



# ***BRAZOS ELECTRIC COOPERATIVE***

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***2020 Request For Information  
For ERCOT Energy Resources***

***RFI Administrator:***



**ACES**  
excellence in energy

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## **Appendices (Available on the [RFI Website](#))**

- [A Notice of Intent to Provide Indicative Proposal](#)
- [B-1 Evaluation Form for Thermal Generation Resources](#)
- [B-2 Evaluation Form for Solar Plus Energy Storage Resources](#)
- [B-3 Evaluation Form for Coastal Wind Generation Resources](#)
- [B-4 Evaluation Form for Energy Only Blocks](#)
- [B-5 Evaluation Form for Daily Call Options](#)

## **1. Introduction**

### **1.1. Overview**

Brazos Electric Power Cooperative, Inc. (Brazos Electric) is an approximately 4,000 MW generation and transmission cooperative whose sixteen member-owned distribution cooperatives' ("Member(s)") service territory extends across 68 counties from the Texas Panhandle to Houston. Organized in 1941, Brazos Electric was the first cooperative formed in Texas for the purpose of generation and supplying electrical power. Brazos Electric is the largest generation and transmission cooperative in Texas.

### **1.2. Purpose**

The purpose of this Request for Information ("RFI") is to determine the feasibility for Brazos Electric to proceed with a future formal solicitation to procure future energy needs for its Members. The results obtained from this RFI will identify if such solicitation is justified and identify those potential suppliers to be included in such solicitation that are able to assist Brazos Electric to meet its Members' future energy needs.

### **1.3. RFI Administrator**

The duties of the RFI Administrator will be performed by Alliance for Cooperative Energy Services Power Marketing LLC ("ACES").

ACES' business model provides an established infrastructure of independent energy management practices that supports the verification of, and compliance with, applicable processes, policies, and procedures. ACES manages a significant amount of confidential data through a combination of specific internal guidelines, the company's independent control group, the company's corporate compliance manager, and periodic reporting to its Board of Directors' Risk Oversight and Audit Committee. ACES takes its obligations regarding the maintenance of Confidential Information very seriously and will handle all Confidential Information with the highest professional regard.

### **1.4. Coordination with Solar RFP**

As of the release date of this RFI, Brazos Electric in conjunction with the National Renewables Electric Cooperative (NRCO) also plans to release a Request for Proposals ("RFP") for photovoltaic-solar-based power in the coming weeks. This RFP process is intended to be administered on an independent timeline from the RFI detailed in this document and administered by ACES.

## **2. Instructions to Respondents**

### **2.1. RFI Contact Information and Communications**

All communications from parties responding to this RFI ("Respondent(s)") shall be directed to the Brazos Electric 2020 RFI team. Questions or requests for clarifying information must be directed through the designated RFI email address: [Brazos2020RFI@acespower.com](mailto:Brazos2020RFI@acespower.com). All oral discussions or communications are discouraged and will be considered unofficial and non-binding.

The Brazos Electric 2020 RFI team will post relevant questions submitted by Respondents, as well as Brazos Electric’s responses, on the RFI website: [www.acespower.com/Brazos2020RFI](http://www.acespower.com/Brazos2020RFI). Posting these questions and responses will ensure that all Respondents have equal access to non-confidential information that may be potentially relevant to their responses to this RFI (“Indicative Proposals”).

Brazos Electric strongly discourages direct contact with Brazos Electric or ACES personnel regarding this RFI and the potential future solicitation. Direct contact with Brazos Electric personnel may result in disqualification from this RFI and the potential future solicitation.

## 2.2. Notice of Intent to Provide Indicative Proposal

A Respondent is to use the RFI email address identified in Section 2.1 to electronically submit its Appendix A: Notice of Intent to Provide Indicative Proposal (“Appendix A”). The deadline for a Respondent to submit its Appendix A is 2:00 p.m. Central Prevailing Time (CPT) on the Notice of Intent to Provide Indicative Proposal Deadline detailed in Section 2.4. Upon receipt of the Appendix A, the Brazos Electric 2020 RFI team will acknowledge receipt.

