



**Request for Information # 2019-002**  
**PEC Power Supply Offers 2019**  
**Posting Date: January 07, 2019**

## 1. REQUEST FOR INFORMATION SUMMARY

Pedernales Electric Cooperative (PEC) is the largest distribution electric cooperative in the nation, covering 8,100 square miles and serving approximately 300,000 active accounts in twenty-four counties in Texas. PEC is headquartered in Johnson City, Texas and has multiple district and business offices located throughout the service area. As a 501(c)(12) cooperative, PEC is owned by the members it serves. Members—not stockholders—invest in the Cooperative through their electric billings and share in the Cooperative’s margins.

This Request for Information (RFI) seeks indicative pricing proposals for a “full-requirements” Firm (LD) load following power product to serve PEC’s non-LCRA power purchase requirements defined by its members’ load in each ERCOT settlement period.

## 2. WHO SHOULD RESPOND

PEC is seeking qualified Power Suppliers with the ability to schedule power sales in the ERCOT nodal market and are well versed with the ERCOT nodal market protocols and wholesale market structure as well as power related financial trading markets, mechanics, and requirements.

## 3. INDICATIVE PRODUCT REQUEST

### **Full Requirements Energy Load Following Product Proposals (note due dates in section 4)**

PEC expects to secure one “full-requirement energy” load following product with this RFI and make a decision from responses to this RFI by February 8, 2019.

**Transaction Type:** Firm (LD)

**Transaction Description:** PEC’s “full-requirement energy” load following product means that the successful proposer shall supply energy to allow PEC to fulfill its Power Supply Obligation to supply energy to itself at the receipt points (as specified in Appendix A) for each ERCOT settlement interval.

PEC expects that its “full-requirement” for energy shall be calculated at the transmission level (including associated transmission losses) at the receipt points, as reported by ERCOT, as adjusted metered load. PEC is responsible for all congestion costs on a pass through basis from the delivery point to the receipt points.

The successful proposer understands that “*full-requirements*” energy changes for each ERCOT settlement interval. The successful proposer is responsible for “*full-requirements*” service regardless of changes in the real time metered load obligation arising from 15-minute settlement fluctuations due to increased or decreased usage at the receipt points.

To the extent that (1) the Power Supply Obligation grows at a rate in excess of Normal Load Growth (as defined below), or (2) the Power Supply Obligation grows as a result of the annexation of additional service territory by PEC, then PEC and the successful proposer will negotiate, in good faith, amendments to allow for the excess Power Supply Obligation.

“Power Supply Obligation” means the total load directly connected to PEC's receipt points and for which PEC is obligated to purchase or supply energy.

“Normal Load Growth” means the actual increase in the Power Supply Obligation, other than any single load in excess of 3 MW connected after the effective date of the contract.

**Transmission Charges:** PEC expects the successful proposer to be responsible for notifying all Transmission Service Providers (TSPs) entitled to reimbursement for transmission delivery services in connection with the energy supplied and *pass through* to cost to PEC.

**Ancillary Services and ERCOT fees:** PEC expects the successful proposer to be responsible to compute the cost of all Ancillary Services and all ERCOT fees to be *passed through* to PEC. A sample list of Ancillary Services and ERCOT fees is shown in Appendix B.

**Delivery Points:** The “Delivery Points” will be the ERCOT-SOUTH 345 KV HUB for Receipt Points located in the ERCOT SOUTH LOAD ZONE and ERCOT-WEST 345 KV HUB for Receipt Points located in the ERCOT WEST LOAD ZONE, as defined by ERCOT.

**Receipt Points:** The “Receipt Points” shall be the location where the substations connect to the transmission facilities in ERCOT and are listed in Appendix A.

