INDEPENDENCE
MISSOURI

Procurement Division
111 E Maple, PO Box 1019
Independence, MO 64051-0519

Request for Information 20004
Blue Valley Power Plant Redevelopment

Submit questions online at www.publicpurchase.com by March 3, 2020 at 2:00 p.m. local time

Submit responses online to www.publicpurchase.com by March 6, 2020 at 2:00 p.m. local time

Optional Blue Valley Plant Site Tour: 10:00am, February 6, 2020
21500 E. Truman Rd. Independence MO 64056

ATTENTION RESPONDENT – COMPLETE AND RETURN WITH RESPONSE

Responding Firm Blue Valley Grid, LLC (Please print or type) Phone Number (650) 521-1897

Address 1495 Canyon Blvd, Ste 218 City Boulder State CO Zip 80302

Name of Authorized Agent Eric Stoutenburg Email estoutenburg@ablegridenergy.com

The only authorized source for forms, addenda, and information regarding this RFI is www.publicpurchase.com. Using forms, addenda, and information not obtained from www.publicpurchase.com creates the risk of not receiving necessary information about the RFI.

Responses shall be submitted online via www.publicpurchase.com by the date and time indicated. Paper, fax, or email responses will NOT be accepted and will not be returned to sender. Responses are sealed in a virtual lockbox that can only be opened after the closing date and time, to maintain confidentiality of the responses.

Blue Valley Grid Development Offer: A Battery Energy Storage Project

City of Independence
Request for Information 20004

ABLE GRID

March 6, 2020

PROPRIETARY AND CONFIDENTIAL

Executive Summary

Blue Valley Grid, LLC is pleased to propose to the City of Independence a development opportunity at the Blue Valley Power Plant Facility. Blue Valley Grid seeks to develop its Battery Energy Storage System (BESS) on 3.65 acres of land at the Blue Valley Power Plant. For clarity, this proposal will refer to the proposed use as "BV BESS" for the Blue Valley Grid, LLC's Battery Energy Storage System and "BV Power Plant" as the existing Blue Valley Power Plant Facility.

The BV BESS development is a repurposing of a portion of the BV Power Plant into a privately-owned clean energy facility that fits the site with the following advantages in support of the City's Goals and Objectives:

- Does not require the City to expend any funds related to the addition of the BV BESS to the BV Power Plant site
- Does not require any demolition of any of the existing BV Power Plant Facilities
- Makes use of the existing electrical infrastructure for the interconnection of the BV BESS to the existing Blue Valley 161 kV substation
- Potentially provides an employment opportunity for some qualified staff of the closing BV Power Plant to join the clean energy workforce of the future
- The BV BESS would not interfere with the existing or future use of the BV Power Plant by Independence Power & Light

The BV BESS requires the following real property interests to develop its intended use within the BV Power Plant site: (a) a long term 25-year lease for a 3.65-acre site, (b) an access easement for road traffic from either of the public roads on the western or southern side of the property to the 3.65-acre site, and (c) an overhead transmission line easement to interconnect the BESS from the 3.65-acre site to the Blue Valley 161 kV substation.

Blue Valley Grid, LLC proposes executing an option to lease agreement with the City. During the option period, Blue Valley Grid, LLC and the City shall conduct due diligence and engineering review of the site and required easements for the siting of the BV BESS. The due diligence would consist of property, environmental, and engineering surveys, and an appraisal. The lease terms would be based on a third-party appraisal from a vendor selected by the City.

Blue Valley Grid Battery Energy Storage System

The Blue Valley Grid, LLC's Battery Energy Storage System is a containerized lithium ion battery energy storage system that includes the following equipment: shipping container like enclosures of batteries with HVAC units, skid mounted power conversion systems (bi-directional inverters) and medium voltage transformers, a medium voltage 34.5kV collection system, a project substation with a 34.5kV/161kV main power transformer including breakers, meters, and switchgear, and a plant controller. An overhead 161kV transmission line then interconnects to the IPL Blue Valley 161kV substation and the SPP regional transmission system. Below is a rendering of another battery energy storage project that we are constructing this year showing the battery containers.

BV BESS already has a Large Generator Interconnection Request submitted to SPP on May 29, 2018 for a 50 MW battery energy storage system interconnecting to the Blue Valley 161 kV substation. The request was accepted into the Definitive Interconnection System Impact Study (DISIS-2018-001) cluster. Blue Valley Grid's Generator Interconnection Request is identified as GEN-2018-031. SPP has a long interconnection study process, and BV BESS' early submission back in 2018 means it is the only alternative energy project that could interconnect to Blue Valley 161 kV substation and be completed in a timely fashion.

