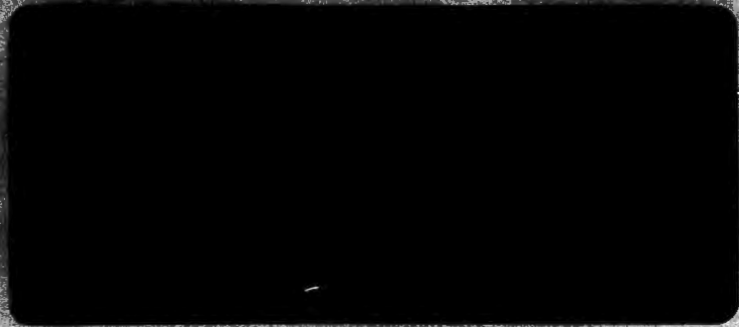


**Mississippi Utility Authority  
Florida Municipal Power Agency  
Docket No. 98002-EM  
Applicant Witness: Steve L. Schweitzerman  
Exhibit No. \_\_\_ (ELS-2)**



**BLACK & VEATCH<sub>LLP</sub>**

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ORIGINAL

**FLORIDA MUNICIPAL POWER AGENCY**  
**Request for Power Supply Proposals**

May 28, 1997

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**FLORIDA MUNICIPAL POWER AGENCY**  
**Request for Power Supply Proposals**  
**RFP # 9720**

**May 28, 1997**

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### **3. All-Requirements Project**

The 2001 summer peak demand for the Project is forecast to be approximately 1,058 MW. This is a large increase in demand over recent history due primarily to the planned addition of three more cities to the existing eight members in the Project group. A portion of this increase is also due to load growth. The resultant new group of eleven cities, although geographically and electrically separated, will be operated as a single entity with their collective demand served through an integrated operation of all supply-side resources. This expansion of the All Requirements Project (sometimes referred to as the Integrated Dispatch and Operations ("IDO") project) is projected to save the participants millions of dollars in fuel costs through more efficient operation of resources. Although this project will be implemented in June, 1997, there still is some uncertainty as to the exact date(s) the additional three cities will join the Project. Furthermore, there are several other members in addition to the five new members also expressing interest in joining the Project. As such, there is a corresponding uncertainty as to the exact amount of power that will be needed in the 2001 - 2015 and beyond time frame. Thus as described in Section 5, FMPA prefers that proposals involving purchases include options that would allow FMPA to increase and decrease the contract purchase amounts.

Table 1 shows the nominated capacities from existing FMPA-owned as well as contracted power supply resources along with the potential power supply requirements to be fulfilled by this RFP for the period 2001 through 2015 for the Project (the 20-year contract would extend through 2021). The projected annual energy requirements, summer peak demands, and additional capacity desired which is to be satisfied at least in part by the RFP process are shown in Table 2.

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**TABLE 1**  
**Existing & RFP Resources**  
**(At the time of the Summer Peak)**

Description	Unit Type	Fuel Type	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Generation Resources:</b>																	
Crystal River #3	Nuclear	Nuclear	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
St. Lucie Unit #2	Nuclear	Nuclear	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
Stanton 1 & 2	Steam	Coal	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158
Indian River CT's	CT	Gas/Oil	72	72	72	72	72	72	72	72	72	72	72	72	72	72	72
Cane Island Plant	CC/CC	Gas/Oil	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
<b>Total Generation Resources</b>	--	--	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>
<b>Purchased Power Resources:</b>																	
City of Vero Beach	Steam/CC	Gas/Oil	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153
City of Starke (GRU)	System Purchase	Coal	3	3	3	0	0	0	0	0	0	0	0	0	0	0	0
Pt. Pierce Utilities Auth.	Steam/CC	Gas/Oil	118	118	118	118	118	118	118	118	118	118	118	118	118	118	118
City of Lake Worth	CT/CC/Diesel	Gas/Oil	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Utility Board of the City of Key West	CT/Diesel	Oil	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Orlando Utilities Comm	Steam/CT	Gas/Oil	150	128	187	65	44	22	0	0	0	0	0	0	0	0	0
Min. Req. Purchases	Partial Req.	System	85	47	45	45	45	45	45	45	45	45	45	45	0	0	0
<b>Total Purchased Power</b>	--	--	<b>633</b>	<b>594</b>	<b>570</b>	<b>525</b>	<b>504</b>	<b>482</b>	<b>460</b>	<b>460</b>	<b>460</b>	<b>460</b>	<b>460</b>	<b>460</b>	<b>415</b>	<b>415</b>	<b>415</b>
<b>Nominated Capacity Resources</b>	--	--	<b>1,804</b>	<b>968</b>	<b>981</b>	<b>886</b>	<b>878</b>	<b>853</b>	<b>831</b>	<b>831</b>	<b>831</b>	<b>831</b>	<b>831</b>	<b>831</b>	<b>786</b>	<b>786</b>	<b>786</b>
<b>RFP Resources:</b>																	
Long-Term	--	--	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
Short-Term	--	--	120	120	120	120	120	0	0	0	0	0	0	0	0	0	0
Medium-Term	--	--	0	120	120	120	120	120	120	120	0	0	0	0	0	0	0
<b>Total RFP Resources</b>	--	--	<b>240</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>240</b>	<b>240</b>	<b>240</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>
<b>Total Capacity Resources</b>	--	--	<b>1,264</b>	<b>1,328</b>	<b>1,301</b>	<b>1,256</b>	<b>1,238</b>	<b>1,093</b>	<b>1,071</b>	<b>1,071</b>	<b>951</b>	<b>951</b>	<b>951</b>	<b>951</b>	<b>906</b>	<b>906</b>	<b>906</b>

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**TABLE 2**

**System Projections**

Year	Energy Requirements (GWh)	Summer Peak Demand (MW)	Nominated Capacity Resources (MW)	Total RFP Resources (MW)	Total Capacity Resources (MW)
(a)	(b)	(c)	(d)	(e)	(f)
2001	5,313	1,058	1,024	240	1,264
2002	5,445	1,085	965	360	1,325
2003	5,573	1,110	941	360	1,301
2004	5,701	1,136	896	360	1,256
2005	5,827	1,161	875	360	1,235
2006	5,950	1,187	853	240	1,093
2007	6,070	1,211	831	240	1,071
2008	6,118	1,235	831	240	1,071
2009	6,303	1,258	831	120	951
2010	6,414	1,281	831	120	951
2011	6,520	1,302	831	120	951
2012	6,621	1,323	831	120	951
2013	6,718	1,343	786	120	906
2014	6,811	1,362	786	120	906
2015	6,898	1,380	786	120	906

Note: For planning purposes, the additional capacity requirements not requested in this RFP are assumed to be met by market purchases to be determined in the future.

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**4. RFP Schedule**

FMPA's timetable for this Request For Proposal ("RFP") process is shown below. Note that all times shown are based on the prevailing eastern time on the dates indicated; however, the dates shown are only estimates and may be modified at any time by FMPA.

Public Notice of RFP	May 27, 1997	
RFP Available for Distribution	May 28, 1997	
Notification of Conference Attendance Due	June 18, 1997	{12:00 Noon EDT}
Pre-Bid Conference	June 24, 1997	{9:30 A.M. EDT}
Notice of Intent to Bid Form Due to FMPA	June 30, 1997	{5:00 P.M. EDT}
Deadline for Bidders' Questions	July 2, 1997	{5:00 P.M. EDT}
Sealed Proposal(s) Due Date	August 6, 1997	{3:00 P.M. EDT}
Publish Short-List/Commence Negotiations	October 8, 1997	
Complete Negotiations	December 4, 1997	
Contract(s) Approved	December 12, 1997	
Commencement of Power Supply Service	December 16, 2000	(5+ year term)
Commencement of Power Supply Service	June 1, 2001	(20 year term)
Commencement of Power Supply Service	December 16, 2001	(7+ year term)

**5. Potential Power Supply Requirements**

FMPA is requesting proposals for the supply of power in three separate basic capacity amounts and contract terms as follows:

- A. **Short-Term Power Supply** - Up to 120 MW of power supply to commence service on December 16, 2000 for a contract period of approximately 5 years ending March 15, 2006, with options to (i) extend the agreement for further periods of up to approximately 5 years; and (ii) increase and decrease the quantity of the purchase. FMPA would prefer proposals that offer flexibility to adjust the quantity of purchase of the order expressed in the following table:

<u>Notice Period (Years)</u>	<u>Percent Adjustment</u>
5	± 25
4	± 20

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3	± 15
2	± 10

- B. **Medium-Term Power Supply** - Up to 120 MW of power supply to commence service on December 16, 2001 for a contract period of approximately 7 years ending March 15, 2009, with options to (i) extend the agreement for further periods of up to approximately 7 years; and (ii) increase and decrease the quantity of purchase as in item A above.
- C. **Long-Term Power Supply** - Up to 120 MW of base/intermediate power supply to commence service on June 1, 2001 for a minimum contract period of 20 years ending May 31, 2021, with an option to extend the agreement for minimum periods of 5 years. The power supply should be available to FMPA at up to 100 percent capacity factor.

