

Louisiana Public Service Commission



POST OFFICE BOX 91154
BATON ROUGE, LOUISIANA 70821-9154
www.lpsc.louisiana.gov

Telephone: (225) 342-9888

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February 2, 2021

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Deputy Undersecretary

VIA EMAIL

RFP 21-03 - Docket U-35544, Louisiana Public Service Commission, ex parte, In re: Prudence Review of the Cleco Power LLL St. Mary Clean Energy Center.

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for **independent engineering consultant or project management consultant** issued by the Louisiana Public Service Commission for the above referenced docket. 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 (2) two copies, and an electronic copy** must be received on or before **Monday, March 1, 2021 at 4:30 p.m.** Selection of consultants is anticipated to take place at the Commission's **March 2021 Business and Executive Session.**

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

Sincerely,

A handwritten signature in blue ink, appearing to read "KHB", written over a horizontal line.

Kathryn H. Bowman
Executive Counsel

Enclosure

cc: Brandon M. Frey, Executive Secretary
Melissa W. Frey, Deputy General Counsel

RFP 21-03
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
February 02, 2021

DOCKET NO. U-35544, Louisiana Public Service Commission, ex parte, In re: Prudence Review of the Cleco Power LLL St. Mary Clean Energy Center.

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”) seeking an **independent engineering consultant or project management consultant** who will assist Commission Staff in the prudence review of the St. Mary Clean Energy Center.

Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming. Consideration of qualifying bids received in response to RFP 21-03 are anticipated to be on the Commission’s March 2021 Business and Executive Session (“B&E”).

I. Overview

In Commission Order No. U-33593, the Commission certified Cleco Power LLC’s (“Cleco Power”) request to construct, own, and operate a 40 MW generation facility, including a waste heat recovery steam generator, steam turbine generator, and ancillary balance of plant equipment utilized in a waste heat recovery project (“WHR Project”). This WHR Project is located at Cabot Corporation’s Canal carbon black manufacturing plant in Franklin, Louisiana. This WHR Project is now known as the St. Mary Clean Energy Center. Commission Order No. U-33593 also required a prudence review of the St. Mary Clean Energy Center after the WHR Project entered commercial operation in order to review Cleco Power’s actions regarding project management, costs controls, success in achieving stated objectives, and the total capital expenditures for the WHR Project. On November 18, 2019, Cleco Power filed the Closeout Report advising that the St. Mary Energy Center was completed in August 2019, thus making a prudence review ripe.

Docket No. U-35544 was initiated and published in the Commission’s May 1, 2020 Bulletin to begin the prudence review as contemplated in Order No. U-33593. At the Commission’s June 24, 2020 Business and Executive Session, Henderson Ridge Consulting was retained to assist Commission Staff. When Henderson Ridge was retained, it was also contemplated that the Commission would retain an engineering or project management consultant.

II. Scope of Representation

Applicants will be assisting Commission in-house Staff (Legal, Utilities, and Auditing Divisions) and Henderson Ridge in the prudence review of the St. Mary Clean Energy Project. Assistance will include, but not necessarily be limited to: the review and analysis of Cleco Power’s filing and

supporting testimony; preparing data requests; review of testimony filed by any party; participating in status conferences; conducting site visits; and, preparing technical analysis as requested by Staff. Applicants will be required to prepare and defend direct and cross answering testimony, participate and testify at a hearing, whether contested or via a stipulation, and make a recommendation to the Commission. Applicants will also be assisting Staff in preparation of any post-hearing briefs or filings, assisting in any settlement discussions and/or stipulation hearings and attendance and testifying at the Commission's Business and Executive Sessions as needed. The scope of representation will go through a Commission vote on this matter.

The Commission is seeking an Applicant who can assist Staff with its prudence review, including, but not limited to: 1) the decision-making structure of Cleco Power for the WHR Project, and whether decisions were informed and reasonable based on the information available at the time; 2) a determination on Cleco Power's overall management of the WHR Project, including but not necessarily limited to, construction, the project management team's assessments throughout, cost management, and completion schedule; 3) Cleco Power's success in achieving the stated objectives of the WHR Project; 4) an assessment of the engineering areas of the WHR Project, such as, but not necessarily limited to, site preparation and water source changes; 5) a determination of whether Cleco Power's WHR Project contracts were drafted such that they appropriately and prudently contemplated risks/setbacks associated with undertaking the WHR Project and contained adequate protections with regard to those risks; and 6) whether, if any resolutions were reached with third parties, Cleco Power negotiated those resolutions to result in the best possible outcome for Cleco Power and its ratepayers.

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 period estimated to complete the Scope of Representation is approximately 10-12 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

IV. Minimum Requirements

To qualify, all Applicants must have requisite knowledge of the topics listed below, in addition to those provided in Commission General Order dated November 10, 2014. *The Commission's Contract Order requires Applicants to be pre-qualified by the Commission in order to be eligible.*

Applicants shall, at a minimum, be qualified and prepared to draft and render testimony and/or a report on the WHR Project as outlined above, be cross-examined with respect to all of the issues

addressed in this RFP and which are likely to arise in a prudent determination proceeding and be qualified and prepared to render testimony at a hearing and/or a B&E regarding the same.

Applicants must either be a licensed engineer or have project management/risk assessment experience for this type of project. If an engineer, applicants must be licensed and in good standing with all applicable engineering licensing and certification boards. Applicants must be able to testify regarding industry standards and widely accepted industry practices regarding the project management, design and construction process for the WHR Project. Consideration will be given for experience and knowledge of plant design and construction as well as utility regulation.

V. Estimate of Costs

All proposals shall include fees and direct costs associated with Applicant's services described above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall submit a total budget, separating professional fees from direct costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

Applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an Applicant's hourly rates and budget shall not be altered except by formal approval of the Commission.

VI. Conflict of Interest

Applicants shall prominently and separately 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 shall 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 utility, 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 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 any offer and does not have to accept the lowest bid amount. 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), 2 copies, and e-mail an electronic copy** of the proposal to:

Kathryn H. Bowman
Executive Counsel
Louisiana Public Service Commission
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: kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **March 1, 2021 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's March 2021 Business and Executive Session, which is currently scheduled for March 17, 2021.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.