

# **Request for Proposals**

Request for Proposals for Electrical Power Supply through Thermal Generation Purchased Power Agreements

August 6, 2021

# PUBLIC

Memphis Light, Gas and Water Division



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## Acronyms

AGC	Automatic Generation Control
ASCE	American Society of Civil Engineers
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
CCCT	Combined Cycle Combustion Turbine
CEII	Critical Energy Infrastructure Information
CPT	Central Prevailing Time
EEOC	Equal Employment Opportunity Commission
DB	Duct Burners
FERC	Federal Energy Regulatory Commission
GIR	Generator Interconnection Request
GSU	Generator Step-Up
GCOD	Guaranteed Commercial Operation Date
HRSG	Heat Recovery Steam Generator
IBC	International Building Code
ICAP	Installed Capacity
IEEE	Institute of Electrical and Electronics Engineers
IRP	Integrated Resource Plan
ISA	International Society of Automation
ISO	Independent System Operator
kV	Kilovolt
LBA	Local Balancing Authority
MISO	Midcontinent Independent System Operator
MLGW	Memphis Light, Gas and Water Division
MW	Megawatts
NEC	National Electrical Code
NEMA	National Electrical Manufacturers Association
NERC	North American Electric Reliability Corporation
NESC	National Electrical Safety Code
NDA	Non-Disclosure Agreement
OSHA	Occupational Safety and Health Administration
POI	Point of Interconnection
PPA	Power Purchase Agreement
PSAT	Power Supply Advisory Team
PPA	Purchased Power Agreement
Q & A	Question and Answer
RFP	Request for Proposals
SCCT	Simple Cycle Combustion Turbine
TA	Transmission Analysis
TVA	Tennessee Valley Authority
UCAP	Unforced Capacity



## **Section 1: Introduction and Summary**

## 1.1 Description of MLGW

Memphis Light, Gas and Water (MLGW) is the nation's largest three-service municipal utility, serving more than 436,000 customers. Since 1939, MLGW has met the utility needs of Memphis and Shelby County residents by delivering reliable and affordable electricity, natural gas, and water service. Its electrical demand (average load) in 2020 was 1,508 MW with a peak load of 3,043 MW.

MLGW is currently supplied with electricity by the Tennessee Valley Authority (TVA), a federal agency that sells electricity on a nonprofit basis. MLGW is TVA's largest customer, representing 11% of TVA's total load. As an alternative to the current contract, TVA has offered to MLGW (and all the Local Power Companies it serves) an option of extending the notice period to 20 years, in exchange for a 3.1% discount on the Standard Service non-fuel components of the wholesale rate. In addition, TVA is offering the flexibility to MLGW to provide up to 5% of its load with local generation solutions other than TVA. In addition to evaluating the two alternatives available from TVA, MLGW is evaluating the option of terminating its contractual relationship with TVA and developing its own resources and/or acquiring them from the neighboring Midcontinent Independent System Operator (MISO) market. The evaluation of these options is the central objective of its Integrated Resource Plan (IRP).

### 1.2 Background

In April 2019, MLGW released a Request for Proposal (RFP) for an Integrated Resource Plan (IRP) to accurately determine the most viable options should the utility elect to procure electricity from sources other than TVA. MLGW extended invitations to qualified firms to assist in developing the IRP which incorporated a Transmission Analysis (TA) to evaluate the current MLGW-TVA "All-Requirements" Wholesale Power Agreement versus that of entering into the Wholesale Power Market to meet the future needs for reliable electric energy for MLGW customers at the least cost. Proposals were due on May 17, 2019. The IRP and the input from the community and advisory committee was to be considered when deciding options for other power sources. On July 22, 2019, MLGW announced that it had selected Siemens Industry Incorporated (Siemens) as its consultant for the development of MLGW's integrated resource plan. Following consultation with the MLGW Power Supply Advisory Team (PSAT) and



community stakeholders, Siemens released its final IRP report in July 2020<sup>1</sup>. In its report, Siemens identified potentially significant savings for MLGW if it pursued a Purchased Power Agreement (PPA) for local generation resources in conjunction with transmission system improvements and the development of renewable resources.

On August 19, 2020, the MLGW staff presented its recommendation to continue investigating IRP Portfolios 6, 9, and 10. The basis for this recommendation is outlined in a presentation (MLGW Board IRP Presentation)<sup>2</sup>. Portfolio 10 was later removed from consideration due to reliability concerns related to the 950 MW 2X1 Combined Cycle Gas Turbine (CCCT).

