



AUSTIN ENERGY
REQUEST FOR PROPOSALS (RFP)
FOR THE PURCHASE OF RENEWABLE CAPACITY & ENERGY
FROM RENEWABLE ENERGY RESOURCES

1. **PURPOSE**

A. Statement of Intent

The City of Austin, Texas d/b/a Austin Energy (AE) is soliciting proposals from companies qualified and experienced in the development and operation of renewable energy resources, including wind and solar, and energy delivery systems utilizing stored renewable power. In particular, AE desires to consider the long term purchase of up to 250 MW of energy, capacity and associated environmental attributes/renewable energy credits from utility-scale renewable energy resources, as defined by the Substantive Rules of the Public Utility Commission of Texas (PUCT), that are located in the Electric Reliability Council of Texas (ERCOT) service region.

In addition, AE will consider the purchase of utility-scale battery energy storage systems, either on a stand-alone basis or in parallel operation with a renewable energy facility. AE prefers 2-4 hours of battery storage duration with full Ancillary Service capability.

This solicitation is open to all renewable technologies, with a particular interest in solar in combination with battery storage.

B. About Austin Energy

AE is a municipal electric utility owned and operated by the City of Austin, Texas, engaged in the generation, distribution, and transmission of electricity to over 450,000 residential, commercial and industrial customer accounts in the Greater Austin area. AE's governing body is the City Council of Austin.

AE has approximately 4900 MW of generation capacity, either wholly owned or subject to long term Power Purchase Agreements. This diverse portfolio includes nuclear, coal, natural gas, biomass, wind, and solar. AE participates in all aspects of the ERCOT wholesale power market for purposes of serving its load and maximizing the value of its resources.

By the end of 2020, AE's energy supply portfolio will consist of approximately 2500 MW of renewable resource capacity with a current goal, as outlined in AE's Resource Generation and Climate Protection Plan to 2027, of achieving a renewable portion equal to approximately 65% of AE's total energy consumption.

C. RFP Schedule

AE expects to maintain the schedule below, but reserves the right to revise the schedule to accommodate unexpected changes.

RFP Issue Date: **June 6, 2019**

Deadline for email questions will be **5:00 pm CT on June 27, 2019**

RFP responses are due by 2:00 pm CT on July 18, 2019

AE will review all proposals and determine a short list of proposals to consider for further evaluation. Short-listed Proposers may be contacted to provide additional information and documentation regarding their proposal.

D. Contact Information, Questions and Answers

Proposers must submit their Proposal(s) electronically by the aforementioned deadline to EnergySupply@austinenergy.com. Proposal format and requirements are described in subsequent sections.

During the RFP process, any and all questions regarding the RFP must be submitted to EnergySupply@austinenergy.com. Please note that any questions submitted after 5:00 pm CT on June 27, 2019 will not be reviewed or answered.

E. Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying

1. Austin City Code Chapter 2-7, Article 6 relates to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Lobbying Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation. The Authorized Contact Person for this solicitation is Matt Liner, who can be contacted via e-mail at EnergySupply@austinenergy.com.
2. If during the No-Lobbying Period, an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in City Code.
3. By submitting a proposal, Proposers agree they **have read and will abide by the City of Austin's Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying requirements** found in Attachment 1. Proposers understand that failure to follow local and state law requirements may result in disqualification from consideration or criminal prosecution.

2. SCOPE

A1. Renewable Energy Generating Facility Technology

Please provide the following information:

1. The exact geographic location of the offered facility and the point of interconnection with the Transmission Service Provider (TSP), either existing or proposed.
2. A detailed description of the technology that either exists or will be constructed on the site to provide the renewable energy and capacity. Note that all facilities must meet applicable regulatory and industry safety, environmental and operational standards, including but not limited to the applicable ERCOT, Texas Reliability Entity (TRE) and North American Electric Reliability Corporation (NERC) standards and requirements.
3. Technical information for the facility including wind turbine and/or solar panel and inverter type, make, model, configuration, general layout diagrams, plant design, nameplate capacity rating, net plant capacity, annual net output, projected capacity factor, in-service date or projected in-service date, estimated service/design life, etc.
4. Expected annual hourly output profile (8760 hours). Include net output rating, capacity factors, and assumptions regarding forced outage rates, deratings, expected reasons for maintenance, etc.
5. A complete description of the interconnection point, including:
 - Corresponding voltage levels to the TSP/ERCOT transmission system,
 - Description of metering arrangement at the interconnection point,
 - Description and status of proposed site interconnection arrangements including proposed transmission line construction (if any),
 - Description and status of TSP/ERCOT interconnection process,
 - Detailed studies of local congestion and other congestion-related issues.
6. Identification of major equipment suppliers and description of manufacturers' and vendors' warranties, if any, in effect for the facility and details regarding the design/service life of the project.
7. A description and confirmation of Proposer's ability to procure an adequate supply of turbines and/or panels and inverters to support its proposal.
8. Proposer's engineering, construction, operating and environmental team qualifications.
9. A description of the environmental compliance requirements and all regulatory permits, licenses or approvals required by the facility to supply renewable power.
10. Description of Proposer's plan for facility decommissioning at the end of its life including plans for equipment removal, site cleanup and remediation with an emphasis on minimizing environmental impact. Please provide a plan for recycling/reuse of any equipment that would be removed on decommissioning.

