

Orlando Utilities Commission
Florida Municipal Power Agency
Kissimmee Utility Authority

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Docket No. 910382-EH
Applicant Witness: T. E. Washburn
Exhibit No. ____ (TEW-6)

Request for Proposals to
Provide Firm Power to
Orlando Utilities Commission
Florida Municipal Power Agency
and Kissimmee Utility Authority

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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Introduction:

Orlando Utilities Commission (OUC), the Florida Municipal Power Agency (FMPA) and the Kissimmee Utility Authority (KUA), hereinafter referred to jointly as the Utilities, are soliciting proposals from electric utilities hereinafter referred to as Respondents to provide firm power to the Utilities for a minimum of 10 years. This Request for Proposals (RFP) is being sent to the generating electric utilities in Florida and generating electric utilities outside of Florida with only one intervening utility transmission system necessary to deliver the power to OUC. Under the Other Request For Proposals (Other RFP), the Utilities are soliciting proposals to provide firm power to the Utilities for a minimum of 25 years from a respondent who currently owns, or proposes Co-generation Facility as defined in CFR 18, Part 292, or Independent Power Production Facility, utility generating-facility, municipal, cooperative, or public authority generating facility.

Nature of Need for Power:

As part of its responsibility to ensure that reliable and economical power is available to its customers, the Utilities have determined a need for base load and intermediate power starting January 1, 1997. This need can be met by the Utilities building and operating a second coal unit at the Stanton Energy Center or by purchasing firm capacity and energy from either the Other RFP or this RFP. All the above alternatives will be evaluated against each other. The Utilities must have control over the use of any capacity and

energy it may purchase. This means that scheduling, load following and dispatchability by Automatic Generation Control from OUC's System Control Center will be important considerations in the evaluation of the individual proposals. In addition to price, this evaluation will include, but not be limited to, the following: both buying against and selling this capacity and energy on the Florida Energy Broker, using this capacity and energy for other economy or firm sales, as spinning reserves and for load following.

Proposal Request Information:

The Utilities are interested in receiving proposals for providing firm power delivered to OUC's transmission system at a minimum of 50MWS and up to a maximum of 440MWS for a minimum period of 10 years. The aggregate of the evaluated cost effective proposals in the final judgement of the Utilities from this RFP and from the Other RFP must total at least 440MW or none of the proposals will be accepted.

Capacity levels of the firm power may be constant or increasing on an annual basis. The firm power sale will begin on January 1, 1997. The Respondent's proposal will indicate in the Pricing Proposal Baseline Form in Exhibit A the Base Capacity Price using a \$/MW/month charge to cover fixed costs of the Respondent. The Respondent's proposal will also indicate the Base Fuel Cost in \$/MWH and the Base Energy Adder in \$/MWH to cover the variable costs of the Respondent. Availability and reliability guarantees with capacity charge concessions for non-performance are to be included in the proposal in the Availability Incentive/Penalty Rate. A Base Equivalent Availability Factor of 80% is specified in the Pricing Proposal Baseline Form in Exhibit A. This pay-for-performance concept may be

adjusted to recognize performance during on-peak and off-peak periods of the Utilities. This firm power must be either related to the operation of a specific unit(s) or supplied from a system-wide resource at the same level of service priority as the Respondent's retail customers.

If there is any escalator index applicable to the above Base Capacity Price and/or Base Energy Adder, it must be a third-party index. The escalator index shall be stated with the reference date, the value of the escalator index at that date, and the future dates that the escalation index shall be adjusted. A firm schedule of annual price levels may be proposed instead of one fixed price or an escalating price. All prices must be firm or escalated based on a published verifiable third-party escalator index. An annual re-calculation based on Respondent's cost or formula will not be accepted.

The Base Fuel Cost provided by the Respondent shall be adjusted quarterly by using the weighted average cost of primary fuel (coal) delivered to the Stanton Energy Center during the twelve calendar months ending three months prior to the quarter divided by the weighted average cost of primary fuel (coal) delivered to the Stanton Energy Center for the twelve months ending March 31, 1990. The Respondent shall provide an estimate of the fuel cost for the term of the proposal using the escalation rate for medium sulfur coal from the most recent base forecast of fuel price developed by the FCG for the Annual Planning Hearing (1989). A copy of this base forecast of fuel price is available upon request.

Proposals should clearly demonstrate that reliable firm power including firm transmission service from third parties will be available from the resource for the period and at the price described in the proposal.

Criteria for determining the value of the proposal will include, in addition to price, whether the proposal meets electric utility industry standards of reliability, whether the energy is supplied from one generating station or from the utility system and whether any modification to the OUC transmission system would be required to receive the power.

Preparation of Proposal:

Each recipient of this RFP is requested to acknowledge receipt of the RFP and to advise OUC of its intentions by returning the Notice of Intent/Respondent Registration Form included in this solicitation in Exhibit A. If OUC does not receive this form by August 22, 1990, OUC will not accept a proposal from the Respondent.

In order to more accurately evaluate each proposal, it is necessary that each Respondent complete all items in the proposal form without exception or alteration. If there is additional information that a Respondent desires to present that will clarify or better explain the proposal, reasonable additional data will be accepted and considered.

To avoid disqualification on the basis of non-responsiveness, all Respondents are cautioned to submit their proposals in strict accordance with these instructions and on the forms provided in Exhibit A. All prices shall be quoted in the manner specified in the Pricing Proposal Baseline Form.

Questions will be allowed by phone and shall be followed up with written documentation from the Respondent to be signed by OUC. This documentation shall state each question followed by the Respondent's understanding of the answer given by OUC. Once signed by OUC, all Respondents will be sent a copy for their records. If phone conversations are

not confirmed with written documentation, they shall not be binding. The OUC contact person for questions is Thomas E. Washburn at (407) 423-9183 and Fax number (407) 236-9630.