## 1.3 Clarifications and Amendments to this RFP

MLGW may from time to time and before the Proposal Submission Deadline, post on its website, answers to questions, clarifications, and/or revisions to this RFP at the RFP portal, <u>https://contractsrfp.mlgw.org</u>. Please note, access to this website will require an executed NDA from the RFP Respondent. This portal will open for RFP Respondents to view on August 11, 2021, after MLGW confirms the RFP Respondent has signed the NDA. The NDA form can be found in Attachment A of this RFP. RFP Respondents will need to send the completed NDA to the following email address <u>powersupplyrfp@mlgw.org</u>. Such answers, clarifications, and/or revisions are incorporated by reference into this RFP and shall supplement or amend this RFP according to their terms. Oral answers, clarifications, and/or revisions to this RFP, to the extent given, shall not be deemed supplements or amendments to this RFP.

### 1.4 Purpose of this RFP

As noted on slide 4 of the MLGW Board IRP Presentation, the Board directed that a power supply Request for Proposals be issued to confirm the potential power supply savings identified in the IRP Final Report under various local generation options vs. continuing service with TVA (see Section 14 of the IRP report for Siemens' estimate of future TVA rates). The RFP is focused on the acquisition of resources identified in Portfolios 6 and 9 with proposals provided by RFP Respondents in order to validate Siemens' IRP assumptions. The resources will be obtained through PPAs with generation owners and/or developers. Siemens assumptions to be validated include:

- o Cost
- $\circ$  Schedule
- o Location

<sup>&</sup>lt;sup>1</sup> See IRP document: <u>http://www.mlgw.com/images/content/files/pdf/MLGW-IRP-Final-Report\_Siemens-PTI\_R108-20.pdf</u>

<sup>&</sup>lt;sup>2</sup> See MLGW Board IRP Presentation: <u>http://www.mlgw.com/images/content/files/pdf/IRP%20Board%20Presentation\_081920.pdf</u>



- o Water use
- o CO2 emissions
- o Reliability

In addition, this RFP will be used to identify qualified candidates for eventual unit-contingent PPA engagements in the event PPAs can be secured at an evaluated cost below that of the rates offered by TVA.

MLGW is <u>not</u> contemplating any self-build generation that would compete with any proposals received in this RFP.

Detailed descriptions of Portfolios 6 and 9 are contained within the Siemens IRP Report. Expected in-service date is no later than January 2, 2028.

For each technology, the IRP was modeled considering ISO conditions (59F, 60% relative humidity, and sea level barometric pressure) – for example for the SCCT 7FA 237 MW and for the 1x1 CCCT 450 MW (with duct firing). For the summer months the outputs under ISO conditions are derated by multiplying the ISO output by 0.91 for the SCCT and 0.92 for the CCCT. This RFP is seeking tolling agreements for the following configurations:

- Portfolio 6 2 X 450 MW 1X1 Combined Cycle Gas Turbine (CCCT) with Duct Burners (DB) + 1 x 237 MW Simple Cycle Combustion Turbine (SCCT), both utilizing Frame FA combustion turbine technology. Capacity is to be divided into two sites with no more than 687 MW being developed at any single site.
  - Developers are additionally requested to provide an estimate for installing an additional 237 MW simple cycle unit in 2030, at whichever site does not have a SCCT scheduled for installation in 2028.
- Portfolio 9 1 x 450 MW 1X1 CCCT with DB + 4 x 237 MW SCCT, all utilizing Frame FA combustion turbine technology. Capacity is to be divided into three sites, with one site including both the CCCT and one of the SCCTs, and with no more than 687 MW being developed at any single site.

MLGW has determined that the most advantageous sites for the desired CCCT and SCCT generating plants would most likely be located on the east side of Shelby County where natural gas pipelines are prevalent (see Figure 1 below and Exhibit 76 of the Integrated Resource Plan Report).

RFP Respondent is responsible for design, permitting, construction, testing, operation and maintenance of the thermal project natural gas radial line from the main gas pipeline to the



thermal project gas yard.

#### Figure 1



Sites located near proposed electric transmission improvements may be also advantageous. Proposed plant interconnections should be limited to the points of interconnection (POIs) identified in Figure 2 below. MLGW recognizes that the generating plant sizes requested may not be accommodated by MLGW's existing 161 kV transmission system. With that limitation in mind, any connections planned by RFP Respondents to MLGW's existing electric transmission system will be evaluated by incorporating MLGW's estimated costs of any upgrades required to MLGW's system to accommodate delivery. RFP Respondent is responsible for design, permitting, construction, testing, operation and maintenance of the thermal project electric lead line to the POI within the MLGW system and preferred POI locations. RFP Respondent shall bear such costs, not including network upgrade costs which MLGW will evaluate separately as part of the bid review.





