



EXHIBIT J - Questions and Answers
RFP 2020 – 005 PEC Power Supply Renewable Offers April 2020

Questions and answers:

1. Question: Is PEC only evaluating new-build renewable assets for this RFP?

1. Answer: No, a respondent can offer a “basket of products” from a portfolio of several assets.

2. Question: Would PEC consider a proposal in which Seller would serve the load shape contained in Exhibit H and provide a REC for every MWh served even if the source of the Energy and/or RECs are not unit-specific?

a. If answer to #2 is “No”, would PEC consider a proposal in which Seller would supply the Energy and RECs from an existing renewable asset in ERCOT?

2. Answer: Yes, certainly

2a. Answer: Yes

3. Question: I don’t see any preferred tenors. Am I overlooking that or is PEC leaving that open to Seller to propose?

3. Answer: It is open to the seller to propose. Recent history has shown a managerial/ Board tendency has leaned to tenors of 15 years or less.

4. Question:

Term and Start Date: What is the proposed term of the transaction? (i.e. Summer 2020, 1-year, 10-years, etc.) When would PECl propose to start taking delivery of energy (month, day, year)?

4. Answer: That depends upon the respondent for the start date and term. If they have capacity on existing renewable facilities, conceivably they could start as soon as we have a PPA in place. The RFI has no defined start date, end date, nor term. PEC would not anticipate a term longer than 15 years, but we are open to all renewable offers.

5. Question: Who would be entering into this transaction on PEC’s behalf?

5. Answer: We anticipate Pedernales Electric Cooperative, Inc., authorized by our Board of Directors.

6. Question: Would PEC be open to accepting both a wind and solar renewable load shape product? Reviewing the draft PPA I only noticed contemplation for wind, but I was interested in the Cooperative's appetite for solar as well?

6. Answer: As stated in section 3 of the RFP; "PEC is requesting transact-able power supply and pricing proposals to serve the hourly load that has been provided in Exhibit H. PEC would like the respondent to "best fill" the IPPG load as it has been defined in column F of the spreadsheet (RFP 2020-003 Exhibit H).

The draft PPA was merely a starting place and can easily be changed to fit a particular respondent's project.

7. Question: We wanted to confirm that the RFP Document itself did not have any Exhibits and it is a stand alone document. The Exhibit H mentioned in the RFP is what we understand to be as the Excel Workbook that was provided to us requesting respondents to fill-in for hours of delivery of our product. We just want to be sure that other than Exhibit H, the aspirational PPA and the Excel Workbook, we are not missing any documents provided by PEC for respondents.

7. Answer: The documents that make up the RFP package are:

- The RFP document
- Exhibit H, the excel spreadsheet to be completed by respondents
- Exhibit I, the questions and answers
- The three year historical load spreadsheet.

8. Question: Our next question is we wanted to confirm we can adjust the Year and Dates in Exhibit H to accurately reflect when the asset providing MWs would be commercially operational (if the COD is in the near future?).

8. Answer: You are correct. PEC has not defined the start or end date for delivery. That is being left up to the respondent. PEC prefers that a respondent does not change any entries in Exhibit H because we are setting up a semi-automated tool for analysis.

9. Question: Due to the time available to respond to the RFI and the fact that in Exhibit H to meet the requested hourly/daily 365 day IPPG MW energy produced data request (a total of over 131,400+ data points), would a monthly or weekly rollup suffice for the purpose of our initial response, and then if short-listed or selected with more time available further detailed hourly/daily MWs produced could be provided during the PPA detailed discussions.

9. Answer: PEC is requesting that each respondent completely fill out **either** column G, of Exhibit H; or columns N and Q for each hour of product delivery.

10. Question: Will PEC consider indicative offers, with an opportunity to refresh pricing the day of award?

10. Answer: PEC is seeking transact-able offers. PEC anticipates a two-step process from the initial responses to a reduced set of respondents that will offer

in a second round (Best and Final Offer). However, PEC retains the right to forego the BAFO process at its sole discretion.

11. Question: Are you looking for an as-available wind and solar product? (The PPA form suggests an as-available product. The RFI document seems to suggest that deliveries need to match pre-determined load estimates in each hourly interval.)

