



**Central Electric Power Cooperative, Inc.**

**Request for Proposals**

**for**

**Energy Products**

**RFP Administrator:**



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### **Attachments (Available on the RFP Website Indicated Below)**

**[A Confidentiality Agreement](#)**

**[B Respondent Registration and Contact Information](#)**

**[www.acespower.com/Central2020RFP](http://www.acespower.com/Central2020RFP)**

# 1. Introduction

## 1.1. Overview

Central Electric Power Cooperative, Inc. (Central) is a nonprofit generation and transmission electric cooperative, with headquarters located in Columbia, South Carolina. Central provides all-requirements power supply to South Carolina's 20 retail electric cooperatives, who serve approximately 1.5 million consumers. Central's member retail distribution cooperatives serve consumers in all forty-six South Carolina counties.

Through this request for proposals (RFP), Central is seeking market-based products (Proposals) to efficiently and reliably meet the power supply requirements of its retail cooperatives located in the Duke Energy Carolinas, LLC (DEC) transmission system.

## 1.2. RFP Purpose and Preferred Proposal Attributes

The purpose of this RFP is for Central to identify potential power supply options for wholesale electric service of up to approximately 1,000 MW of capacity and energy for delivery to the DEC transmission system. Proposals shall provide the attributes included in Sections 1.2.1 through 1.2.5 of this RFP.

### 1.2.1. Term

Central will consider contractual terms, commensurate with the volume of capacity and energy proposed, ranging from five to twenty-five years in length. Central anticipates that approximately one-third of the total volume proposed would be phased in January 1 of each year during a three-year period beginning January 1, 2029.

### 1.2.2. Products

Subject to Section 1.3 of this RFP, Central is seeking Proposals from interested parties (each, a Respondent) to provide market-based products, including but not limited to products in one or more of the configurations set forth in this section below. In addition to other specific preferences expressed herein, Central will give preference to Proposals and/or Respondents that demonstrate superior reliability and firmness of resources (i.e., similar to or better than Central's current suppliers); and who have the resource and supply availability to afford Central flexibility to optimize fuel costs and minimize price risk through hedging and other risk management activities. Products Central is interested include, but are not limited to, the following:

- Firm Load-Following Products
  - All Proposals provided in response to this RFP must meet the requirements for electric service pursuant to DEC's Open Access Transmission Tariff (OATT)
  - For purposes of this RFP, "Firm Load-Following Product" shall mean the native load priority energy, associated capacity, all necessary transmission service, ancillary services,

and all other attributes required by DEC to meet Central's physical and financial obligations to serve Central's load obligations on a continuous, load-following basis, including scheduling the Southeastern Power Administration (SEPA) resources attached to these delivery points

- Any SEPA resources assigned to these delivery points will be required to be credited to Central as part of the billing process.
  - Proposals for Firm Load-Following Products may be for 100% of Central's load obligation (Full Requirements) or for any portion less than 100% of Central's load obligation (Partial Requirements)
  - Load Factor Assumptions: Respondents should assume an annual average load of 50% for any proposed contractual term
  - Shortlisted Respondents with a fully executed Confidentiality Agreement from this RFP will be provided historical hourly load data
- Designated Generation Resources
    - Central is requesting proposals for a variety of generation resources including, but not limited to: baseload generation, intermediate generation, peaking generation, energy storage resources, and renewable generation
    - Proposals for designated generation resources may be for a new resource or an existing resource and must meet the following minimum qualifications:
      - Minimum quantity of 25 MW
      - Must specify generation resource and physical location
        - If short listed, respondents must agree to submit an interconnection request for the generation resource to the appropriate transmission provider as part of the applicable planning cycle
- Energy-Only Block Products
    - In order to be evaluated, proposals for energy-only blocks must meet the following minimum qualifications:
      - Minimum quantity of 25 MW
        - Proposals must be provided as either 7x8, 2x16, 5x16, 7x16, 7x24, or wrap
          - All submissions must be in eastern prevailing time (EPT)
          - Note - 16-hour period defined as hour ending (HE) 08 - HE 23 EPT
        - Proposals must be provided as monthly, seasonal, quarterly, or annual;
        - 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 or must meet the requirements for electric service pursuant to DEC's Open Access Transmission Tariff (OATT)
          - For purposes of this RFP, "Firm Product" shall mean the native load priority energy, associated capacity, all necessary

transmission service, ancillary services, and all other attributes required by DEC to meet Central's physical and financial obligations to serve Central's load obligations on a continuous basis