Figure 2 - Three Options for Approximate Locations of Point of Interconnection



## 1.5 RFP Key Dates and Meetings

Participation at the RFP Information Meeting is mandatory and requires timely submission to MLGW of the executed NDA in Attachment A. Subsequent Q & A will be conducted in writing. Please consult the portal at <u>https://contractsrfp.mlgw.org</u> for specific meeting time and webcast information, as dates are subject to change. Please register for the RFP Informational Meeting through the meeting notification posted at <u>https://contractsrfp.mlgw.org</u> in order to ensure there is sufficient meeting space to accommodate in-person participation.

Event	Date
RFP posted for the Project	August 6, 2021
Mandatory RFP Informational Meeting Webcast and ConferenceCall (Meeting registration required for in-person attendance)	September 14, 2021
Deadline for Proposal Respondent(s) to submit their 1 <sup>st</sup> set questions in writing	September 21, 2021
MLGW to post answers to questions from Informational Meeting	September 28, 2021
Deadline for Proposal Respondent(s) to submit their 2 <sup>nd</sup> set of questions in writing	October 12, 2021
MLGW to post answers to 2 <sup>nd</sup> set of questions	October 26, 2021
Proposal Submission Deadline	December 9, 2021
Deadline to Notify Proposal Respondent(s) of a Deficient Proposal	30 Calendar Days from Proposal Submission Deadline (last day: January 10, 2022)
Deadline for Proposal Respondent(s) to cure a Deficient Proposal	30 Calendar Days from Deficiency Notification (last day: February 9, 2022)
Deadline for MLGW to announce short-list of three (3) Proposal Respondent(s)	May 17, 2022
Presentations by short-listed Proposal Respondent(s)	July 14, 2022
Best and Final Offer Deadline	August 17, 2022
Final Selection	December 2, 2022

## **1.6** Confidential and/or Critical Energy Infrastructure Information

Any necessary Confidential and/or Critical Energy Infrastructure Information will be provided to RFP Respondents subject to executing the NDA in Attachment A.

## 1.7 Questions and Communications

Any questions or inquiries related to this RFP, Project, or the submission of Proposals and their evaluation, shall be directed solely to MLGW's Contracts Management Team through the contact information provided below. MLGW staff should not be contacted directly. MLGW will publicly post a list of questions and/or requests for clarifications it receives at <a href="https://contractsrfp.mlgw.org">https://contractsrfp.mlgw.org</a>.



#### MLGW Contracts Management Contact Information for this RFP:

E-mail Address: <a href="mailto:powersupplyrfp@mlgw.org">powersupplyrfp@mlgw.org</a>

Subject Line: Contract #12320 POWER SUPPLY - THERMAL

### **1.8** No Obligation to Continue Project or Accept a Proposal

This RFP does not constitute an offer of any kind, including an offer to enter into any contract, and is merely a request for the RFP Respondent to submit information. MLGW may decline to accept any or all Proposals. MLGW's issuance of this RFP does not constitute any commitment by MLGW to move forward with the Project, and MLGW may cancel the Project and withdraw this RFP at any time.

Award of any contract requires the approval of the MLGW Board of Commissioners and the Memphis City Council.

### 1.9 Contract Key Terms

The winning RFP Respondent will be required to negotiate a PPA for the sale of power to MLGW. Such agreement shall include industry standard PPA terms for the type of power being offered. The unit-contingent PPA shall include, but not be limited to, the following provisions:

**Guaranteed Commercial Operation Date and Delay Damages** – The PPA shall contain provisions establishing a guaranteed commercial operation date (GCOD) and liquidated damages for each day after the GCOD that Seller fails to achieve commercial operation. Such damages shall be based on a fixed dollar amount multiplied by the planned nameplate capacity of the generation source.

**Performance Guarantees** – The PPA shall contain provisions establishing liquidated damages pertaining to the criteria outlined in Section 3.3 below; performance incentives may also be considered. Buyer shall have the right to terminate the PPA in the event the Seller fails to meet contractual performance guarantees in two (2) consecutive contract years or in a cumulative total of three (3) contract years.

**Environmental Attributes** – In the event there are environmental attributes or certain benefits (including, but not limited to, renewable energy credits) (collectively, "Environmental Attributes") produced as a result of the source facility's operation, Buyer shall be entitled to all such Environmental Attributes; provided, however, ownership of tax benefits shall remain with Seller. In the event of a production short fall, Seller shall be obligated to provide replacement Environmental Attributes in addition to shortfall liquidated damages and such replacements



shall comply with any applicable renewable portfolio standards or other regulatory requirements applicable to MLGW at the time of the shortfall.

**Insurance** – Seller shall be required to procure insurance in the amounts specified by MLGW. MLGW shall be listed as an additional insured on all policies.

