



Request for Proposal 2020 - 005
PEC Power Supply Renewable Offers April 2020
Posting Date: March 13, 2020

1. REQUEST FOR PROPOSAL 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 Proposal (RFP) seeks transact-able pricing proposals for wind power products, solar power products, a combination of wind/solar products, or any other renewable product that is sourced from physical renewable products in the ERCOT market, hereafter referred to as Intermittent Progressive Power Generation (“IPPG”), a PEC defined term.

PEC will consider only a single price for the product, as defined below, across the entire timeframe for product delivery. PEC expects to secure one (or more) renewable product(s) with this RFP. PEC expects to begin negotiations for the highest evaluated proposal on April 30, 2020.

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.

PEC will only evaluate offers from counter-parties that have an existing EEI with PEC or have the ability to execute a PPA within six (6) business weeks from the time negotiations begin. Failure to execute a PPA within the six (6) week time period may require PEC to select another respondent. PEC in its sole discretion will determine whether to continue with the initial awardee or withdraw its award and proceed with another respondent or cancel the RFP.

3. TRANSACT-ABLE PRODUCT REQUEST

Renewable Product Proposals (note due dates in section 5)

PEC is requesting transact-able power supply and pricing proposals to serve the hourly load that will be provided in Exhibit H upon execution of an NDA. PEC would like the respondent to “best fill” the IPPG load requirement, as it has been defined in column F of the spreadsheet (RFP 2020-005 Exhibit H). Respondents must either:

1. Complete the cells in column G (note 5/1/20 start), of the spreadsheet (RFP 2020-005 Exhibit H), for all hours of delivery for their product. This is intended to be used for those who wish to modify delivery amounts over time, or
2. Complete columns N and Q and clearly state that the delivered 8,760 will not change over time. In other words, if the output is a constant percentage of a site and the site capacity is unchanging.

The respondent may note that Column H results in MWhs that PEC must pay an additional cost to “cover” or “fill”, for any hour that the product is less than the IPPG load requirement.

The respondent may also note that in Column I of the spreadsheet that MWhs in excess of the IPPG load requirement are called “Penalty MWhs” and PEC must also pay an additional cost for all penalty MWhs. PEC will utilize the IPPG load shape to value transactions, but PEC realizes that the shape cannot be filled exactly with renewable sourced products.

PEC will not disclose the amounts that it has to pay “to cover” or be penalized.

4. ADDITIONAL PRODUCT INFORMATION

PEC expects that the successful respondent for the renewable product will transfer renewable energy credits (RECs) into PEC’s ERCOT REC account; one (1) REC for each MWh of received product for wind/solar and as applicable, one (1) additional compliance premium for each MWh of solar received product. “REC” as defined in the rules of the Public Utility Commission of Texas, 16 TAC Section 25.173(c)(13).

PEC is providing a sample PPA (RFP 2020-005 Exhibit B), for respondents to review. Note that this sample PPA will be modified to align with the renewable product. It is not expected to be executed “as is”.

5. ESTIMATED TIMELINE AND RFP SUBMITTAL

Responses to this RFP must be received by PEC no later than 5:00 PM (Central prevailing Time) on Friday, April 3rd, 2020. Please submit responses and any questions to Dayna Thompson at Dayna.thompson@peci.com. “**RFP 2020-005 PEC Power Supply Renewable Offers April 2020**” should appear in the email subject line. A tentative schedule for the RFP is provided below (all dates are tentative and subject to change):

RFP Released	March 13, 2020
Deadline to submit RFP responses	April 3, 2020 by 5:00 PM central prevailing time
PEC to begin negotiations for highest evaluated proposal	April 30, 2020 by 5:00 PM central prevailing time
Expectation for PPA contract execution	June 12, 2020

Respondent is expected to provide in its RFP response the following information:

- Primary contact person information
- Complete hourly MWhs in column F for all hours that product is valid for in Exhibit H.
- A single contract price, for the offer, in \$/MWh for all MWhs delivered.
- Point of transmission interconnection.
- Settlement point for the PPA.
- Any other information deemed appropriate by Respondent

6. NOTICE OF PUBLIC DISCLOSURE

This RFP 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 RFP. 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 also request additional information from any Respondent at any time prior to final approval of a selected Respondent. PEC may at its sole option determine to revise or withdraw this RFP at any time. PEC reserves the right to select one or more, or none of the Respondents from this RFP. 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 a proposal.

7. RESTRICTIONS ON COMMUNICATION

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

8. ADDITIONAL BACKGROUND INFORMATION

In addition to the forecasted (estimated) IPPG load requirement in column F of the file, Exhibit H, PEC is also making available three (3) years of hourly historical load, Exhibit I, once a NDA has been executed. Each respondent must request the historical load from Dayna Thompson at Dayna.thompson@peci.com. **"RFP 2020-005 PEC Power Supply Renewable Offers April 2020"** should appear in the email subject line.

PEC has also provided a summary list of all questions and answers that were generated from the *"initial"* release of the RFP as an RFI in March 2020. Those questions and answers are provided as Exhibit J.