



**Arkansas Electric
Cooperative Corporation**

**Arkansas Electric Cooperative Corporation
2021 Request for Proposal
for
SPP Firm Capacity Products**

RFP Administrator:



ACES
excellence in energy

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Appendices (Available on the [RFP Website](#))

- A Notice of Intent to Provide Proposal
- B-1 Evaluation Form for Thermal Generation Resources
- B-2 Evaluation Form for Solar and/or Energy Storage Resources
- B-3 Evaluation Form for Hydroelectric Resources
- B-4 Evaluation Form for Firm Capacity Only

1. Introduction

1.1. Overview

Arkansas Electric Cooperative Corporation (AECC) is the wholesale power supplier for 17 electric distribution cooperative members (Members) throughout Arkansas. AECC's jurisdictional loads interconnect with transmission systems under the functional control of either the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) or the Midcontinent Independent System Operator (MISO) RTO.

AECC's Member loads within the SPP footprint are connected to, and dependent on, transmission systems owned by Oklahoma Gas & Electric, Southwestern Electric Power Company, and the Southwestern Power Administration. AECC is a Load Responsible Entity (LRE) and market participant within SPP.

1.2. Purpose

AECC is issuing this Request for Proposal (RFP) to assist in meeting specific needs beginning June 1, 2025. AECC is seeking at least 170 MW of firm capacity products within the SPP footprint, in aggregate from one or more proposed options, for a period of at least 5 years.

This RFP seeks Proposals that can reliably provide Firm Capacity or Firm Power, as defined in the SPP Open Access Transmission Tariff (SPP tariff) and SPP Planning Criteria. Through this RFP, AECC is seeking the Firm Capacity products to satisfy peaking and/or intermediate energy needs. AECC will also consider Firm Capacity offers without an energy component.

The contracting of these Firm Capacity products to assist in meeting AECC's resource adequacy requirement (RAR) within SPP necessitates that AECC acquire firm transmission service from the generation resource(s) to AECC's loads. Any transaction(s) resulting from this RFP shall be contingent upon AECC being awarded, and accepting, the appropriate designated Network Resource status in a timely manner via the SPP study processes.

1.3. RFP Administrator

The duties of the RFP 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.

2. Instructions to Respondents

2.1. RFP Contact Information and Communications

All communications from parties responding to this RFP (Respondent(s)) shall be directed to the AECC 2021 RFP team. Questions or requests for clarifying information must be directed through the designated RFP email address: AECC2021RFP@acespower.com. All oral discussions or communications are discouraged and will be considered unofficial and non-binding.

The AECC 2021 RFP team will post relevant questions submitted by Respondents, as well as AECC's responses, on the RFP website: www.acespower.com/AECC2021RFP. 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 RFP.

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

2.2. Notice of Intent to Provide Proposal

A Respondent must use the RFP email address identified in Section 2.1 to electronically submit its Appendix A: Notice of Intent to Provide 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 Proposal Deadline detailed in Section 2.5. Upon receipt of the Appendix A, the AECC 2021 RFP team will acknowledge receipt.

2.3. Submittal of Phase 1 Proposals

All Phase 1 Proposals must be submitted and received electronically. To be considered and accepted, an electronic version of the appropriate Proposal Appendix or Appendices must be sent to the RFP email address identified in Section 2.1 no later than 2:00 p.m. CPT on the Phase 1 Proposal Submission Deadline detailed in Section 2.5.

Supporting documentation to the 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).

AECC and the RFP Administrator will only evaluate Proposals submitted in accordance with this RFP. Proposals sent directly to AECC or ACES personnel will be discarded and will not be evaluated.

AECC or the RFP Administrator reserves the right to contact Respondents at any time to clarify Proposal terms and/or request additional information.

2.4. Submittal of Phase 2 Proposals

At the completion of Phase 1 evaluations, AECC, in consultation with the RFP Administrator, will either select Proposals for further evaluation in Phase 2 or reject proposals. The RFP Administrator will notify Respondents

of their selection for further evaluation or rejection. Upon notification that a Respondent's Proposal has been selected for advancement to Phase 2, the RFP Administrator will request final pricing from Phase 2 Respondents.