11. Details regarding site location, coordinates and control, including lease and easement arrangements, any local tax abatement agreements or applications, and accommodations with mineral owners for surface use.
12. Timelines/Milestones for (a) project permitting, (b) securing interconnection and related agreements, (c) project financing commitments, (d) EPC execution, (e) equipment acquisition and delivery, (f) financial close, and (g) commercial operation.
13. Any other significant information, maps, or drawings regarding the facility.

A2. Energy Storage Technology (optional)

Unless detailed in A1 above, please provide the following information:

1. The exact geographic location of the proposed facility, if known, or a general area under consideration for development.
2. A detailed description of the technology that either exists or will be constructed on the site to provide the stored energy and capacity. Note that all facilities must meet applicable regulatory and industry safety, environmental and operational standards, including but not limited to the applicable ERCOT, Texas Reliability Entity (TRE) and North American Electric Reliability Corporation (NERC) standards and requirements.
3. Technical information for the battery system including equipment make, model, configuration, general layout diagrams, system design, nameplate capacity rating, net plant capacity, annual net output, projected capacity factor, in-service date or projected in-service date, estimated service/design life, etc.
3. Describe the proposed project team and project structure. Include team members' experience with similar projects, ERCOT experience and examples of similar systems in existence elsewhere.
4. Describe the proposed network and control scheme including SCADA system and communications equipment; and the system capability to receive and follow an AGC signal from the QSE/ERCOT, as well the capability to provide ancillary services, if any.
5. Describe any environmental, safety, and health issues related to the project including:
 - a) Safety concerns related to the proposed technology
 - b) Physical dimensions of major equipment
 - c) Land area required
 - d) Relevant geographic restrictions or requirements
 - e) Noise generated by equipment
 - f) Water consumption
6. Identify the following for all technologies:
 - a) Electrical energy storage capacity (MWh) on an as-output basis
 - b) Maximum storage discharge power (MW)
 - c) Maximum storage charging power (MW)

- d) Response time (e.g. how quickly the storage facility can be brought on line)
- e) Duration of facility longest continuous operation and MW level
- f) Discharge ramp rate (MW/min)
- g) Charging ramp rate (MW/min)
- h) Any limits on charging and discharging (based on ambient temperature or other conditions)
- i) Forced outage rate
- j) Expected maintenance requirements (days per year)
- k) Types of Ancillary Services that can be provided (in charge or discharge state)
- l) Design depth-of-discharge
- m) Discharge capacity for different discharge durations¹ (MW) (e.g. rated power for different discharge duration)
- n) Time it takes to recharge the storage facility from full depth of discharge to maximum state-of-charge
- o) Allowable cycles per year (e.g. expected frequency of discharge on a daily or yearly basis)
- p) Round-trip efficiency
- q) Self-discharge rate
- r) Annual capacity degradation factor
- s) Battery chemistry

B. Power Purchase Agreement (PPA)

1. Structure. Under a long term PPA arrangement, AE will purchase the energy, capacity and environmental attributes from either or both the renewable generation and/or the stored energy, if offered. The PPA will contain terms and provisions governing the purchase and sale of such energy and environmental attributes delivered from selected projects (either at the project interconnection point at the project busbar or at a geographical delivery point at a regional ERCOT trading hub). The PPA will also include terms for performance, including those associated with the completion of project milestones in order to achieve timely commercial operation, as well as terms for minimum performance standards after commercial operation has commenced.

2. Term. AE will consider a term of at least 10 years up to a maximum of 25 years.

3. Capacity. AE expects to acquire up to 250 MW of renewable energy capacity under this RFP with energy to be purchased from either one single facility or multiple facilities. AE will determine the level of stored energy to be purchased, if any, after evaluation of all offers.

