

Louisiana Public Service Commission



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KATHRYN H. BOWMAN
Executive Counsel

November 18, 2019

JOHNNY E. SNELLGROVE, JR
Deputy Undersecretary

VIA EMAIL

RFP 19-21

DOCKET NO. TBD, Entergy Services, LLC-Potential Request for Proposals for Renewable Resources.

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 **Tuesday, December 10, 2019 at 4:30 p.m.** Selection of a consultant is anticipated to take place at the Commission's **December 18, 2019 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 "KHB", with a long horizontal flourish extending to the right.

Kathryn H. Bowman
Executive Counsel

Enclosure

RFP 19-21
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
November 18, 2019

DOCKET NO. TBD – Entergy Services, LLC – Potential Request for Proposals for Renewable Resources.

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 to represent the Commission (the “Contract Order”), issues this Request for Proposals (“RFP”) to **outside consultants** who will assist the Commission in its review of Entergy Services, LLC’s (“ESL”) potential Request for Proposals (“RFP”) for renewable resources.

I. Overview

On November 8, 2019, ESL provided notice of its intent to issue an RFP for renewable resources, and that Entergy Louisiana, LLC (“ELL”) may participate in resources that may be selected through this RFP. A copy of ESL’s notice is attached hereto. ESL provided such notice pursuant to the Commission’s Market Based Mechanisms (“MBM”) Order¹ and intended such notice to serve as the advanced notification required in paragraph 14 of the MBM Order. ESL’s notice does not require ESL, or ELL, to proceed with the RFP.

Per ESL’s notice, the actual scope of the RFP will be included in an upcoming draft of the RFP, but generally, the RFP is expected to target long-term resources. ESL anticipates the draft RFP to be issued no earlier than January 16, 2020, and the final RFP would be issued at least 60-days following the issuance of the draft RFP. As indicated in ESL’s notice, affiliate proposals and self-build options are not being excluded at this time; therefore, the Company has retained Mr. Wayne Oliver to serve as the independent monitor over the procurement process.

II. Scope of Representation

The scope of representation consists of both the RFP process and any certification application(s) that may result from ESL’s RFP process. For the RFP process, Applicants will assist in-house Staff (counsel, auditing, and utilities) with ESL’s RFP process and review any resulting acquisition requests to ensure compliance with all applicable Commission Orders. Such assistance will include participation in each stage of the RFP process, including technical and bidders’ conferences, review of and comment on draft documents, informal meetings, preparation of a report upon completion of the RFP process, and any other steps necessary to ensure a fair and reasonable RFP process.

¹ Docket No. R-26172., Sub Docket C, In re: *Possible suspension of, or amendments to, the Commission’s General Order dated November 3, 2006 (Market Based Mechanisms Order) to make the process more efficient and to consider allowing the use of on-line auctions for competitive procurement, as amended October 29, 2008.*

In addition to the RFP process, Applicants will review any certification application, along with testimony and exhibits; draft and assist in the drafting of data requests; analyze data responses; participate in formal status conferences, pre-trial conferences, depositions, and hearings (whether contested or stipulation); draft and prepare pre-filed testimony in support of Staff's ultimate recommendations, together with exhibits supporting testimony; and assist in the drafting of applicable motions, exceptions, briefing sheets and orders of the Commission. Additionally, Applicants shall be available to participate in informal conference calls, meetings and conferences with the Commission and Staff as well as attending any B&Es related to any certification proceedings arising from the RFP. The scope of the work shall continue through the conclusion of the certification docket(s) through Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation.

All proposals shall include an outline of a plan of action for this scope of representation, including both the RFP process and potential certification process(es) arising therefrom. 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

This RFP covers a period of representation of approximately 18-24 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 Commission General Order dated November 10, 2014. Consideration will be given to factors which indicate degrees of competence such as the amount of practical experience in the field of public utility practice, and similar practice before this or other regulatory agencies, in addition to the bidder's knowledge of Louisiana resource acquisitions, certifications, regulatory law, and ratemaking principles. Applicants shall be qualified and prepared to participate in technical and/or bidders' conferences, draft and render a report on the RFP process, expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding.

Applicants shall have a working knowledge of Louisiana Public Service Commission rulemakings and jurisdictional issues and applicable Commission and federal regulations. Applicants shall also, at a minimum, have knowledge of:

1. The Commission's Rules and Orders pertaining to the RFP process and acquisition of power supply resources, including but not limited to the Commission's MBM Order and its 1983 Order, as amended;

2. Principles associated with resource acquisitions and the competitive process, including but not limited to analyzing utility resource needs and whether the considered resource(s) is able to meet those needs, particularly for renewable/solar resources;
3. Whether or not a resource will provide reliable service at the lowest reasonable cost;
4. Resource planning methods to improve the efficiency of a utility's power supply operations and whether the utility is making use of any such methods;
5. Public interest criteria for approval of or resources and purchase power contracts, particularly renewable/solar resources;
6. LPSC rules on cost recovery mechanisms for power supply resources, ELL's Formula Rate Plan, and the Commission's General Order dated November 6, 1997 in Docket No. U-21497 regarding fuel cost recovery;
7. Appropriate accounting standards and practices for electric utilities; and
8. MISO tariffs, rules and planning processes, generally, and specifically related to resource adequacy planning processes and use of zonal resource credits.