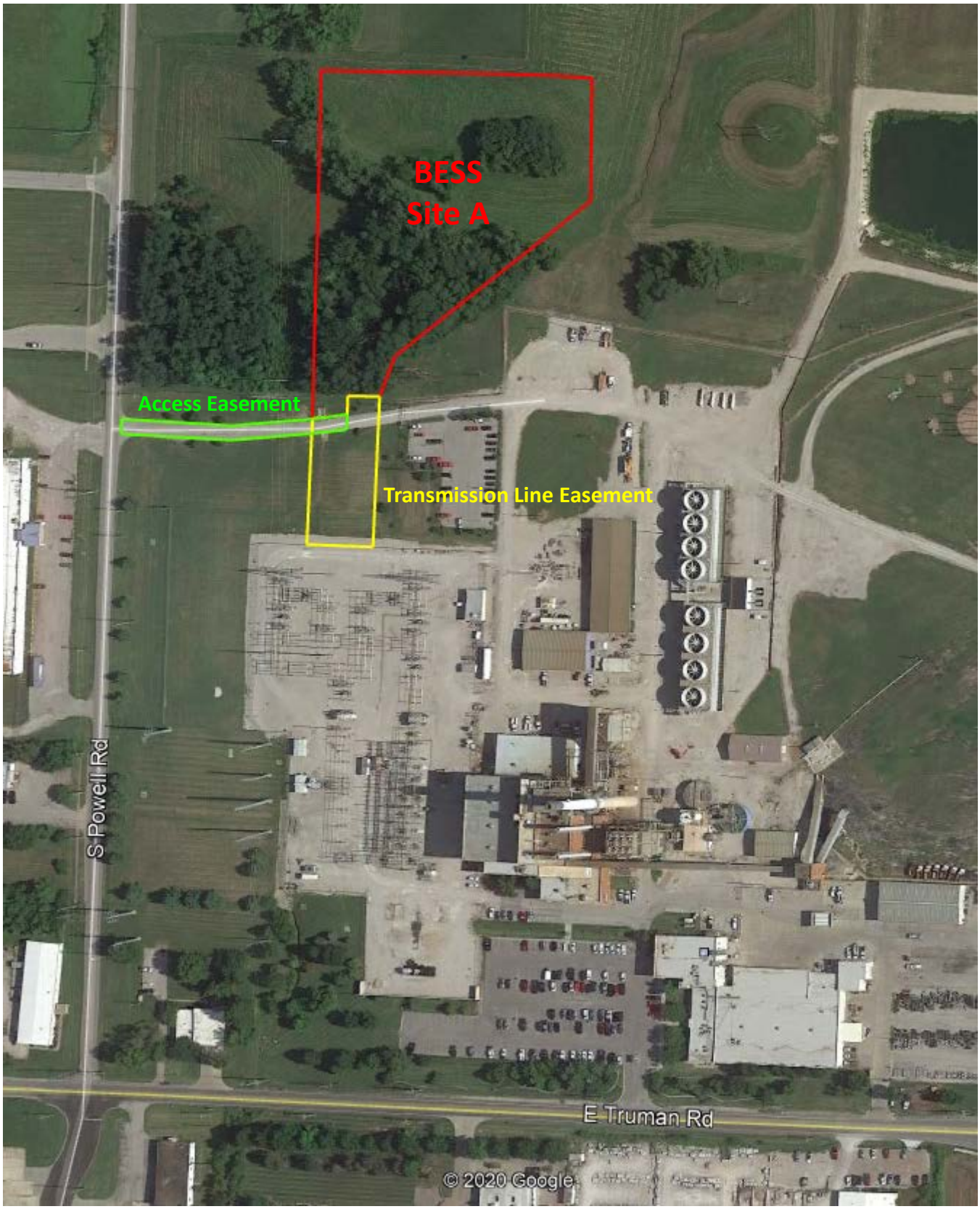
Potential Sites for the BESS at the Blue Valley Power Plant

A desktop analysis indicates the BV BESS may fit on one of two different sites within the BV Power Plant site. Site A is on the western side just north of the substation accessed via South Powell Road. Site B is on the far eastern side beyond the IPL pole yard accessed via East Truman Road. The BV BESS requires three real estate components:

