

# REQUEST FOR PROPOSALS FOR POWER SUPPLY RESOURCES

Prepared for:



March 2, 2022

Prepared By:



## 1.0 SUMMARY

Mississippi Delta Energy Agency (“MDEA”) is issuing this Request for Proposals (“RFP”) for power supply resources on behalf of Clarksdale Public Utilities (“Clarksdale” or “CPU”) to meet CPU’s capacity and energy requirements beginning June 1, 2023. CPU’s transmission system is interconnected to the Midcontinent Independent System Operator (“MISO”) transmission system. MDEA will accept proposals from any electric utility, independent power producer, qualifying facility, exempt wholesale generator, non-utility generator or electric power marketer that is appropriately certified by the Federal Energy Regulatory Commission (“FERC”), that has resources available, and operates within the MISO transmission system (“Respondents”). Additional details for each type of requested proposal can be found in Section 6.0 of this RFP. In summary, MDEA is soliciting proposals for the following types of power supply resources:

1. Energy only, load following arrangements, excluding CPU’s allocation of SEPA hydro and existing baseload energy block with energy management services
2. Energy only, fixed load shape block power arrangements, representing CPU’s unhedged projected energy requirements during the requested term
3. 34 MW of MISO capacity credits (i.e. Zonal Resource Credits) delivered to Zone 10 Local Resource Zone (“LRZ”)
4. Energy Management Services

The primary power supply products being sought in this RFP are intended to fulfill, in whole or in part, CPU’s energy requirements with delivery to either (i) MDEA’s CPNode (“CLEC.MDEA”) or (ii) the Arkansas Hub (“ARKANSAS.HUB”). MDEA is interested in receiving an indicative price for all of these products on a 3-year term and/or 5-year term beginning June 1, 2023. MDEA’s preference is to receive fixed, flat pricing for all of these requested products.

This RFP is for supply-side resources only. CPU is not contemplating any power supply projects as part of this RFP solicitation.

***Proposals in response to this RFP will be submitted as a sealed bid on or before April 20, 2022 by 2 p.m. Central.***

## 2.0 BACKGROUND

Information contained in this RFP is provided for background use only. MDEA makes no representation that the information is complete or applicable to any Respondent's proposal. The following is a general description of MDEA along with a description of CPU's power supply resources.

MDEA, as a Mississippi joint action agency formed by the City of Clarksdale, Mississippi, and the City of Yazoo City, Mississippi, pursuant to the Joint Municipal Electric Power and Energy Law of Mississippi (§§77-5-701, et seq.), is a public body (defined by the enabling act as a municipality) of the State of Mississippi. MDEA's powers and authority are set forth in the enabling act; and, unless otherwise provided by the provisions of the enabling act, MDEA is subject to the general Mississippi laws applicable to public bodies in Mississippi. Further it will be necessary for the Clarksdale Public Utilities Commission to consent to and accept the final contract(s) to be entered into by MDEA.

MDEA owns and maintains the use of transmission lines extending approximately twenty-three miles from the site of a natural gas fueled power generation station located within the City of Clarksdale ("Project Generation") to a point of interconnection within the transmission facilities of Entergy Mississippi, Inc., and related facilities ("Project Transmission", and together with "Project Generation", the "Crossroads Project"). MDEA performs power supply procurement activities on behalf of Clarksdale.

The City of Clarksdale is located in Coahoma County, Mississippi. Clarksdale Public Utilities ("CPU") currently has approximately 6,616 electric meters and a peak load of approximately 37 megawatts. CPU is connected to the bulk electric system at two points, through a 115 kV transmission line which it owns and a 230kV transmission line which it operates as agent for MDEA. CPU owns 34 megawatts of gas fired generation comprised of a GE Frame 5 combustion turbine producing 12 MW and a single shaft GE combined cycle steam and gas turbine producing 22 MW ("Wilkins"). CPU's current power supply arrangements with Central Louisiana Electric Company ("CLECO") will terminate on May 31, 2023.