FMPA is accepting a variety of proposal types for capacity and energy in whole megawatt quantities for part or all of the basic capacity requirements along with options to increase and decrease the purchase amounts. The minimum bid capacity allowed for each power supply component is 10 MW. As previously mentioned, FMPA has a variety of power supply options under existing purchase agreements as well as the option to build new generating capacity on the Cane Island Power Plant site located near Kissimmee, Florida. Accordingly, FMPA will consider proposals for the sale of Short-term, Medium-term and/or Long-term firm power supply from (i) existing specified resources, (ii) a portfolio supply of resources with appropriate guarantees; and/or (iii) a generating facility to be constructed for a unit power sale or for FMPA full ownership or joint ownership participation between FMPA and the bidder at the bidder's location (see Section 7). In any event, all proposals must identify the specific resources at specific sites. Furthermore, the total capacity committed from any single generating unit for a proposal must not exceed 120 MW. Proposals based on supply resources located outside Florida Power & Light Company's ("FPL") and Florida Power Corporation's ("FPC") control area must also identify the transmission contracts for the transmission path that will be utilized from the resource(s) up to the FPL and/or FPC interface(s) as more fully described in Section 9.

## 6. Proposals for Capacity/Energy Sales

Proposals involving a unit or power plant capacity/energy sale should include all available data including equivalent availability factor ("EAF"), maintenance schedules,



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net capacity, heat rate, fuel type, and other pertinent data for the specific unit(s). Proposals involving a system or portfolio capacity and energy sale to FMPA should include information for all generating units and purchase contracts required to make the sale to FMPA. All proposals for a capacity/energy sale shall be on a non-recallable basis equivalent to native load delivered to the FPC or FPL interfaces. Details of the information required for each type of proposal are specified in Attachment B.

If the capacity/energy sale proposal is based on a pass-through fuel cost arrangement, the proposal must include the fuel price forecasts, fuel transportation contract information, any information on fuel price contracts and an explanation of the relationship of the fuel price component of the energy rate to fuel prices. If any of this information is Proprietary Confidential Business Information, it should be so noted and FMPA will maintain confidentiality per Section 14. If the proposal is based on a contractually fixed total energy cost, the proposal must include all information pertinent to the pricing and its escalation.

All proposals shall include scheduling provisions of the sale. For proposals that include peaking type resources or peaking type pricing, the schedule shall be established hourly with the availability to change up to 10 minutes before the schedule commences. For all other resources, the schedule should be established no more than 1 day in advance with the ability to change the schedule within 2-3 hours before the schedule commences except under FMPA emergency conditions when changes may be required as soon as physically possible if the resource is available. The proposal shall not include any contractual limitations on energy usage (MWhs) by day, month or year. As part of the scheduling provisions, the supplier will be required to fax daily to FMPA's dispatchers (currently contracted to the Orlando Utilities Commission) a schedule of estimated prices for the energy to be delivered for that day and the next day.

## **7. Proposals for Construction and/or Joint Ownership In Generation**

Proposals involving the construction of a generating unit(s) with FMPA as sole owner or as a joint owner should include all of the information specified in Attachment B, Section B-1. In addition, they should include details of the terms and conditions of the ownership offer to FMPA. FMPA prefers proposals that do not utilize the existing "Cane Island Site" for the construction of generating capacity in excess of that which will be provided to FMPA and Kissimmee Utility Authority ("KUA"). Any proposal that offers construction of generating facilities at Cane Island must include provisions to transfer 100% ownership after construction to FMPA or to FMPA and a qualified joint participant identified by FMPA. Federal tax law and State law requirements may place further constraints on eligible partners or specific projects. Proposals involving ownership by

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FMPA are subject to FMPA's agreement on the detailed plant specifications and design. Bidders presenting such proposals are encouraged to include detailed specifications and performance guarantees upon which their proposals are based.

**8. Cane Island Site**

The Cane Island Site is located in Osceola County, Florida. The site comprises 1,027 acres that is owned by KUA and is located near the KUA service area. It is situated on uplands known as Cane Island.

Currently, there are two generating units in operation at the Cane Island Site. The first is a 40 MW General Electric Model LM6000 combustion turbine ("CT") which was placed into commercial operation on January 1, 1995. The second unit is a 120 MW combined cycle ("CC"), General Electric Model 107EA comprised of an 80 MW CT and a 40 MW steam turbine unit. This unit entered commercial service on November 1, 1995. The Cane Island Site was designed for the installation of up to a total of 1,000 MW of generating capacity.

KUA and FMPA are joint owners of the existing Cane Island Project, each with a 50 percent ownership share. Both parties have joint ownership of the land specific to the units constructed at the site; however, KUA will continue to own the balance of the site with FMPA paying a user's fee. In addition, KUA has the responsibility for construction, operation and maintenance of the plant.

The Cane Island Site is being served by three new 230 kV transmission lines. Two of the 230 kV circuits result from looping OUC's McIntosh-Taft 230 kV transmission line into the Cane Island Site. The line has been constructed on double circuit towers along the Bonnet Creek Canal. The third 230 kV transmission line is a single circuit line which extends east from the site to the new Clay Street substation where it interconnects with KUA's 69 kV transmission system. The transmission lines and substation are jointly owned by KUA and FMPA.

FMPA's self-build option will consist of a combined cycle unit located at the Cane Island Site. Two alternative unit capacities are being considered as follows:

- (i) A 240 MW capacity combined cycle unit comprising one advanced (F-class) combustion turbine and one heat recovery steam generator and associated steam turbine generator.

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- (ii) A 120 MW capacity combined cycle unit comprising one combustion turbine and one heat recovery steam generator and associated steam turbine generator.

The 240 MW capacity combined cycle plant is the more economically attractive alternative to FMPA. However, FMPA is only seeking 120 MW of long-term capacity by 2001 and prefers to share the output from such a unit with another qualified electric utility company on a 50/50 basis. FMPA is actively seeking a suitable partner for this project and expects to make a selection in the near future. If an electric utility partner is selected, then the 240 MW project will become the benchmark against which long-term power supply proposals will be screened.

If FMPA does not select a suitable partner, then the 120 MW alternative described above will be developed. In this case, 100% of the plant capacity will be utilized by FMPA.

Detailed cost estimates for the selected alternative will be prepared by a design consultant and submitted to FMPA prior to the Proposal Due Date. In the initial stages of the evaluation process, this cost estimate will be used as a benchmark for screening alternatives. During the final evaluation stage, FMPA may obtain firm "not to exceed" bids for the self-build project to verify the initial cost estimate before making a final decision to select a proposal versus the self-build alternative. The design consultant will not have access to the proposals. Bidders are encouraged to provide their lowest cost offer on August 6, 1997 since repricing is not currently anticipated.

FMPA has included a gas fuel forecast in Attachment A for use by bidders. However, FMPA will seek bids to confirm market pricing coincident with this RFP process and may use the updated pricing in evaluating the bids.

## **9. Transmission Arrangements**

FMPA jointly owns 17 miles of 230 kV transmission that connects the Cane Island power plant into the surrounding grid. Additionally, FMPA purchases transmission services from several different investor-owned utilities and from one municipal electric utility. These transmission contracts provide FMPA access to all systems interconnected with these utilities thus enabling the delivery of electric power to each of FMPA's participating members.

FMPA's All-Requirements Project has five of the existing eight Project Participants geographically located within FPL's service area and the other three Participants located within FPC's service area. All eight Project Participants are supplied their full-

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requirements power supply from FMPA and such power is delivered to the Project Participants over the transmission systems of FPL or FPC, respectively. Transmission agreements are being modified or are currently in place that enable FMPA to provide transmission service over both FPL's and FPC's systems.

When the "IDO" project is fully implemented (see Section 3 for details), the additional three Project Participants, which are also currently located within FPL's service area, will require transmission service to merge their generation and loads with the All-Requirements Project. Discussions are in progress to incorporate these additional three Participants into the FMPA Transmission Service Agreement with FPL.

FMPA All-Requirements Project capacity needs are provided on a system basis; however, the utilization of FMPA's transmission agreements with FPL and FPC must be separately planned. FMPA has determined for this bid evaluation that a maximum of approximately 160 MW of the total RFP capacity should be delivered to FPL's system with the remainder delivered to FPC's system. Bidders are free to quote to either transmission system or both. FMPA will evaluate the proposals and, with consideration for the above limitation, may have to add additional FPL transmission service to deliver some of the resources to FPC where the limit for FPL delivery is exceeded. FMPA prefers proposals that include the capability to deliver power to both FPL's and FPC's transmission systems.

All bids for potential power supply(s) where the supply resources originate from outside FPC's or FPL's control area should be priced based on the bidder supplying and/or arranging for transmission service from the source(s) of supply to the FPL or FPC control area interfaces and will need to match the requirements of FMPA's existing network transmission agreements with FPL and FPC.

Where resources originate outside the State of Florida, proposals must consider the limits and allocation of interface capacity among the owners of the transmission lines that make up the Florida-Southern interface. At this writing, FMPA believes the total reported import capacity is 3,600 MW. All of that capacity may not be available for firm transmission.

It is FMPA's understanding that the current allocation of this import capability is 200 MW to the City of Tallahassee, Florida ("Tallahassee"), 438 MW to FPC, 1,228 MW to the Jacksonville Electric Authority ("JEA") and 1,734 MW to FPL. The firm commitments of FPC and FPL are believed to be very close to their maximum allocation and FMPA does not expect any firm transmission capacity to be available from those utilities. The Tallahassee amount may not be fully committed but may not be available for firm transmission service south of Tallahassee. JEA reportedly has 400 MW of its import

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allocation committed. Imports through JEA may have a contract path through Seminole Electric Cooperative, Inc. ("Seminole") to the Silver Springs North station which is a tie point for Seminole, Ocala Electric Utility and FPC. The exact amount of firm transmission that may be available through JEA for delivery to FMPA in FPC's and FPL's system will need to be established and may require agreement of all affected parties.

FMPA prefers proposals that contain the capability to deliver the power supply in a ratio of 45% to the FPL System and 55% to the FPC System. Proposals that are unable to achieve this ratio may be subject to wheeling of some portion of the supply over both FPC's and FPL's systems (double wheeling).

Notwithstanding FMPA's involvement in the process to determine the availability of the required transmission services, bidders are informed that the process may be time consuming and costly. As such, bidders should only submit proposals where preliminary information from reliable sources indicate that there is a fairly high likelihood that the transmission services required by their proposals are available.

Bidders should provide backup information that would verify the reasonableness of assumptions and cost data associated with transmission service required for delivery of the proposed capacity and energy from the source(s) of supply to the high voltage transmission grids of FPC and FPL. FMPA prefers proposals that include detailed analyses which will demonstrate that the bidder's proposal can be qualified as a "network resource" under the FPL or FPC network transmission tariffs. Such analyses should show all assumptions, including, among other things, contract paths, contracting parties, interface capability, intervening parties, and transfer capabilities. FMPA may verify the transmission studies provided by the bidders by performing its own load flow studies. Therefore, bidders are encouraged to submit a hard copy of the transmission analysis results, plus the load flow cases in raw data ASCII IBM compatible format (i.e., PTI's PSS/E, GE's PSLF, IEEE common), along with all assumptions used in creating each case and any special instructions for reading the data. To the extent uncertainty exists regarding whether the bidder has appropriately accounted for transmission limitations and associated costs in the proposal, FMPA may reflect this in its evaluation or reject the proposal.

## **10. Notice to Bidders**

FMPA is coordinating the schedule of this RFP process with a similar RFP process that is being followed by KUA so that the activities for both processes are executed in parallel. In this way, both entities are able to maximize the benefits of their existing relationship. FMPA and KUA will accept proposals that are made to FMPA and KUA jointly for

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capacity sharing as stipulated by the bidder. Proposals that are submitted to FMPA and KUA jointly may be eliminated from further consideration if either KUA's or FMPA's requirements are not met. To ensure that the components of the proposal can be considered by FMPA and KUA separately, bidders must submit individual proposals to each entity in addition to the proposal for joint consideration which must be submitted to both entities.

FMPA has scheduled a Pre-Bid Conference for Tuesday, June 24, 1997 at 9:30 A.M. EDT at the KUA offices, 1701 W. Carroll Street, Kissimmee, Florida 34741. Only qualified bidders (see Section 15) will be permitted to attend the Pre-Bid Conference. The purpose of the conference is to answer all questions that bidders may have about FMPA's solicitation. Only written questions and written responses will be considered official. Companies that intend to submit proposals are requested to use this forum to obtain answers about the RFP and the form of the response to the RFP. Companies must register for the Pre-Bid Conference by submitting a written list of attendees via mail to the address below, via the Internet to E-Mail address: [fp9720@fmpa.com](mailto:fp9720@fmpa.com) or via facsimile to the attention of Mr. Rick Casey at (407) 856-6553 [Fax], to arrive on or before noon EDT, Wednesday, June 18, 1997. After the Pre-Bid Conference, a tour of the Cane Island Site will be conducted by KUA for interested bidders. The tour group is scheduled to leave KUA offices for the Cane Island Site at 2:00 P.M. Bidders must indicate on their Pre-Bid conference registrations whether or not they wish to participate in the tour.

All bidders are **required** to provide written notification of their intent to submit a proposal no later than 5:00 P.M. EDT on Monday, June 30, 1997. A Notice of Intent to Bid Form is included in Section 22 as RFP Form 1. On the Notice of Intent to Bid form, bidders must indicate the agreement term(s) on which the proposal(s) will be based. All sections of the Notice of Intent to Bid form must be completed in full, signed by the bidder, and submitted to FMPA by facsimile or mail (not via the Internet) to the attention of Mr. Rick Casey.

Sealed proposal packages will be received until 3:00 P.M. EDT on Wednesday, August 6, 1997 ("Proposal Due Date") at the offices of Florida Municipal Power Agency. Any proposal submitted via the Internet will not be accepted. Each bidder is required to submit a Proposal Summary (RFP Form 2), a Minimum Requirements Form (Form 3), a Pricing Proposal Form (Form 4) and a Checklist (Form 5) as part of the proposal package. The forms are included in Section 22 of this RFP. The bidding company's name must be clearly identified on the outside of each proposal package. Companies that have acquired an RFP directly from FMPA or by downloading from the Internet will be notified through the issue of RFP addenda of any change in the Proposal Due

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Date or other necessary revision to information contained in this RFP. FMPA reserves the right to reject all proposals received after the Proposal Due Date.

One original and six (6) copies of each proposal should be sealed and delivered to the following address:

Mr. Rick Casey  
System Planning Manager  
Florida Municipal Power Agency  
7201 Lake Ellenor Drive  
Orlando, Florida 32809

An electronic copy of the completed Proposal Pricing and all other spreadsheets included in the proposal should be submitted in Microsoft Excel 5.0/95 or compatible format on a 3 1/2 inch diskette.

The proposals offering agreement terms of approximately 5 years or less should remain in effect until December 31, 1997 or later if the purchase is to be finalized pending a transmission service request. Proposals offering agreement terms longer than 7 years should remain in effect until March 31, 1998 or later if the purchase is to be finalized pending a transmission service request. The proposal packages will be opened after the Proposal Due Date. Each proposal package must be accompanied by a non-refundable Proposal Fee (in the form of a cashiers check made payable to FMPA) in the amount of \$100 per proposal per year or part thereof up to a maximum of \$1,500 per proposal. For the purpose of calculating the Proposal Fee, offers of Short-term power, Medium-term power, and Long-term power shall each be regarded as separate proposals. For example, a bidder that offers a 20 year supply for all or part of the 120 MW, a 7 year supply for all or part of the 120 MW, and a 5 year supply for all or part of the 120 MW is required to submit a Proposal Fee of \$1,500 plus \$700, plus \$500, for a total of \$2,700.

## **11. Right of Rejection**

This RFP is not an offer establishing any contractual rights. This solicitation is solely an invitation to submit proposals.

FMPA reserves the right to:

- Reject any and all proposals received in response to this RFP;
- Reject any proposal for failure to extend validity date if requested;
- Waive any requirement in this RFP;

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- Not disclose the reason for rejecting a proposal;
- Negotiate an arrangement for power supply with more than one bidder at a time;
- Not select the proposal with the lowest price; and
- Request clarifications from bidders at any time.