- Energy-Only Products could be combined with Capacity-Only products in the following section to meet baseload and/or intermediate needs
- Call Option Products
  - Call options can be a heat rate or fixed strike price
    - Central will consider strike prices that meet baseload, intermediate, or peaking needs
    - Respondents may bundle capacity with the power purchase agreement (PPA) proposal for the daily call option product
  - In order to be evaluated, proposals for daily call options must meet the following minimum qualifications:
    - Minimum quantity of 25 MW
      - Proposals must be provided as either 5x16, 7x16, or 7x24
        - All submissions must be in eastern prevailing time (EPT) and Intercontinental Exchange's (ICE) standard market specifications
        - 16-hour period defined as HE 08 – HE 23 EPT
          - Central would consider shorter strike periods, e.g., two 4-hour minimum periods during the 24-hour period.
      - Proposals must be provided as monthly, seasonal, quarterly, or annual;
    - Proposals may be structured as manual strike
    - Proposals may be for physical energy
      - 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
    - No minimum contract term
- Multiple Proposals
  - Central will accept multiple Proposals from a Respondent
  - In the event the same Respondent provides multiple proposals, the Respondent must indicate whether the proposals are mutually exclusive

### 1.2.3. Delivery Point

Respondent will be responsible for delivering the Products to DEC's transmission system interconnection.

#### **1.2.4. Submission Requirements**

This will be an open RFP process; however, non-firm products will not be considered. Central will only evaluate Proposals for products that are native load priority in nature and satisfy the requirements of Electric Service pursuant to the DEC OATT.

#### **1.2.5. Responsibility of DEC OATT Charges**

Respondents shall be responsible for all costs and expenses associated with delivering the products to the DEC transmission system. Central will take title to the products at the DEC transmission system and shall be responsible for all DEC OATT and Network Integration Transmission Service Agreement (NITSA) charges associated with the products thereafter.

### **1.3. Notice of Disclaimer**

The information contained in this RFP has been prepared solely to assist prospective Respondents with deciding whether to submit a Proposal. Neither Central nor its members, customers, employees, agents, officers, nor consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, expressed 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 RFP.

Central reserves the right to modify or supplement this RFP at any time. No part of this RFP and no part of any subsequent correspondence by Central, its members, customers, employees, officers, agents, or consultants has been provided by Central for the purpose of, or shall be construed by Respondent as, providing legal, financial, or other advice, nor as establishing a contract or contractual obligation. Contractual obligations on the part of Central 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.

Potential Respondents are responsible for all costs incurred to evaluate and respond to this RFP and any negotiation costs incurred by the Respondent thereafter. Each Respondent will be responsible for all costs, including, but not limited to any deposits or study costs, incurred by such Respondent to evaluate transmission service requests for delivery of Respondent resources to the boundary of the DEC Transmission System if such resources are not interconnected to the DEC Transmission System. Central may, in its sole discretion and without limitation, decline to pursue any or all Proposals and will evaluate Proposals and proceed in the manner Central deems appropriate, which may include deviation from Central's expected evaluation process, the waiver of any requirements, and requests for additional information. Each Respondent, whether the Respondent's Proposal is accepted or rejected, expressly waives any claim whatsoever related to this RFP against Central or its members, customers, employees, officers, agents, or consultants. Central further reserves the right to withdraw and terminate this RFP at any time prior to the execution of any contract regarding the Respondent's Proposal. The submission of a

Proposal to Central shall constitute Respondent's acknowledgement and acceptance of all terms, requirements, and conditions of this RFP.

#### **1.4. RFP Administrator**

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

As the RFP Administrator, 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.

#### **1.5. Confidentiality**

All Proposals shall become the exclusive property of Central. The Respondent shall treat and preserve all information, data, and communications received from Central as confidential, regardless of the existence or lack thereof of confidential markings and will distribute only to personnel strictly required. Central and ACES will treat all Proposals, including any supporting documentation, submitted by Respondents as confidential. Notwithstanding the foregoing, Proposals may be shared in their entirety with Central's consultants or agents, or any other governmental entity with authority over Central. It is possible that Proposals may become subject to discovery and disclosure may be required in regulatory or judicial proceedings. Respondents shall be required to sign a Confidentiality Agreement (Attachment A) upon submittal of a "Notice of Intent to Bid" as specified below. In addition, Central is a borrower with the Rural Utility Services (RUS) and is therefore subject to certain disclosure requirements of the United States Government. Central expects to provide summaries of all Proposals to RUS with the Respondents' identities concealed. Central also expects to provide RUS a list of all Respondents. Central shall not be held responsible for any release of information, confidential or otherwise, by RUS. Respondents may be required to justify the requested confidential treatment under the provisions of a protective order issued in a proceeding.