Today, CPU has an annual peak demand of 37 MW, and annual energy requirements of approximately 144,000 MWh. Three years' worth of historical hourly load data is available for download at the RFP website ([www.gdsassociates.com/requests-for-proposals](http://www.gdsassociates.com/requests-for-proposals)). CPU's historical and project annual peak demand and energy requirements are shown in the table below:

<i>Historical and Forecasted Requirements</i>		
<i>Year</i>	<i>Summer Demand MW</i>	<i>Annual Energy MWh</i>
<b>2020</b>	37.0	142,400
<b>2021</b>	36.0	143,700
<b>2022*</b>	36.0	150,000
<b>2023</b>	35.8	149,200
<b>2024</b>	35.6	148,500
<b>2025</b>	35.4	147,800
<b>2026</b>	35.2	147,000
<b>2027</b>	35.0	146,300
<b>2028</b>	34.8	145,600

*\*2022-28 are forecasted values*

## Transmission and Distribution Facilities:

- 115kV tie lines and 69kV tie lines
- CPUC is tied to the 230 kV line owned by MDEA

MDEA has a Power Purchase Agreement (“PPA”) contract with Southeastern Power Administration (“SEPA”) for 11.215 MW of dependable hydro capacity and associated energy that are delivered from the SEPA transmission system to MISO. Approximately 6.475 MW of that purchase is allocated to serve CPU’s power supply requirements. Based upon this allocation, the hydro contract year includes 9,700 MWh of energy with monthly scheduling parameters of 390 MWh at a minimum and 1,500 MWh at a maximum.

MDEA has also contracted for a 7x24 baseload energy block delivered to the Arkansas hub, of which 6-12 MW are allocated to serve CPU’s energy requirements, over the same term period of this RFP. The table below provides the block sizes during the requested term:

Term	Total MDEA Purchase	CPU’s Approximate Share
June 2023-May 2026	20 MW (7x24)	12 MW (7x24)
Jun 2026-May 2028	10 MW (7x24)	6 MW (7x24)

### 3.0 RFP QUESTIONS

All questions or other communication regarding this RFP should be submitted in writing to MDEA’s engineering consultants at GDS Associates, Inc. headquartered in Marietta, Georgia on or before April 6, 2022. Contact information is shown below. Answers to any questions will be supplied to all Respondents via the RFP website ([www.gdsassociates.com/requests-for-proposals](http://www.gdsassociates.com/requests-for-proposals)).

**GDS Associates, Inc.**  
1850 Parkway Place, Suite 800  
Marietta, GA 30067

**Erin Shealy**  
Senior Project Manager  
**Phone:** 770-799-2471  
**Email:** [erin.shealy@gdsassociates.com](mailto:erin.shealy@gdsassociates.com)

#### 4.0 SUBMISSION INSTRUCTIONS

Indicative product pricing should be provided on April 20, 2022 and be based on the market close of business as of April 19, 2022. MDEA abides by the procurement laws applicable to a joint action agency established pursuant to the Joint Municipal Electric Power and Energy Law of Mississippi. Respondents will be required to submit an **electronic copy of their Proposal(s)** no later than 2:00 p.m. Central, April 20, 2022, to MDEA at the following e-mail address:

Curtis Boschert  
*Clarksdale Public Utilities General Manager*  
**Email:** cboschert@cdpu.net

Proposals are deemed complete with the inclusion of Respondent's indicative pricing and clear delineation as to the products being offered to serve CPU.

This solicitation and related processes implies no obligation on the part of the MDEA to accept any proposal. The Respondent may submit alternate proposals; however, alternates will be considered only if a complete original proposal is submitted. All expenses incurred by the Respondent in the development of their proposal are the sole responsibility of the Respondent.

#### 5.0 RFP SCHEDULE

Release of RFP:	March 2, 2022
RFP Questions Deadline:	April 6, 2022
<b>Proposal(s) Due:</b>	<b>April 20, 2022</b>
Complete Evaluation:	July 13, 2022
Short-List Notification / Initiate Contract Negotiations:	July 20, 2022
Short-List Suppliers Update Indicative Pricing:	November 16, 2022
Execute Power Supply Agreement(s):	December 14, 2022
Contract(s) Effective Date:	June 1, 2023

## 6.0 SPECIFIC POWER SUPPLY PRODUCTS / SERVICES

Although MDEA's preference is to receive fixed pricing for all requested products, Respondent may offer proposal(s) for all or part of the requested product types.