**Seller Guaranty and Security** – Seller shall provide a parent guarantee or Letter of Credit if requested by MLGW as a condition precedent to the effectiveness of the PPA.

**Dispute Resolution** – Disputes shall be resolved pursuant to the following process: first by meeting of senior personnel and finally by litigation in courts situated in Shelby County, TN.

**Indemnity** – The winning RFP Respondent shall indemnify and hold MLGW harmless from third party claims resulting from the winning RFP Respondent's negligent action/inaction.

**Confidentiality** – Standard provisions requiring the non-disclosure of confidential information, except as may be required by law (including, but not limited to, the Tennessee Open Records Act).

Governing law - Tennessee.

## Section 2: Project Summary

### 2.1 Technology Descriptions

Major equipment components are described below. Winter (ISO) capacities are indicated. Respondents may address any of the two portfolios selected either in whole or in part. Listed vendors are considered to be pre-authorized. Additional information may be requested if Respondent chooses to use another vendor.

#### 1x1 Combined Cycle (450 MW w/DB)

- Frame FA Combustion Turbine
  - General Electric Gas Power 7FA.05
  - Mitsubishi Power M501G1/M501GAC
  - Siemens Energy SGT6-5000F
- HRSG
  - General Electric Gas Power
  - Nooter/Eriksen
  - Vogt Power International
- Steam Turbine
  - Doosan Škoda Power
  - General Electric
  - Mitsubishi Power
  - Siemens Energy



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- Auxiliaries and Structures
  - In accordance with Prudent Utility Practices and applicable industry Codes and Standards (e.g., relevant ASCE, ASME, ASTM, IEEE, ISA, NEC, NEMA, IBC, etc.)
  - Condensers
    - Doosan Škoda Power
    - o Holtech International
    - Maarky Thermal Systems
    - Thermal Engineering International (TEi)
  - Cooling Towers
    - Cooling Tower Depot
    - o Evaptec
    - o Hamon
    - SPX Cooling Technologies
  - Air Cooled Condensers
    - Evapco
    - Holtec International
    - SPIG Dry Cooling

#### Simple Cycle CT (SCCT 237 MW)

- Frame FA Combustion Turbine
  - General Electric Gas Power 7FA.05
  - Mitsubishi Power M501G1/M501GAC
  - Siemens Energy SGT6-5000F
- Auxiliaries and Structures
  - In accordance with Prudent Utility Practices and applicable industry Codes and Standards (e.g., relevant ASCE, ASME, ASTM, IEEE, ISA, NEC, NEMA, IBC, etc.)

### 2.2 Transmission Interconnection and Delivery of Electricity

RFP Respondents shall carry the full cost of the thermal plant electric lead line from the high voltage side of the thermal plant GSU transformer(s) to the POI.

RFP Respondent's point of delivery shall be at the designated Point of Interconnection (POI) with the MLGW 161kV transmission system. The successful bidder will eventually be responsible for the siting, routing, permitting, transmission line ROW procurement, engineering, equipment and material procurement, construction, and commissioning activities associated with the interconnecting transmission line(s) up to the POI. The plant output will be telemetered net of any station service loads and compensated for 161kV line losses, if applicable.

RFP Respondents will be required to submit a Generator Interconnection Request (GIR) as described in the MLGW Facility Connection Requirements document, Version 6.0, Section



2.01, dated January 2021<sup>3</sup>. MLGW will notify RFP Respondents when the GIR will be required to be submitted and MLGW's schedule for completing the required impact studies.

## 2.3 Automatic Generation Control

Each generator must include Automatic Generation Control (AGC), and the turbines shall be able to operate to maintain a certain level of generation as dictated by MLGW. For clarification, the generator owner would operate the generation resources requested in this RFP as part of a future MLGW Local Balancing Authority, which would be operating under the MISO Balancing Authority and participating in the MISO capacity, energy, and ancillary services market.

## Section 3: Proposal Submission, Content, and Format

## 3.1 RFP Responses

Qualified vendors interested in developing, permitting, designing, constructing, commissioning, owning, operating and maintaining the underlying projects are required to submit a Proposal.

A Proposal comprises a completed Proposal Template (.doc), completed Bid Forms (.xlsx), all required attachments referenced therein, and any additional information deemed necessary by the RFP Respondents.

In developing a proposal, RFP Respondents must use the provided Proposal Template and Bid Forms. This RFP package, which is available for download on <u>https://www.mlgw.com/powersupplyinfo</u>, includes the following:

Part 1: Request for Proposal (RFP) Part 2: Proposal Template (.doc) Part 3: Bid Forms (.xlsx)

To be accepted for consideration, qualified vendors must submit a Proposal utilizing the provided Proposal Template and Bid Forms and must strictly adhere to the instructions and guidance provided.