4. Commercial Operation Date. AE will consider any commercial operation date that returns the best value to AE and its customers as determined by AE from its overall project evaluation.

5. Performance Security/Insurance. Upon PPA execution, the Seller will provide and maintain performance security over the contract term; the amount, form and substance of the performance security must be pre-approved by AE after an evaluation of Seller's

¹ Provide a matrix that lists the combination of capacity in MW and hours; for example 1 MWh battery could be operated at .5 MW for 2 hours or .25 MW for 4 hours.

financial capability. To the extent proposed pricing may be sensitive to security requirements, please clearly describe that in your pricing offer. The Seller will also be required to maintain adequate insurance coverage for the PPA term.

6. Other. Draft PPAs prepared by AE will be submitted to short listed respondents. AE reserves the right to award one or more contracts in order to satisfy its requirements, or make no contract awards. Only qualified renewable technologies will be considered under this RFP. Proposers may make offers from one or more projects. Proposers may submit more than one Proposal and may submit multiple offers from the same generating facility.

C. Delivery Conditions

1. Point of Delivery (POD). Under the terms of the PPA, AE will purchase energy at a POD located at a) the applicable facility's interconnection point into an ERCOT-registered TSP pursuant to an executed Interconnection Agreement (the POI), or b) as an alternative, an ERCOT regional trading hub.

2. QSE. For energy delivered and sold at the POI, AE will provide Qualified Scheduling Entity (QSE) services for the facility and will perform all obligations of a QSE representing a resource under ERCOT Protocols including scheduling and settlement with ERCOT. Energy delivered from the facility will be offered into the market in a manner that ensures that AE does not pay for and/or settle, in its role as QSE, any energy deliveries during negatively priced ERCOT settlement intervals.

3. Metering & Communications. Energy delivered at the POI will be metered at an ERCOT Polled Settlement (EPS) Meter dedicated solely to the measurement of energy sold and purchased under the PPA. AE will not consider proposals containing split or allocated meter arrangements. The EPS meter station will include communication equipment to allow AE to read the meter in real time from AE's primary and backup generation management systems in Austin, Texas. All communication, SCADA and telemetry equipment will be provided by the Seller and will be designed to meet both ERCOT's and AE's equipment and data communication requirements which include, but are not limited to: a back-up revenue quality meter, an adequate data historian system, two private communication channels with related technology on both ends in order to deliver data from the facility to both AE's main and back-up control centers in Austin, and redundant ICCP servers, routers and network equipment designed to communicate real-time information to AE.

4. Operations. In order for AE to fulfill its obligations as QSE in accordance with ERCOT Protocols, at a minimum, the generating facility must have a single point of contact available on a 24/7 basis in order to respond to requests, directives and emergency orders.

3. PROPOSAL

A. Proprietary Data in Proposal.

The proposer shall identify the page number(s) in which proprietary information is presented. All materials submitted to AE become public property and are subject to the Texas Public Information Act upon receipt. If a Proposer does not want proprietary information to be disclosed, each page must be identified and marked **Proprietary** at the time of submittal. AE will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Attorney General of Texas. Failure to identify proprietary information will result in all unmarked pages being deemed non-proprietary.

B. Proposal Format

1. **Term Sheet** – Provide a summary of the principal features of the Proposal, including offered pricing, the critical development milestones and other operational aspects of the proposal, including the proposed point of interconnection.
2. **Business Organization and Financial Capability** – In order for AE to assess the financial strength of the Proposer, the Proposal will need to include the following information:
 - a. Full name and address of the proposing organization. Identity of parent company if the entity is a subsidiary;
 - b. Company ownership structure, form of organization (partnership, corporation, joint venture, limited partnership, limited liability company, or sole proprietor, etc.);
 - c. Names of principal officers of the organization and general partner, if any;
 - d. Description of the financial structure of the company;
 - e. Description of the financial capability of the company; please include relevant information on the Proposer, any parent company and any partners involved in the Proposal, as well as two years of audited financial statements, including a balance sheet, statement of cash flows and income statement with Proposer's Dunn and Bradstreet number;
 - f. Other evidence of creditworthiness of Proposer and/or Proposer's guarantor, including ability to obtain and secure financing for new projects, sources of equity and long-term debt, and bank/financial institution references;
 - g. Profile of qualifications to do business in the State of Texas;
 - h. Primary contact information for individuals responsible for the Proposal and authorized to manage contract negotiations; and
 - i. Other information considered relevant by Proposer.
3. **Corporate and Professional Experience** – The Proposal shall at a minimum address the following:
 - a. Experience with the proposed technology; development, management, operation and maintenance of projects of a similar type, size and scope.
 - b. Descriptions of generating facilities of the same technology type (including nameplate, gross and net capacities) that have been constructed, owned and/or operated by Proposer and/or its parent company that are in service,

projected to be constructed and/or to be placed into commercial operation;

- c. For new construction projects: qualifications of permitting, engineering, construction, operating and environmental team members that will be assigned to the project; including any experience working with ERCOT, municipal, co-op and investor-owned electric utilities in the development of renewable facilities; and
- d. Other relevant information that the Proposer determines to be beneficial in assisting AE in its evaluation of the project.

