

## **DEMCO/JDEC RFP Questions & Answers**

**Q&A VERSION 1 - 7/24/2020**

Technical and Bidders Conference 7/10/2020

1. The MBM Order’s purpose is to “provide reliable service at the lowest reasonable cost, *while allowing for the use of other public interest project selection criteria.*” RFP at p. 6. However, none of the criteria listed in scoring the proposals seems to consider any public interest such as contribution of a project to the local economy, impact on local electricity pricing, or potential environment and emissions benefits. Are the Cooperatives planning to apply any public interest criteria in their bid evaluation process and, if so, at what point in the process will such criteria be considered?
  - A. 07/10/2020 - Factors described in the question are incorporated into the Categories listed in the Part One Score Card and further considered in the Cooperatives’ guiding principles and decision factors defined in the RFP such as “Economic Value – Ability of the selected supply plan to support Cooperative initiatives, products, programs, and rates that are desired by the Cooperative’s members.” Further, the Cooperatives have described in the Scope of Supply their requirement for contracts to accommodate flexibility for the Cooperatives to purchase, own, generate or operate renewable energy, dispersed energy resources, demand response programs, and distributed energy resources and technologies. Factors such as low-cost and competitive rates are stated in the Part One Score Card under Value and Economic Attractiveness. Factors to pursue economic development, minimize risk, and respond to changes in market factors and technology are incorporated into the Commercial and Legal category in the Part One Scorecard. Specific technology factors such as environmental or emissions benefits or risks are realized through the Value and Economic Attractiveness of the Part One Scorecard.
2. On page 8, the RFP states that an email list of suppliers will be created through the Supplier Registration process. When an email is sent to such list will each the suppliers will be “blind copied” so that their identity and participation in the RFP remains confidential, or will the list of participants be public?
  - A. 07/10/2020 - Yes, when an email is sent to the list each supplier will be “blind copied” so that their identity and participation in the RFP remains confidential.
3. With respect to the schedule, as currently outlined in the draft at page 13, Part One proposals are due on August 31st. That date precedes the date on which 1803 Electric Cooperative, Inc. (“1803”) is scheduled make its selection of bidders to proceed to Phase 2 of its process (which is scheduled to take place on or about September 9<sup>th</sup>). This overlap of milestone dates in each process may place some potential bidders in the Cooperatives’ process in an untenable conflict: they may be forced to choose not to participate in the Cooperatives’ process because they cannot provide the firm bid requested without knowing their status in the 1803 process. Would the Cooperatives be willing to delay the due date for proposals to the end of September to prevent an overlap with the referenced 1803 milestone date in order to increase the number of respondents to their RFP?
  - A. 07/10/2020 - DEMCO and JDEC are managing an open RFP process designed to increase the number of respondents by allowing for a wide range of products and proposal submittals in Part One. DEMCO and JDEC recognize the unique and limited concern expressed in this question and we have pushed back the proposal

deadline date 10 days to accommodate your concerns. The revised proposal due date will be September 10th, 2020.

4. With respect to both Full Requirements and Partial Requirements proposals, the RFP states that “proposals shall include . . . services required of a Load Serving Entity (“LSE”) in MISO and a Cooperative operating in Louisiana.” See RFP at 13 and 14. With respect to the services required of a cooperative operating in Louisiana, please clarify that (1) such referenced services are wholesale in nature only and do not refer to retail electric services provided by the cooperatives to their members, and (2) to which Louisiana-specific Cooperative requirements the Cooperatives are referring.
  - A. 07/10/2020 - (1) Yes, the referenced services are wholesale in nature and do not refer to retail electric service provided to the members of the Cooperatives. (2) The referenced description in the RFP is a comprehensive statement that all bids must result in power purchase agreements and delivery in compliance with all laws of the state, including but not limited to La. R.S. 12:401 et seq. and La R.S. 45:1 et seq., and all orders of the Louisiana Public Service Commission.
  