## 2.3. Submittal of Indicative Proposals

All Indicative Proposals must be submitted and received electronically. To be considered and accepted, an electronic version of the appropriate Indicative Proposal Appendix or Appendices must be sent to the RFI email address identified in Section 2.1 no later than 2:00 p.m. CPT on the Indicative Proposal Deadline detailed in Section 2.4.

Supporting documentation to the Indicative Proposal Appendix or Appendices is encouraged but not mandatory. Supporting documentation may include, but not be limited to, information detailing the Respondent and the proposed energy resource(s).

Brazos Electric and the RFI Administrator will only evaluate Indicative Proposals submitted in accordance with this RFI. Indicative Proposals sent directly to Brazos Electric or ACES personnel will be discarded and will not be evaluated.

## 2.4. RFI Schedule

The Brazos Electric 2020 RFI schedule is shown in Figure 1 below. As circumstances warrant, Brazos Electric, in its sole judgment and discretion, may change this schedule. In that event, the RFI Administrator will inform all potential Respondents as far in advance as reasonably possible by posting any change on the RFI website, [www.acespower.com/Brazos2020RFI](http://www.acespower.com/Brazos2020RFI).

**Figure 1.**

Milestone	Deadline
RFI Issued	September 3, 2020
Notice of Intent to Provide Indicative Proposal Deadline	September 18, 2020
Final Date for Question Submittal	September 25, 2020
Indicative Proposal Deadline	October 9, 2020
Notification of Short List (if applicable)	TBD

### 3. Indicative Proposals

#### 3.1. Requested Indicative Proposals

Brazos Electric requests Indicative Proposals from a diverse variety of energy resources. Brazos Electric will accept multiple Indicative Proposals from a Respondent. In the event an individual Respondent provides multiple Indicative Proposals, the Respondent must indicate whether or not the Indicative Proposals are mutually exclusive. Mutually exclusive Indicative Proposals will be evaluated as competing proposals.

##### 3.1.1. Indicative Proposals for Thermal Generation Resources

Brazos Electric requests Indicative Proposals from Respondents for a diverse variety of thermal generation resources.

Indicative Proposals for thermal generation resources shall provide the information required in Appendix B-1: Evaluation Form for Thermal Generation Resources (“Appendix B-1”).

In addition to the required information in Appendix B-1, Indicative Proposals for thermal generation resources must meet the following minimum qualifications:

- Minimum quantity of 50 MW
- Term:
  - Contract start date June 1, 2021
  - Contract Term of 5 years or 10 years
- Preference will be given to Indicative Proposals delivered to ERCOT HB\_North
- Please indicate if Indicative Proposal is Firm (LD) or Unit Contingent (UC)
  - If UC, please provide historical forced outage rate

##### 3.1.2. Indicative Proposals for Solar Plus Energy Storage Resources

Brazos Electric requests Indicative Proposals from Respondents for solar plus energy storage resources. Indicative Proposals for solar plus energy storage resources may be for a new resource or for an existing resource. Brazos Electric will not accept Indicative Proposals for stand-alone solar resources or stand-alone battery energy storage system resources.

Indicative Proposals for solar plus energy storage resources shall provide the information required in Appendix B-2: Evaluation Form for Solar Plus Energy Storage Resources (“Appendix B-2”).

In addition to the required information in Appendix B-2, Indicative Proposals for solar plus energy storage resources must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Term:
  - Contract start date no later than December 31, 2022
  - Contract Term not to exceed 15 years
    - Preference will be given to Indicative Proposals with Contract Terms of 12 years
- Preference will be given to Indicative Proposals delivered to ERCOT HB\_North

- Preference will be given to Indicative Proposals containing flat price offers with no escalators
- Preference will be given to Indicative Proposals with a fixed production profile

### **3.1.3. Indicative Proposals for Coastal Wind Generation Resources**

Brazos Electric requests Indicative Proposals from Respondents for coastal wind generation resources. Indicative Proposals for coastal wind generation resources may be for a new resource or for an existing resource. Brazos Electric will not accept Indicative Proposals for non-coastal wind generation resources.

