

Louisiana Public Service Commission



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February 21, 2019

VIA EMAIL

Re: LPSC RFP 19-04, Docket No. X-35119 Southwestern Electric Power Company, ex parte. In re: Notice of Intent to Conduct Request for Proposals for Solar Resources in Accordance with Commission General Order R-26172, Subdocket C, the Market Based Mechanism ("MBM Order").

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for **outside independent technical consultant** issued by the Louisiana Public Service Commission for the above referenced subject. If your firm is interested in submitting a proposal, please review the RFP carefully to determine whether your firm meets the specific requirements to qualify for this representation.

All Proposals must include a showing that your firm possesses the requisite qualifications and experience to represent the Commission in this matter. Also, please note that all Proposals, including the **original, plus (5) five copies and an electronic copy must be received on or before March 13, 2019 at 4:30 p.m. Selection of a consultant is anticipated to take place at the Commission's March 20, 2019 Business and Executive Session.**

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Melissa Watson".

Melissa Watson
Deputy General Counsel

Enclosure

RFP 19-04
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS
February 21, 2019

DOCKET NO. X-35119 Southwestern Electric Power Company, ex parte. *In re: Notice of Intent to Conduct Request for Proposals for Solar Resources in Accordance with Commission General Order R-26172, Subdocket C, the Market Based Mechanism ("MBM Order").*

The Louisiana Public Service Commission ("Commission" or "LPSC"), in accordance with the requirements of the LPSC General Order dated November 10, 2014 regarding the selection of contract employees (the "Contract Order"), issues this Request for Proposals ("RFP") to **outside consultants** who will assist the Commission in the review and analysis of Southwestern Electric Power Company's ("SWEPCO") upcoming RFP for solar resources and to assist Staff with any related LPSC resource certification applications that may be filed by or on behalf SWEPCO. Qualifying proposals will be placed on the March 2019 Business and Executive ("B&E") Session agenda for Commission consideration.

I. Overview

SWEPCO is an operating company and subsidiary of American Electric Power Company, Inc. ("AEP"), which is an investor-owned electric public utility holding company with subsidiaries serving over 5 million retail customers in eleven states. SWEPCO is an electric public utility that serves customers throughout central, western and northwestern Louisiana, as well as Texas and Arkansas. Its corporate headquarters is located in Shreveport, Louisiana with the mailing address 428 Travis Street, Shreveport, Louisiana 71101.

SWEPCO filed a *Notice of Intent to Conduct a Request for Proposal ("RFP")* on January 15, 2019, which initiated this proceeding. Notice was published in the Commission's Official Bulletin dated February 8, 2019, for informational purposes only. SWEPCO is conducting this RFP pursuant to the Commission's Market Based Mechanism General Order, General Order dated October 29, 2008 in Docket No. U-26172 Subdocket C ("MBM Order"). SWEPCO plans to file its Informational Filing and draft RFP not less than 60 days from the date of the *Notice* filing, and Staff does not anticipate that filing until after the Commission retains a consultant. SWEPCO advises in the *Notice* that it plans to work with Commission Staff on scheduling and noticing an initial technical conference for potential bidders to seek information regarding the RFP. Further, as per the *Notice*, no self-builds or affiliates will be permitted in the RFP.

According to SWEPCO's *Notice*, it has identified a need to add solar resources in its Draft Integrated Resources Plan Report filed with the Commission in Docket No. I-34715 on January 11, 2019. SWEPCO indicates that the amount of solar resources to be sought in the RFP will be determined in accordance with its Integrated Resource Plan.

II. Scope of Representation

The independent technical consultant retained by the Commission shall assist Commission and its Staff with SWEPCO's RFP process and reviewing any resulting acquisition requests to ensure compliance with all applicable Commission Orders. Specifically, this RFP is subject to the the MBM Order which requires the use of a formal competitive solicitation process for the acquisition of power supply resources by Louisiana utilities. It sets forth certain procedures and guidelines, including a 30-day advance notification to the Commission prior to submitting an informational filing and draft RFP, and at least a 60-day evaluation period between posting of the draft RFP and the issuance of an RFP.