4. Proposal Cost

- a. **For renewable generating facilities:** Proposers must identify all pricing elements that are included and will determine the cost of supplying the renewable capacity and energy. AE prefers a fixed, non-escalating price for the term of the PPA. Proposer should state a fixed price in U.S. dollars per megawatt-hour (\$/MWh) for the renewable energy delivered to the Point of Delivery, including all environmental attributes/renewable energy credits attributable thereto, for the term of the PPA. Any non-fixed pricing should be stated as a schedule of annual prices.
- b. **For energy storage facilities:** Proposers must identify all pricing elements that determine the cost of supplying the stored energy. If offered in parallel with a renewable generating facility, Proposers should specify a breakdown of all pricing components for both the renewable energy & capacity and the stored energy system. Proposers may also include one composite price (\$/MWh) for both segments.

5. Submittal

Proposer must submit a pdf (*portable document format*) of the proposal together with supporting documentation and information to the email address specified in Section 1.D. on or before the RFP response deadline. Please do not submit any single email containing more than 20 MB of data. If the proposal and supporting documentation contains more than 20 MB of data, please divide and submit multiple emails in order to stay below the 20 MB data limit. As an alternative, Proposers may provide proposals and/or supporting documentation and information via an FTP (File Transfer Protocol) site. Proposers using this option must submit an email by the RFP response deadline that contains access instructions to the FTP site.

Please Note: Proposers will receive an automatic email reply that the Energy Supply mailbox received your proposal. If you do not receive one, please contact Matt Liner at matt.liner@austinenergy.com immediately to investigate.

All proposals must include a statement that they are valid for a minimum period of ninety (90) days following the RFP response deadline.

4. EVALUATION FACTORS AND AWARD

A. Eligibility/Competitive Selection: This procurement will comply with applicable City of Austin procurement policies. Eligible Proposers are those that have demonstrated sufficient experience and financial strength to ensure reliable delivery of energy under the terms of a PPA and are not otherwise suspended from contracting with the City of Austin. The evaluation factors outlined below shall be applied to all eligible, responsive Proposers. Qualifying proposals will be assessed in order to identify the best proposal in AE's discretion. AE may choose to award multiple contracts or may choose to not award any contracts.

B. Evaluation Factors: The following provides a list of factors that will be used by AE in evaluating Proposals. The list is not necessarily all-inclusive, nor does it list the factors in any order of importance:

1. Proposer experience with product offered
2. Financial Capability
3. Project Viability
 - Design Concept
 - Project Schedule and Current Status
 - Site Control
 - Permitting
 - Interconnection Status
 - Financing Plan
 - Expected Capacity Factors/Energy Output Profile
 - Transmission Congestion
 - Expected Commercial Operation Date
 - Decommissioning Plan
4. Total Evaluated Cost
 - Operational Flexibility
 - Congestion/Location Risk
 - Energy Delivery Schedule
 - Net Present Energy Value

AE reserves the right to consider any other factors that it deems relevant and to request additional information or supplemental materials from Proposers to thoroughly evaluate proposals submitted in response to this RFP. Such other relevant factors may include, but are not limited to previous dealings and business relationships of the Proposer or any parent, subsidiary, affiliate, joint venture, or partner of the proposer with AE, and such other factors as determined by AE in its sole discretion.

5. NEGOTIATION AND AWARD OF CONTRACT(S)

With the recommendation of staff and consent of executive management, AE may seek approval from the Austin City Council to negotiate and execute a long-term PPA with one or more Proposers

Contract documents will be prepared by AE, incorporating all applicable provisions of the best evaluated proposal(s) and will include terms and provisions outlined elsewhere in this RFP, and subject to ERCOT Protocols and Operating Guides.

Note that in compliance with Texas Government Code § 2252.908, AE will not enter into any PPA until the Seller has filed Form 1295 (*Disclosure of Interested Parties*) with the Texas Ethics Commission. For more information, please see:
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm