

Louisiana Public Service Commission



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Deputy Undersecretary

February 17, 2023

VIA EMAIL

RFP 23-08

Docket No. U-36625, Entergy Louisiana, LLC, ex parte. In re: Application for approval of the Entergy Future Ready Resilience Plan (Phase I).

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for an **independent engineering consultant, with specialized electric engineers on staff**, 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 Thursday, March 9, 2023 at 12:00 p.m. Selection of consultants is anticipated to take place at the Commission's March 2023 Business and Executive Session.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Bowman", with a long horizontal flourish extending to the right.

Kathryn Bowman
Executive Counsel

Encl.

cc.: Brandon M. Frey, Executive Secretary
W. Noah Hoggatt, Staff Attorney

RFP 23-08
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
February 17, 2023

DOCKET NO. U-36625, Entergy Louisiana, LLC, ex parte. In re: Application for approval of the Entergy Future Ready Resilience Plan (Phase I).

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 **independent engineering consultants, with specialized electric engineers on staff**, who will assist Commission Staff in the review of Entergy Louisiana, LLC’s (“ELL” or “Company”) request for approval, and issuance of a public interest finding, of the Entergy Future Ready Resilience Plan (“Plan”). RFP 23-01 was issued seeking a consultant to assist with the review and analysis of ELL’s request for approval of the Resilience Plan Cost Recovery Rider (“Rider”); therefore, the scope of this RFP is solely for the assistance of an engineering review as further described below.

Deviations from the requirements contained herein, or conditional bid amounts, shall result in rejection of the proposal as non-conforming. Based on Commission direction at the February 2023 Business and Executive Session (“B&E”), consideration of qualifying proposals received are anticipated to be on the Commission’s March 2023 B&E. Should an Applicant be selected at the Commission’s B&E, this RFP and the Applicant’s proposal shall constitute the contract between the parties, including all terms and conditions. The Commission will not accept new terms, conditions, or proposals once an Applicant has been retained.

I. Overview

On December 19, 2022, ELL filed its request, which was docketed as Docket No. U-36625, and published in the Commission’s Bulletin dated December 22, 2022, with eight parties intervening and two parties requesting Interested Party status.

ELL’s request seeks approval, and issuance of a public interest finding, of the Company’s Resilience Plan, as well as approval of a new Rider. Per the Company’s application, this Plan is to “improve the resilience of its electric system through accelerated infrastructure hardening and vegetation management,”¹ which is “necessary and essential to foster a more resilient and reliable system that can better withstand extreme events, avoid or mitigate customer outages from such events, and facilitate faster restoration of service after such events.”²

¹ See ELL’s Application, page 1.

² *Id.*

Per the application, ELL is proposing to implement the Resilience Plan over a 10-year period, with Phase I consisting of \$5 billion in projects over the first five years (2024 to 2028) and four interconnected components. The interconnected components generally consist of: 1) approximately 9,600 identified distribution and transmission hardening projects; 2) construction of 44 dead-end structures for the Company's 500 kV transmission lines; 3) several projects aimed specifically at increasing the resilience of the Company's telecommunications systems; and 4) resilience-based enhancements to its current vegetation management programs. The Company filed the testimony of seven witnesses in support of its application. Staff encourages all Applicants to review the entire filing for more information on ELL's request in order to better prepare a proposal.

Applicants will be assisting Commission in-house Staff and an outside consultant, for the rider recovery component, in reviewing ELL's request and providing a recommendation to the Commission.

II. Scope of Representation

In assisting Staff, Applicants will review the application (including the direct testimony of seven witnesses, any supporting documentation, and associated cost models); draft data requests and review responses thereto; assist in drafting a recommendation(s), including testimony, to the Commission regarding ELL's request on implementing Phase I of the Resilience Plan; review and respond to any rebuttal testimony; assist in preparing any necessary direct and cross-answering testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; and review and analyze potential stipulation terms. This scope of representation contemplates a contested hearing on ELL's Resiliency Plan.

Further, Applicants shall review ELL's Resiliency Plan alongside the Commission's Resiliency Rulemaking found in Docket No. R-36227 to ensure that the Commission's priorities are represented in Entergy's Plan, and identify any gaps between the two plans. This will include evaluating the Company's Plan based on the framework being developed in the Commission's rulemaking. Staff's proposed rule in Docket No. R-36227 is anticipated to be filed by April 14, 2023 with a final rule for Commission consideration filed by August 30, 2023.

