

Southwestern Power Administration
Request for Proposals - Regarding Purchase Power

RFP Number: SWPA2022

August 8, 2022

1. **PURPOSE:** Southwestern Power Administration (Southwestern), a Power Marketing Administration within the United States of America, represented by the Secretary of Energy, acting by and through the Administrator, is issuing this Request for Proposals (RFP) to meet its firm power commitments. Southwestern intends to award one or more Purchase Power Contracts for firm schedulable/dispatchable capacity and associated energy in quantities of 25 megawatts (MW) up to a combined total of 300 MW deliverable to Southwestern's transmission system. Southwestern seeks delivery of power to begin as soon as contractual arrangements are in place.

2. **BACKGROUND:**
 - 2.1. Southwestern is acting pursuant to Section 302(a)(1) of the Department of Energy Organization Act (91 Stat. 578; 42 U.S.C. 7152), Section 5 of the Flood Control Act of 1944 (58 Stat. 887, 890; 16 U.S.C. 825s), and Public Law 95-456 (92 Stat. 1230; 16 U.S.C. 825S-3).
 - 2.2. This RFP is not subject to the Federal Acquisition Regulation, Department of Energy Acquisition Regulations, or the Competition in Contracting Act.
 - 2.3. Southwestern serves more than 100 firm power customers on a wholesale basis in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas.
 - 2.4. The U.S. Army Corps of Engineers operates and maintains hydroelectric power plants and switchyard facilities which Southwestern uses to provide power to its customers.

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3. COMMUNICATIONS AND SUBMITTALS:

3.1. All questions and other communications concerning this RFP should be directed to:

Mailing Address

Mr. Dennis Constien
Director, Power Marketing and Transmission Strategy
Southwestern Power Administration
1 W. 3rd St., Suite 1500
Tulsa, OK, 74103-3502

Telephone:

(918) 595-6669

Email:

dennis.constien@swpa.gov

4. PROCESS AND SCHEDULE:

4.1. Questions Deadline: The deadline for asking questions concerning the RFP is September 2, 2022. Southwestern will post questions and responses on its web site (<https://www.energy.gov/swpa/southwestern-power-administration>) by September 16, 2022.

4.2. Proposal Submittal Preparation: Instructions on the Proposal submittal preparation are provided in Section 7. Offerors proposing a variety of generation resources should submit separate Proposals for each discretely scheduled/dispatched resource.

4.3. Proposal Submission: All Offerors shall submit completed Proposals in Adobe Acrobat .pdf format to Southwestern at the email address provided in Subsection 3.1 above. Proposals submitted by means other than email will not be accepted. Please reference RFP #: SWPA2022, in the subject line of the email

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- 4.4. Proposal Deadline: Proposals must be received by Southwestern by 4:00 PM CPT on September 30, 2022. Any Proposals received after the due date may be excluded from consideration.
 - 4.5. Proposal Validity: Each Offeror must hold its Proposal open and valid for a period of 60 days following the Proposal Deadline, through November 29, 2022.
 - 4.6. Delivery: Southwestern is seeking to begin purchasing power as soon as contractual arrangements are in place.
 - 4.7. All potential Offerors and Offerors of this RFP are responsible for all costs incurred in evaluating and responding to this RFP and/or the negotiation process.
 - 4.8. Southwestern is not obligated to verify receipt of Proposals.
5. POWER REQUIREMENTS:
- 5.1. Term: Any resultant contract will be for a term of up to four (4) years.
 - 5.2. Sink: SPA
 - 5.3. Product: Firm capacity and energy delivered to the SPA sink in quantities of 25 MW up to a combined total of 300 MW. Southwestern is seeking energy to be continuously available; however, Proposals for intermittent energy will be considered, provided such resources are schedulable/dispatchable.
 - 5.4. Scheduling: Notice of schedule profile and duration will be provided to Seller no later than 3:30 PM Central Prevailing Time (CPT) on the business day prior to scheduled delivery. Unless otherwise mutually agreed upon between Southwestern and the Seller, Southwestern will schedule the energy for delivery each day in time periods that are a minimum of four (4) consecutive hours in duration and may schedule energy for delivery for more than one time period in a day. For example,

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Southwestern may schedule two (2) separate time periods in a day to accommodate seasonal double peaks, such as a block of consecutive hours during the morning peak period and a block of consecutive hours during the evening peak period.