### 6.1 ENERGY ONLY, LOAD FOLLOWING ARRANGEMENT

1. Description
  - a. Energy only, load following arrangement should include a fixed, flat price to serve CPU's remaining energy requirements in excess of the energy provided by CPU's SEPA entitlements, baseload block, and Wilkins capacity. Pricing should clearly define if billing is based on gross load or net load.
2. Term
  - a. June 1, 2023 – May 31, 2026 (3 Years) and/or
  - b. June 1, 2023 – May 31, 2028 (5 Years)
3. Scheduling Services
  - a. Load following arrangement should include the Energy Management Services ("EMS") further detailed in Section 6.4.
4. Delivery Location
  - a. MDEA CPNode (CLEC.MDEA)
  - b. Arkansas.Hub

### 6.2 BLOCK POWER ARRANGEMENTS

1. Energy Product Description

#### Fixed Load Shape A for June 1, 2023 – May 31, 2026 (MW)

MW	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
7x8	2.7	1.1	0.2	0.0	1.7	5.6	8.1	6.2	5.3	0.8	1.2	1.9
5x16	2.8	2.3	1.1	0.7	4.2	9.6	11.0	10.4	7.2	3.3	2.2	2.0
2x16	2.8	2.2	1.2	1.7	5.4	6.5	13.0	12.5	9.1	3.1	3.1	2.9

#### Fixed Load Shape B for June 1, 2026 – May 31, 2028 (MW)

MW	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
7x8	9.5	7.1	6.2	5.7	7.7	11.6	14.1	12.2	11.3	6.8	7.2	7.9
5x16	9.5	8.3	7.1	6.7	10.2	15.6	17.0	16.4	13.2	9.3	8.2	8.0
2x16	9.5	8.2	7.2	7.7	10.3	12.5	19.0	18.5	15.1	9.1	9.1	8.9

2. Term
  - a. June 1, 2023 – May 31, 2026 (3 Years) (associated with Fixed Load Shape A) and/or
  - b. June 1, 2023 – May 31, 2028 (5 Years)
    - i. For the first 3 years, Fixed Load Shape A and
    - ii. For the remaining 2 years, Fixed Load Shape B
3. Delivery Location
  - a. MDEA CPNode (CLEC.MDEA)
  - b. Arkansas.Hub (ARKANSAS.HUB)
4. Contracting
  - a. EEI agreements will be established with short-listed entities during the contract negotiations phase of this RFP

### **6.3 CAPACITY PRODUCT**

1. Capacity Product Description
  - a. 34 MW of MISO accredited capacity credits (“ZRCs”)
2. Term(s)
  - a. June 1, 2023 – May 31, 2026 (3 Years) and/or
  - b. June 1, 2023 – May 31, 2028 (5 Years)
3. Delivery Location
  - a. MISO LRZ 10 (Preferred)
  - b. MISO LRZ 8

### **6.4 ENERGY MANAGEMENT SERVICES (“EMS”)**

In MISO, MDEA is seeking EMS proposals to manage loads and resources on behalf of CPU. CPU will use EMS obtained through this RFP to manage daily/weekly market obligations for load and generation resources in the MISO RTO (“Market”). Currently, EMS arrangements are provided by CLECO under an arrangement that could be terminated as early as June 1, 2023.