## **12. Interpretations and Addenda**

All questions regarding interpretation of this RFP, technical or otherwise, must be submitted in writing or by the Internet to the following:

By Fax: Mr. Rick Casey  
(407) 856-6553

By E-Mail: rfp9720@fmpa.com

By Mail or Courier: Mr. Rick Casey  
System Planning Manager  
Florida Municipal Power Agency  
7201 Lake Ellenor Drive  
Orlando, Florida 32809

Only written or Internet transmitted responses provided by FMPA to bidders' questions will be considered official. A verbal response by FMPA will not be considered an official response. Written responses to questions and requests for interpretations will be provided to the bidder posing the question or making the request unless the question and answer are applicable to the RFP process in general in which case, at FMPA's discretion, the question and answer may be provided to all bidders. All written questions must be received by FMPA on or before Wednesday, July 2, 1997 (5:00 P.M. EDT). Inquiries after this date may not receive responses. All addenda issued in connection with this RFP will be placed on the "Important Updates" page on the Internet Website, [www.rwbeck.com/fmpa-kua](http://www.rwbeck.com/fmpa-kua), at the time of issue and it shall be the responsibility of those bidders that download the RFP from the Internet to regularly check the "Important Updates" page for addenda. Copies of all issued addenda will also be sent by facsimile and/or mail to all companies that directly purchased an RFP from FMPA, and after June 30, 1997, those direct purchase companies that submitted a Notice of Intent to Bid Form in a timely manner.



### **13. Errors, Modifications or Withdrawal of Proposal**

Each bidder should carefully review the information provided in the RFP prior to submitting a response. The RFP contains instructions which should be followed by all bidders. Modifications (other than minor additions and/or corrections) to proposals already received by FMPA will only be accepted prior to the Proposal Due Date. Proposals may be withdrawn by giving written notice (no Internet notices) to FMPA prior to the Proposal Due Date. In such cases, a full refund of the Proposal Fee will be provided by FMPA. Proposals withdrawn after the Proposal Due Date will result in forfeiture of the proposal fees.

### **14. Proprietary Confidential Business Information**

All proposals shall become the property of FMPA. FMPA will not disclose to third parties any information that is clearly labeled "Proprietary Confidential Business Information" in a proposal unless such disclosures are required by law or by order of a court or government agency having appropriate jurisdiction. Each page of Proprietary Confidential Business Information must be clearly labeled "PROPRIETARY CONFIDENTIAL BUSINESS INFORMATION" at the top of the page. FMPA reserves the right to disclose information contained in proposals to its consultant(s) for the sole purpose of assisting in the proposal evaluation process. FMPA will require the consultant(s) to maintain the confidentiality of the document.

### **15. Bidder Qualifications**

FMPA will accept bids from any electric utility, independent power producer ("IPP"), qualifying facility ("QF"), exempt wholesale generator, or non-utility generator, or electric power marketer who has received certification as such by the FERC. Bidders unfamiliar to FMPA may be required to provide proof of experience. Bidders that propose to develop a power generating project to provide power to FMPA must have developed, and have had in operation for a minimum of one year, at least one currently operating power supply project that is similar to, or larger in size than, the project being proposed. Bidders proposing to provide FMPA with power from an existing generating resource or a portfolio of resources must have successfully provided similar levels of services to at least one electric utility for a minimum of one year.

Bidders offering capacity/energy sales or ownership proposals from an existing unit(s) must own and operate the unit, plant or system capacity or must have the unit(s), plant or system capacity under contract. FMPA may require proof of such contracts as well as

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proof of contracts for sales from a portfolio of resources. Any contracts submitted with the proposal may have the price and other sensitive information deleted before submittal to FMMPA.

Bidders offering to construct generating unit(s) for FMMPA's sole or joint ownership must provide sufficient detail in accordance with Attachment B, Section 1-19.

Electric power plant operators of a unit, plant, system or portfolio capacity proposal must provide proof of operating experience as requested in Attachment B.

Respondents are encouraged to provide the following information with their proposals: most recent audited financial statement; Form 10K of parent company, where appropriate; most recent Dunn & Bradstreet report; description of pending litigation; summary of project experience; and annual report.

## **16. Capacity**

Resources providing the proposed capacity whether unit, plant, system or portfolio sale or construction of a joint ownership proposal, must be in operation at least two months prior to the start date of the proposed power supply.

## **17. Bid Security**

FMMPA may require the short-listed bidder(s) to provide adequate bid security prior to commencement of short-list negotiations. The bidder may therefore propose an appropriate bid security.

## **18. Default and Damages Provisions**

FMMPA will negotiate the conditions of default and damages with the successful bidder(s). Bidders should include default and damage provisions in their proposals.

## **19. Disqualification of Proposals**

A bidder's proposal(s) may be disqualified at any point if bribery, conflict of interest, or interference in the evaluation process are determined, at FMMPA's sole discretion, to be involved with the proposal(s).

## 20. Evaluation Process

The proposal evaluation process will be performed on a bid and negotiate basis. Information provided from each qualified bidder by the Proposal Due Date will be used to develop a short-list of proposals from which selection(s) could be made for direct negotiations. No additional data will be considered after the Proposal Due Date, except for clarifications requested by FMPA and possible transmission system study results obtained from FMPA, FPL, FPC, and/or any other affected transmission provider. FMPA will evaluate the proposals in terms of price and non-price factors. The first stage of the evaluation process for qualified bidders will consist of a check of each proposal against the minimum requirements, as listed in this section of the RFP. After the minimum requirements screening, initial price screening of proposals for Short- or Medium-term arrangements may be accomplished by comparing such proposals using a capacity factor analysis. Those proposals may then be screened by comparison with options that are available to FMPA under existing power purchase arrangements. Proposals for Long-term arrangements may be screened by comparison with FMPA's self build project and/or other proposals. Both screenings will be performed on a present value busbar cost basis. Price and non-price evaluations may be conducted next.

Price and non-price evaluations may include a preliminary analysis of transmission limitations to verify that bidders have properly addressed the limitations and included appropriate costs. Once a short-list of bidders is developed, FMPA will inform FPL and/or FPC and/or others, as appropriate, of the potential short-listed bidders as possible power suppliers to FMPA. It may then be determined that additional system studies, which incorporate such proposed power supply resource(s), may be necessary to verify the sufficiency of the transmission systems and their interfaces and determine if additional transmission system facilities may be required. Should FMPA or others determine, based on their studies, that additional transmission facilities or costs are required to accommodate particular proposed power supplies, each affected bidder will then be contacted by FMPA with this information to explore possible alternatives, if any, to address the problem. To the extent these problems cannot be resolved, the proposal may be rejected or the evaluation will reflect this cost uncertainty. Short-term and Medium-term proposals may be eliminated at this point based solely on a determination that additional transmission facilities are required and there is insufficient time to complete the installation of such facilities. Any costs associated with such transmission system studies performed by FMPA or FPL or FPC will be the responsibility of FMPA. Proposals that remain on the short-list will be analyzed on an overall system cost basis. From this analysis, the bidder(s) will be selected for participation in negotiations. The bidder(s) selected will be notified for commencement of negotiations. Negotiations with bidders offering sole or joint ownership will include

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negotiation on performance specifications. Selection and rejection of proposals and notification of bidders at all stages will remain entirely with FMPA's discretion. FMPA intends to notify bidders not selected under this solicitation within a reasonable amount of time.

**Minimum Requirements for All Proposals**

Each proposal must satisfy certain minimum requirements before it will receive any further evaluation. The bidder must demonstrate in its submittal that the following minimum requirements have been met:

1. Although capacity is required during all months, proposals must provide for capacity for either one or both of the following peak load periods: (i) June through September; or (ii) December through March for a minimum of three calendar years.
2. The capacity and energy proposed are on a first call, non-recallable basis, i.e., as long as the unit(s) from which the capacity is purchased is available, FMPA has the right to the output of the unit(s) for the duration of the contract. FMPA's rights must be equal to or superior to any other party's rights to such unit(s) output.
3. The proposal for Capacity sales for a term of approximately 5 years or less must remain in effect through December 31, 1997, or later if the purchase is to be finalized pending a transmission service request. All other proposals must remain effective until March 31, 1998, or later if the purchase is to be finalized pending a transmission service request.
4. The minimum capacity amount offered to FMPA shall be 10 MW for each power supply component (Short-term, Medium-term, and Long-term).
5. All generating units providing the proposed capacity must be in operation at least two months prior to the required delivery commencement date of the term of the proposed power supply.
6. Proposals must identify and include the location of each capacity resource and name the originating control area. Bidders proposing power supply from a resource(s) located outside of FPL's or FPC's control area must also identify the firm transmission contract path from the power supply(s) up to the FPL's or FPC's transmission system.
7. The bidder must ensure that all emissions allowance requirements will be satisfied and that such costs are included in the proposal.