5. Please clarify the meaning of the statement (on page 14) that the Cooperatives will “require a full requirements exception in the event the Cooperative pursues a new large load or other economic development program that may result in the addition of significant new energy requirement.” What is the nature of such an “exception?”
  - A. 07/10/2020 - The Cooperatives are seeking the option to supply retail energy to potential new large load additions with technical and commercial terms that may be different than the full requirements contract. Suppliers should prepare their respective bids in accordance with the load forecasts provided in the data package. Please note the load forecasts do not include any planned or known new large load additions.
  
6. Please clarify the meaning of the request (on page 14) that “respondents provide some level of flexibility to purchase, own, generate or operate renewable energy, dispersed energy resources, demand response programs, and distributed energy resources and technologies.”
  - A. 07/10/2020 - The Cooperatives are seeking flexibility to purchase, own, generate or operate renewable energy, dispersed energy resources, demand response programs, and distributed energy resources and technologies. The Cooperative’s desire to have the flexibility to implement and utilize distributed energy resources and programs without restrictions from their wholesale power contract(s).
  
7. Please clarify the meaning of the statement that Partial Requirements PPAs may allow for the Cooperative to “procure, own, generate, or operate, distributed and wholesale power supply resources and . . . be responsible to schedule and deliver capacity and energy from such resources to the Partial Requirements supplier.” See RFP at 14.
  - A. 07/10/2020 - A Partial Requirements supplier will have the primary role of supplying the cooperatives with energy, capacity, and energy management services and the Cooperatives will have defined ability to enter other third-party supply contracts under defined methods within the Partial Requirements contract. The Partial

Requirements supplier will have responsibility for incorporating the third-party supply into the Cooperative's total power supply.

8. Will the Cooperatives publish a list of participants in and questions raised at the Technical Conference?
  - A. 07/10/2020 - No, a list of participants will not be published. DEMCO and JDEC will seek to respond to questions during the meeting and will post questions and answers publicly to the RFP Website.
  
9. The RFP only allows 49 calendar days from selection and notification of Part Two Suppliers (11/20/2020) to the Part Two Revised Proposals Due Date (1/8/2021). RFP at 13. Would the Cooperatives consider modifying the schedule to allow for more time for substantive negotiations between back-and-forth bilateral negotiation, which will require analysis on the part of both the Cooperatives and the potential supplier?
  - A. 07/10/2020 - The Part Two schedule is subject to change based on the results of Part One. No change will be made at this time. However, the request to included additional time will be considered if and when the Part Two schedule is revised.
  
10. On page 9, the RFP states that "Value and Economic Attractiveness" will evaluate a "proposal's impact to the 15-year Net Present Value [NPV] of the Cooperatives['] cost of power." However, most of the products sought in the "Scope of Supply" state a preference for maximum terms of 10 years. See RFP at 14 and 15. Would the NPV evaluation be tailored to preferred tenor of the product offered, or will all products be evaluated based on their impact on the 15-year NPV of the Cooperatives' cost of power without regard to the tenor of the offer?
  - A. 07/10/2020 - A product by product evaluation will be performed tailored to preferred tenor of the product offered. In addition, a second evaluation will be performed to evaluate the products based on their impact on the 15-year NPV of the Cooperative's cost of power without regard to the tenor of the offer.
  
11. At page 9, RFP states that for "comparison and evaluation purposes, the Cooperatives will adopt a market cost of power and market risk exposure baseline. . . . to evaluate Proposals based on reasonable forecast and assumptions of the Cooperatives requirements, the cost of capacity, and the cost of energy, and other services and fees." Will the Cooperatives allow for discussion and stakeholder input regarding this baseline and its methodology in order to reach some level of consensus regarding a realistic, attainable reference before the final RFP is issued?
  - A. 07/10/2020 - The Cooperatives have procured a third-party market study and forecast from PA Consulting to be used as the baseline. The baseline will be updated based on the conditions at the time of the proposals. Products and proposals will be evaluated in comparison to each other and against the baseline. Stakeholders will not have input regarding the baseline. All proposals will be evaluated to the same baseline.
  