Respondents shall provide the final pricing in the appropriate Proposal Appendix and submit to the RFP email address identified in Section 2.1 no later than 2:00 p.m. CPT on the Phase 2 Proposal Submission Deadline detailed in Section 2.5. This final pricing will be considered binding, until otherwise notified by the RFP Administrator, for a period not to exceed 90 days. All Phase 2 Proposals must contain an acknowledgement or signature from an officer or agent of the Respondent who is duly authorized by the Respondent's authorizing governance body to submit such Proposal.

AECC may require approval from its Board of Directors to enter into any binding transactions as a result of this RFP.

2.5. RFP Schedule

The AECC 2021 RFP schedule is detailed in Figure 1 below. As circumstances warrant, AECC, 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/AECC2021RFP.

Figure 1.

Milestone	Deadline
RFP Issued	January 14, 2021
Notice of Intent to Provide Proposal Deadline (2:00 PM CPT)	January 28, 2021
Final Date for RFP Question Submittal	February 11, 2021
Phase 1 Proposal Submission Deadline (2:00 PM CPT)	February 25, 2021
Notification of Phase 1 Results	April 1, 2021
Phase 2 Proposal Submission Deadline (2:00 PM CPT)	April 22, 2021
Notification of Phase 2 Results	May 12, 2021

3. Proposals

3.1. Requested Proposals

AECC will consider Proposals from a diverse variety of energy resources and market participants. AECC will accept multiple Proposals from a Respondent. In the event an individual Respondent provides multiple Proposals, the Respondent must indicate whether or not the Proposals are mutually exclusive. Mutually exclusive Proposals will be evaluated as competing proposals.

As stated in Section 1.2, any transaction(s) resulting from this RFP shall be contingent upon AECC being awarded, and accepting, the appropriate designated Network Resource status via the SPP study processes.

3.1.1. Proposals for Thermal Generation Resources

AECC will consider Proposals from Respondents for a diverse variety of thermal generation resources.

Proposals for thermal generation resources shall provide the information required in Appendix B-1: Evaluation Form for Thermal Generation Resources (Appendix B-1). Respondents are encouraged to include additional relevant information as necessary to fully describe the proposed transactional parameters.

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

- Minimum installed quantity of 30 MW
- Term:
 - Contract start date must be June 1, 2025
 - Contract Term must be a minimum five years
 - Contract Term must contain the entire SPP Planning Year (June 1 – May 31, inclusive)
 - Contract Term must not exceed May 31, 2050
- The capacity and associated energy must be deliverable to AECC's jurisdictional loads within SPP and be Firm Capacity or Firm Power, per SPP Tariff and SPP Planning Criteria to assist in meeting SPP's RAR
- AECC will give preference to capacity resources that are electrically closest to AECC loads due to the potential for required transmission upgrades
- AECC will give preference to energy priced at the SPP South Hub

3.1.2. Proposals for Solar and/or Energy Storage Resources

AECC will consider Proposals from Respondents for solar and/or energy storage resources. Proposals for solar and/or energy storage resources may be for a new resource or for an existing resource.

Proposals for solar and/or energy storage resources shall provide the information required in Appendix B-2: Evaluation Form for Solar and/or Battery Energy Storage Resources (Appendix B-2). Respondents are encouraged to include additional relevant information as necessary to fully describe the proposed transactional parameters.

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

- Minimum installed quantity of 30 MW
- Term:
 - Contract start date must be June 1, 2025
 - Contract Term must be a minimum five years
 - Contract Term must contain the entire SPP Planning Year (June 1 – May 31, inclusive)
 - Contract Term must not exceed May 31, 2050
- The capacity and associated energy must be deliverable to AECC's jurisdictional loads within SPP and be Firm Capacity or Firm Power, per the SPP Tariff and SPP Planning Criteria to assist in meeting SPP's RAR

- AECC will give preference to capacity resources that are electrically closest to AECC loads due to the potential for required transmission upgrades
- AECC will give preference to energy priced at the SPP South Hub

3.1.3. Proposals for Hydroelectric Resources

AECC will consider Proposals from Respondents for hydroelectric resources.

Proposals for hydroelectric resources shall provide the information required in Appendix B-3: Evaluation Form for Hydroelectric Resources (Appendix B-3). Respondents are encouraged to include additional relevant information as necessary to fully describe the proposed transactional parameters.

