

**Electricity Marketing and Sales Proposal Form**

**Background Information**

MIRA’s core business is the management of municipal solid waste (“MSW”) and recyclable materials. Roughly seventy-five percent (75%) of the revenue needed to fund the costs of MIRA’s waste-to-energy operations is derived from tip fees (i.e. disposal fees) assessed on each ton of MSW delivered by MIRA’s customers to its waste-to-energy facility. The sale of the electricity generated at the Electrical Generating Facility (“EGF”), net of station service, represents roughly twenty-five to thirty percent (25-30%) of MIRA’s revenue and helps to offset the MSW disposal tip fees charged by MIRA to its customers (i.e. higher power prices equates to lower tip fees).

Over the years, MIRA has conducted competitive auctions for the sale of a portion or all of the electrical output (net of station service) of units 5 and 6 (the two steam turbines located at the EFG). These auctions have yielded mixed results for a couple of reasons:

1. MIRA is subject to extensive procurement requirements that take significant time to satisfy; and
2. MIRA is required by contract to provide its MSW customers four-months advance notice (by the end of February, each year) as to what the following fiscal year tip fees will be. Accordingly, MIRA needs to have an understanding of what the projected/expected power revenues are going to be in order to calculate its annual tip fees. Historically, MIRA’s auctions have been conducted no later than January for the fiscal year commencing the following July 1.

Both of the above requirements, while important and necessary, impact MIRA’s ability to align the sale of electricity with favorable market conditions.

**Electricity Marketing and Sales Services**

MIRA’s goal is to implement, in consultation with the selected Manager, an electricity sales program that:

1. Offers the flexibility needed to align electricity sales with improving or positive market conditions;
2. Expands the universe of potential buyers for MIRA’s electricity output (net of station service) ;
3. Results in fixed rate contracts that provide MIRA greater budgeting certainty; and
4. Employs an auction process that is both transparent and competitive.

In concept, MIRA wishes to sell varying increments (tranches) of its electricity, on a rolling delivery period basis, over the Term of the Agreement at times when it appears market conditions are favorable. To accomplish this MIRA wants to develop, in consultation with the selected Manager, a sales strategy that takes into account MIRA’s revenue objectives and the underlying market conditions that would need to be present to “trigger” the sale of a tranche of electricity. The strategy would be reviewed periodically throughout each Contract Year to determine its effectiveness and to make adjustments to the strategy as needed and appropriate.

Using this form (add pages as needed), describe the services/program(s) Proposer will provide to assist MIRA in achieving its goals and objectives. Proposer is not limited to offering a single program or concept. Proposer should submit information regarding its proposed program(s) in sufficient detail to enable MIRA to understand and evaluate the merits of the proposed program(s) and the mechanics of its implementation. At a minimum the proposal should include:

1. An overview of Proposer’s ability to assist MIRA with the development of a strategy based on market metrics;

* This section should include a discussion of how Proposer will assess and evidence to MIRA the market conditions as part of the sales strategy development process (taking into account MIRA’s revenue/budgeting projections) to maximize MIRA’s revenues from the sale of electricity; and
* Description of the market conditions (triggers) that will need to be considered as part of a strategy and Manager’s thoughts regarding optimum segments of power to be sold;

1. Proposer’s ability to engage multiple bidders for the sale of each tranche of electricity;

* Generally describe the mechanics of how each auction will be conducted including the number and type of potential purchasers Proposer will reach out to in conducting the electricity auctions;
* Provide information regarding how Proposer will evidence to MIRA that bids were received from multiple interested buyers and that the sale was made to the highest bidder (i.e. ability to meet MIRA’s objectives of procurement transparency and competitiveness);
* What confidentiality requirements, if any, on the part of individual bidders might apply;
* The mechanics of how each sale/auction will be memorialized contractually;
* If possible provide a sample sales confirmation and/or contract;

1. How payment risk on the part of the third-party purchasers of electricity will be handled (bonds, letters of credit, other);
2. Describe MIRA’s obligations relative to the implementation of the Proposer’s program.