12. The RFP sates that the proposal shall remain valid "for the later of the date of the award or one hundred and eighty (180) days following the deadline date for submissions." See RFP at

20. This requirement has the potential and likelihood to add considerable cost to the responses to compensate for potential market moves that occur during the 180-day period. Will the Cooperatives allow for reasonable and justifiable price adjustments between proposal submission and subsequent deadlines and or awards?
- A. 07/10/2020 - The Cooperatives require the Part One proposals remain firm for 180 days. However, the scheduled duration of Part One is anticipated to be less than 180 days, currently scheduled from August 31, 2020 to November 20, 2020. Based on changes to market conditions and/or the RFP process or schedule, the Cooperatives may request or allow Suppliers to re-submit revised proposal pricing.
13. Will the Cooperatives' historic energy and energy requirements forecast along with history of energy received from SWPA be provided at the hourly data frequency? See RFP at 16.
- A. 07/10/2020 - Yes, this information will be provided once the NDA has been executed by all parties. With regards to SWPA, we are providing annual and monthly values along with an approximate percentage range of the system energy so Suppliers will have a magnitude of the energy.
14. Will the load forecast used to in the RFP Part One Scorecard be the same load forecast provided to respondents that execute the NDA?
- A. 07/10/2020 - Yes, the forecast is the same. The load forecast is subject to change based on new information. Any update to the load forecast will be provided to all suppliers remaining in the process at the time of the update.
15. Will the load forecast that is provided to RFP respondents and used in the Part One Scorecard be prepared by the Cooperatives?
- A. 07/10/2020 - Yes.
16. If we will not be needing any confidential or proprietary information such as load data or load profiles from either DEMCO or JDEC, will we need to sign the NDA in order to submit our RFP response offer?
- A. 07/10/2020 - The Cooperatives request all potential suppliers sign because future information shared could be proprietary. The information that is already in the public domain or that is not proprietary will NOT be subject to the NDA. This is standard procedure for all suppliers in the MBM process.
17. Regarding the Supplier/Bidder Qualification scorecard criteria at page 10-11 of the Draft RFP, is it preferred that the history and experience is: (a) with "wholesale" supply, and (b) in the "MISO South" delivery area?
- A. 07/10/2020 - Supplier qualifications are scored based on the relevant history and experience as well as their financial and legal ability to satisfy the requirements of the intended PPA. As an example, a supplier with more history and experience with a specific product may receive more points than a supplier with less history and experience proposing the same product. In addition, factors such as location may also be relevant to the cost and economic evaluation due to factors such as transmission congestion and MISO Planning Reserve requirements.

18. Regarding the requirement at page 20 of the Draft RFP that all provisions in Supplier's Proposals, including any estimated or projected costs or price, shall remain valid for the later of the date of award or 180 days following the deadline date for submissions, please identify whether such requirement applies for: (a) Part One Proposals, or (b) Part Two Revised Proposals, or (c) both?
- A. 07/10/2020 - The Cooperatives require the Part One proposals remain firm for 180 days. The initial 180 days is required for Part One proposals. However, the scheduled duration of Part One is anticipated to be less than 180 days, currently scheduled from August 31, 2020 to November 20, 2020. Based on changes to market conditions and/or the RFP process or schedule, the Cooperatives may request or allow Suppliers to re-submit revised proposal pricing. Supplier's participating in Part Two may be requested to revise proposal pricing and hold such pricing firm for sufficient time to allow the completion of Part Two processes.
19. Regarding the requirement at page 18 of the Draft RFP for remedy of non-conforming bids within three business days after the proposal submission deadline, please confirm that the three business days shall commence to run from the date of notification of the non-conformity.
- A. 07/10/2020 - Confirmed.
20. MISO is the transmission system reliability coordinator but has no obligation to construct or acquire generating capacity that is necessary to support long-term reliability. Please confirm that it is a requirement of DEMCO and JDEC that any successful bidder selected from this RFP will be required to provide capacity and/or energy products to serve Cooperative load from a portfolio of physical resources registered to participate in and supply capacity and energy into the MISO market. Please also identify what portion, if any, of its long-term supply portfolio DEMCO and JDEC intends to procure directly from the MISO capacity auction in the form of ZRCs without any long-term contracts with the underlying physical resources participating in the PRA.
- A. 7/24/2020 – As an LSE in MISO, the Cooperatives have Planning Reserve Margin Requirements (PRMR). As part of PRMR there are local factors the Cooperatives must plan for including Zonal resource requirements and capacity import and export limitations. The relevant PRMR requirements will be included in the evaluation of capacity and energy proposals as an integrated component of the Cooperatives wholesale power supply plan. It is not a requirement of the RFP “that any successful bidder selected from this RFP will be required to provide capacity and/or energy products to serve Cooperative load from a portfolio of physical resources registered to participate in and supply capacity and energy into the MISO market.” The Cooperative's may select a proposal that includes a product that is registered to participate in and supply capacity and energy into MISO, but that is not part of a portfolio of physical resources. For clarity purposes the Cooperatives are seeking capacity and/or energy from physical resources that are registered or will be registered to participate in and supply capacity and energy into the MISO market. Rather than specify what portion of the Cooperatives intended or expected portion of long-term supply portfolio will be supplied versus obtained through the MISO capacity auction, the Cooperatives will evaluate the Part One proposals against the

