

ORIGINAL

YOUNG, VAN ASSENDERP & VARNADOE, P. A.
ATTORNEYS AT LAW

REPLY TO:

R. BRUCE ANDERSON
TASHA O. BUFORD
DANIEL H. COX
DAVID P. HOPSTETTER*
C. LAURENCE KEESEY
KENZA VAN ASSENDERP
GEORGE L. VARNADOE
ROY C. YOUNG

Tallahassee

January 20, 1999

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POST OFFICE BOX 1833
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TELEPHONE (850) 222-7206
TELECOPIER (850) 561-6834

SUNTRUST BUILDING
801 LAUREL OAK DRIVE, SUITE 300
POST OFFICE BOX 7907
NAPLES, FLORIDA 34101-7907
TELEPHONE (941) 597-2814
TELECOPIER (941) 597-1060

*BOARD CERTIFIED REAL ESTATE LAWYER

DAVID B. ERWIN
OF COUNSEL

Blanca Bayo
Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket # 990023-EM - Petition by City of Lakeland for determination of need for McIntosh Unit 5 and proposed conversion from simple to combined cycle.

Dear Ms. Bayo:

The Petition and Application filed with your office on January 6 and assigned the above-referenced docket number inadvertently omitted three items. We have discussed these items with the staff and our agreed-upon solution was to file with your office the missing items as follows:

1. Original and 15 copies of Page E-11.
2. Original and 15 copies of Page 7-12.
3. Original and 15 copies of a replacement page for 21.1-1 and Appendix 21.3.

I apologize for any inconvenience that this has caused.

I am having this hand delivered by my office to make sure that we have properly communicated what we are doing.

Thank you.

Very truly yours,

Roy C. Young

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

RCY:swp
Enclosures
cc: Cochran Keating (w/o enclosures)

swp Lakeland Bayo.120

DOCUMENT NUMBER-DATE

00674 JAN 19 99

FPSC-BUREAU OF RECORDS

ACK
AFK 4
AD
CAF
CI
CT
E
LE 1
LI 3
OP
RC
SE 1
WA
OT

permitted to operate the combustion turbine until May 1, 2002 with an emission limit of 25 ppm NO_x. By May 1, 2002 Lakeland must demonstrate full load operation with emissions not exceeding 9 ppm NO_x on a 24-hour averaging time. To achieve the lower emissions rate, Lakeland intends to convert the unit to combined cycle and install Ultra Low NO_x burners. Since the Ultra Low NO_x burners are still under development and have not been proven commercially to date, Lakeland has included costs for an SCR in capital cost estimates. In the event Westinghouse cannot accomplish its goal to be at or below the 9 dry NO_x ppm, Lakeland will install an SCR or equivalent technology to meet the permitted levels.

Consequences of Delay

There are several consequences of delay if Lakeland could not convert the unit from simple cycle to combined cycle operation. The first aspect would be the reliability aspect. Lakeland would fall below the minimum 15 percent reserve margin if they did not convert the unit and stayed with the current plan to retire older inefficient units. If Lakeland decided to keep older units available until another capacity addition could be brought online, the cost impacts would be \$9.35 million. Lakeland's emissions would increase on a kWh basis if the unit was to remain in simple cycle operation and older generation was required to operate more frequently.

Financial Analysis

The City of Lakeland has a very strong financial position and ability to pursue this project. The consumers of Lakeland power enjoy some of the lowest rates in the state and it is Lakeland's objective to keep rates low for the future. Lakeland plans to use cash funds to convert the unit from simple cycle to combined cycle, thus avoiding the cost of financing the project with debt.

growth rates. Table 7-5 displays the summer and winter peak demand forecasts, and net energy for load for the planning horizon for the low load growth sensitivity