## **2. Information and Instructions for Respondents**

### **2.1 RFP Contact Information and Communications**

All communications from Respondents shall be directed to the Central 2020 RFP team. Questions or requests for clarifying information must be directed through the designated RFP email address:

[Central2020RFP@acespower.com](mailto:Central2020RFP@acespower.com). All oral discussions or communications through the final proposal due date are discouraged and will be considered unofficial and non-binding.

The Central 2020 RFP team will post relevant questions submitted by Respondents, as well as Central's responses, on the designated RFP website: [www.acespower.com/Central2020RFP](http://www.acespower.com/Central2020RFP). Posting these questions and responses will ensure that all Respondents have equal access to non-confidential information that may be potentially relevant to their Response(s) to this RFP.

Central strongly discourages direct contact with Central or ACES personnel regarding this RFP. Direct contact with Central personnel may result in disqualification from this RFP.

## 2.2. RFP Schedule

The Central 2020 RFP schedule is shown below. As circumstances warrant, Central, in its sole judgment and discretion, may change this schedule. In that event, the RFP Administrator will inform all potential Respondents as far in advance as reasonably possible by posting any change on the RFP website, [www.acespower.com/Central2020RFP](http://www.acespower.com/Central2020RFP).

Milestone	Deadline
RFP Issued	September 11, 2020
Notice of Intent to Bid Deadline	October 2, 2020
Final Question Submittal Due	October 16, 2020
Final Proposals Due Date	December 11, 2020
Targeted Respondent Selection Date	Q2 2021

## 2.3. Notice of Intent to Bid

Respondents must submit a Notice of Intent to Bid to the designated RFP email address provided in Section 2.1. All Respondents submitting a Notice of Intent to Bid must execute and deliver the Confidentiality Agreement, included as Attachment A, and the Respondent Registration and Contact Information, included as Attachment B, as part of the Notice of Intent to Bid submittal. The deadline for Respondents to submit the Notice of Intent to Bid information is 5:00 p.m. EPT on the Notice of Intent to Bid Deadline detailed in Section 2.2 RFP Schedule. Upon receipt of the required information, the Central 2020 RFP team will acknowledge receipt.

## 2.4. Preparation and Submittal of Proposals

Respondents should note the following:

- All Proposals must be submitted and received electronically (as a pdf file) to the designated RFP email address provided in Section 2.1

- The format chosen for the submission of the proposal is up to the Respondent based on its individual pricing structure, but if the appropriate information is not provided to properly compare the proposals, the proposal may not be considered
- All Proposals must be signed by a representative who is authorized to bind the Respondent to a contract
  - The signatory must provide name, title, business name and address, contact information, as well as the Respondent's state of incorporation/organization
- A Proposal's pricing and terms must remain in effect until March 31, 2021, with any contingencies clearly noted
- For a Proposal to be considered and accepted, an electronic version must be received by the designated RFP email address provided in Section 2.1 no later than 5:00 p.m. EPT on the Final Proposals Due Date detailed in Section 2.2

## **2.5. Evaluation Criteria**

It is Central's intention to have ACES conduct RFP evaluations in as fair and objective a manner as possible while balancing multiple factors developed by Central. After all Proposals have been evaluated, a short list may be identified for further negotiations. Unsuccessful Respondents will be notified via email. In addition to pricing, Central will consider the following criteria:

- Detailed price calculation
- Responsiveness of Proposal
- Logistical, technical, economic, and commercial viability of Proposal
- Reliability of supply
- Services offered, including the ability to procure transmission
- Financial qualifications of Respondent
- Other value-added benefits

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

## **2.6. Waiver**

As stated in Section 1.3, Central reserves the right in its sole discretion to reject any and all Proposals submitted as part of this RFP process for any reason. Central may modify the criteria noted in Section 2.5 at any time without prior notification. Central also reserves the right to negotiate with any Respondent once the Proposals are submitted.

## **2.7. Financial Qualifications**

The financial stability and creditworthiness of each Respondent is an important consideration for Central and may significantly impact its decision to enter into a contract with a Respondent. Prior to execution of a contract, Central will require the Respondent to provide financial documentation sufficient in form and substance to adequately evaluate the financial stability and creditworthiness of the Respondent.