Cooperative's wholesale requirements to determine the appropriate portion or plan to satisfy the PRMR requirements. Suppliers are encouraged to provide a narrative response describing their proposal and qualifications. This narrative response is an opportunity for the Supplier to describe and characterize their proposal and qualifications in a manner that justifies the Suppliers response to the Cooperatives' principles, decision factors, and evaluation criteria as defined in the RFP. If a supplier has physical resources that can provide capacity and/or energy in an advantageous manner to the Cooperatives, the Supplier should endeavor to communicate and describe such advantages in their proposals.

21. The MBM Order states the purpose of the process is to provide reliable service at the lowest reasonable cost, while allowing for the use of other public interest project selection criteria. Please explain how a 10% weighting for the ability of the proposed product to "provide capacity and energy to meet the requirements of the Cooperative in terms of size, shape, duration, availability, capacity factor, deliverability, reliability and operating capability" balances the objectives of reliable service and lowest reasonable cost.

A. 7/24/2020 – The evaluation criteria and scoring methodology described in the RFP is a process methodology applied to all proposals to help enable a fair and credible evaluation, organization, and ranking of the proposals against the decision criteria. Certain technical factors are included in the Product category that will receive 10% weighting, and other technical factors similarly related to the Product factors may be incorporated into Commercial and Legal and Value and Economic Attractiveness categories with respective weightings of 10% and 50%. Suppliers are encouraged to consider how their proposals may be viewed in total against all the evaluation criteria. All other things being equal the Cooperatives consider low-cost to be the primary decision factor. In order to evaluate the potential cost, technical factors such as the products capabilities and reliability are incorporated into the cost calculation. In this regard certain aspects and factors of the product are also included in the Value and Economic Attractiveness category.

22. The full requirements product description requires an exception in the event the Cooperative pursues a new large load or other economic development program that may result in the addition of significant new energy requirements.

- i. Please define the threshold for "significant new energy requirements"
- ii. Please explain the process that will be utilized to solicit new supply and whether Commission approval of such new supply agreement will be required.

A. 7/24/2020 - The Cooperatives are seeking the option to supply retail energy to potential new large load additions with technical and commercial terms that may be different than the full requirements contract. Suppliers should prepare their respective bids in accordance with the load forecasts provided in the data package. Please note the load forecasts do not include any planned or known new large load additions. In the event a new large load is identified, and new supply is required, an evaluation will be made to determine whether Commission approval is required. The Cooperatives are seeking a contractual relationship with potential full requirements Supplier to work together to attract and retain new large loads and will work with the Supplier to establish a threshold if one is necessary. In general, a new large load is a

load that requires advanced planning and has specific requirements for power supply that are not typical in the normal course of system planning and operations.