11. Answer: PEC expects that respondents source the product from renewable Resources in ERCOT and associated RECs will be transferred. However it is left up to the respondent to fulfill the shape as they can source. The closer the source is to PEC's requested shape, the higher the value to PEC.

12. Question: What is the preferred term and start date? (10-yr, 15-yr, 20-yr, etc.)

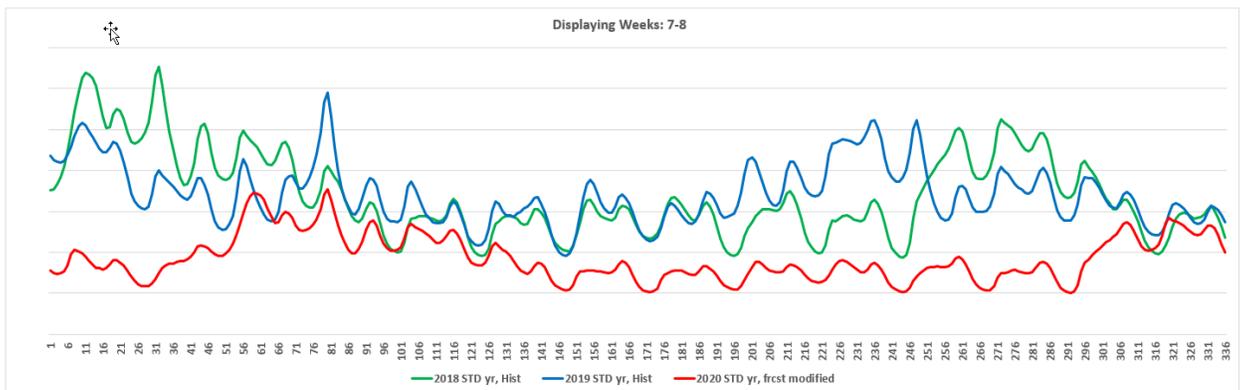
12. Answer: PEC is not dictating a tenor nor start date.

