May/June 2018
Project Commissioning	24 months after contract execution

[1] RFP 3044 governs / schedule subject to change

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NY Prize – Stage 2 Design

- NY Prize is making up to $1,000,000 available per project, on a competitive basis to conduct audit-grade design, engineering and business-planning (15% cost-share is required)
- Applicants expected to partner with utilities on technical configurations, complete Standard Interconnection Request
- Proposals will be evaluated against prescribed evaluation criteria

Evaluation Criteria

- The overall cost and benefits of the project according to BCA Model developed by Industrial Economics
- The project's contribution to public need (increasing safety and quality of life for residents in an outage situation)
- The technical and operational performance of the project
- The demonstrated reliability of the proposed microgrid configuration
- The use of clean and renewable generation resources in the project
- Overall financial and managerial capabilities of the developer
- Cost share
- Utility system benefit

Legal Issues

- Section IV(10) addresses legal viability re: procurement
- Not prescriptive
- Seeks statement indicating that procurement pathways have been identified and evaluated
- Recommend consultation with counsel as each municipality and proposal is different

Questions

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