## **3.2 Description of Services**

Qualified vendors must submit proposals that include the following services in support of a PPA, including the underlying thermal project supporting such PPA:

Design-Build services including all siting, site and easement/ ROW acquisition, routing,

<sup>&</sup>lt;sup>3</sup> See MLGW Facility Connection Requirements document: <u>https://www.mlgw.com/builders/facilityconnection</u>

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permitting, engineering, procurement, construction and commissioning activities. Vendors will own, operate and maintain the thermal generation projects. Vendor will be responsible for development and construction of the thermal generation projects with input from and coordination with MLGW, except that MLGW will be responsible for development and construction of the POI interconnecting facilities and associated improvements or upgrades to its electrical transmission assets in support of the vendor's project. Development activities shall include the thermal plant, electric lead line to the designated substation, thermal project natural gas radial line from the main gas pipeline to the thermal project gas yard, water supply and wastewater piping and infrastructure, without limitation: development of project budget and schedule; acquisition of site and easements/ ROW, negotiation and execution of interconnection agreements; project engineering; public outreach; preparation and submittal of applications for regulatory approvals and permits; negotiation of agreements for procurement and construction; and construction management.

Vendors will be responsible for all Operation and Maintenance activities and capital additions associated with the plant(s). This includes providing all staff, facilities, tools, and maintenance contracts required to keep the plant(s) operational in accordance with guarantees represented by RFP Respondent.

MLGW is seeking a Tolling Agreement and as such MLGW will coordinate with the Vendor in scheduling and delivering gas to the thermal project gas yard meter. Vendor will receive gas and convert to electricity for delivery at the designated POI with the MLGW 161kV transmission system. Vendor will be responsible for coordinating all efforts, including start-up within a defined window from MLGW request to start/ stop units, modulate units, or allow for MLGW to take control of units through AGC.

## 3.3 PPA Terms and Conditions

#### Pricing Structure:

The Respondent's proposal must include all cost components reflecting an "all in" contract price that MLGW would pay to Respondent under the unit-contingent PPA. The "all in" contract price would be for all products associated with the generation and delivery to MLGW of capacity, energy, ancillary services, and environmental attributes from the Respondent's proposed project. As contained in Attachment C Bid Forms, Schedule E – Pricing, MLGW anticipates the following pricing elements to be included in the Respondent's proposal.

• Term – all proposals must include a minimum PPA term of 20 years for the proposed project with an expected start date no later than January 2, 2028;



- Capacity Rate expressed in \$/kW-year and based on the proposed generation's ICAP and can either be fixed for the entire term or escalated annually by a fixed index;
- Fixed O&M expressed in \$/kW-year and based on the proposed generation's ICAP and can either be fixed for the entire term or escalated annually by a fixed index;
- Variable O&M Rate expressed in \$/MWh for delivered generation and fixed for the entire term or escalated annually by a fixed index;
- Non-Fuel Start Charge expressed in \$/Completed Start and fixed for the entire term or escalated annually by a fixed index;
- Toll Premium expressed in \$/Month and is an optional item that is available for Respondent to provide any other pricing elements that are not covered in the previously mentioned cost items.

Since this will be a tolling PPA based arrangement, MLGW will supply natural gas fuel to the generation facility and requires the Respondent to provide a guaranteed HHV heat rate curve at various operating levels for the project.

#### Performance Guarantees:

The Respondent's proposal must include performance guarantees for various elements of the generating plant. As contained in the Attachment C Bid Forms, Schedule F – Performance, MLGW requires the following performance guarantees to be included in the Respondent's proposal.

- Heat Rate a guaranteed heat rate with points along the curve corresponding to actual and projected heat rates of the generation resource at the available dispatch levels.
- Availability monthly availability requirements are: (i) for CCCTs, 97.5% year round;
  (ii) for SCCTs, 98.0% year round. The monthly availability requirements exclude planned maintenance outages. The rolling 12-month availability requirement is 85% for CCCT resources and 90% for SCCT resource, and this does include planned/unplanned maintenance outages. Failure to meet the availability requirements will result in payment reduction to Respondent.
- Emissions emissions thresholds at 100% capability fired and unfired for SO2, NOx, CO, CO2, VOC, and other dispatch related emissions.
- Ramp Rate / Start-Up Time ramp rates for 50% operating level, maximum unfired, and with duct-firing. Start-times for cold, warm, and hot starts (to achieve the minimum operating level).
- Capacity / Capability the annual amount of generating capacity available to MLGW, pursuant to testing and acceptable degradation, should be guaranteed within a



mutually agreed upon threshold of the RFP requested quantities: (i) for CCCTs, 450 MW (ISO Winter) at full load, including unfired and fully duct-fired, (ii) for SCCTs, 237 MW (ISO Winter) at full load. As a reminder, capacity payments will be based, in part, on the annual ICAP rating of the project.

