

# Louisiana Public Service Commission



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August 16, 2017

## VIA EMAIL

**Re: Docket No. U-34619, Southwestern Electric Power Company (SWEPCO), ex parte. In re: Application for Expedited Certification and Approval of the Acquisition of Certain Renewable Resources and the Construction of a Generation Tie Pursuant to the 1983 and/or 1994 General Orders**

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for **outside independent technical consultant** issued by the Louisiana Public Service Commission for the above referenced subject. 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 (5) five copies and an electronic copy** must be received on or before **September 5, 2017**. Selection of a consultant is anticipated to take place at the Commission's **September 20, 2017 Business and Executive Session**.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Melanie A. Verzwylt".

Melanie A. Verzwylt  
Staff Attorney

MAV/kst  
Enclosure

**RFP 17-11**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**August 16, 2017**

***DOCKET NO. U-34619 – Southwestern Electric Power Company (SWEPCO), ex parte. In re: Application for Expedited Certification and Approval of the Acquisition of Certain Renewable Resources and the Construction of a Generation Tie Pursuant to the 1983 and/or 1994 General Orders.***

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”) to represent the Commission, issues this Request for Proposals (“RFP”) to **outside consultants** who will assist the Commission in its review of the application filed by Southwestern Electric Power Company (“SWEPCO” or “the Company”). The application seeks approval and certification pursuant to the Commission’s General Order dated September 20, 1983 (the “1983 General Order”) of its acquisition of The Wind Catcher Facility (“Wind Catcher”), a 2,000 megawatt (MW) wind resource for which SWEPCO sought and obtained an exemption from the request for proposals “RFP” requirement in the Commission’s Market-Based Mechanism General Order (“MBM Order”). Qualifying proposals will be placed on the September 2017 Open Session agenda for Commission consideration.

**I. Overview**

SWEPCO filed the instant application for the certification of its acquisition of Wind Catcher on July 31, 2017 after obtaining the Commission’s unanimous approval for an MBM exemption (with conditions) in Docket No. S-34594 at the Commission’s July 26, 2017 Open Session<sup>1</sup> and entering into a purchase agreement, along with its sister company, Public Service Company of Oklahoma (“PSO”), that same date. The purchase agreement with States Edge Wind 1 Holdings LLC, a subsidiary of Invenergy Wind Development North America, LLC (“Invenergy”) for the purchase of Wind Catcher, is a turn-key fixed price arrangement whereby Invenergy will manage all phases of construction and is expected to deliver the 2,000 MW wind facility consisting of approximately 800 2.5 MW General Electric wind turbines in an area covering approximately 300,000 acres located in the Oklahoma Panhandle in the fourth quarter of 2020. SWEPCO will acquire approximately 70% of the project while PSO will acquire the other 30%.

In connection with the Wind Catcher acquisition, the Companies will construct a 350 to 380 mile dedicated 765 kV Gen-Tie that allows the delivery of energy directly to the AEP load zone to significantly reduce costly congestion for the life of the project and for the benefit of

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<sup>1</sup> An Order memorializing the Commission vote will be issued on or before August 25, 2017. The specific conditions are listed on p. 2 of this RFP.

ratepayers. This is an essential part of the project to ensure deliverability of the energy to customers and reduce congestion and curtailment costs.

Although the Commission exempted SWEPCO from the RFP requirements in the MBM Order as noted above, that approval was done subject to the following conditions:

1. The Commission reserves all of its rights to review the prudence of SWEPCO's decision in the certification proceeding;
2. The Commission reserves all of its rights to review the sufficiency of SWEPCO's selection process in the certification proceeding;
3. This exception does not limit in any way the Commission's ability to make a finding in the certification proceeding regarding whether SWEPCO showed sufficient justification of public convenience and necessity, as required by applicable Commission Orders, including whether SWEPCO sufficiently performed a test of the market for the lowest reasonable cost resource;
4. This exception is limited to the specific circumstances of this application and is not precedential; and
5. This exception cannot be relied on by SWEPCO in the certification proceeding as justification for its decision to select any resource or for the selection process employed by SWEPCO.

