

Blog Post

Reporting from WINDPOWER 2010 - The Reverse RFP

Posted on **May 25, 2010** by Daniel J. Swendsen

Do you have a great project but no PPA? One potential tool in your developer's tool bag may be the reverse RFP. The reverse RFP is what it sounds like - the developer putting out feelers for interested offtakers instead of responding to an offtaker request for interested developers. In one case discussed at AWEA in Dallas this week, a project developer in the midwest prepared a summary of its planned project and solicited offers to purchase from potential offtakers. The developer circulated the reverse RFP to the usual suspects, but also looked farther afield and was surprised by the number of offtakers outside the norm that expressed interest in the project.

One advantage to the reverse RFP is that the pressure is on the offtaker rather than the developer because the offtakers are competing for your project's output. You may also find a partner you did not know existed or was even interested in purchasing green attributes.

Timing is key to the success of the reverse RFP process: circulate it too early in the development phase and you risk low response as potential offtakers wait to see if the project will continue to develop and materialize; circulate it too late in development and you risk losing some of the leverage in the contract negotiation to the offtaker as financing deadlines loom.

The reverse RFP process may not be an option for every project, but if it generates interest in your project and lands a solid offtake agreement, it may provide the momentum your project needs to get built.