 Minimum-Run Time & Minimum Down-Time – Respondents should designate the allowable minimum run-times and down-times (including number of starts per day) for each generation resource.

#### Other:

As part of this RFP effort, MLGW would be joining MISO and all generation assets that are under MLGW's control (acquired as a result of this RFP) would be participating in the MISO market and dispatched accordingly. Therefore, Respondents should recognize that MLGW will be the exclusive off-taker for resources acquired in this RFP and will utilize these RFP resources to meet its obligations in the MISO market (capacity, energy, ancillaries, etc.). As such, MLGW is seeking generation resources with scheduling and dispatch flexibility and the accompanying rights in any PPAs negotiated with Respondents. The Proposal shall include a narrative as outlined within the Proposal Template and completed Bid Forms which detail the Proposal Respondent's pricing and performance guarantees.

### 3.4 Qualifications to Submit a Proposal

RFP Respondents are to include the following information regarding financial resources and experiences with similar projects.

- Description of Capital Resources including Capital Reserves
- Credit Ratings and reports
- Audited and Pro Forma Financial Statements or similar information
- Description of three (3) similar thermal projects that included comparable output and configuration, development activities, permitting, procurement, construction, and commissioning, including ROW acquisition, operations and maintenance, asset management, and energy scheduling. Provide project cost performance data, adherence to schedules, and applicable references for permitting activities. Provide Health and Human Safety Performance Metrics for those projects including any industry standardized ratings.
- Comparable PPA background and references
- USEPA air permit experience
- Experience with permitting and construction

• Client references associated with the referenced agreements and projects

## 3.5 Proposal Submission Deadline

An electronic copy of each Proposal shall be submitted to the portal, <u>https://contractsrfp.mlgw.org</u>, as specified in this RFP, by no later than 5:00 PM Central Prevailing Time ("CPT") on Thursday December 9, 2021 (the Proposal Submission Deadline). An electronic copy will not be accepted via e-mail.

## 3.6 **Proposal Format and Content**

MLGW has provided proposal templates ("Proposal Templates") for Proposal submissions titled Proposal Template and Bid Forms that are publicly posted on the MLGW website. Proposals shall utilize the Proposal Templates and must complete them to the specified level of detail.

#### **Electronic Submission Format:**

Proposals shall be submitted in Microsoft Office, Adobe Acrobat .pdf (.pdf text must be able to be copied and pasted into Microsoft Word as text rather than as an image), or in a format of a similar nature readable by Office or Acrobat applications. No electronic executable files (\*.exe) will be accepted by MLGW.

## 3.7 Proposal Cure Period

MLGW will review Proposals for completeness and will notify RFP Respondents whether their Proposal is complete or deficient within thirty (30) Calendar Days of the Proposal Submission Deadline. Any Proposal deemed to be deficient will have a single Proposal Cure Period of thirty (30) Calendar Days from the date of such notification to submit information necessary to satisfy all the Proposal requirements. Proposals that are not complete at the end of the Proposal Cure Period will be deemed invalid and will not be evaluated or considered further and the Proposal Security will be returned. Changes to the estimated pricing will not be accepted after initial submission of the Proposals.

## 3.8 List of Proposals Received

Each RFP Respondent will be assigned a unique identification number. Any public posting of proposals received will use this identification number.

### 3.9 Preparation & Submission Expenses

MLGW is not liable for any expenses incurred in the preparation and submission of a Proposal.



## **Section 4: Evaluation of Proposals**

MLGW will utilize evaluation criteria to perform a comparative analysis of all Proposals submitted prior to the Proposal Submission Deadline, which are valid, have been cured of any deficiencies, and have not been withdrawn.

## 4.1 Evaluation Criteria

MLGW will consider the following four (4) general categories and associated weighting in evaluating Proposals ("Evaluation Criteria") and an additional bonus category for supplier diversity, contained in the following Scoring Rubric below.

Thermal Generation PPA Evaluation Metrics/Criteria				
	Criteria		Sub-criteria	Example Score
d becificity)	PPA Pricing Structure	30%	Fixed Cost / Charge (e.g. \$/kW-mo rate) Non-Fuel Variable Cost / Charge (e.g. \$/MWh rate) Start-Up Cost / Charge (e.g. \$/Start) Payment Terms	30
Principles Applie tigation, Cost & Sp	Performance Guarantees	30%	Heat Rate Availability Emissions Ramp Rate / Start-Up Time Capacity / Capability Minimum Run-Time / Down-Time	30
Evaluation nty, Risk Mi	Viability	20%	Technical Water & Wastewater Supply Environmental Financial / Creditworthiness	20
(Certai	Experience	20%	Design Construction Management O&M Safety Asset Management	20
Sub-Total Score Before Supplier Diversity Bonus Points			100	
Bonus Points	Supplier Diversity		Local firm and MBWE participation*	5
Total Maximum Score After Supplier Diversity Bonus Points			105	

\* See section 4.3 below for more information on local firm and MBWE participation.