Respondents are asked to provide EMS services for CPU’s load and resources in MISO. The Respondent will be required to provide ICCP communication services associated with transmitting CPU load and generation bid information to MISO. The following services should be included in Respondent’s proposal:

#### **1. Submitting Day-Ahead Load Bids via Market Portal**

Respondents should provide a summary explanation of load forecast techniques that will be employed and ability to minimize CPUs overall load cost (e.g., expected accuracy of DA load forecast and DA Load Bid Strategies used with existing/previous customers). Respondent’s services would include:

- a. Develop near term (hourly/daily/weekly) load forecasts for CPU loads on the MISO system;
  - b. Create and submit DA Load/Demand Bids to the Market (via ICCP);
  - c. Verify DA load bid submission was received by the Market;
  - d. Provide CPU with daily “check-out” for DA load and DA LMP; and,
  - e. Explain which party, CPU or Respondent, is responsible for deviations between submitted load forecast and actual loads.
2. Submit DA/RT Generation Energy/Ancillary Offers to the Market  
Respondent will coordinate with plant operators at Wilkins & SEPA in order to submit DA/RT energy/ancillary offers to the Market. Respondent’s services would include:
- a. Coordinate with plant operators and submit DA/RT Energy Offers to the Market (via ICCP). Coordination efforts would include obtaining specific plant information relevant to submitting offers and determining optimal offer curves and expected variable cost and fixed ‘no-load’ cost information;
  - b. Manage RT operational issues with regards to scheduling, curtailment;
  - c. Coordinate and submit ancillary service offers to the Market;
  - d. Verify that energy/ancillary submissions were received by the Market; and,
  - e. Report plant outages and submit CROW/GADS data to the Market.
3. Fuel Manager for Natural Gas Resources  
Respondent will coordinate with plant operators at Wilkins and will provide nominations and scheduling for fuel transport and supply, as necessary, to support any DA/RT dispatch in MISO. Currently, CPU has a park and loan contract in place with Texas Gas for Wilkins whereby the wholesale provider is reimbursed for the cost of gas after purchases are made on the City’s behalf. Respondent would either continue a similar arrangement or provide for a new construct for the management of fuel requirements associated with Wilkins. The Respondent will provide regular reports on gas service activities and review all fuel invoices and recommend payment by CPU.
4. Arrange for third-party/bilateral transactions  
The Respondent will appropriately tag and confirm any necessary transactions in the Market. Respondent’s services would include:
- a. Tagging of DA and RT Financial Schedules (“FinScheds”)
    1. Coordinate with the counterparty for required contract and FinSched information; and
    2. Confirm all contract and FinSched data was accepted by the market;
5. Billing Settlement Activities
- a. Prepare an estimate of expected revenue and charges on a daily basis (“Shadow Settlement”) for load, generation, and FTRs;
  - b. Review Market settlement statements against Shadow Settlement for discrepancies;

- c. Prepare, submit, and manage initial settlement disputes with MISO; and,
  - d. MDEA is requesting that Respondent be responsible for initial settlement disputes with MISO and once there is a dispute determination by MISO then Respondent's obligation will be complete. MDEA would be responsible for any further appeals or actions regarding dispute resolution.
6. Meter Data Management Agent ("MDMA")
- a. MDEA will be registered as the Meter Data Management Agent ("MDMA") and will coordinate with Respondent (who will be MDEA's agent) for submission of meter data via the Market Portal. Respondent will retrieve and utilize meter data as part of daily transactions reports and settlement information.
  - b. Verify meter data is successfully received by Market and assist, as necessary, to resolve LBA issues with accuracy/validation of meter data.

## 7.0 EVALUATION CRITERIA

Proposals will be evaluated based on their ability to meet CPU's need for economical and reliable power supply. Respondents to this solicitation should provide all relevant information necessary to allow MDEA to conduct a thorough analysis of the proposal. Proposals will be analyzed over a range of scenarios defined by price and non-price criteria.