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

- Minimum installed quantity of 30 MW
- Term:
 - Contract start date must be June 1, 2025
 - Contract Term must be minimum five years
 - Contract Term must contain the entire SPP Planning Year (June 1 – May 31, inclusive)
 - Contract Term must not exceed May 31, 2050
- The capacity and associated energy must be deliverable to AECC's jurisdictional loads within SPP and be Firm Capacity or Firm Power, per the SPP Tariff and SPP Planning Criteria to assist in meeting SPP's RAR
- AECC will give preference to capacity resources that are electrically closest to AECC loads due to the potential for required transmission upgrades
- AECC will give preference to energy priced at the SPP South Hub

3.1.4. Proposals for Firm Capacity Only

AECC will consider Proposals from Respondents for firm capacity only.

Proposals for firm capacity only shall provide the information required in Appendix B-4: Evaluation Form for Firm Capacity Only (Appendix B-4). Respondents are encouraged to include additional relevant information as necessary to fully describe the proposed transactional parameters.

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

- Minimum installed quantity of 30 MW
- Term:
 - Contract start date must be June 1, 2025
 - Contract Term must be minimum five years
 - Contract Term must contain the entire SPP Planning Year (June 1 – May 31, inclusive)
 - Contract Term must not exceed May 31, 2050
- The capacity must be deliverable to AECC's jurisdictional loads within SPP and be Firm Capacity, per the SPP Tariff and SPP Planning Criteria to assist in meeting SPP's RAR

- AECC will give preference to capacity resources that are electrically closest to AECC loads due to the potential for required transmission upgrades

3.2. Evaluation Criteria

AECC intends to make the evaluations and rankings as fair and objective as possible while balancing multiple factors.

In its evaluation, AECC will consider the information provided in the Appendices as well as the following criteria:

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

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

In addition to the above, the financial stability and creditworthiness of each Respondent is an important consideration for AECC. The level of creditworthiness may significantly impact AECC's evaluation of a Proposal.

The Proposals received will be evaluated against AECC self-build options and any other supply alternatives that AECC deems feasible to meet AECC's needs.

3.3. Waiver

AECC reserves the right, in its sole discretion, to reject any and all Proposals submitted as part of this RFP process for any reason. AECC may request additional information to complete its evaluations. Respondents who submit proposals do so without recourse against AECC for rejection or failure to execute an agreement for any reason. AECC will not reimburse any cost incurred in the preparation or submission of a proposal or any subsequent negotiations regarding a proposal. AECC reserves the right to terminate this RFP process at any time, without notice and with no obligation to purchase or continue negotiations.

4. Notice of Disclaimer

The information contained in this RFP has been prepared solely to assist prospective Respondents in making the decision of whether or not to submit a Proposal. AECC 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 a Proposal. Neither AECC nor its Members, customers, employees, agents, officers, nor AECC 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

forementioned parties know or should have known of any errors or omissions, or were responsible for its inclusion in, or omission from, this RFP. AECC expressly excludes and disclaims all express and implied warranties of merchantability and fitness for a particular purpose.

AECC 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 AECC, its Members, customers, employees, officers, agents, or AECC 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 AECC 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 Proposal is accepted or rejected, expressly waives any claim whatsoever related to this RFP against AECC or its Members, customers, employees, officers, agents, or AECC consultants. AECC further reserves the right to withdraw and terminate this RFP at any time. The submission of a Proposal to this RFP shall constitute Respondent's acknowledgement and acceptance of all terms, requirements, and conditions of this RFP.

5. Confidentiality

All Proposals shall become the exclusive property of AECC. The Respondent shall treat and preserve ALL information, data, and communications received from AECC and the RFP Administrator 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 RFP process. AECC and the RFP Administrator will treat all Proposals, including any supporting documentation, submitted by Respondents as confidential. Notwithstanding the foregoing, Proposals in their entirety may be shared with AECC's Members, AECC's consultants or agents, or any other governmental entity with authority over AECC. It is however possible that Proposals may become subject to discovery and disclosure as required in regulatory or judicial proceeding. A Respondent may be required to sign a Confidentiality Agreement, prior to AECC's response to RFP Questions submissions, if a Proposal from this RFP process progresses to formal contact negotiations, or at any other time AECC confidential or proprietary information will be shared with Respondent.