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8. The bidder must declare ownership or contractual status of a unit, plant or system capacity as described in Section 15.
9. The bidder must complete the appropriate RFP Forms 1 through 5 and provide all appropriate information requested in Attachment B. All forms requiring a signature must be signed by a duly authorized official.
10. The bidder must be willing to provide adequate bid security prior to entering short-list negotiations.
11. The bidder must not include any contractual limits on energy utilization (as opposed to price) by day, month or year.
12. The proposal must include scheduling provisions for the sale.
13. The total capacity nominated from any single generating unit for the proposal must not exceed 120 MW.
14. Each proposal must contain the appropriate Proposal Fee in accordance with Section 10.

**Price Criteria**

FMPA will evaluate the proposal(s) as an alternative to (i) increasing the amount of purchases under the existing All-Requirements Project arrangements, and (ii) developing a self build project at the Cane Island Site. The net present value of the revenue requirements to FMPA over the contract period for each proposal will be compared with: (a) the net present value of revenue requirements over the contract period for the most attractive arrangement to increase purchases under the existing All-Requirements Project contracts; and (b) the net present value of revenue requirements over the contract period for the self-build project. Scores will then be applied to each proposal to reflect the projected cost differential between the proposal and the benchmark option. For planning purposes, the capacity requirements not satisfied by the proposals are assumed to be provided by market purchases.

**Non-Price Criteria**

Each proposal will be evaluated on a list of non-price criteria which FMPA has developed. A score will be assigned to each criteria based on the extent to which the proposal satisfies FMPA's preferences. The total non-price score will be added to the price related score for each proposal to obtain an overall score which will be used to determine the ranking of proposals.

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Request for Power Supply Proposals**

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The proposals will be evaluated in accordance with the following non-price criteria:

- |                            |  |
|----------------------------|--|
| Components of Power Cost - | To evaluate risk, FMPA prefers bidders that identify the true fixed and variable costs for the resources providing the power (e.g., the bidder should identify the amount of fixed cost in the capacity charge and the amount of variable costs [fuel, variable operation and maintenance expenses, etc.] in the energy charge). |
| Contract Term -            | FMPA prefers proposals with reasonable notice provisions that give FMPA the sole right to increase or decrease the contract term and the amount of purchases.  |
| Dispatchability -          | FMPA prefers provisions that would permit FMPA to dispatch the resources off-line during periods when FMPA deems it economical to do so. Dispatchability may also encompass the concept of scheduling power deliveries for economy transactions in a manner that contributes favorably to FMPA's needs.                          |
| Fuel Risk -                | FMPA prefers proposals that have firm fuel supply contracts (vs. spot purchases). Multiple suppliers are preferred.  |
| Firm Supply -              | Proposals will be evaluated on the availability of generating resources, arrangements for firming or reserved capacity, and penalties for nonperformance.  |
| Transmission -             | FMPA prefers generating resources that minimize the number of intermediate transmission systems.   |
| Technology -               | Proposals utilizing commercially proven technologies are preferable.   |
| Environmental Effects -    | FMPA prefers proposals that minimize potential adverse environmental impacts including water supply and wastewater discharge.  |

## **21. Final Contract**

Any final contract(s) that result from the proposal evaluation and negotiation processes will be submitted to the Board of Directors of FMPA for approval. The tentative date for approval of contract(s) is shown in Section 4, RFP Schedule.

**22. RFP Forms and Attachments**

- Form 1 - Notice of Intent to Bid Form
- Form 2 - Proposal Summary Form
- Form 3 - Minimum Requirements Form
- Form 4 - Pricing Proposal Form
- Form 5 - Checklist
- Attachment A - Fuel Price Forecast
- Attachment B - Required Data to be Submitted with Proposals

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REQUEST FOR POWER SUPPLY PROPOSALS**

**Notice of Intent to Bid Form**

**Due: June 30, 1997 (5:00 PM EDT)**

**Date:** \_\_\_\_\_

**Project Bidder Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Company Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Telephone:** \_\_\_\_\_  
**Fax:** \_\_\_\_\_  
**E-Mail:** \_\_\_\_\_  
**Project Name:** \_\_\_\_\_  
**Project Location:** \_\_\_\_\_  
**Agreement Term:** \_\_\_\_\_  
**Generation Technology:** \_\_\_\_\_  
**Primary Fuel:** \_\_\_\_\_  
**Specific Entity to Contract With FMPA:** \_\_\_\_\_

**Respondent Classification:** (Utility, Qualified Facility, Exempt Wholesale Generator, Power Marketer, etc.)

**Respondent Qualifications:** Describe similar projects developed by bidder, noting project capacity, location, contract commencement date, contract term, etc.  
*(Attach additional sheets as needed)*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Bidder's Signature:** \_\_\_\_\_  
(Duly Authorized)



**FLORIDA MUNICIPAL POWER AGENCY  
REQUEST FOR POWER SUPPLY PROPOSALS**

**Proposal Summary Form**

1. **Company/Bidder** \_\_\_\_\_
2. **Name of Contact** \_\_\_\_\_
3. **Mailing Address** \_\_\_\_\_
4. **Telephone** \_\_\_\_\_
- Fax** \_\_\_\_\_
- E-Mail** \_\_\_\_\_
5. **Proposed Contract Start Date** \_\_\_\_\_
6. **Proposed Contract End Date** \_\_\_\_\_

**7. Proposed Contract Capacity Listing by Resource**

<b>Unit Name and Number</b>	<b>Summer MW Rating</b>	<b>Winter MW Rating</b>	<b>Fuel Type</b>	<b>Location</b>	<b>Proposed Capacity Delivered<sup>(1)</sup> (MW)</b>	<b>System Delivered to (FPC or FPL)</b>
<b>Total Capacity (MW)</b>						

<sup>(1)</sup> Capacity delivered to FMPA at interface (receipt) point(s) on FPC or FPL systems.

8. **Certification:** Bidder hereby certifies that all of the statements and representations made in this proposal package, including attached documents, are true to the best of the Bidder's knowledge and belief. Bidder agrees to be bound by its representations and the terms and conditions of the Request for Proposals:

**Signed:** \_\_\_\_\_

**(Typed):** \_\_\_\_\_

**Title:** \_\_\_\_\_  
(Duly Authorized)

**Date:** \_\_\_\_\_

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REQUEST FOR POWER SUPPLY PROPOSALS**

**Minimum Requirements Form**

In submitting this form, we agree to the items below and/or have provided documents to attest to the information provided as requested below.

Duly Authorized Signature: \_\_\_\_\_

\_\_\_\_\_  
(Date)

If the bidder is an entity proposing a capacity sale from existing resources, the bidder must provide sufficient documentation to demonstrate that over time the source utility or entity will have sufficient capacity to sell to FMPA as well as to serve its own load, if applicable, and other commitments.

All bidders must demonstrate the following by attaching appropriate information to this form:

1. Although capacity is required during all months, proposal must provide for capacity for either one or both of the following peak load periods: (i) June through September; or (ii) December through March for a minimum of three calendar years.
2. The capacity and energy proposed are on a first call, non-recallable basis, i.e., as long as the unit(s) from which the capacity is purchased is available, FMPA has the right to the output of the unit(s) for the duration of the contract. FMPA's rights must be equal to or superior to any other party's rights to such unit(s) output.
3. The proposal for capacity sales for terms of approximately 5 years or less must remain in effect until December 31, 1997, or later if the purchase is to be finalized pending a transmission service request. All other proposals must remain effective until March 31, 1998, or later if the purchase is to be finalized pending a transmission service request.
4. The minimum capacity amount offered to FMPA shall be 10 MW for each power supply component (Short-term, Medium-term, and Long-term).
5. All generating units providing the proposed capacity must be in operation at least two months prior to the delivery commencement date of the term of the proposed power supply.
6. Proposals must identify and include the location of each capacity resource and name the originating control area. Bidders proposing power supply from a resource(s) located outside FPL's or FPC's control area must also identify the firm transmission contract path from the power supply up to FPL's or FPC's transmission system.
7. The bidder must ensure that all emissions allowance requirements will be satisfied and that such costs are included in the proposal.