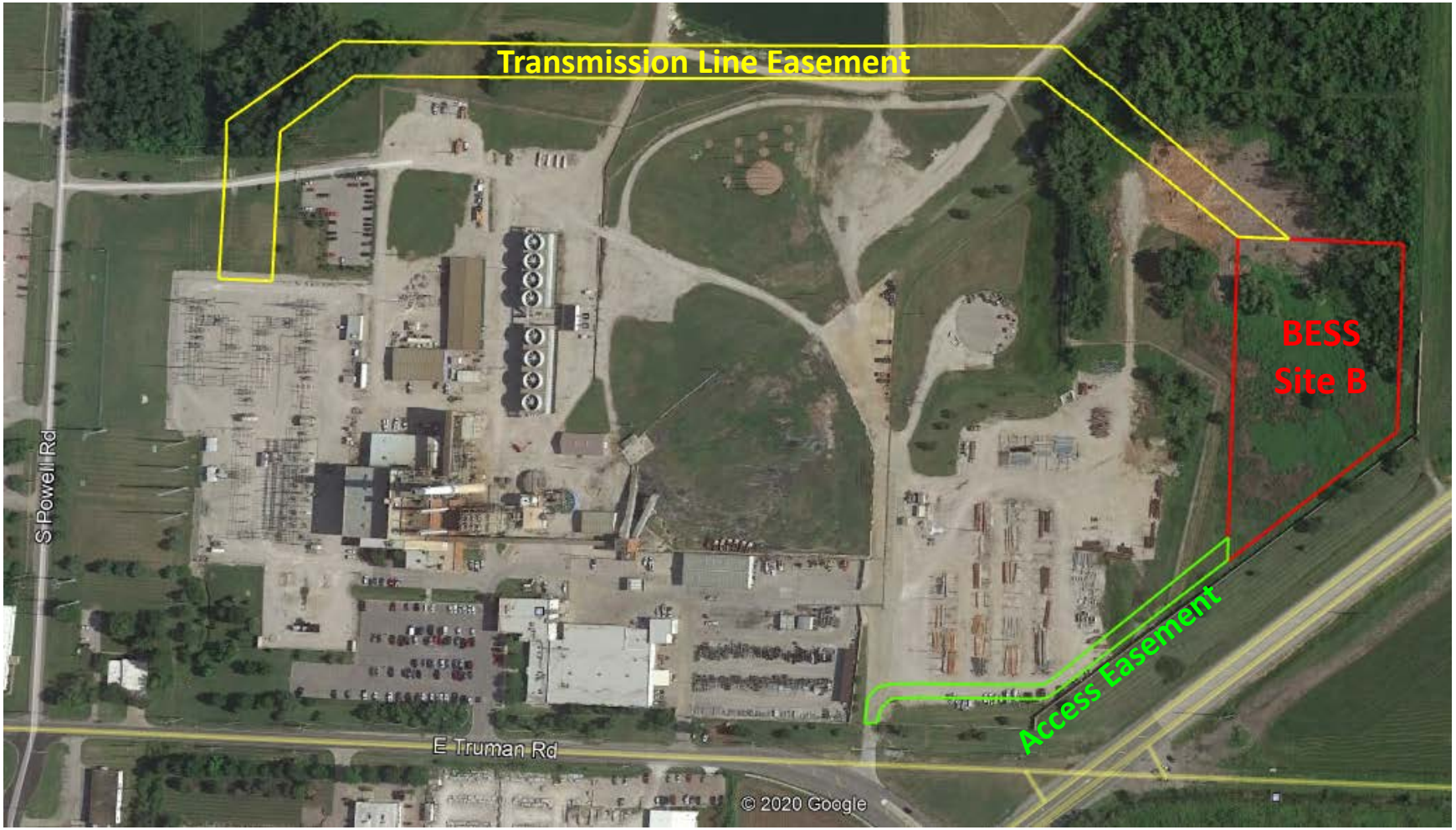
- An approximately 3.65-acre site under a minimum 25-year ground lease to host the BV BESS. The ground lease would need to be exclusive with no other uses but for the BV BESS. The site would be fenced off from the remainder of the BV Power Plant.
- An access easement allowing 24x7 access from either of the public roads, South Powell or East Truman Roads to the BESS site. Site A would use the existing paved entrance road to the BV Power Plant from South Powell Road and construct a turn-off of that entrance road into Site A. Site B would use existing entrance off East Truman Road into the IPL pole yard and then construct a new access road back to Site B.
- An overhead transmission line easement allowing the 161 kV transmission line from either BV BESS site to the IPL Blue Valley 161 kV substation for interconnection with the SPP transmission system. Site A has a simple transmission line easement south from Site A to the substation. Site B has a transmission line easement that crosses several existing lines crossing east to west over the BV Power Plant site to the Blue Valley substation. Site B's transmission line easement is indicative and would need surveying and coordination with IPL to create the final path.

