

# Louisiana Public Service Commission



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Executive Counsel

April 21, 2020

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Deputy Undersecretary

## VIA EMAIL

***RFP 20-08 DOCKET NO. TBD-Cleco Power LLC –Request for Proposals for Renewable Resources.***

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 **Friday, May 29, 2020 at 4:30 p.m.** Selection of consultants is anticipated to take place at an upcoming **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".

Kathryn H. Bowman  
Executive Counsel

Enclosure

**RFP 20-08**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**

**April 21, 2020**

***DOCKET NO. TBD – Cleco Power LLC – 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 Cleco Power LLC’s (“Cleco Power”) Request for Proposals (“RFP”) for renewable resources.

**I. Overview**

On April 2, 2020, Cleco Power provided notice to the Commission of its intent to issue an RFP for renewable resources, a copy of which is attached hereto. In its notice, Cleco Power indicated that self-build proposals would be permitted; however, at this time it did not anticipate permitting any affiliate proposals. Cleco Power provided such notice pursuant to the Commission’s Market Based Mechanisms (“MBM”) Order<sup>1</sup> and intended such notice to serve as the advanced notification required in paragraph 14 of the MBM Order.

Per the notice, the general scope of the upcoming RFP is to seek competitive bids for the acquisition of renewable generating capacity and energy resources to serve Cleco Power’s LPSC-jurisdictional customers. The resources sought would be for a term of 5 years or greater. Upon further discussion with Cleco Power, and consistent with the MBM Order, the draft RFP is to be issued no earlier than sixty days from the April 2 notice letter, or June 2, 2020, and the final RFP would be issued at least 60-days following the issuance of the draft RFP. As indicated above, while affiliate proposals are not being permitted, self-build options will be allowed; therefore, the Company has retained Accion Group, LLC 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 Cleco Power’s RFP process. For the RFP process, Bidders will assist in-house Staff (counsel, auditing, and utilities) with Cleco Power’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

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<sup>1</sup> 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.*

of a report upon completion of the RFP process, and any other steps necessary to ensure a fair and reasonable RFP process.

In addition to the RFP process, Bidders 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, Bidders 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 Bidders 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. Bidders 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.

Bidders 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, Cleco Power'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 Bidders 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. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

#### **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 Contract 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), 3 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](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 **Friday, May 29, 2020 at 4:30 P.M.**. **Selection of a consultant is anticipated to take place at an upcoming 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.

# PHELPS DUNBAR

Louisiana | Mississippi | Texas | Florida | Alabama | North Carolina | London

DANIEL T. PANCAMO  
Counsel  
(504) 581-1265  
dan.pancamot@phelps.com

April 2, 2020

12922-511

**VIA ELECTRONIC DELIVERY**  
**(lpsc.records@la.gov)**

Mr. Brandon M. Frey  
Executive Secretary  
Louisiana Public Service Commission  
Galvez Building, 12th Floor  
602 North Fifth Street  
Baton Rouge, LA 70802

2020 APR -7 AM 11:39  
LA PUBLIC SERVICE  
COMMISSION

Re: Notice of Cleco Power LLC of Intent to Conduct 2020 Request for Proposals for the Acquisition of Renewable Generating Capacity and Energy Resources pursuant to the Commission's Market Based Mechanism Order

Dear Secretary Frey:

This notice is on behalf of Cleco Power LLC ("Cleco Power"), as required by the Commission's General Order, issued October 29, 2008, in Docket No. R-26172, Subdocket C (the "MBM Order"). Under ordering paragraph 14 of the MBM Order, we hereby give the Commission notice of Cleco Power's intent to conduct a Request for Proposals competitive solicitation process for the acquisition of renewable generating capacity and energy resources to serve Cleco Power's LPSC-jurisdictional retail customers (the "2020 Renewables RFP").

Cleco Power will not permit affiliate proposals to be bid into the 2020 Renewables RFP. Cleco Power does, however, intend to permit self-build proposals to be bid into the 2020 Renewables RFP. Accordingly, pursuant to ordering paragraph 15 of the MBM Order, Cleco Power has identified Accion Group, LLC ("Accion"), to serve as independent monitor ("IM") for the 2020 Renewables RFP, with Mr. Harold T. Judd, President of Accion, serving as the primary point of contact and leading Accion's activities as IM for the 2020 Renewables RFP.

Please note that one of Accion's current consultants, Mr. Kevin D. Carden, previously provided testimony, dated June 19, 2017, on behalf of Cleco Power, in Docket No. U-34501.<sup>1</sup> Mr. Carden provided that testimony as a consultant for Astrapé Consulting, LLC. Mr. Carden's testimony in that proceeding supported the reserve margin assumption used in Cleco Power's analysis of the costs and benefits of being part of MISO. Mr. Carden will have no involvement in the 2020 Renewables RFP and will be walled-off from any communications regarding the 2020

<sup>1</sup> Cleco Power LLC, ex parte. In re: *Application Regarding the Costs and Benefits of Continued Participation in the Midcontinent Independent System Operator, Inc. Regional Transmission Organization.*

Canal Place 365 Canal Street, Suite 2000 New Orleans, Louisiana 70130 504-506-1111 504-506-9130 Fax phelps.com

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ROUTE FROM  
DEPT. PH DATE 4/7 DEPT. \_\_\_\_\_  
DEPT. Legal DATE \_\_\_\_\_ DEPT. \_\_\_\_\_  
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Mr. Brandon M. Frey  
Executive Secretary  
April 2, 2020  
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Renewables RFP. Because Mr. Carden's work for Cleco Power was through a different entity and because Mr. Carden will have no involvement in the 2020 Renewables RFP, Cleco Power does not consider Mr. Carden's previous testimony in Docket No. U-34501 as implicating the requirement in ordering paragraph 15 of the MBM Order that the entity identified to be retained to serve as IM "shall have had no other business relationship (other than as IM) with the utility or any of its affiliates within the last three years." However, in the interest of full disclosure, Cleco Power wanted to bring this to the Commission's attention.

If you have any questions, or require any additional information whatsoever, please do not hesitate to contact us.

Respectfully submitted,

By: Daniel T. Pancamo  
Nathan G. Huntwork  
Daniel T. Pancamo  
Collin Buisson

*Counsel for Cleco Power LLC*

cc: Harold T. Judd, Accion Group, LLC  
J. Shane Hilton, Cleco Power LLC  
J. Robert Cleghorn, Cleco Power LLC  
Eric Fletcher, Cleco Power LLC  
John O. Shirley, Phelps Dunbar, L.L.P.