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**Minimum Requirements Form  
(Continued)**

8. The bidder must declare ownership or contractual status of unit, plant or system capacity as described in Section 15.
9. The bidder must complete the appropriate RFP Forms 1 through 5 and provide the information requested in Attachment B as appropriate. All forms requiring a signature must be signed by a duly authorized official.
10. The bidder must be willing to provide adequate bid security prior to entering short-list negotiations.
11. The bidder must not include any contractual limits on energy utilization (as opposed to price) by day, month or year.
12. The proposal must include scheduling provisions for the sale.
13. The total capacity nominated from any single generating unit for the proposal must not exceed 120 MW.
14. Each proposal must contain the appropriate proposal fee in accordance with Section 10.

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**Pricing Proposal Form**

**Capacity Pricing**

<b>Delivered Capacity Rate</b>								
<b>Period 12 Mo. Ended Dec.</b>	<b>A \$/kW-yr.</b>	<b>B \$/kW-yr.</b>	<b>C \$/kW-yr.</b>	<b>D \$/kW-yr.</b>	<b>E \$/kW-yr.</b>	<b>Total A-E \$/kW-yr.</b>	<b>Capacity kW</b>	<b>Total \$000</b>
2000								
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**Pricing Proposal Form**

Describe the components of and the methodology for determining the capacity rates.

Lined area for describing components and methodology for determining capacity rates.

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Pricing Proposal Form  
Energy Pricing

Delivered Energy Rate									
Period 12 Mo. Ended Dec.	Fuel Cost (\$/mmBtu)	Heat Rate mmBtu/ MWh	F \$/MWh	G \$/MWh	H \$/MWh	I \$/MWh	Total F-I \$/MWh	Projected Energy MWh	Total \$000
2000									
2001									
2002									
2003									
2004									
2005									
2006									
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REQUEST FOR POWER SUPPLY PROPOSALS**

**Checklist**

All RFP Forms checked below have been included as part of the response package \*.

RFP Form 2 - Proposal Summary Form \_\_\_\_\_

RFP Form 3 - Minimum Requirements Form \_\_\_\_\_

RFP Form 4 - Pricing Proposal Form \_\_\_\_\_

Signature of Bidder: \_\_\_\_\_

Name of Project: \_\_\_\_\_

(\* ) RFP Form 1 is the Notice of Intent to Bid Form which is sent to FMPA prior to, and separately from, the proposal package.



**ATTACHMENT A**

**Commodity Only Natural Gas Price Forecast  
(No Transportation Included)**

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<u>Year</u>	<u>\$/MMBtu</u>
2001	\$2.30
2002	\$2.35
2003	\$2.40
2004	\$2.45
2005	\$2.50
2006	\$2.60
2007	\$2.70
2008	\$2.80
2009	\$2.95
2010	\$3.10
2011	\$3.22
2012	\$3.35
2013	\$3.49
2014	\$3.63
2015	\$3.77

**ATTACHMENT B**  
**Required Supply Proposal Data**

The following is required for all supply proposals as is applicable. The required data should be provided in sections numbered in accordance with the specific items detailed below. Each section should begin on a new page. Information provided, but not in the requested format, may be disregarded and the proposal rejected for incompleteness. General information (e.g., promotional material, 'boiler plate', etc.) may be provided with the proposal, but only the formatted information will be considered in the event of conflicting data. Any proposal that lacks requested information may be deemed incomplete and may be rejected in FMFA's sole discretion. FMFA may request additional data or clarifying information from respondents.

Information requirements are specified separately for three types of proposal, (i) Section B-1 for those involving sales from specific generating unit(s) with or without capacity reserves, separate reserves or firming service contracts to provide firm power (a "Generating Unit Sale") or (ii) Section B-2 for a firm sale from a utility system which will provide sufficient system reserves for its total load, including this sale, (a "System Sale") or (iii) Section B-1 for those involving sole or joint ownership in a generating facility.

**B-1 Generating Unit Power Sale and/or Sole/Joint Ownership**

**B-1.1 Identity of Bidder Contact**

Provide the full name, business address, telephone, E-Mail address if available, and facsimile number of contact person from whom additional information can be requested.

**B-1.2 General Description of Supply Proposals**

- (a) Provide a general overall executive summary of the Supply Proposals. The description must include identification of each major component of involved electric generating unit, including unit type, unit manufacturer, date of manufacture, manufacturer's nameplate capacity rating, any reratings that have occurred since date of manufacture, location of resources, primary and secondary fuel type, term of contract, sites where similar units have been installed for commercial operation, and other relevant information.
- (b) Fully describe the dispatchability and dependable capacity of the proposed resource, how reserves or firming service, voltage support, operating reserves, load following capability and dispatching will be provided. All limitations on dispatchability must be disclosed.

**B-1.3 Location of Generating Unit(s)**

Identify the geographic location of the project and indicate whether or not such area is an attainment or a non-attainment air quality area. If no specific location has been identified, so state. Provide a segment of a USGS map showing geographical location of each generating unit relative to FMPA's service territory and surrounding area with interconnections and transmission lines indicated.

**B-1.4 Capacity and Expected Energy Production**

- (a) Specify the amount of firm capacity offered. Please specify net electrical output at 59 degrees Fahrenheit and 95 degrees Fahrenheit available for four (4) continuous hours at the most efficient level of operation. Also, indicate the additional output (if any) which can be obtained through power augmentation (i.e., steam injection, water injection, duct firing, etc.). Indicate the amount of additional capacity obtained for each type of augmentation at 59 degrees and 95 degrees Fahrenheit.
- (b) Indicate the expected total net kilowatt-hours to be delivered to the interface with FPC's and/or FPL's transmission system under the contract, by hour, for a typical day's operation. Take into account step-up transformer losses, transmission losses to the interface, capacity degradation, and auxiliary loads. Identify limiting conditions (if any).
- (c) Show separately, the amount of capacity provided for reserves, or firming service. FMPA may wish to purchase unreserved capacity and reserves, or firming service, separately.

**B-1.5 Schedule**

Specify the time frame when capacity is available. If capacity is provided by a new generating facility, include a schedule for environmental permitting, design, procurement, construction and commissioning of the project, as applicable.

**B-1.6 Proposed Agreement Term**

- (a) Specify proposed contract term.
- (b) Specify any and all proposed provisions for renewal or extension, and cancellation notice, identifying any and all proposed conditions for the above to occur, including whether such events are proposed to be mutually or unilaterally determined.

**B-1.7 Operating Parameters**

- (a) Provide performance characteristics of the proposed facility at most efficient full load capacity, including capacity and heat rate, for operation with the following ambient air temperatures:

8°F, 17°F, 37°F, 59°F, 69°F, 77°F, 95°F

- (b) Provide heat rate data for the following percentages, as applicable, of the proposed contract capacity at (a) 59°F and (b) 95°F:

20%, 40%, 60%, 80%, 100%, 110%

- (c) Provide start-up fuel requirements for (1) cold start (off-line 12 hours or longer) and (2) warm start (off-line less than 12 hours) conditions.

- (d) Provide heat rate performance coefficients (A, B and C, as shown below) for the unit(s) operating at ambient air temperatures of (a) 59°F and (b) 95°F, as available. The preferred format for such equation is:

$$F = A + B \cdot P + C \cdot P^2$$

where,

F = fuel used by the unit, in millions of Btu per hour (MMbtu/hr);

P = net power output by the unit, in megawatts.

- (e) If an alternate format for the heat rate performance equation is used, provide sufficient explanation of all parameters represented including values, units, etc.

All performance must be expressed on a higher heating value (HHV) basis and identified as such.

- (f) If heat rate is guaranteed over the proposed contract term, please include degradation and indicate the percentage assumed for degradation. If the heat rate is guaranteed for new and clean state only and not over the contract period, please so state.

- (g) Specify: (1) annual availability in hours; (2) annual planned maintenance in hours; (3) expected annual full forced outages in hours; (4) expected annual partial forced outages in hours; (5) frequency, in months, and duration, in days, of periodic (less frequently than annually) major overhauls and/or recommended hours of operation between major overhauls.

- (h) Specify the expected calendar months for annual planned maintenance to occur.