23. Page 18 of the RFP indicates that non-conforming proposals may be given 3 days from the submission deadline to cure the defect in the proposal. Will any notice be given to bidder that a proposal is non-conforming and, if so, when will such notice be given relative to the three-day deadline?
  - A. 7/24/2020 - Yes, notice will be given to any bidder with a proposal that is non-conforming as soon as practical upon receipt of the proposal.
24. Please explain the steps that will be taken to mask the identity of bidders during the evaluation process.
  - A. 7/24/2020 - Please reference the Mutual Non-Disclosure Agreement in Exhibit B of the RFP.
25. Please explain the role that the Dixie Electric and Jefferson Davis will play in the receipt of proposal information and evaluation process, as compared to the role of EnerVision.
  - A. 7/24/2020 - EnerVision will be leading the effort in the receipt of proposal information and the evaluation process. DEMCO and JDEC's leadership teams will be actively involved in all Part One and Part Two of the process.
26. If a bidder submits separate proposals to Dixie Electric and Jefferson Davis, please explain whether the Cooperatives will have access to both proposals and, if not, the steps that will be taken to ensure one cooperative does not have access to proposals submitted to the other cooperative.
  - A. 7/24/20 - In Part One of the process, both DEMCO and JDEC will have access to both proposals in that scenario. For further information please see the Mutual Non-Disclosure Agreement in Exhibit B of the RFP.
27. Please identify the date that comments are due on the Draft RFP.
  - A. 7/10/2020 - Please submit Supplier questions by July 17th. Comments received after July 17th may not be considered in connection with the publication of the final RFP. However, Suppliers are encouraged to send questions, comments, or issues at any time. The Cooperatives will respond appropriately depending on the nature of the comment, question, or issue.
28. Confidentiality Agreements, Mutual Non-Disclosure Agreement related questions.
  - A. 7/10/2020 - DEMCO and JDEC have received comments and proposed changes to the NDA included in the RFP. DEMCO and JDEC will continue to collect proposed changes until July 17th. DEMCO and JDEC will attempt to accommodate requested changes and will include any changes in revised NDA to be posted to the RFP website and included with the final RFP. DEMCO and JDEC will require that Suppliers execute the standard form of this final NDA without any changes.
29. In evaluating and selecting resources, what consideration will be given to environmental attributes of the generating capacity and the effect it will have on the State of Louisiana?

- A. 7/24/2020 – The RFP includes a description of the Part One Scorecard that includes technical and commercial factors that will be considered for the evaluation of the proposals. The Cooperatives have issued this RFP in order to obtain wholesale power supply for their members and are following the requirements of the Commission Market Based Mechanism order. The Cooperatives will consider many technical and commercial factors to understand how the selected supply plan will impact their Members. The Cooperatives do not have the obligation or requirement to weigh the environmental attributes of the generating capacity offered and determine how their power supply decisions will affect the State of Louisiana.
30. Will all economic evaluation models and score cards be provided to the LPSC Staff and consultants PRIOR to bids being received?
- A. 7/24/2020 - Yes, our team is actively working with the LPSC Staff to present all evaluation models and scorecards to be used during this process.
31. Commercial and legal terms power supply agreements significantly affect cost and risk to the utility Without model or form contracts provided to bidders prior to bid submission, how can you be confident that the economic evaluation in the RFP reflects the expected cost to the utility?
- A. 7/24/2020 – The RFP process is designed to enable a wide range of Suppliers to submit a broad set of potential power supply proposals with consideration given to the potential Supplier costs and resources necessary to participate in the process. Part One seeks to identify and define proposals sufficiently for the Part One evaluation process. Each Proposal and/or Product should be submitted with a completed Product Term and Pricing Sheet (RFP Exhibit C). The Cooperatives decided to use this term sheet approach for Part One rather than a fully formed Power Purchase Agreement. Given the wide range of products requested during Part One, no single form of power purchase agreement could be applied. Suppliers should include all material terms and conditions in Exhibit C related to their product proposal. The Cooperatives will negotiate in good faith during Part Two on the basis that the final Power Purchase Agreement will substantially reflect the terms and conditions provided in Part One.
32. RFP is silent on the Meter Data Management Agent (MDMA) requirements. Will the coops require that the respondent supply MDMA services? Who will be responsible to owning and maintaining the revenue quality meters?
- A. For Full and Partial Requirements proposals, the Supplier would be responsible for Metering Agent requirements. For any other product offering, the assumption would be the Cooperatives would need to contract out those requirements.
33. It is unclear on how to address the potential ARR value. Will the volumes and paths (POR, POD) be provided to potential suppliers in order to analyze value to be assigned to the ARR portfolio?
- A. 7/24/2020 – Auction Revenue Rights (ARR) are anticipated to be retained by the Cooperatives based on their historic allocations associated with resources prior to MISO integration. For Full and Partial Requirements proposals the Cooperatives