### 4.2 Evaluation Principles

In evaluating Proposals, MLGW's evaluation and weighting criteria will be guided and influenced by the collective application of the following evaluation principles.

The evaluation principles are intended to provide a framework for evaluating Proposals. In considering the aspects listed above, MLGW's evaluation of Proposals will be guided and influenced by the collective application of the following:

- Certainty Providing a high degree of certainty and predictability
- **Risk Mitigation** Reflecting the lowest risk to the success of the project and operating performance
- Cost Meeting all requirements at the lowest overall cost
- Specificity Providing a high degree of specificity and detail

## 4.3 Local Firm and MWBE Criteria and Evaluation

In evaluating proposals, MLGW will provide up to five (5) "bonus points" expressed in percentage adders to the RFP Scoring Rubric. If the prime contractor includes a subcontractor that is a certified MBE, LSB or WBE and that spend percentage of the Indicative Project Cost from Schedule E of the Bid Forms is any of the following tiers:

10% = 1 bonus point

>=10% to less than 20% = 3 bonus points

>=20% = 5 bonus points

Learn more about the Supplier Diversity program, advocate agencies, our business classifications and more at <u>https://www.mlgw.com/about/supplierdiversityabout</u>.

## 4.4 Notification of Thermal Projects Award

MLGW will post the name of the selected vendor on its website by December 2, 2022.

## 4.5 Contract

It is anticipated that MLGW and the selected Developer will execute a Contract no later than January 3, 2023. The Contract may include Supplementary and other Conditions and specifications furnished by MLGW for the guidance and assistance of the Developer herein referred to as the Contract Documents. The Contract Documents comprising the complete contract should supplement, but not duplicate each other and together constitute one (1) complete set of Specifications. Any work exhibited in the one and not in the other shall be executed just as if it had been presented in both. The Work shall be completed in every respect, according to the complete designs as decided and determined by MLGW.



## **Section 5: Project Schedule**

### 5.1 Expected In-Service Date

No later than January 2, 2028.

## 5.2 **Project Implementation Schedule**

This high-level project implementation schedule is not intended to be an exhaustive list of all steps or regulatory approvals necessary. Specific deadlines for required regulatory approvals must be proposed by RFP Respondents and shall be based on meeting their proposed development schedules.

## Section 6: Standards, Requirements, & Guidelines

Task	Date
Deadline for MLGW to announce selected developer	December 2, 2022
Contract Execution	January 3, 2023
Provide monthly Project status reports	Monthly
Provide any required executed transmission to transmission interconnection agreements to MLGW	December 2026 (prior to backfeed)
Project in-service date	January 2, 2028

Bidders shall utilize Prudent Utility Practices and applicable industry Codes and Standards (e.g., relevant ASCE, ASME, ASTM, IEEE, ISA, NEC, NEMA, IBC, etc.) in the development, permitting, design, construction, and operation and maintenance of the underlying project to support the PPA. In addition, Vendor shall meet all Federal, State and local laws, regulations and requirements in accordance with the Authorities Having Jurisdiction.



## **RFP Attachments**

Attachment A: Non-Disclosure Agreement

Attachment B: Proposal Template

Attachment C: Bid Forms

Schedule A: Safety

Schedule B: Reference for Qualifications

Schedule C: Business Information

Schedule D: Financial Information

Schedule E: Pricing

Schedule F: Performance

Schedule G: Suppliers of Major Equipment

Schedule H: SCCT Form

Schedule I: CCCT Form

#### MEMPHIS LIGHT, GAS AND WATER DIVISION CITY OF MEMPHIS MEMPHIS, TENNESSEE

#### CONFIDENTIALTY AND NON-DISCLOSURE AGREEMENT for Contract No. 12320 POWER SUPPLY – THERMAL

THIS CONFIDENTIALTY AND NON-DISCLOSURE AGREEMENT is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021 with the {\_\_\_\_\_} ("Recipient").