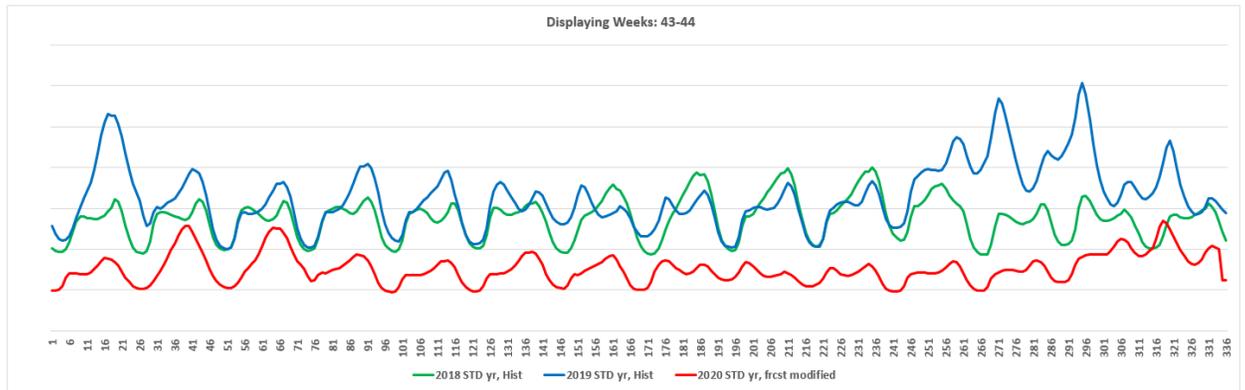
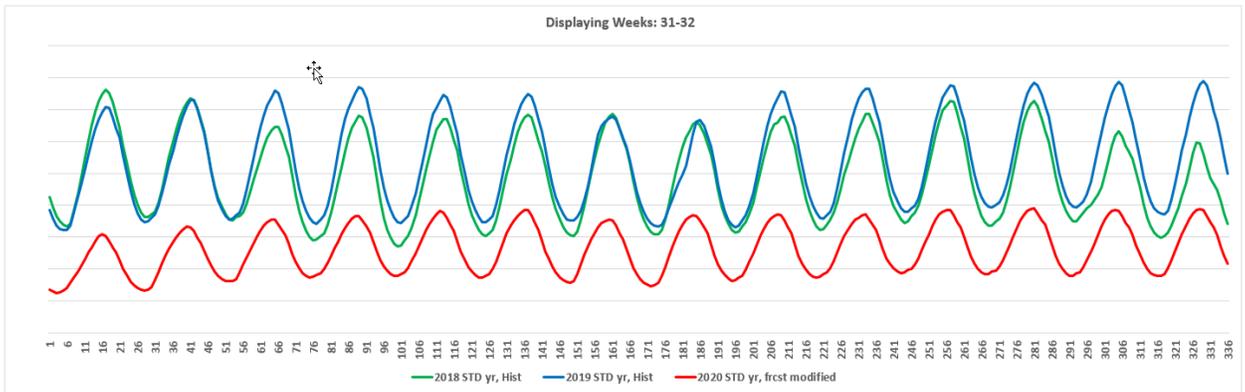
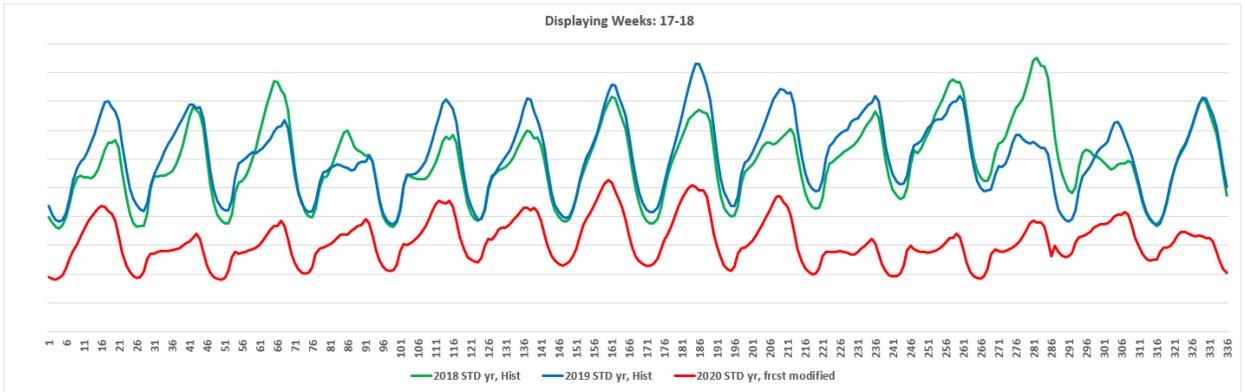
13. Question: Would you accept South Hub settlement in place of LCRA LZ?

13. Answer: PEC prefers, the LCRA LZ but understands that not all respondents can offer delivery in the LCRA LZ.

14. Question: Can you share the methodology for coming up with the load shape? We are trying to compare back to PECs historical load and don't see an obvious correlation. Is it a certain percentage of overall load, or maybe a percentage of load net some power blocks you've already procured?

14. Answer: PEC has provided the estimated IPPG load requirement for this RFP. We will not go into detail about how the requirement was determined. Since the question was asked, PEC has compared its historical load to the shape that has been provided in Exhibit H. A few sample displays of the historical and forecast are shown below. A word of caution, do not try to infer the magnitude of the forecasted shape. The forecast is stated in Exhibit H.





15. Question: What does “an existing EEI” mean? How do we execute one?

15. Answer: An EEI is the Edison Electric Institute Master Power Purchase & Sale Agreement. It generally takes several months to execute the agreement.

13. Question: Your website mentions a Vendor Information Form, IRS Form W9 and PEC Tax Exemption Certificate. Must all these be submitted before we submit an RFI Response?

13. Answer: No, PEC is trying to keep every potential respondent from having to go through the effort of submitting a host of forms that may or may not be used. However, it should be noted that the successful respondent will have complete all

required legal and financial information in order to execute a transaction/PPA within the expected timeframe or risk PEC moving to another respondent.