Year	Summer MW ⁽¹⁾⁽²⁾	Winter MW ⁽¹⁾⁽²⁾	Net Energy for Load GWh
1999	502	579	2,598
2000	508	589	2,635
2001	512	598	2,668
2002	516	607	2,700
2003	519	615	2,731
2004	522	623	2,759
2005	526	631	2,786
2006	528	639	2,814
2007	531	646	2,839
2008	533	652	2,863
2009	535	659	2,887
2010	537	665	2,909
2011	539	671	2,927
2012	541	676	2,946
2013	542	681	2,963
2014	543	686	2,981
2015	545	691	2,996
2016	546	695	3,011
2017	546	699	3,024
2018	547	702	3,036

(1) Peak demand after conservation.
 (2) Peak demand after interruptible exercised

21.0 Appendices

The following appendices document additional details of the need for power application. The appendices are arranged in the following order separated by gray sheets.

21.1 Electric Load and Energy Forecast

21.2 Fuel Forecast

21.3 Invitation for Proposal

Appendix 21.3

Invitation for Proposal

INVITATION FOR PROPOSAL

CITY OF LAKELAND SYSTEM REQUIREMENTS FOR CAPACITY AND ENERGY

FEBRUARY 21, 1997

I.F.P. NO. 7083

Proposals will be received by the Purchasing Manager, City of Lakeland, Florida, 1140 East Parker Street, Lakeland, Florida 33801 UNTIL 2:00 P. M. - MARCH 24, 1997.

THE CITY OF LAKELAND, FLORIDA ("LAKELAND") FORESEES THE NEED FOR CAPACITY AND ENERGY BEGINNING JANUARY 1, 2002. THE CAPACITY AND ENERGY NEEDS REQUESTED BY THIS IFP ARE CONTEMPLATED TO END BY DECEMBER 31, 2021. RESPONSES THAT EXTEND BEYOND THE MINIMUM END DATE OF MARCH 31, 2001 WILL BE GLADLY CONSIDERED. PROPOSALS MAY BE FOR ALL OR ANY PORTION OF LAKELAND'S REQUIREMENTS. PROPOSALS MUST BE FOR IDENTIFIABLE RESOURCES AND NAME THE LOCATION OF THOSE RESOURCES. IDENTIFIABLE RESOURCES MAY BE SPECIFIC GENERATING UNITS (UNIT POWER SALES), SPECIFIC PLANT SITES COMPRISING ONE OR MORE UNITS (PLANT TYPE POWER SALES) OR MULTIPLE PLANT SITES COMPRISING MULTIPLE UNITS (SYSTEM CAPACITY AND ENERGY SALES). ALL PROPOSALS MUST BE FOR "FIRM CAPACITY" AND MUST BE COUNTABLE FOR RESERVES IN THE STATE OF FLORIDA, AND DELIVERED TO LAKELAND'S SYSTEM. THE PROPOSALS SUBMITTED AND THE RESULTING CONTRACT, IF AWARDED, SHALL BE IN COMPLETE ACCORDANCE WITH BUT NOT LIMITED TO THIS INVITATION FOR PROPOSAL AND THE ATTACHED CITY OF LAKELAND PROPOSAL GUIDELINES #C.O.L.-L.S.C.E.-97, DATED FEBRUARY 17, 1997, REVISION # 0.

For any further TECHNICAL INFORMATION or clarification, please contact: MR. ROLANDO SANZ-GUERRERO @ (941) 499-6533.

Please refer COMMERCIAL INQUIRIES TO: MR. TERRY FRY, Assistant Purchasing Manager (a (941) 499-6780.

CLARIFICATION OF DOCUMENTATION

Vendors requiring clarification or having a dispute with these documents must advise the City Purchasing Division the nature of the required clarification or basis of the dispute, in writing no later than **MARCH 17, 1997**. If no written contact has been made by this specified date, the vendor waives the right to any future consideration and accepts the documents as published and/or revised by the City. **NOTE:** Any use of brand names (manufacturer) in this invitation and specification is for vendor convenience only and shall not limit this offering. Equal or better equipment, and alternate proposals may be given consideration.