On the following two pages are maps of proposed BV BESS Site A and Site B plans.

Blue Valley Battery Energy Storage System Site Option A



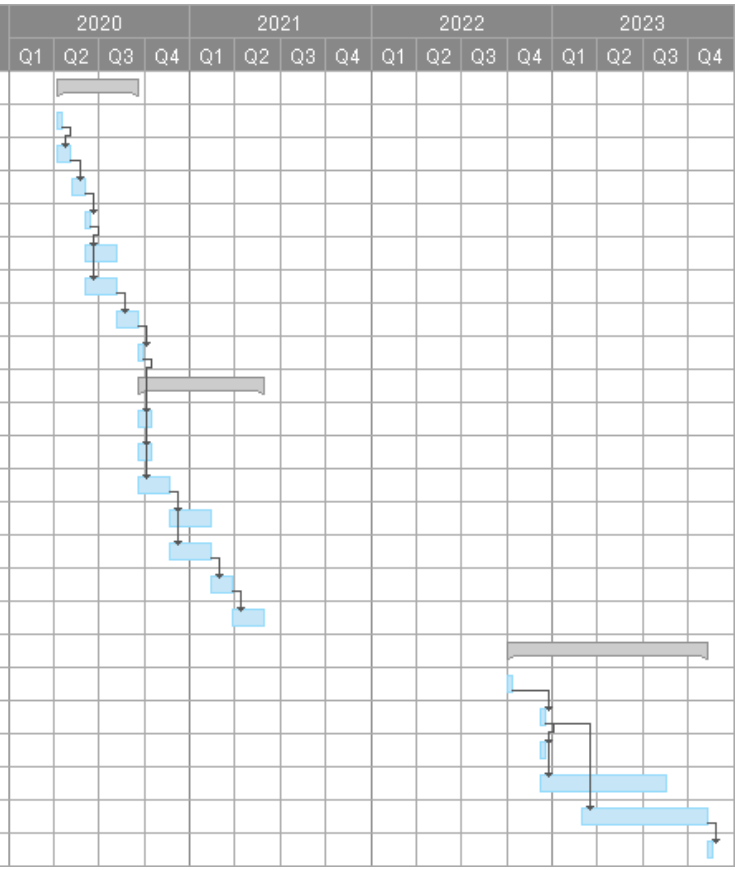
Blue Valley Battery Energy Storage System Site Option B



Project Schedule

The project schedule below shows the BV BESS operational in 2023. This schedule is driven by the slow SPP interconnection study process. The schedule attempts to include generous review time for the City and its staff of the agreements and proposed plans for the BV BESS. The schedule shows Blue Valley Grid, LLC paying annual option payments beginning September 2020 and based on an estimated BV BESS project schedule of executing the option and paying lease payments in December 2022.

	Task Name	Duration	Start	Finish
1	Agreement Negotiations	118d	04/06/20	09/16/20
2	In Person Meeting	1d	04/06/20	04/06/20
3	Draft of LOI Prepared	20d	04/07/20	05/04/20
4	Negotiate LOI	20d	05/05/20	06/01/20
5	Execute LOI	1d	06/02/20	06/02/20
6	Third Party Property Appraisal	45d	06/03/20	08/04/20
7	City Drafts Option to Lease Agreement	45d	06/03/20	08/04/20
8	Negotiate Option to Lease	30d	08/05/20	09/15/20
9	Execute Option to Lease	1d	09/16/20	09/16/20
10	Due Diligence	180d	09/17/20	05/26/21
11	ALTA Survey	20d	09/17/20	10/14/20
12	Phase 1 Environmental Site Assessment	20d	09/17/20	10/14/20
13	Geotechnical Survey	45d	09/17/20	11/18/20
14	Preliminary Site Engineering	60d	11/19/20	02/10/21
15	Preliminary Electrical Engineering	60d	11/19/20	02/10/21
16	Parties Review Site Plans and Engineering	30d	02/11/21	03/24/21
17	City Permitting Review	45d	03/25/21	05/26/21
18	Project Schedule (estimated)	288d	09/30/22	11/07/23
19	SPP Interconnection Studies Complete	1d	09/30/22	09/30/22
20	Project Notice to Proceed Issued	1d	12/05/22	12/05/22
21	Execute Option to Lease	1d	12/06/22	12/06/22
22	Construction of SPP Interconnection Facilities	180d	12/06/22	08/14/23
23	Construction of BESS	180d	02/28/23	11/06/23
24	Commercial Operations of BESS	1d	11/07/23	11/07/23