- 5.5. Title: The title of the power and energy shall pass to Southwestern at the delivery point. All environmental attributes that accompany the purchased power and energy, including, but not limited to, Renewable Energy Credits (RECs), shall vest with Southwestern.
6. EVALUATION CRITERIA: Southwestern, in seeking the best value, will evaluate each Proposal as a whole. The following criteria will be used to evaluate Proposals:
- 6.1. Availability Period: Southwestern is seeking to purchase power for up to four (4) years.
- 6.2. Price: The total delivered price, taking into account energy charges, firm capacity charges, firm transmission costs, administrative costs, and any other charges, will be considered. For Proposals with index-based price formulas subject to volatile market conditions, Southwestern will assess the risks associated with such prices. For Proposals subject to curtailment or unavailability, financial or physical mitigations to address such conditions will be considered.
- 6.3. Transmission: Southwestern will evaluate the ability of the Offeror to obtain firm transmission service from the generation source(s) to the SPA sink, and the likelihood, in Southwestern's opinion, that transmission service may be subject to curtailment.
- 6.4. Dependability: Dependability of the generating resource will be determined based on forced outage rates, scheduled maintenance outages, fuel supply, and other factors, including the possibility that the failure of a single generating unit or transmission

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facility will interrupt power delivery. The generation must meet Southwest Power Pool, Inc. (SPP), Electric Reliability Council of Texas (ERCOT), or Midcontinent Independent System Operator (MISO) accrediting standards, including, but not limited to, capacity accreditation and compliance with resource adequacy requirements such that the Offeror's generation resource purchased by Southwestern shall be included as part of Southwestern's reported capacity resources for compliance with resource adequacy requirements. The Offeror must identify any and all conditions under which the resource could be curtailed in real-time or made unavailable for scheduling, due to limitations such as contractual emergency commitments or statutory or regulatory requirements for service to native load, and for Proposals subject to such conditions, Southwestern will consider the appurtenant risks.

- 6.5. Legal and Regulatory Compliance: The generation source(s) and supporting facilities must be properly permitted and in compliance with applicable Federal and State statutes and regulations.
 - 6.6. Past Performance: Based on past performance information submitted by the Offeror, Southwestern will consider the Offeror's past performance in meeting its obligations of relevant agreements as an indicator of the Offeror's ability to meet contractual obligations with Southwestern. Failure to provide past performance documentation may result in exclusion from further evaluation/consideration.
 - 6.7. Financial Capability: Southwestern will determine if the Offeror has or can acquire adequate financial resources to fulfill the requirements of the contract based on the financial capability information provided in the Offeror's Proposal.
7. PROPOSAL SUBMITTAL PREPARATION INSTRUCTIONS: Proposals shall be prepared in accordance with the guidelines set forth in this Section 7 and delivered in accordance with Subsection 4.2. Failure to follow the preparation instructions may result in the exclusion of

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the Proposal from consideration. Offerors proposing a variety of generation resources should submit separate Proposals for each discretely scheduled/dispatched resource. Each Proposal shall be organized by section as described below. Each Proposal shall be signed by a company official with the authority to make offers and legally bind the Offeror.

- 7.1. Proposal Overview and Executive Summary: The Proposal shall contain a general overview and a summary of the Proposal. This section should also include the name, address, and legal description of the entity submitting the Proposal. The description should include the type of Proposal offered and the key benefits it will provide to Southwestern. The summary should include the technology and location of the facility that will be the source of energy supplied for the Proposal. The summary should be limited to one page.
- 7.2. Availability Period: The Proposal shall contain information on the availability period, including the proposed beginning delivery date and the availability period in months or years from the proposed beginning delivery date. Information on any flexibility or inflexibility with the availability period should also be included, such as if the length of the availability period is a range (e.g., one to four years in whole year increments) or is fixed (e.g., two years only).
- 7.3. Price Information: Price information should include any and all capacity, energy, transmission, administrative, and other applicable costs. The following price information should be specified in this section of the Proposal, as applicable:
 - 7.3.1. Capacity price;
 - 7.3.2. Energy price;
 - 7.3.3. Seasonal pricing, if offered;
 - 7.3.4. Any other price component, ensuring all pricing is clearly provided.
- 7.4. Transmission and Delivery of Power and Energy:

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- 7.4.1. Describe and list the current status of any agreements for interconnection and firm transmission service that are applicable to delivery of power and energy to the SPA sink.
- 7.4.2. Provide copies of any studies performed which demonstrate transmission availability from the generation source to the SPA sink, and any proposed mitigation to curtailments over third-party transmission systems.
- 7.5. Technical Information: The following technical information should be specified in this section of the Proposal, as applicable to the project proposed:
 - 7.5.1. Fuel supply;
 - 7.5.2. Description of resource(s);
 - 7.5.3. The generating resource accrediting status with SPP, ERCOT, or MISO, or ability to meet such accrediting standards;
 - 7.5.4. Ability to provide ancillary services (list the services);
 - 7.5.5. Scheduled maintenance outages;
 - 7.5.6. Forced outage rates;
 - 7.5.7. Limitations that may constrain operation or dispatch; and
 - 7.5.8. Start-up times and load-ramping rates.
- 7.6. Capacity and Energy Limitations: The Proposal must specify any and all actual and potential capacity, energy, and delivery limitations. Southwestern reserves the right to request additional information from the Offeror regarding limitations or any other details related to the Proposal. Limitations may be caused by factors including, but not limited to:
 - 7.6.1. Capacity and associated energy sales to other parties;
 - 7.6.2. Transmission limitations;

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- 7.6.3. Environmental permit, weather condition, or emissions limitations;
 - 7.6.4. Limited hours of operation due to staffing or external constraints;
 - 7.6.5. Fuel supply interruptions; and
 - 7.6.6. Potential intra-hour volatility in power output to determine the impact on Southwestern system control requirements.
- 7.7. Legal and Regulatory Compliance: This section should address whether the generation source(s) and/or supporting facilities have obtained the necessary permits and/or authorizations to comply with applicable Federal and state statutes and regulations.
- 7.8. Past Performance: This section should describe relevant past experience and performance. Past performance may include Federal and non-Federal customer references. The information must include current contact information for all past performance references provided. The Offeror agrees to permit Southwestern's representatives to contact the listed references and inquire about the Offeror's past performance. Offerors with no past performance due to recent business establishment/incorporation must provide supporting documentation verifying the recent business establishment/incorporation.
- 7.9. Financial Capability: The financial viability of the Offeror must be demonstrated to provide assurance that the Offeror, and any other party involved in the Proposal, has adequate financial capability. Southwestern may request additional financial information; however, each Proposal must include the following information at a minimum: Bond rating of Offeror (not a parent or affiliated entity) by Moody's and/or Standard & Poor's.
- 7.10. Contact Information and Authorization:

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- 7.10.1. Provide the Name, Title, Telephone, Email Address, and any additional pertinent contact information for the Contact Person(s).
- 7.10.2. Provide the Name and Title of the company official with the authority to make offers and legally bind the Offeror, along with the company official's authorizing signature and date.
8. USE OF INFORMATION IN PROPOSALS: Applicable information submitted in Proposals by Offerors will be treated as Controlled Unclassified Information in accordance with Federal law. Disclosure of information to Southwestern could be subject to the Freedom of Information Act. Southwestern will not return any documents to Offerors.
9. NEGOTIATIONS AND SELECTION OF PROPOSALS:
- 9.1. The right is reserved by Southwestern to reject any or all Proposals, or re-solicit for Proposals, if desired, based on the sole judgment and discretion of Southwestern, where such action is deemed the most advantageous to Southwestern. Any Proposal that is incomplete, conditional, or obscure, or that contains irregularities of any kind, may be rejected. In the event a contract agreement cannot be reached with the successful Offeror(s), Southwestern reserves the right to accept the Proposal(s) of any other Offeror(s) or to seek additional Proposals. Southwestern will evaluate Proposals to determine which Proposals provide the best overall value to Southwestern and its firm power customers. Southwestern may also seek clarification of Proposal information or additional Proposal information from Offerors.
- 9.2. Southwestern will initiate contract negotiations with Offeror(s), as appropriate. Southwestern reserves the right to enter into a contract at any time with an Offeror which, in the opinion of Southwestern, will provide the best overall value to Southwestern and its firm power customers. Southwestern reserves the right to enter into discussions with multiple Offerors at any time.

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- 9.3. This RFP shall not constitute a commitment by Southwestern to purchase power from any entity submitting a response to this RFP.