#### B-1.8 History of Existing Facilities

- (a) If the proposed facility is an existing generator, provide a narrative describing the project's operating history. Include construction start date, test operation start date, commercial operation date, monthly capacity factors, non-fuel operations and maintenance expenses, and net heat rates by month, for at least three (3) years or since commercial operation date. Also include major equipment additions and enhancements and associated costs.
- (b) If the proposed facility is comprised of an existing generator(s), provide a narrative describing the project's maintenance history, including: (i) monthly and annual scheduled outages, (ii) number and duration of forced outages, (iii) forced and planned outage rates, (iv) dates and causes of all major equipment breakdowns by year, etc., and (v) all known equipment deficiencies.

#### B-1.9 Control Area Services

Please describe methodology for dispatching unit(s) and other resources (if any) to meet FMPA's load each hour, provide operating reserves (including spinning reserves and ready reserves), load following, load regulation and other Control Area Services. Please separately identify the cost for such services.

#### B-1.10 Project Dispatchability

Please specify:

- (a) maximum and minimum net electrical output at 95°F;
- (b) time notice required to attain maximum and minimum operating levels;
- (c) time notice required to attain contract capacity output from shut-down condition (assuming unit is available);
- (d) technical or contractual limitations with respect to ability and willingness of project to operate at part load conditions, including load following;
- (e) technical or contractual limitations with respect to ability and willingness of project to operate on electronic automatic generation control (AGC) signals provided by FMPA designated dispatch computer;

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- (f) technical or contractual limitations with respect to ability and willingness to operate generating unit(s) at levels above contract capacity (include capacity delivery level(s) and duration of operation at each indicated level);
- (g) technical or contractual limitations with respect to ability and willingness to periodically cycle electric production off-line, including limits on number and frequency of start-ups, minimum duration of on-line and off-line periods;
- (h) output level obtainable within 10-minutes from cold start (quick start capability); and
- (i) is unit capable of black start (capable of starting with no external power available)?

**B-1.11 Environmental Considerations**

- (a) Provide the expected level of air emissions from the generating unit(s) for the following compounds:

	<u>Lbs./Hour</u> (@ Max Output)	<u>Tons/Year</u> (Annual Average)
Carbon Dioxide		
Carbon Monoxide		
Nitrous Oxides		
Sulfur Dioxide		
Volatile Organic Compounds		
Particulate Matter		
Solid Waste Discharge (By Type)		

- (b) Other Environmental Impacts

	<u>Gallons/Hours</u>	<u>Gallons/Year</u>
Water Usage		
Waste Water Discharge		

- (c) Other (please specify)
- (d) If the project is an existing facility, include levels of emission allowed under existing permits along with actual emission data as described in B-1.11(a)-(c) for the three most recent years of operation.
- (e) If the project is an existing facility, include a record of each permit violation, notice of violation, civil or criminal penalties related to environmental permits, licenses and registrations.

- (f) Provide a statement of bidder's responsibility for compliance with all environmental regulations indicating that the owner of the generating facility will retain responsibility for environmental compliance and absolve FMPA and its members of any and all environmental responsibility associated with operation of the unit(s) providing power under the proposed agreement.
- (g) Provide copies of all environmental permits, licenses and registrations and related correspondence associated with the generating unit(s) designated to perform under the proposal.
- (h) If a new facility is to be constructed, provide status of site including permitting, land acquisition, etc.

#### **B-1.12 Third Party Information**

Identify any other firm capacity and energy commitments during the proposed contract term from the project to other parties, and provide a description of FMPA's rights compared to the rights of the other parties. FMPA may require bidders to provide copies of contracts associated with sale of power to other parties.

#### **B-1.13 Fuel Information**

- (a) Fully describe the fuel source for any proposed generating facility, and any fuel supply contracts, including price and escalation provisions, interruptibility, obligation to deliver, penalties for non-delivery, and dispatchability. Specify project fuel type(s), and associated fuel supply information to the extent known, including number and delivery capability of suppliers. If the fuel source requires any emission allowances, the bidder shall specify if entitlements are now held for the required allowances. If entitlements to required allowances are not held, the bidder shall identify the source from which allowances will be obtained, and any separate charge proposed to be assessed.
- (b) Specify backup fuel arrangements, including type(s) of backup fuel and expected ability (duration and net electrical output level) to deliver power when supplied solely by backup fuel supply.
- (c) If the proposal is based on a pass-through fuel cost arrangement, the proposal must include the applicable fuel price forecasts, fuel transportation contract information, any information on fuel price contracts, and an explanation of the relationship of the fuel price component to delivered fuel cost.

**B-1.14 Thermal Host**

If a thermal host is involved, identify the thermal host and provide a complete description of contractual arrangements with the thermal host, such as term, description of waste heat steam takes, quantities, delivery patterns, and pricing and credit information sufficient to permit FMPA to evaluate project viability given the proposed power pricing. If a steam cycle is used to increase the efficiency of the project, provide a heat balance diagram showing steam requirements for the thermal host and calculation of the net heat rate of project. Limitations on the operation of the project due to steam host should be described in detail.

**B-1.15 Financial Information**

- (a) Provide a detailed description of the proposed financing plan, including, but not limited to, the identification of expected sources of debt and equity, proposed guarantor, proposed dollar amounts, issuer and rating of performance bonds, the anticipated level and duration of equity involvement by the bidder, and any and all conditions (including revocation, expiration, etc.), if applicable. Provide a sample of each proposed security instrument along with the name of the institution proposed as the issuer of the instrument.
- (b) Provide pro forma income statements, balance sheets, and after tax cash flow statements with applicable debt coverage ratios consistent with cost estimation and price bid forecasted on an annual bases for the life of the proposal.
- (c) Identify any and all bidder affiliates.
- (d) Provide audited financial statements, if available, or other financial statements for the last three years. Such information must be provided for all entities, including affiliates involved in the transaction. For investor owned utilities, this would include as a minimum, FERC Form 1's and SEC 10K forms. Bidders should also provide where appropriate, the most recent Dunn and Bradstreet report, a description of pending litigation and the most recent annual report.



**B-1.16 Pricing Information**

- (a) Specify on RFP Form 4 - Proposal Pricing form, all proposed payment components and proposed incentive amounts, if any, and the conditions which engage such provisions. FMPA requires that proposals clearly distinguish energy and capacity pricing components. Please include all costs for transmission services (except within the FPL or FPC control area), reserves or firming service, dispatching, load following, load regulation, telecommunication, and metering.
- (b) Specify annual payment stream components, whether explicitly specified or driven by escalation factors. If price escalation factors are proposed, please identify what attribute the proposed factor is to represent (e.g., general inflation, general economic growth, etc.), proposed index or other source data to define the escalator (e.g., CPI, change in GDP, etc.), and bidder's current projection of designated escalator for each applicable time period.
- (c) Provide itemized installed costs for project and ancillary equipment including major generating components, auxiliary generating equipment, step-up transformer, electrical interconnection (high side breaker), transmission, system upgrades, gas line, gas compression, gas line interconnection costs, alternate fuel storage tanks, and ancillary equipment to provide Control Area Services. Please indicate which of these installed costs the proposal will cover with payments indicated in items B-1.16 (a) and (b), and which will be the responsibility of FMPA (if any).

**B-1.17 Proposed Financial Security Arrangements**

Indicate proposed financial security arrangements specifying, at a minimum:

<b>Proposed Form of Security Instrument</b>	
Corporate Guaranty	Proposed guarantor; any and all conditions, including revocation, expiration, etc.
Letter of Credit	Name of issuer, proposed dollar amount; any and all conditions, including revocation, expiration, etc.
Performance Bond	Name of issuer and rating; proposed dollar amount; any and all conditions, including revocation, expiration, etc.
Project Take-over Rights	Mechanics and limitations on the exercise of such rights.
Other	Please describe in detail.

**B-1.18 Wheeling**

Any bidder proposing to wheel power and energy over the facilities of a third party will be required by FMFA to provide:

- (a) A detailed description of the proposed wheeling and interconnection arrangements, including, but not limited to, contract path and estimated cost of such wheeling services.
- (b) Point(s) of delivery of firm capacity and energy into FPL's and/or FPC's transmission system.
- (c) A description of any required new interconnection facilities and estimated costs and cost responsibility for such facilities.
- (d) A description of upgrades in third party transmission systems which may be required to accommodate the project and an estimate of costs.
- (e) Backup information that would verify the reasonableness of assumptions and cost data associated with transmission service required for delivery of the proposed capacity and energy from the source(s) of supply to the high voltage grids of FPC and FPC. Also, detailed analyses which will demonstrate that the bidder's proposal can be qualified as a "network resource" under the FPL or FPL network transmission tariffs. Such analyses should show all assumptions, including, among other things, contract paths, contracting parties, interface capability, intervening parties, and transfer capabilities. FMFA may verify the transmission studies provided by the bidder by performing its own load flow studies. Therefore, bidders are encouraged to submit a hard copy of the transmission analysis results plus the load flow cases in raw data ASCII IBM compatible format (i.e., PTT's PSS/E, GE's PSLF, IEEE common), along with all assumptions used in creating each case and any special instructions for reading the data.