Prospective Respondents are advised that price will be important in MDEA's evaluation, however, all proposals will also be compared and evaluated on non-price or qualitative criteria. The proposal should include sufficient detail to evaluate all fixed and variable charges associated with the proposal. Key price / economic criteria include, but are not limited to:

- MISO DA/RT congestion charges
- MISO DA/RT ancillary charges
- Miscellaneous MISO DA/RT settlement charges
- Fuel cost and / or fuel price escalation
- Inflation
- Capital costs
- Interest rates

The principal qualitative criteria to be used in evaluating proposals include, but are not limited to:

- Reliability / availability of proposed power supply
- Total delivered cost of power
- Potential volatility for delivered cost of power
- Provisions for MISO shadow settlement process
- Identification of responsibility for MISO market activities related to power supply
- Financial viability of the Respondent
- Operational viability of the Respondent (e.g. wholesale customer references)
- Term of contract

MDEA reserves the right to consider any other factors that MDEA deems to be relevant to this evaluation of its power supply needs. The evaluation of submittals will be based on the information provided by the Respondent with emphasis on pricing, physical and financial risk profile, financial viability of Respondent, and credit requirements imposed on MDEA. A bid deemed non-responsive or failing to provide additional supporting documentation or any clarification requested by MDEA may be rejected.

MDEA reserves the right to negotiate with one or more Respondents, however, selection for negotiation will not be a commitment by MDEA to enter into a contract with the Respondent(s). If MDEA decides to accept the submittal of one or more Respondents, it will undertake negotiations with such Respondents that will embody the general principles and concepts set forth herein. In the event negotiations with a Respondent do not, within a reasonable period of time, produce a contract satisfactory to MDEA, it reserves the right to terminate those negotiations and pursue any and all other power supply options available to it including, without limitation, entering into negotiations with other parties.

## **8.0 CONFIDENTIALITY AND RESERVED RIGHTS**

MDEA will not disclose to third parties any information contained in a proposal that is clearly labeled "CONFIDENTIAL" unless such disclosures are required by law or by order of a court or government agency having appropriate jurisdiction. Each page of confidential information must be clearly labeled "CONFIDENTIAL" at the top of the page. MDEA reserves the right to disclose proposals to its consultant(s) for the purpose of assistance in evaluating proposals and will require the consultant(s) to maintain the confidentiality of the document. Notwithstanding the foregoing, nothing set forth herein shall prevent CPU from fully complying with its obligations under the Mississippi public records law. Any final contract must appear on the minutes of MDEA and, once executed, will become an official record of MDEA and CPU and is accessible to the public.

## **9.0 RELEASE OF INFORMATION**

Confidential Information received by one party prior to the execution of a final contract and designated as confidential by the disclosing party shall be held in strict confidence by the receiving party and shall not be disclosed without prior written consent of the disclosing party, except to those advisors, affiliates, agents, assigns, attorneys, employees, directors, officers and/or members ("Agents") with a need-to-know the Confidential Information for the purposes of analyzing, implementing or completing the proposed transaction.

## **10.0 ADDENDUMS**

Any future addendums to this RFP will be published to all Respondents via the RFP website ([www.gdsassociates.com/requests-for-proposals](http://www.gdsassociates.com/requests-for-proposals)). Respondents will be required to acknowledge any RFP addendums within their proposals.

## **11.0 DISCLAIMER**

The Board of Commissioners of MDEA with the consent and approval of the Clarksdale Public Utilities Commission reserves the right to reject any or all proposals, to waive informalities therein and to consider exceptions and clarifications (via the Bid Clarifications and Exceptions Form provided on the RFP website) therein in order to determine the best proposal; to reject any or all non-conforming,

non-responsive, unbalanced or conditional proposals; to reject the proposal of any Respondent if the MDEA Board of Commissioners believes that it would not be in the best interest of MDEA and CPU to make an award to that Respondent, whether because the Proposal is not responsive or the Respondent is unqualified or of doubtful financial ability, or fails to meet any other pertinent standard or criteria established by the Board of Commissioners of MDEA with the approval of the Clarksdale Public Utilities Commission. The Board of Commissioners of MDEA also reserves the right to negotiate agreement terms and conditions with the successful Respondent. By submitting a proposal to MDEA, the Respondent agrees that such procedures will be without liability on the part of MDEA or of its members for any damage or claim brought by the Respondent because of such rejections or procedures, nor will the Respondent seek any recourse of any kind against the MDEA or its members because of such rejections or procedures. The submission of any proposal in response to this RFP will constitute an agreement of the Respondent to these conditions.