Each proposal shall be firm for 12 months from November 13, 1990 to allow for evaluation and negotiation. After the 12 months for which the proposal is held firm, Respondents may be requested to renew or reconfirm their proposals until an agreement with the successful Respondent(s) is executed.

Proposals must be submitted in the legal name of the party who would be bound by any resulting contract with the Utilities. The proposal is to be completed by the Respondent and signed and sealed by an officer who is legally authorized to bind the Respondent to enter a contract based on the proposal.

Respondents are reminded that they are responsible for all transmission costs and losses to deliver the power to OUC transmission system. Any OUC estimated additional costs for required upgrades to the OUC transmission system due to the power from the Respondent's Proposal will be included in the evaluation.

If wheeling is required, the Respondent must submit a plan for obtaining all firm wheeling arrangements and indicate the current status. The Respondent must, at a minimum, have had preliminary discussions and provide evidence of such with the wheeling entities and provide details regarding the technical feasibility of such firm wheeling.

Proposal Submittal:

The Respondent shall send one unbound original and six bound copies of the Proposal to OUC in an envelope marked "Purchase Power Request For Proposal." The proposal must be

received not later than 2:00 p.m. November 13, 1990 by Orlando Utilities Commission, 500 S. Orange Avenue, P. O. Box 3193, Orlando, FL 32802, ATTN.: Mr. Theodore C. Pope. Any proposals received after that time will be returned to the sender unopened. The proposal should identify the appropriate contact person with the contact address and telephone number for the Respondent. The proposals will not be publicly opened at that time, but will be turned over to the Utilities staff and consultants for review and evaluation. All information submitted will become the property of the Utilities and are subject to the Florida Public Records Act, Florida Statutes, Chapter 119, Part II. The Utilities reserves the right to select any proposals or to reject any and all proposals without explanation or qualification, either in whole or in part, and to waive any irregularities therein.

Negotiation Process:

Upon the conclusion of the detailed evaluation of proposals, the Utilities will announce its decision as to whether the purchase of power being proposed under this solicitation in combination with the purchase of power under the Other RFP or proceeding with plans to install Stanton Unit 2 is in the best interests of its customers. This decision is scheduled for March 12, 1991. If the purchase of power purposed under this RFP is determined by the Utilities to be more beneficial than the installation of Stanton Unit 2, the Utilities will announce the Respondent(s) with whom it will initiate negotiations. The Utilities will present to the Respondent(s) with the lowest evaluated cost a proposed draft contract which will serve as the basis for discussions.

The commencement of negotiations does not imply any commitment on the part of the Utilities to enter any

agreement. Neither the Utilities nor any Respondent will be bound in any respect until such time as a definitive contract document is signed by the Respondent and the Utilities. If substantial agreement is not reached in 90 days after commencement, negotiations may be terminated.

EXHIBIT A

FORMS

Notice of Intent/Respondent Registration Form

Pricing Proposal Baseline Form

Due Date - August 22, 1990

Notice of Intent/Respondent Registration Form

Date: _____

The undersigned intends to respond to the Utilities Purchase Power RFP with a proposal currently conceived as follows:

Estimated Firm Capacity: _____ MW
Fuel (if unit specific): _____
Fuel Mix (if system-wide): _____

Firm Transmission Wheeling: _____

Respondent:

Company Name: _____
Contact Person: _____
Title/Position: _____
Couriered Address: _____

Mailing Address: _____

Telephone: _____
Fax Telephone: _____

Legal name of actual party which will be bound by any resulting contract with the Utilities if different from above: _____

Form Completed by: _____ Phone: _____

Signature: _____
Title: _____

Pricing Proposal
Baseline Form

Acceptance Date: January 1997

Capacity Pricing

*Base Capacity Price \$/MW/Month	Base Equivalent Availability Factor	Availability Incentive Penalty Rate \$/MW/Month per % Variance Above or below 80%	Proposed Index for Adjusting/ Capacity Price and Incentive/ Penalty Rate (Name of Index)
Values: _____	80%	_____	_____

Energy Pricing

*Base Fuel Cost \$/MWH	*Base Energy Adder \$/MWH	Proposed Index for Adjusting Energy Adder (Name of Index)
Values: _____	_____	_____

*Price and Cost information for the initial year of operation (base year). Values should be expressed in nominal dollars. Projected values for subsequent years though the proposed contract term are to be provided on the following page.

Projected Cost Data

Year	*Capacity Price \$/MW/Month	Fuel Cost \$/MWH	*Energy Adder \$/MWH	*Incentive Penalty Rate \$/MW/Month
1997	_____	_____	_____	_____
1998	_____	_____	_____	_____
1999	_____	_____	_____	_____
2000	_____	_____	_____	_____
2001	_____	_____	_____	_____
2002	_____	_____	_____	_____
2003	_____	_____	_____	_____
2004	_____	_____	_____	_____
2005	_____	_____	_____	_____
2006	_____	_____	_____	_____
2007	_____	_____	_____	_____
2008	_____	_____	_____	_____
2009	_____	_____	_____	_____
2010	_____	_____	_____	_____
2011	_____	_____	_____	_____
2012	_____	_____	_____	_____
2013	_____	_____	_____	_____
2014	_____	_____	_____	_____
2015	_____	_____	_____	_____
2016	_____	_____	_____	_____
2017	_____	_____	_____	_____
2018	_____	_____	_____	_____
2019	_____	_____	_____	_____
2020	_____	_____	_____	_____
2021	_____	_____	_____	_____

* If an escalation index is proposed, use 5.2% escalation per year for the projected cost data for evaluation purposes.