WHEREAS Memphis Light, Gas and Water Division ("Discloser") possesses certain utility infrastructure information which is confidential ("Confidential Information");

WHEREAS the Confidential Information is of a nature which may allow a person to identify areas of structural or operational vulnerability of Discloser or that would permit unlawful disruption to, or interference with, the services provided by Discloser; and

WHEREAS the Recipient is willing to receive disclosure of the Confidential Information pursuant to the terms of this Agreement for the purpose of responding to Request for Proposal for Contract No. 12320 POWER SUPPLY – THERMAL;

NOW THEREFORE, in consideration for the undertakings under this Agreement, the Recipient agrees to the below terms as follows:

- 1. <u>Disclosure</u>. The Recipient agrees to receive the Confidential Information.
- 2. <u>Confidentiality</u>.
  - 2.1 No Use. The Recipient agrees not to use or duplicate the Confidential Information in any way except for the following purpose authorized by the Discloser: submitting a proposal for Contract No. 12320 POWER SUPPLY – THERMAL.
  - 2.2 *No Disclosure*. The Recipient agrees to prevent and protect the Confidential Information, or any part of the Confidential Information, from disclosure to any person other than the Recipient's employees that have a need for disclosure in connection with the Recipient's authorized use of the Confidential Information. Disclosure to an independent contractor or consultant of the Recipient is strictly prohibited without the expressed written consent of Discloser.
  - 2.3 *Protection of Secrecy*. The Recipient agrees to take all steps necessary to protect the secrecy of the Confidential Information and to prevent the Confidential Information from falling into the public domain or into the possession of unauthorized persons.

- 3. <u>Limits on Confidential Information</u>. Confidential Information shall not be deemed proprietary and the Recipient shall have no obligation with respect to such information where the information:
  - (a) Was known to the Recipient prior to receiving any of the Confidential Information from the Discloser;
  - (b) Has become publicly known through no wrongful act of the Recipient;
  - (c) Was received by the Recipient without breach of this Agreement from a third party without restriction as to the use and disclosure of the information;
  - (d) Was independently developed by the Recipient without use of the Confidential Information; or
  - (e) Was ordered to be publicly released by the requirement of a government agency, court, or operation of law.
- 4. <u>Ownership of Confidential Information</u>. The Recipient agrees that all Confidential Information shall remain the property of Discloser and that the Discloser may use such Confidential Information for any purpose without obligation to Recipient. Nothing contained herein shall be construed as granting or implying to the Recipient any transfer of rights, any patents, or any other intellectual property pertaining to the Confidential Information.
- 5. <u>Return of Confidential Information</u>. Immediately upon demand by the Discloser, the Recipient shall deliver to the Discloser all of the Discloser's Confidential Information and copies which are then in the possession of the Recipient. At the request of the Discloser, the Recipient shall certify in writing that the Recipient has destroyed or turned over to the Discloser all documents containing such Confidential Information.
- 6. <u>Term and Termination</u>. The obligations of this Agreement shall be continuing until the Confidential Information disclosed to the Recipient is no longer confidential.
- 7. <u>Survival of Rights and Obligations</u>. This Agreement inures to the benefit of, and shall be enforceable by the Discloser, the Discloser's successors and assignees; and shall be binding upon the Recipient, the Recipient's successors and assignees.
- 8. <u>Governing Law</u>. This Agreement shall be interpreted, construed, and governed according to the laws of the State of Tennessee, regardless of choice of law. For the purposes of any dispute arising out of the subject matter of this Agreement, the parties agree that they shall submit solely to the jurisdiction of the courts of Shelby County, Tennessee.
- 9. <u>Required Disclosure</u>. If the Recipient becomes legally compelled to disclose any Confidential Information, it shall immediately notify the Discloser to the extent legally permissible, so that the Discloser may, at the Discloser's option, seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. In the event Recipient becomes legally compelled to disclose any

Confidential Information, Recipient, after compliance with the requirements of this paragraph, may disclose only such portion of the Confidential Information as is necessary to comply with the legal requirement compelling such disclosure.

- 10. <u>Waiver</u>. No failure or delay by a party in exercising any right, power, or privilege under this Agreement shall operate as a waiver of said right, power, or privilege, nor shall any single or partial exercise of said right, power, or privilege preclude any other or further exercise of said right, power, or privilege or the exercise of any other of said right, power, or privilege in this Agreement.
- 11. Authentication.

**IN WITNESS WHEREOF**, the Recipient has caused this Agreement to be executed.

{Recipient}	
Signature:	
Name:	_
Title:	
Date:	
Approved MEMPHIS LIGHT, GAS AND WAT	ER DIVISION

By:	:	 
•		

Date: \_\_\_\_\_

NOTICE: This Agreement MUST be signed by an individual empowered to contractually bind the Recipient. If said individual is not the chief executive, this Agreement shall have attached to said Agreement evidence showing the individual's authority to contractually bind the Recipient.

END