Indicative Proposals for coastal wind generation resources shall provide the information required in Appendix B-3: Evaluation Form for Coastal Wind Generation Resources (“Appendix B-3”).

In addition to the required information in Appendix B-3, Indicative Proposals for coastal wind generation resources must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Term:
  - Contract start date no later than December 31, 2022
  - Contract Term not to exceed 15 years
- Preference will be given to Indicative Proposals delivered to ERCOT HB\_North
- Preference will be given to Indicative Proposals containing flat price offers with no escalators
- Preference will be given to Indicative Proposals with a fixed production profile

### **3.1.4. Indicative Proposals for Energy Only Blocks**

Brazos Electric requests Indicative Proposals from Respondents for varying fixed price energy only blocks.

Indicative Proposals for energy only blocks shall provide the information required in Appendix B-4: Evaluation Form for Energy Only Blocks (“Appendix B-4”).

In addition to the required information in Appendix B-4, proposals for energy only blocks must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Proposals must be provided as:
  - Delivery Period: 5x16, 7x16, or Super Peak (hours ending (HE) 13 through 20)
  - Delivery Term: July through August, June through September, or Calendar Year
- All submissions must be in CPT to align with ERCOT operations and standard traded products
  - 16-hour period is defined as HE 07 through HE 22 CPT
- Proposals may be for physical, real-time (RT) or financial, day-ahead (DA) energy
  - Proposals for physical energy must be Firm (LD), as defined in Schedule P: Products and Related Definitions of the Edison Electric Institute (EEI) Master Power Purchase & Sale Agreement
- Proposals shall be priced at ERCOT HB\_North and/or ERCOT LZ\_North
- Term:
  - Contract start date must be during 2021 for applicable Delivery Term
  - Contract Term of 2 years, 5 years, or 10 years.

- Example: 2-year, 5x16, July through August Indicative Proposal will be evaluated as 5x16 for July through August 2021 and 5x16 for July through August 2022

### 3.1.5. Indicative Proposals for Daily Call Options

Brazos Electric requests Indicative Proposals from Respondents for varying daily call options. Daily call options may be a heat rate or a fixed price.

Indicative Proposals for daily call options shall provide the information required in Appendix B-5: Evaluation Form for Daily Call Options (“Appendix B-5”).

In addition to the required information in Appendix B-5, Indicative Proposals for daily call options must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Proposals must be provided as:
  - Delivery Period: 5x16, 7x16, or Super Peak (HE 13 through 20)
  - Delivery Term: July through August, June through September, or Calendar Year
- All submissions must be in CPT to align with ERCOT operations and standard traded products
  - 16-hour period defined as HE 07 through HE 22 CPT
- Proposals may be structured as Auto-Settle or Manual Strike
- Proposals may be for the physical, RT or financial, DA settled product
  - Proposals for physical energy must be Firm (LD), as defined in Schedule P: Products and Related Definitions of the EEI Master Power Purchase & Sale Agreement
- Proposals must specify either:
  - Fixed strike price
  - Heat rate, in terms of MMBtu/MWh
    - Heat rate proposals must identify natural gas price index
  - Preference will be given to Indicative Proposals containing fixed strike price daily calls
- Proposals shall be priced at ERCOT HB\_North and/or ERCOT LZ\_North
- Term:
  - Contract start date must be during 2021 for applicable Delivery Term
  - Contract Term of 2 years, 5 years, or 10 years
  - Example: 2 year, 5x16, July through August Indicative Proposal will be evaluated as 5x16 for July through August 2021 and 5x16 for July through August 2022
- Preferred Fixed Price Strikes for Daily Calls (\$/MWh), or comparable heat rate, in Figure 2:

Figure 2.

