

2023 Request for Proposals for Renewable Energy for New Mexico General Bidder Questions and EPE Responses

Updated 10/20/2023

Pre-bid Webcast Zoom - October 20, 2023

Questions submitted in advance of the Pre-bid Webcast

Question 1 What is driving the need for this RFP?

Response 1 The objective of this RFP is to obtain additional cost effective and reliable renewable electric resources to comply with the New Mexico Renewable Portfolio Standard (RPS) requirements. The New Mexico Renewable Energy Act (REA) requires EPE to meet 40% of its New Mexico retail energy sales with renewable energy resources beginning in 2025, increasing to 50% in 2030.

Question 2 Is a combined solar and battery storage or solar-only project preferred?

Response 2 EPE is open to evaluating both stand-alone renewable energy projects and those paired with battery storage; however, this RFP is to meet renewable energy requirements. Stand-alone battery storage systems are not eligible to comply with the REA RPS requirements.

Question 3 Is EPE seeking grid-charging BESS capabilities?

Response 3 No.

Question 4 Will EPE provide any additional information and resources that give guidance on a preferred use case for projects that include energy storage? i.e., EPE's preferred cycle count, 12x24 projected charge and discharge schedule, ramp rates, etc.

Response 4 EPE is not seeking resources for capacity needs in this RFP however, project capacity may be considered in the quantitative evaluation of a project. EPE is not requiring battery storage as a requirement for resources that meet the terms defined under the REA.

Question 5 Will EPE consider bids that provide more than 150,000 MWh of renewable energy? If yes, are there any limitations to the amount above 150,000 MWh?

Response 5 Yes, proposals that provide greater than the maximum requested renewable energy may be considered. EPE does not have a limitation to the amount above 150,000 MWh; however, EPE will select the lowest cost resource or portfolio of resources that can meet its RPS needs of 150,000 MWh per year.

Question 6 How would EPE treat a portfolio of 20 MW projects assuming they are contingent on being picked together?

Response 6 EPE cannot accurately provide a response without more specific information such as the total capacity, the site location, interconnection costs, and CODs for all the resource projects. However, assuming there are 3 resources which have the same COD and are all in the same region; EPE would model all 3 projects as 1 big project (summation of all 3 projects) in its expansion planning software model. If the projects have different CODs and/or are in different regions with different interconnection costs, EPE would model them separately but would make the resources mutually exclusive in the expansion planning model, forcing the model to pick either all 3 projects or none at all.

Question 7 In the RFP, it reads that if the Point of Interconnection is on WECC Path 47, which has operating limits, it will be taken into consideration. Does that imply that connecting to this path would not be preferred? Can EPE please verify if there is a preference and/or requirement for type of interconnection service?

Response 7 EPE is open to all proposals which demonstrate the ability to deliver guaranteed renewable energy to EPE's load area. If the resource is located outside of EPE's Balancing Area, the bid must also include the proposed method of dealing with regulating and balancing requirements, and any associated costs (i.e., battery storage regulation and regulating services by the host Balancing Authority Area Operator).

Question 8 Are projects required to secure Network Resource Interconnection Service (NRIS)? Or will EPE also consider projects with Energy Resource Interconnection Service (ERIS)?

Response 8 EPE is looking for resources capable of delivering 150,000 MWh to its system. If a bidder is submitting service under ERIS, the bid must provide details of how the project will meet its guaranteed MWh commitment.

Question 9 Can EPE please confirm if there will be a Resource Solicitation Cluster Study option available for selected bids?

Response 9 No, there will be no Resource Cluster Study Option. The 2024 Spring Cluster is open to all applicants; not just the Resource Solicitation selected bids.

Question 10 How does EPE's Interconnection process treat multiple Small Generator Interconnection Agreement (SGIA) collocated projects connecting to the same Point of Interconnection (POI)?

Response 10 Multiple 20 MW collocated projects under one POI are and will be treated as a single LGIA project where the total MW will be the summation of the MWs.

Question 11 Will any draft or form PPAs be provided to bidders to review ahead of the bid proposal deadline?

Response 11 EPE does not provide draft PPA documents until final bid selections have been made and both parties agree to proceed with contract negotiations.

Question 12 Can the project location, Point of Interconnection, etc., submitted on the Notice of Intent (November 3, 2023) be changed upon the final proposal submission (January 5, 2024)?

Response 12 Yes.

Question 13 For the Right of First Offer (ROFO) and Right of First Refusal (ROFR) provisions, what specifically are you looking for? Do you want those to be available when the project achieves the commercial operation date or after a certain number of years or throughout the project's life?

Response 13 With regards to a Right of First Offer (ROFO) and Right of First Refusal (ROFR), the specific terms of the provisions may be negotiated between EPE and the seller. Provisions that may be addressed include a seller's duty to offer expansion capacity, EPE's rights to accept or rejection an offer, and EPE's rights in the event of a proposed sale or transfer of the facility and required notice(s) for the aforementioned provisions.

Question 14 If we are doing a build-own-transfer or the hybrid PPA+transfer, does EPE want to purchase the land, or would they lease the land from Bidder?

Response 14 EPE does not have a preference at this time.

Questions submitted during the Pre-bid Webcast

Question 15 MS Teams is a platform that needs a license for certain features. How can I send my proposal if my company doesn't have such license?

Response 15 If you do not possess a MS Teams license, you can still access the EPE NM RFP Team online through your web browser, i.e., MS Teams web app. Instructions on how to access the MS Teams web app through your web browser will be provided by EPE following your registration online.

Question 16 Will preference be given to projects that bid as NRIS?

Response 16 No preference will be given to projects that bid as NRIS.

Question 17 Can we submit to the RFP team our project general characteristics (such as POI) prior to submitting a Proposal to confirm eligibility?

Response 17 No.

Question 18 Why is it preferred that the project land is purchased rather than leased?

Response 18 As responded to previously, EPE has no preference at this time regarding the arrangement for the land on which the project will be located.

Question 19 Are there any co-development opportunities such as EPE-owned land they want developers to build on?

Response 19 No.

Question 20 Does EPE have a preference for the timing of energy delivery through the year? Is there a minimum monthly delivery requirement?

Response 20 The goal of the RFP is to obtain 150,000 MWh of energy annually, starting on May 1, 2025, but no later than May 1, 2027, regardless of when the energy is delivered. However, it would be beneficial if the energy is delivered during EPE's peak load. There is no minimum monthly energy requirement.

Question 21 Does EPE have a preference of where in their system projects are located?

Response 21 EPE has no preference where projects are located, however, the energy must be delivered into EPE's system for delivery to New Mexico.

Question 22 Does EPE anticipate also issuing a 2023 RFP for Texas needs?

Response 22 EPE is continuously evaluating its jurisdictional and system needs. If there is an energy or capacity need, EPE will issue a nationwide RFP to notify all interested entities. EPE expects to issue its 2023 TX All-Source RFP Q4-2023.

UPDATE: EPE issued its 2023 Texas RFP on October 31, 2023. Please refer to the Resource Planning web page to access a copy of the RFP document and other communications.