V. Estimate of Costs

All proposals shall cover all aspects of the scope of representation above and include fees and costs associated with the entire engagement. 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 hourly rates and budget shall not be altered except by formal approval of the Commission, including the specific increase in budget, and corresponding hourly rate.

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 Contract 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:

Kathryn H. Bowman
Louisiana Public Service Commission
Office of the Executive Counsel
602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Phone: (225) 342-9888
Fax: (225) 342-5610
Email: kathryn.bowman@la.gov

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **4:30 P.M. on Tuesday, December 10, 2019. Selection of consultants is anticipated to take place at the Commission’s December 18, 2019 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.



Entergy Services, Inc.
Louisiana Regulatory Affairs
4809 Jefferson Highway
Jefferson, LA 70121
Tel 504 840 2528
Email: mkleeha@entergy.com

Mark D. Kleehammer
Vice President
Louisiana Regulatory Affairs

November 8, 2019

Via Electronic Mail and U.S. Mail

Mr. Brandon Frey
Executive Secretary
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North Fifth Street
Baton Rouge, LA 70812

Re: Entergy Services, LLC's Potential Request for Proposals for Renewable Resources

Dear Secretary Frey,

Entergy Services, LLC ("ESL") provides this notice of intent to issue a Request For Proposals ("RFP") for Renewable Resources. Entergy Louisiana, LLC ("ELL" or the "Company") may participate in resources that may be selected through this RFP. This letter shall serve as the advanced notification required by paragraph 14 of the Louisiana Public Service Commission's ("Commission") Market Based Mechanisms ("MBM") Order,¹ but this notification should not be construed as a commitment of ESL or ELL to proceed with the RFP, to proceed on any particular time frame, or to limit the types of products or range of capacity that may be sought in any RFP that is issued.

Consistent with its 2015 and 2019 Integrated Resource Plans ("IRP") and pursuant to certification orders issued by the Commission, ELL has completed construction of St. Charles Power Station and construction is underway at Lake Charles Power Station and Washington Parish Energy Center. While combustion turbine-based technology continues to serve as the major building block of ELL's resource plan, the Company recognizes that renewable resources continue to make improvements in efficiency and cost. Accordingly, ESL issued an RFP for up to 200 MW of renewable resources, which resulted in the selection of the LA3 Solar PPA – a 50MW solar facility under construction in West Baton Rouge Parish. As noted in the Company's 2019 IRP, renewable resources offer a source of zero emission generation and cost and performance improvements warrant further analysis as potential economic options for customers. Accordingly, the Company intends to issue an RFP to solicit utility-scale solar resources. The scope of the procurement will be set forth in an upcoming draft RFP, but the procurement is expected to target long-term resources.

¹ Docket No. R-26172, Sub Docket C. *In re: Possible suspension of, or amendments to, the Commission's General Order dated November 3, 2006 (Market Based Mechanisms Order) to make the process more efficient and to consider allowing the use of on-line auctions for competitive procurement*, as amended October 29, 2008.

Mr. Brandon Frey
November 8, 2019
Page 2 of 2

The draft RFP is expected to be issued no earlier than January 16, 2020, which will be more than 60 days after the instant notification as preferred by the MBM Order. As contemplated by the MBM Order, the final RFP would be issued at least 60 days following the issuance of the draft RFP. At this time, affiliate proposals and self-build options are not being excluded from the expected procurement. Accordingly, the Company has retained Mr. Wayne Oliver to serve as the procurement process independent monitor, who has had no business relationship with the Company in the last three years other than in the capacity of independent monitor.

As contemplated by the MBM Order, ELL will work with Commission Staff in the development of the RFP. In order to facilitate timely coordination with Staff, should the Commission and Staff wish to engage outside expert assistance, the Company respectfully requests that such arrangements be made no later than its December 2019 Business & Executive Meeting. Further, ELL requests that the Commission accept this letter as advance notification of intent to issue an RFP and publish notice of the RFP in its Official Bulletin.

Sincerely,



Mark Kleehammer

cc: Commissioner Eric F. Skrmetta (via U.S. mail)
Commissioner Mike Francis (via U.S. mail)
Commissioner Foster L. Campbell (via U.S. mail)
Commissioner Lambert C. Boissiere, III (via U.S. mail)
Commissioner Craig Greene (via U.S. mail)
Executive Assistants to Commissioners (via electronic mail)
Kathryn Bowman (via electronic mail and U.S. mail)
Melissa Watson (via electronic mail and U.S. mail)
Wayne J. Oliver (via electronic mail)