SWEPCO's application was docketed as U-34619 and published in the Commission's Official Bulletin dated August 11, 2017 for a 25-day intervention period.

## **II. Scope of Representation**

All proposals shall include an outline of a plan of action for conducting the review of the application. Additionally, the consultant must be prepared to assist Commission Staff in drafting and responding to discovery, preparing direct and cross-answering testimony, reviewing and analyzing stipulation terms, testifying before an administrative law judge, and conducting informal meetings with the parties as necessary. However, the Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP. Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming.

## **III. Period of Representation**

The time period estimated to complete the Scope of Representation is approximately 4-6 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 be considered, all applicants must meet the following minimum requirements in addition to those provided in this Commission's General Order dated November 10, 2014.

- 1) appropriate accounting standards and practices for electric utilities;
- 2) the Commission's Rules and Orders pertaining to the RFP process as it relates to the acquisition of power supply resources, including but not limited to, the Commission's Market Based Mechanisms Order and its 1983 General Order, as amended;
- 3) principles associated with electric generating facility construction projects and the competitive process, including but not limited to analyzing whether or not a particular resource meets the utility's need for power and whether the considered resources are able to meet those needs;
- 4) whether or not a resource will provide reliable service at the lowest reasonable cost;
- 5) resource planning methods to improve the efficiency and reliability of a utility's power supply operations and whether the utility is making use of any such methods;
- 6) public interest criteria for approval and monitoring of electric generating facility and transmission projects;
- 7) Commission rules on affiliate transactions and cost recovery mechanisms for power supply resources, including SWEPCO's Formula Rate Plan, and the Commission's Fuel Clause Recovery Order (Commission General Order U-21497 dated November 6, 1997); and
- 8) SPP tariffs, rules and planning processes, generally.

Applicants shall also, at a minimum, be experienced in participating in cases involving public utility regulation, or other regulatory issues on administrative and judicial levels, including the presentation of direct testimony or report and recommendations, assistance in developing cross examination of adverse witnesses, and the analysis of comments and exceptions to proposed recommendations. Consideration is given to indicia of competence such as previous experience in complex cases, publications, educational achievement and other previous employment suggesting competence in regulatory matters involving the above areas; significant personal experiences before regulatory agencies such as the SEC, FERC, FCC, or other similar entities may be a favorable factor. Firm size may be considered in matters likely to be prolonged, complex, or involving multiple forums.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with completing the scope of representation, below. This will result in one proposal. However, in the event an applicant is chosen, Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall demonstrate that the

Applicant has the qualifications and experience necessary to meet the requirements of this request for proposals. Applicants will only be considered if proposals meet all of the requirements of this request for proposals and the Commission's Contract Order.

#### **V. Estimate of Costs**

All proposals shall include fees and costs associated with consulting in the dockets. All applicants responding to this RFP shall quote their rates on an hourly basis and submit a total budget, and shall separate professional fees from costs. However, applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an applicant's rates and budget shall not be altered except by formal approval of the Commission.

#### **VI. Conflict of Interest**

Applicants shall prominently and separately disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, applicants shall disclose matters in which they currently represent clients before the Commission.

#### **VII. . Billing Guidelines**

As required by the November 10, 2014 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

#### **VIII. Reservation of Rights**

The LPSC reserves the right to reject any and all proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept other than the lowest offer with regard to price. 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), 5 copies, and e-mail an electronic copy** of the proposal to:

Kim Trosclair  
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Office of the General Counsel  
602 North Fifth Street (Galvez Building) (70802)  
P.O. Box 91154  
Baton Rouge, Louisiana 70821-9154  
Phone: (225) 342-9888  
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[rene.robertson@la.gov](mailto:rene.robertson@la.gov)

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **September 5, 2017. Selection of consultants is anticipated to take place at the Commission's September 20, 2017 Business and Executive Session.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.