	5x16	7x16	Super Peak
<b>Calendar Year</b>	\$75	\$75	\$85
<b>June through September</b>	\$100	\$100	\$150
<b>July through August</b>	\$150	\$150	\$225
<b>Fixed Price Strikes Applicable to All Terms: 2 Years, 5 Years, and 10 Years</b>			

### **3.2. Evaluation Criteria**

Brazos Electric intends to make the evaluations and rankings as fair and objective as possible while balancing multiple factors. After all Indicative Proposals have been evaluated, a short list may be identified for a future formal solicitation. Unsuccessful Respondents will be notified via email.

In its evaluation, Brazos Electric will consider the following:

- Offer prices and/or calculation method inclusive of all costs
- Responsiveness of Indicative Proposal
- Logistical, technical, economic, and commercial viability of Indicative Proposal
- Reliability of supply
- Financial qualifications of Respondent
- Other value-added benefits

The criteria listed is neither inclusive nor is it in any particular order of importance .

### **3.3. Waiver**

Brazos Electric reserves the right, in its sole discretion, to reject any and all Indicative Proposals submitted as part of this RFI process for any reason. Brazos Electric may modify this criteria at any time without prior notification.

### **3.4. Financial Qualifications**

The financial stability and creditworthiness of each Respondent is an important consideration for Brazos Electric. The level of credit worthiness may significantly impact Brazos Electric's evaluation of an Indicative Proposal.

## **4. Notice of Disclaimer**

**The information contained in this RFI has been prepared solely to assist prospective Respondents in making the decision of whether or not to submit an Indicative Proposal. Brazos Electric does not purport this information to be all-inclusive or to contain all of the information that a prospective Respondent may need to consider in order to submit an Indicative Proposal. Neither Brazos Electric nor its Members, customers, employees, agents, officers, nor Brazos Electric consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability, or completeness of the information contained herein, or in any document or information made available to a Respondent, whether or not the aforementioned parties know or should have known of any errors or omissions, or were responsible for its inclusion in, or omission from, this RFI. Brazos Electric expressly excludes and disclaims all express and implied warranties of merchantability and fitness for a particular purpose.**

**Brazos Electric reserves the right to modify or supplement this RFI at any time. No part of this RFI and no part of any subsequent correspondence by Brazos Electric, its Members, customers, employees, officers, agents, or Brazos Electric's consultants shall be taken as providing legal, financial, or other advice, nor as establishing a contractual relationship or contractual obligation with a Respondent. Contractual obligations on the part of Brazos Electric will arise only if and when definitive agreements**

have been approved and executed by the appropriate parties having the authority to approve and enter into such agreements.

Each Respondent, whether the Respondent's Indicative Proposal is accepted or rejected, expressly waives any claim whatsoever related to this RFI against Brazos Electric or its members, customers, employees, officers, agents, or Brazos Electric's consultants. Brazos Electric further reserves the right to withdraw and terminate this RFI at any time. The submission of an Indicative Proposal to Brazos Electric shall constitute Respondent's acknowledgement and acceptance of all terms, requirements, and conditions of this RFI.

## 5. Confidentiality

All Indicative Proposals shall become the exclusive property of Brazos Electric. The Respondent shall treat and preserve ALL information, data, and communications received from Brazos Electric as confidential, regardless of the existence or lack thereof of confidential markings, and will only distribute to such personnel who are required as part of this RFI process. Brazos Electric and the RFI Administrator will treat all Indicative Proposals, including any supporting documentation, submitted by Respondents as confidential. Notwithstanding the foregoing, Indicative Proposals in their entirety may be shared with Brazos Electric's Members, Brazos Electric's consultants or agents, including NRCO, or any other governmental entity with authority over Brazos Electric. It is however possible that Indicative Proposals may become subject to discovery and disclosure as required in regulatory or judicial proceeding. Respondents may be required to sign a Confidentiality Agreement if this RFI progresses to a future formal solicitation.