**B-1.19 Summary of Bidder's Qualification**

- (a) Provide a description of the bidder's qualifications and experience applicable to the developing, designing, financing, constructing, operating and maintaining of the proposed project.

- (b) Identify and describe existing generation facilities currently in commercial service on which bidder has contracted , including (i) the name, address, telephone number, and specific contact of the owner of such facilities; (ii) a description of the facility and its location; (iii) the bidder's scope of work relating to the project and (iv) total contract value and duration.

**B-1.20 Additional Information**

Please provide any additional information which bidder believes will assist FMPA in an accurate and fair evaluation of the proposed project.

**B-1.21 Guaranty For Firm Power**

Describe the formula or mechanism whereby the power and energy will be compensated or replaced, and/or the capacity or energy payments reduced when or if the project fails to provide firm power when required by FMPA.

**B-2 System Sale**

**B-2.1 Identity of Bidder Contract**

Provide the full name, business address, telephone, and facsimile number of contract person from whom additional information can be requested.

**B-2.2 General Description of Supply Proposals**

- (a) Provide a general overall summary of the Supply Proposals. The description must include identification of each resource in the electric system from which sale is being made (the "System").
- (b) Describe the amount of capacity to be provided, the amount of total resources, and projected loads (including the proposal sale) on the System for each year of the proposed contract. Describe the dispatchability of the resource, and how reserves, firm services, load following, load regulation, operating reserves and other Control Area Services which will be provided to FMPA.

**B-2.3 Location Of Generating Facilities**

Identify the geographic location of the generating resources on the System and the transmission system which interconnects these resources. Identify the transmission path and intervening transmission systems required to deliver the power to FPC and/or FPL's transmission system.

**B-2.4 Capacity and Expected Energy Production**

- (a) Specify the amount of delivered capacity and maximum energy offered on typical days, months and years, taking into account seasonality of supply (if any) and transmission losses.
- (b) Please indicate the firmness of the sale (i.e. will FMPA have equal priority to the native load and other wholesale customers of the System?). If not, explain. Also describe limiting conditions (if any).

**B-2.5 Schedule**

Specify the time frame when capacity will be available (or unavailable).

**B-2.6 Proposed Agreement Term**

- (a) Specify proposed contract term.
- (b) Specify any and all proposed provisions for renewal or extension, and cancellation notice, identifying any and all proposed conditions for the above to occur, including whether such events are proposed to be mutually or unilaterally determined.

**B-2.7 Dispatchability**

Indicate all scheduling, and dispatch constraints applicable to the proposed system sale including but not limited to the following:

- (a) Scheduling requirements.
- (b) Notice requirements for the start-up of units to supply purchased power.
- (c) Minimum up-time requirements for units to supply purchased power.
- (d) Minimum load requirement (if any).
- (e) Ramp-up or ramp-down limitations and notice requirements.

**B-2.8 Control Area Services**

Please provide a description of how these services could be provided for FMPA's load. The service could include dispatching, load following, load regulation, operating reserves (spinning and ready reserves) and other services.

**B-2.9 Environmental Considerations**

- (a) Provide the expected level of air emissions associated with the proposed system sale for the following compounds:

	<u>Lbs./hour</u> (@ Max Output)	<u>Tons/year</u> (Annual Average)
Carbon Dioxide		
Carbon Monoxide		
Nitrous Oxides		
Sulfur Dioxide		
Volatile Organic Compounds		
Particulate Matter		
Solid Waste Discharge (By Type)		

- (b) Other Environmental Impacts:

	<u>Gallons/Hours</u>	<u>Gallons/Year</u>
Water Usage		
Waste Water Discharge		

- (c) Other (please specify).

- (d) Provide a statement of bidder's responsibility for compliance with all environmental regulations and that bidder will retain responsibility for environmental compliance and absolve FMPA and its members of any and all environmental responsibility associated with the system sale.

**B-2.10 Third Party Information**

Identify any other firm capacity and energy commitments during the proposed contract term from the system to other parties, and provide a description of FMPA's rights compared to the rights of the other parties. Provide contracts for sale of power to other parties from the system.

**B-2.11 Fuel Information**

Please describe the following:

- (a) Primary and alternate fuel source for each generating unit on the system.
- (b) Relationship of energy pricing for system sale to actual fuel costs (show example calculations).
- (c) Historical monthly average fuel prices in \$/MMBtu for each generating unit on the system for the last three (3) years.
- (d) Average monthly heat rate by unit including separately MMBtu's and net generation for the last three (3) years.
- (e) If the proposal is based on a pass-through fuel cost arrangement, the proposal must include the fuel price forecast, fuel transportation contract information, any information on fuel price contracts and an explanation of the relationship of the fuel price component to the delivered fuel cost.

**B-2.12 Financial Information**

- (a) Identify any and all bidder affiliates.

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- (b) Provide audited financial statements, if available, or other financial statements for the last three years. Such information must be provided for all entities, including affiliates involved in the transaction. For investor owned utilities, this would include as a minimum FERC Forms 1's and SEC 10K Forms. For investor owned utilities, this would include as a minimum, FERC Form 1's and SEC 10K forms. Bidders should also provide where appropriate, the most recent Dunn and Bradstreet report, a description of pending litigation, and the most recent annual report.

## B-2.13 Pricing Information

- (a) Specify on the RFP Form 4 - Proposal Pricing form, all proposed payment components and proposed incentive amounts, if any, and the conditions which engage such provisions. FMPA requires that proposals clearly distinguish energy and capacity pricing components. Please include all costs for reserves or firming service, transmission service, dispatching, load following, load regulations telecommunications and metering.
- (c) Specify annual payment stream components, whether explicitly specified or driven by escalation factors. If price escalation factors are proposed, please identify what attribute the proposed factor is to represent (e.g., general inflation, general economic growth, etc.), proposed index or other source data to define the escalator (e.g., CPI, change in GDP, etc.), and bidder's current projection of designated escalator for each applicable time period.

## B-2.14 Proposed Financial Security Arrangements

Indicate proposed financial security arrangements specifying, at a minimum:

Proposed Form of Security Instrument	
Corporate Guaranty	Proposed guarantor; any and all conditions, including revocation, expiration, etc.
Letter of Credit	Name of issuer; proposed dollar amount; any and all conditions, including revocation, expiration, etc.
Performance Bond	Name of issuer and rating; proposed dollar amount; any and all conditions, including revocation, expiration, etc.
Project Take-over Rights	Mechanics and limitations on the exercise of such rights.
Other	Please describe in detail.

**B-2.15 Wheeling**

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- (a) A detailed description of the proposed wheeling and interconnection arrangements, including, but not limited to, contract path and estimated cost of such wheeling services.
- (b) Point(s) of delivery of firm capacity and energy into FPL's and/or FPC's transmission system.
- (c) A description of any required new interconnection facilities and estimated costs and cost responsibility for such facilities.
- (d) A description of upgrades in third party transmission systems which may be required to accommodate the project and an estimate of costs.
- (e) Backup information that would verify the reasonableness of assumptions and cost data associated with transmission service required for delivery of the proposed capacity and energy from the source(s) of supply to the high voltage grids of FPC and FPL. Also, detailed analyses which will demonstrate that the bidder's proposal can be qualified as a "network resource" under the FPL or FPC network transmission tariffs. Such analyses should show all assumptions, including, among other things, contract paths, contracting parties, interface capability, intervening parties, and transfer capabilities. FMPA may verify the transmission studies provided by the bidder by performing its own load flow studies. Therefore, bidders are encouraged to submit a hard copy of the transmission analysis results plus the load flow cases in raw data ASCII IBM compatible format (i.e., PTT's PSS/E, GE's PSLF, IEEE common), along with all assumptions used in creating each case and any special instructions for reading the data.

**B-2.16 Additional Information**

Please provide any additional information which the bidder believes will assist FMPA in an accurate and fair evaluation of the proposed project.



**B-2.17 Guaranty For Firm Power**

Describe the formula or mechanism whereby the power and energy will be compensated or replaced, and/or the capacity or energy payments reduced when or if the project fails to provide firm power when required by FMFA.