#### 4. ESTIMATED TIMELINE AND RFI SUBMITTAL

Responses to this RFI must be received by PEC no later than the dates listed in the table below. Please submit responses and any questions to Dayna Thompson at PECbidresponse@peci.com. “RFI 2019-002 PEC Power Supply Offers January 2019” should appear in the email subject line. Upon receiving and reviewing the responses to this RFI, PEC may contact a subset of Respondents to obtain additional information. A tentative schedule for the RFI is provided below (all dates are tentative and subject to change):

<b>RFI Released</b>	<b>January 7, 2019</b>
<b>Deadline to submit RFI Responses</b>	<b>January 28, 2019</b>

As part of this RFI, PEC is providing its standard Non Disclosure Agreement (NDA), available for electronic download, on PEC’s website. Upon execution of the NDA and a Respondent’s request, PEC will provide a MS Excel spreadsheet containing three (3) years of actual historical hourly interval system load information.

Respondent is expected to provide in their RFI response the following information:

- Full Name and address of firm and parent company
- Qualification to do business in the State of Texas
- Primary contact person information
- Credit Rating
- Complete pricing sheet, Exhibit A
- Any other information deemed appropriate by Respondent

## 5. NOTICE OF PUBLIC DISCLOSURE

This RFI is not an offer for a contract. PEC reserves the right to accept or reject any or all proposals, or to accept multiple proposals, and is not obligated to contract for any of the products/services described in this RFI. PEC is under no obligation to accept any proposal, nor is PEC obligated to accept the lowest cost proposal, as there are other factors which will be considered in the review and analysis of the proposals. PEC may at its sole option determine to revise or withdraw this RFI at any time. All Respondents, by submitting a proposal, agree that they will not seek any legal recourse against PEC for rejection of their respective proposal, or for any other matter related to PEC’s actions or inactions on the proposal.

## 6. RESTRICTIONS ON COMMUNICATION

Each Respondent is prohibited from communicating regarding this RFI or a Proposal with: (1) PEC Board members; (2) PEC employees from the time the RFI has been released until the contract is awarded. These restrictions extend to, phone calls, e-mails and any other contact

that results in the discussion of the RFI and/or Proposal submitted by Respondent. Violation of this provision by Respondent and/or its agent may lead to disqualification of Respondent's Proposal from consideration.

## **Appendix A**

### Receipt Points

Freiss Ranch (ESID# 10204049700676210), West Load Zone

Rock Springs (ESID# 1014626105ROSP110), South Load Zone

Barksdale (ESID# 1014626105NEBA110), South Load Zone

## Appendix B

### Ancillary Services and ERCOT Fees

Regulation Up Service Charge  
Regulation Down Service Charge  
Responsive Reserve Service Charge  
Non-Spinning Reserve Service Charge  
RT Adj. Ancillary Service Capacity Procurement Regulation Up Amount  
RT Adj. Ancillary Service Capacity Procurement Regulation Down Amount  
RT Adj. Ancillary Service Capacity Procurement Responsive Reserve Amount  
RT Adj. Ancillary Service Procurement Non-Spin Amount  
ERCOT System Administration Charge Amount  
Base-Point Deviation Payment Amount  
Load-Allocated Ancillary Service Imbalance Revenue Neutrality Amount  
Black Start Service Charge Amount  
Day-Ahead Make-Whole Charge  
Charge for Emergency Power Increase Amount  
RMR Service Charge Amount  
Real-Time Revenue Neutrality Allocation Amount  
Load Allocated Emergency Response Service Charge  
Reliability Deployment Ancillary Service Imbalance Revenue Neutrality Amount  
Emergency Response Service Capacity Payment  
RUC Make-Whole Uplift Charge Amount  
RUC Clawback Payment Amount  
RUC Decolmitment Charge Amount  
Real-Time Load Allocated Voltage Charge Amount  
Reliability Unit Commitment Capacity Short Charge  
Emergency Interruptible Load Service  
Uplift - ERCOT Defaults  
Electric Reliability Organization (ERO) Fee  
CRR Auction Revenue Distribution