The Commission's General Order dated September 30, 1983 ("1983 Order"), as amended by the Commission's Order R-30517, dated October 29, 2008, provides that no electric public utility shall enter into any contract for the purchase of capacity or electric power without first having applied to the Commission for a certification that the public convenience and necessity would be served by entering into the contract. Any firm power supply resources acquired by SWEPCO must be certified by the Commission in a docketed proceeding pursuant to its 1983 General Order. As a result, when a utility seeks to acquire or build capacity resources, it is required to make a formal informational filing with the Commission including its detailed planning information. The results and analysis from employing the MBM Order RFP process are designed to serve as part of the justification required in paragraph (2) of the 1983 Order.

The consultant will be required to participate in each stage of the RFP process, including technical and bidders' conferences, review of and comment on draft documents, informal meetings, preparation of a report of the RFP process, and any other steps necessary to ensure a fair and reasonable RFP process. In addition, the consultant will be required to review any certification application, along with testimony and exhibits; draft and assist in the drafting of data requests; analyze data responses; participate in formal status conferences, pre-trial conferences, depositions, and hearings; draft and prepare pre-filed testimony in support of Staff's ultimate recommendations, together with exhibits supporting testimony; and assist in the drafting of applicable motions, exceptions, briefing sheets and orders of the Commission. Additionally, the consultant shall be available to participate in informal conference calls, meetings and conferences with the Commission and Staff as well as attending any B&Es. The scope of the work shall continue through the conclusion of the certification docket(s) through Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation.

All proposals shall include an outline of a plan of action for this scope of representation. However, the Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP. Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming.

III. Period of Representation

The time estimated to complete the Scope of Representation is approximately 18-24 months. However, this is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

IV. Minimum Requirements

To be considered, all applicants must meet the following minimum requirements *in addition to those provided* in the Commission's General Order dated November 10, 2014. Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility practice and similar practice before other state public utility commissions; in addition to the applicant's knowledge of Louisiana resource acquisitions, certifications, regulatory law and ratemaking principles.

Applicants shall at a minimum be qualified and prepared to render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding, including but not limited to:

- A. The Commission's Rules and Orders pertaining to the RFP process and acquisition of power supply resources, including but not limited to the Commission's MBM Order and its 1983 Order, as amended;
- B. Principles associated with resource acquisitions and the competitive process, including but not limited to analyzing utility resource needs and whether the considered resource(s) is able to meet those needs, particularly for renewable/solar resources;
- C. Whether or not a resource will provide reliable service at the lowest reasonable cost;
- D. Resource planning methods to improve the efficiency of a utility's power supply operations and whether the utility is making use of any such methods;
- E. Public interest criteria for approval of or resources and purchase power contracts, particularly renewable/solar resources;
- F. LPSC rules on cost recovery mechanisms for power supply resources, SWEPCO's Formula Rate Plan, and the Commission's General Order dated November 6, 1997 in Docket No. U-21497 regarding fuel cost recovery;
- G. Appropriate accounting standards and practices for electric utilities; and
- H. Southwest Power Pool tariffs and planning processes as may relate to SWEPCO's RFP and resulting resource certification(s)

V. Estimate of Costs

All proposals shall include fees and costs associated with consulting in the docket. All applicants responding to this RFP shall quote their rates on an hourly basis and submit a total budget, and shall separate professional fees from costs. However, applicants shall only be allowed to charge for actual hours of work performed and costs incurred. If selected, Applicant cannot charge over the budget approved by the Commission. Furthermore, once selected, an Applicant's rates and budget shall not be altered except by formal approval of the Commission.

VI. Conflict of Interest

Applicants shall prominently disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, applicants shall disclose matters in which they currently represent clients before the Commission.

VII. Billing Guidelines

As required by the November 10, 2014 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utilities, unless otherwise specified by the Commission.

VIII. Reservation of Rights

The LPSC reserves the right to reject any and all proposals, to amend and/or to supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept other than the lowest offer with regard to price. In addition, there is also no assurance, express or implied, that an award will necessarily be made pursuant to this RFP.

IX. Submission of Proposals

Interested parties should submit the **original (hard copy), 5 copies, and e-mail an electronic copy** of the proposal to:

Kim Trosclair
Louisiana Public Service Commission
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602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Phone: (225) 342-9888
Fax: (225) 342-5610
Email: kim.trosclair@la.gov
melissa.watson@la.gov

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **March 13, 2019**. **Selection of consultants is anticipated to take place at the Commission's March Business and Executive Session, which is currently scheduled for March 20, 2019 in Baton Rouge, Louisiana.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.