Respondent Qualifications and Experience

Blue Valley Grid, LLC is a project company of **Able Grid Energy Solutions.** Able Grid is a utility-scale energy storage developer funded by MAP Energy. In partnership with utilities, municipalities, and communities, Able Grid develops low-cost energy storage assets that improve the reliability of the electric grid, help integrate clean sources of energy, and help utilities manage their energy supply portfolio. We focus on investing in communities and power markets like SPP where storage will provide long-term value to utilities and their customers.

Able Grid has 43 development projects in 17 states and either owns or leases land for its projects, all of which have minimum commercial lives of 25 years. Able Grid has been selected from competitive solicitations by utilities to construct its BESS and is commencing construction on projects in Texas and California. Able Grid is committed to the Blue Valley Grid project and looks forward to discussing the project in more detail with the City.

MAP Energy, LLC is one of the oldest and most successful private energy investors in the U.S. with 32 years of experience managing 16 partnerships ($2.709 billion of capital) through a unique and consistent resource-driven strategy serving endowment, foundation and individual investors participating in the clean energy transition. MAP has offices in Oklahoma, California, and Colorado with approximately 95 employees. In contrast to many firms that raise capital with short-term buy and sell strategies, MAP and its partners have long-term views of 30+ years for real estate and energy investments. This allows for a unique perspective on energy investing and an alignment with the long-term generation planning perspective of utilities.

Project Benefits

Blue Valley Grid, LLC's BESS is a unique project that meets many of the City's guidelines and goals. It is a use that directly fits with the utility nature of the existing Blue Valley Power Plant and the operations of IPL. The added use of the BV BESS to the BV Power Plant site provides direct benefits to the City of Independence with economic development of a new facility to help mitigate the retirement of Blue Valley Power Plant. The BV BESS brings the clean energy future to the City of Independence with an investment in an emissions free state of the art facility. Other benefits include:

- The BV BESS anticipates there will be no direct cost impact for the City of Independence for allocating a portion of the BV Power Plant site to this use. In completing a desktop study, the project location of the BESS does not appear to disturb any existing structures at the BV Power Plant. No demolition of any existing structure is required.
- The construction of the BV Grid BESS will create construction jobs as it sources skilled labor from the local community. This will create a local economic opportunity for skilled labor as the BV Power Plant retires.
- The operation of the BV BESS will require skilled labor to maintain the facility throughout its 25-year life and may present an opportunity for an employee of the BV Power Plant to transfer from that retiring BV Power Plant to this new facility using similar electrical engineering skills. Able Grid would like to engage IPL on whether some of the work force currently at the BV Power Plant may be eligible for hire to the BV BESS as IPL creates its retirement plan for the BV Power Plant.
- A battery energy storage system avoids many of the risks and limitations of a fossil fuel generator. For example, energy storage:
  - Has no emissions and a small footprint.
  - Is not subject to fuel prices of gas or coal forecasted for the next 25 years.
  - Has no permitting risks because it does not emit gases or produce any waste.
- BV BESS will be subject to personal property taxes payable to the City and estimated between $2 and $3 million in nominal dollars over the project's 25-year life in addition to the annual lease payment.
- The City of Independence will have no financial or operational obligation associated with the BV BESS. The BV BESS will simply be a privately owned facility that is a tenant on the BV Power Plant site. There is no obligation or contractual relationship between the BV BESS and IPL. The BV BESS operates in the SPP Integrated Marketplace independently of IPL.
- BV BESS will work with City staff and officials to ensure the BV BESS aligns with the City Comprehensive Development Plan. In reviewing the current use of the subject property, the BV BESS appears to align with the current use for the site in the Development Plan.

Contact Information

Able Grid Energy Solutions, Inc. (www.ablegridenergy.com)

Attn: Eric Stoutenburg

1495 Canyon Blvd Ste 218

Boulder, CO 80302

Points of Contact

Eric Stoutenburg, Chief Development Officer

estoutenburg@ablegridenergy.com (650) 521-1897

Ricardo Betts, Development Director

rbetts@ablegridenergy.com (310) 228-7014