

# Louisiana Public Service Commission



POST OFFICE BOX 91154  
BATON ROUGE, LOUISIANA 70821-9154  
[www.lpsc.louisiana.gov](http://www.lpsc.louisiana.gov)

Telephone: (225) 342-9888

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Executive Counsel

March 11, 2020

JOHNNY E. SNELLGROVE, JR.  
Deputy Undersecretary

## VIA EMAIL

***RFP 20-02 DOCKET NO. X-35500, Jefferson Davis Electric Cooperative, Inc. and Dixie Electric Membership Corporation, ex parte. In re: Notice of Intent to Conduct 2020 Request for Proposals for Long-Term Power Purchases Contracts and/or Generating Capacity Pursuant to the Commission's Market Based Mechanism ("MBM") Order.***

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for **outside consultants** issued by the Louisiana Public Service Commission for the above referenced docket. 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. *Please note revisions to Section V-Estimate of Costs, which are underlined.*

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 (3) three copies, and an electronic copy must be received on or before Thursday, April 2, 2020 at 4:30 p.m.** Selection of consultants is anticipated to take place at the Commission's April 2020 Business and Executive Session, which is currently scheduled for April 15, 2020 at Cypress Bend Resort in Many, LA.

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

Sincerely,

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

Kathryn H. Bowman  
Executive Counsel

Enclosure

**RFP 20-02**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**March 11, 2020**

***DOCKET NO. X-35500 – Jefferson Davis Electric Cooperative, Inc. and Dixie Electric Membership Corporation, ex parte. In re: Notice of Intent to Conduct 2020 Request for Proposals for Long-Term Power Purchases Contracts and/or Generating Capacity Pursuant to the Commission’s Market Based Mechanism (“MBM”) Order.***

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 and analysis of the notice, subsequently issued RFP, and with any subsequent certification proceeding of any resources selected out of the RFP filed by Jefferson Davis Electric Cooperative, Inc. (“JDEC”) and Dixie Electric Membership Corporation (“DEMCO”) (collectively “Co-ops”). The filing initiating this RFP provides the Commission with notice of the Co-op’s intent to conduct a Request for Proposals for a competitive solicitation process for long-term power purchase contracts and/or generating capacity to serve JDEC and DEMCO’s member electric cooperatives.<sup>1</sup> **Qualifying proposals are anticipated to be placed on the April 2020 Business and Executive Session (“B&E”) agenda for Commission consideration.**

**I. Overview**

Both DEMCO and JDEC are Louisiana electric cooperatives incorporated for the purpose of providing electricity to the rural areas of the state. DEMCO provides service to approximately 110,000 meters in seven parishes. JDEC provides service to approximately 10,500 meters in five parishes. Both Co-ops have full-requirements wholesale power contracts that expire in 2024 (DEMCO) and 2025 (JDEC). The Co-ops are jointly seeking power supply opportunities upon the expiration of each’s respective full-requirements wholesale contracts.

Notice of the RFP was filed with the Commission, and docketed as Docket No. X-35500. The notice indicates the Co-op’s objective is to competitively solicit long-term power purchase contracts and/or generating capacity to serve the Member Cooperatives. The Co-ops indicate there is no expectation for an Independent Monitor as neither JDEC or DEMCO are proposing a self-build or self-supply. Further, the Co-ops do not anticipate any bids from an affiliate.

It is also anticipated that upon selection through the Co-op’s RFP process, assuming JDEC and/or DEMCO select a winning bid(s), JDEC and DEMCO will seek certification and approval of the selected bid(s) by the Commission pursuant to the Commission’s General Order dated

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<sup>1</sup> While JDEC and DEMCO plan to proceed with a joint RFP, the Co-ops capacity needs will be maintained separately in the RFP.

September 30, 1983 (“1983 Order”), as amended by the Commission’s Order No. R-30517, dated October 29, 2008.

The Commission’s 1983 Order provides that no electric public utility shall enter into any contract for the purchase of capacity or electric power without first having applied to the Commission for a certification that the public convenience and necessity would be served by entering into the contract. Any firm power supply resources acquired by JDEC and DEMCO must be certified by the Commission in a docketed proceeding pursuant to its 1983 General Order. As a result, when a utility seeks to acquire or build capacity resources, it is required to make a formal application with the Commission including its detailed planning information.

## **II. Scope of Representation**

Applicants will be assisting Commission Staff with the Co-op’s RFP process, compliance with the Commission’s MBM Order, and with a subsequent certification proceeding(s) of any resources selected by JDEC and/or DEMCO pursuant to the Commission’s 1983 Order. It is anticipated that JDEC and DEMCO will file separate certification proceedings for any resources selected out of the joint RFP process.

For both the RFP process and any subsequent certification proceedings, Applicants will review the application, testimony, and other supporting documentation filed by the Co-op’s to support the request, along with any testimony and supporting documentation filed by Intervenor. The Applicant will be expected to assist in conducting and reviewing discovery, assist and participate in a bidders/technical conference, assist in the preparation of a Staff report regarding the RFP process and its adherence to the MBM Order, assist in the preparation of direct and cross-answering testimony, review direct and cross-answering testimony prepared by other parties, and prepare for and participate in a certification or stipulated hearing, including providing expert testimony before an administrative law judge. Applicants will also be assisting Staff in preparation of any pre- and post-hearing briefs or filings, assisting in any settlement discussions and/or stipulation hearings and attendance and testifying at the Commission’s B&E. Applicants are also required to participate in informal meetings, conference calls, attend depositions, status conferences, or any other meetings scheduled in any of the proceedings. The scope of representation will be through a final Commission vote on any certification of resources selected through 1803’s RFP process.

All proposals shall include an outline of a plan of action for conducting the review of the current application as well as the anticipated certification filing. 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 8-12 months for the RFP process. If resources are selected through the RFP process, those proceedings will be initiated shortly after a selection is made and will last approximately 8-12 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 have requisite knowledge of the topics listed below, 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 of purchase power contracts, electric generating facilities, and transmission projects;
- 7) Commission rules on affiliate transactions and cost recovery mechanisms for power supply resources, including JDEC and DEMCO's Formula Rate Plan (if applicable), the Commission's Purchased power costs adjustment for retail electric cooperatives (Commission General Order dated June 27, 1985), and the Commission's Fuel Clause Recovery Order (Commission General Order U-21497 dated November 6, 1997); and
- 8) MISO tariffs, rules and planning processes, generally, and specifically related to resource adequacy planning processes and use of zonal resource credits.

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 described above, including potential certification proceeding(s). 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 direct costs associated with Applicants services in all anticipated dockets described above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall submit a total budget, separating professional fees from direct costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

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.

#### **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 any offer and does not have to accept the lowest bid amount. 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), 3 copies, and e-mail an electronic copy** of the proposal to:

Jessica Aucoin  
Louisiana Public Service Commission  
Office of 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: [jessica.aucoin@la.gov](mailto:jessica.aucoin@la.gov)  
[kathryn.bowman@la.gov](mailto:kathryn.bowman@la.gov)

To be considered, an original, three copies, and the electronic copy of the proposal must be received on or before **Thursday, April 2, 2020 at 4:30 p.m.** Selection of consultants is anticipated to take place at the Commission’s April 2020 Business and Executive Session, which is currently scheduled for April 15, 2020 at Cypress Bend Resort in Many, La. Information concerning billing procedures and the Commission’s RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.