would expect the ARR revenue to be included as a credit to the Cooperatives power supply costs. Suppliers are not required to submit proposals that include values for ARR credit. The Cooperative's request that Suppliers should indicate if their proposals include ARR credits and the Cooperatives will exclude any ARR credit from the evaluation process for that proposal.

34. In reference to the Asset Based section of the RFP proposal, will bidders be required to demonstrate specific project suitability standards in accordance with the Cooperatives' evaluation to support project viability? For example, will the RFP require bidders to demonstrate:

- i. Minimum site control standards
- ii. MISO Queue and Interconnection Status
- iii. Environmental Screening
- iv. Permitting requirements
- v. Project Financing Strategy

A. 7/24/2020 – The RFP will be modified to include additional information and specifications that Suppliers may provide for Asset Based proposals.

35. As part of the Asset Based screening, will there be a preference or scoring related to internal and external project financing? Is the buyer willing to accept financing contingencies or is there a preference to eliminate project financing risk for the buyers? Will the buyers be required to share their short-term financing and long-term ownership plans?

A. 7/24/2020 – All other matters and factors being equal a project with a more viable financing and development plan will receive a higher score than a project with a less viable financing plan. However, the Cooperatives will consider financing contingencies and understand that a commitment of off-take by the Cooperatives may be a requirement for financing. The RFP will be modified to include additional information and specifications that Suppliers may provide for Asset Based proposals, such as a financing plan.

36. Will Bidder's be required to demonstrate their development and operation and maintenance (O&M) experience related to utility-scale generation and the prescribed O&M plan during the project PPA period?

A. 7/24/2020 - To the extent O&M experience is relevant and important to the product proposal then Suppliers are encouraged to provide information relating to O&M. However, the Cooperative's understand that third party O&M services can be acquired from reputable suppliers and given the timing of the development and this RFP, the contract may not be required for several years. Suppliers are encouraged to describe their plan and the basis of their proposal to the best of their knowledge at the time of the proposal.

37. Will bidders be required to provide the most recent Published Credit Rating from S&P and Moody's and the proposed Seller Parent Guarantor, to the extent such a rating exists.

A. 7/24/2020 – Demonstration and evidence of the financial ability to guarantee the requirements of the proposal and ultimately the power purchase agreement is a factor

in the Supplier/Bidder Qualifications evaluation criteria and Part One scorecard. Seller Parent Guarantor and published credit ratings are a standard approach to evaluating the Supplier's financial capabilities.