At the February B&E, Chairman Campbell also requested a breakdown of the projects identified by ELL, including the estimated cost and location (parish) of each project. If retained, Applicant will prepare a summary of the projects, including the information requested by Chairman Campbell.

Additionally, any Applicant shall be available to participate in meetings, conference calls, status conferences, hearings, and other conferences with Staff and ELL, Staff and Intervenors, or Staff, ELL, and Intervenors, as well as Commissioners. Applicants are required to attend any B&E that Staff deems necessary, including B&Es discussing Docket No. R-36227. The scope of work provided herein shall continue through the conclusion of Docket No. U-36625, including Commission consideration of the request at a B&E, or B&Es.

ELL's request also proposed a monitoring program for Phase I, which would consist of quarterly reporting of the Plan approved by the Commission. Given the uncertainty, and magnitude, surrounding what the Commission would approve, the proposed scope of work herein ***does not*** include any proposed monitoring of Entergy's Resiliency Plan. Should the Commission approve a resiliency plan for Entergy, Staff anticipates soliciting the Applicant retained pursuant to this RFP at that time for a tailored scope of work for monitoring applicable to the resiliency plan approved. All proposals shall include an outline of a plan of action for conducting the review of the application, including the activities described above. 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 requirement of this RFP, including experience with reviewing riders as a cost recovery mechanism.

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's Contract Order. Applicants shall at a minimum be experienced in reviewing and providing analysis on the construction, design and operation of electric utility infrastructure, including but not necessarily limited to the distribution and transmission system. Consideration will be given for prior experience associated with electric utility resiliency plans.

Applicants shall be qualified and prepared to draft and 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 and be qualified and prepared to render testimony at a hearing and/or a B&E regarding the same and have knowledge of:

- (1) Major functional areas of a regulated investor-owned electric utility;
- (2) Construction, design, and operation of electric utility infrastructure, including but not necessarily limited to distribution and transmission systems;
- (3) Commission General Order dated April 20, 2012 (Corrected) (Docket No. R-30021) regarding electric utilities filing Integrated Resource Plans;
- (4) The Commission's pending Docket No. R-36227;
- (5) Midcontinent Independent System Operator ("MISO") tariffs rules and planning processes, generally, as well as MISO's MTEP process.

Further, Applicants must be, or have on staff, a licensed electrical engineer. Such engineer shall be licensed and in good standing with all applicable engineering licensing and certification boards. Applicants must be able to provide technical advice regarding industry standards and widely accepted industry practices regarding transmission grids, maintenance thereof, and resiliency planning, as outlined above. Consideration will be given for experience and knowledge of transmission system standards, as well as utility regulation and cost allocation methodologies.

V. Estimate of Costs

Applicants shall provide an overview of the estimated costs in the summary of the bid proposal. All proposals shall include fees and direct costs (expenses) in order to provide the 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. 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.

Commission Staff is of the opinion that this RFP does not violate the Hammett Act,³ which prohibits the consideration of price/fee when selecting architects, engineers, landscape architects or land surveyors. The Louisiana Public Service Commission is a constitutionally created independent regulatory agency, and as such is not required to adhere to the State's standard process for public contracts when seeking to hire outside consultants or counsel. The Commission has adopted its own rules for hiring consultants or outside counsel, which is memorialized in Commission General Order dated November 10, 2014. This solicitation, while seeking engineering services, is seeking an opinion associated with the review of documents and is not seeking engineering services for capital outlay projects. Further, it is Commission Staff's opinion that the Hammett Act applies to contracts with an estimated project budget over \$500,000, which Staff does not anticipate in this instance.

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. Potential conflicts could include, but are not to be limited to, employment with regulated utilities, affiliates of regulated utilities, consumer advocacy groups, or any other party that comes before the Commission. In addition, Applicants shall disclose matters in which they currently represent clients before the Commission.

³ See La. R.S. 38:2318.1

VII. Billing Guidelines

As required by the November 10, 2014 General Order, all bills will be rendered to the Commission 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. Pursuant to La. R.S. 45:1180, ELL is the ultimate responsible party for payment of services provided pursuant to this RFP; therefore, timely submittal of invoices to the Commission facilitates timely payments to Applicant.

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:

Kimberly N. O'Brian and Kathryn H. Bowman
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: kim.obrian@la.gov, kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Thursday, March 9, 2023 at 12:00 pm**. Selection of consultants is anticipated to take place at the Commission's March 2023 Business and Executive Session, which is currently scheduled for March 15, 2023. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.