38. Under the Partial requirements scope of supply, please confirm that Supplier is expected to supply the remainder of the supply after the Cooperative has procured supply from other sources including but not limited to, asset based PPA's, distributed and wholesale power supply.
- A. 7/24/2020 – Yes, the Partial Requirements product would require the supplier to aggregate any Cooperative supply with the Supplier's own supply. The Cooperative's supply may come from other third-party power purchase agreements and/or asset-based agreements. If the Cooperatives elect a partial requirements supply option then they may also purchase power from the same supplier under a standard energy product agreement or asset-based supply agreement.
39. Page 9 of the Draft RFP states that one of the key measurements that will be utilized in evaluating proposals is the "proposal's impact to the 15-year Net Present Value of the Cooperatives cost of power." However, most of the requested product categories ask for terms of 10 years or less. If a bidder submits a product with a 10-year term, is it anticipated that an additional 5 years of market-based pricing would be added for the purposes of quantifying the 15-year NPV? Similarly, if a bidder submits a product with a 20-year term, is it anticipated that the last 5 years would be ignored for the purposes of quantifying the 15-year NPV?"
- A. 7/24/2020 - A product by product evaluation will be performed tailored to preferred tenor of the product offered. In addition, a second evaluation will be performed to evaluate the products based on their impact on the 15-year NPV of the Cooperative's cost of power without regard to the tenor of the offer. Please note the Cooperatives exiting agreements expire in 2024 and 2025. 15-years therefore extends to a calendar year of 2039 and 2040. In addition, the Cooperatives recognize that certain Asset Based products may require a longer term than 10-years and therefore will be evaluated on a product by product basis according to the required term.
40. Page 7 of the Draft RFP states that "Part 2 [of the RFP process] will be managed to engage Suppliers short-listed in Part 1 to refine and revise proposals with the intended purpose of finalizing a definitive set of real, supply options . . ." Given the ability to "refine and revise proposals," what safeguards, if any, will be put into place to ensure Part 2 bids do not change unreasonably from Part 1 bids, what kind of changes would be viewed to be reasonable vs. unreasonable, and will be there any quantifiable parameters or thresholds for measuring how much change between the two bids is acceptable?
- A. 7/24/2020 – The Cooperatives anticipate inviting multiple suppliers to participate in the Part Two process and will use the proposals provided in Part One as the basis for negotiation in Part Two. Selection as a Part Two Supplier does not guarantee an award of contract and the Cooperatives reserve the right to recall a Part One Supplier into the Part Two process as needed. Suppliers that do not negotiate in good faith or request changes that deviate from their proposal submitted in Part One without

sufficient cause or justification may not be award a contract or may be asked to hold while negotiations continue with other Suppliers. The Cooperatives encourage the Suppliers to provide all relevant and supporting terms and conditions in the Exhibit C Product Term and Pricing Sheet for each product submitted in the proposal.

41. At the technical conference it was mentioned that PA Consulting would be conducting a market study and forecast to be used as a baseline. It was also mentioned that bidders would not have input regarding the baseline. Does that also mean this baseline will not be made public to bidders?
  - A. 7/24/2020 – PA Consulting has provided a market study and energy and capacity forecast to be used by the Cooperatives in their evaluation. The baseline and forecast will not be made public and will not be shared with Suppliers (or bidders). There may have been a misunderstanding of the answer given at the technical conference.
  
42. At the technical conference, it was mentioned that a Standard Industry Product or an Asset Based, Unit Contingent Product could be paired with a PRS proposal, with the PRS supplier being the energy manager. It was also mentioned that, absent a PRS supplier to be paired with, a third-party may be relied upon. In that event, would the energy management costs associated with this third-party energy management service be factored into the RFP analysis when comparing against bids in which energy management costs are included in the bid price?
  - A. 7/24/2020 – A product by product evaluation will be performed tailored to preferred tenor of the product offered. In addition, a second evaluation will be performed to evaluate the products based on their impact on the 15-year NPV of the Cooperative's cost of power without regard to the tenor of the offer. As part of this evaluation estimated costs will be included, as needed, to establish a full cost of power forecast. In this manner the Cooperatives will endeavor to evaluate alternative proposals on an equivalent basis.
  
43. We are following up on our prior question regarding whether the Cooperatives would be willing to delay the due date for Part One proposals to prevent an overlap with date on which 1803 Electric Cooperative, Inc. ("1803") is scheduled make its selection of bidders to proceed to Phase 2 of its process (which is scheduled to take place on or about September 9th). We appreciate the Cooperatives' willingness to consider the prior request and the suggestion during the Technical Conference that the new due date for Part One proposals would be September 10th. However, we respectfully request that the Cooperatives consider delaying the Part One proposal date to September 16th, instead, to allow for a slightly longer period of time between the scheduled 1803 milestone date and the DEMCO/JDEC process milestone. Such a separation of the two milestone dates would accommodate a potential delay by 1803 and allow bidders a more meaningful amount of time to refine their bids to the Cooperatives based on whether – and to what extent – they may or may not be progressing to Phase 2 of the 1803 process.
  - A. 7/24/2020 - Suppliers are welcome to submit a proposal that is conditional upon the results of the 1803 process; however, the Part One due date will remain September 10<sup>th</sup>, 2020.