EXPARTE COMMUNICATION

Please note that to insure the proper and fair evaluation of a proposal, the City of Lakeland prohibits exparte communication (i.e., unsolicited) initiated by the proposer to the City official or employee evaluating or considering the proposals prior to the time a proposal decision has been made. Communication between proposer and the City will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the proposal. Exparte communication may be grounds for disqualifying the offending proposer from consideration or award of the proposal then in evaluation or any future proposal.

Proposers requiring a copy of the proposal abstract shall enclose a self addressed stamped enveloped with their proposal, marked "Proposal Abstract."

INSURANCE AND SAFETY REQUIREMENTS

All insurance shall be secured from or countersigned by an agent or surety company recognized in good standing and authorized to do business in the State of Florida.

The contractor shall, within ten (10) days of notification of award and prior to commencement of work, take out and maintain in full force and effect minimum insurance coverage as specified in the attached requirements. This insurance shall remain in force and effect throughout the duration of the contract.

A **certificate of existing insurance** coverages should be submitted with the proposal as proof of insurability; if the current coverages do not meet the proposal requirements, then the proposer should request an affidavit of insurability from the proposers insurance agent that certifies that the requirements can and will be met. Failure to provide adequate insurance coverage may be cause for disqualification as non responsive to the proposal requirements.

The contractor agrees to accept and abide by the City of Lakeland safety regulations in complete accordance with the attached requirements.

HOLD HARMLESS / INDEMNIFICATION CLAUSE

The contractor agrees to indemnify and hold harmless the City of Lakeland in complete accordance with the attached requirements.

FLORIDA PUBLIC RECORDS LAW

Proposal submittal information shall be subject to Chapter 119, Florida Statutes, generally known as the "Florida Public Records Law" the City cannot regard any document, information or data as proprietary or confidential unless so exempted by Florida Statutes. Documents received with proprietary or confidential information may be re-sealed and returned without further consideration or obligation.

PROPOSAL SUBMITTAL

An original and one (1) copy (collated in sets) of the proposal form supplied by the City of Lakeland and all required proposal submittal data including specifications, drawings, etc. shall be enclosed within a sealed envelope in *duplicate*, with the words **"Sealed Proposal I.F.P. #7083 - LAKELAND SYSTEM CAPACITY AND ENERGY"** - and the proposer's name and address clearly shown on the outside thereof. *Submittals received with less than duplicate copies may be disqualified as non-responsive.*

Mailed proposals must be received in the office of the purchasing agent not later than the time set forth for proposal opening. The City of Lakeland, Florida, will not be responsible for any lost or late arriving proposals sent via the U.S. Postal Service or other delivery services.

The City of Lakeland at its sole discretion reserves the right to waive technicalities or irregularities, to reject any or all proposals, and/or to accept that proposal which is in the best interest of the City. The award of this proposal; if made, may be based on considerations other than total cost. All proposal submittal information may be used for proposal evaluation. This proposal may be awarded based on various considerations, including but not limited to: experience and/or qualifications, quality of materials, services or goods, past experience, administrative cost, standardization and the City reserves the right to accept all or part, or to decline the whole; and/or to award this proposal to one or more proposers. There is no obligation to buy. The proposal, if awarded will be in the judgment of the City the most responsive to the City's needs. The City of Lakeland encourages the use of minority and women-owned business as subcontractors, or in joint venture arrangements. The City is authorized by resolution to give preference to local persons, firms or corporations, in an amount of two percent (2%), not to exceed \$10,000 of the proposal price. Any vendor sent three (3) or more invitations for proposal and fails to respond, may be removed from the City proposal list.

City of Lakeland, Florida



P.A. Williams, C.P.M.
Purchasing Manager

Attach.
TDF/tf

XC: Rolando Sanz-Guerrero / Rick Snyder

PROPOSAL SHEET

CITY OF LAKELAND SYSTEM REQUIREMENTS FOR CAPACITY AND ENERGY

FEBRUARY 21, 1997

I.F.P. NO. 7083

THIS PROPOSAL SHALL BE VALID FOR NINETY (90) DAYS FROM DATE OF OPENING.

Company Name: _____

Company Address: _____

_____ zip _____

Company Phone: (____) _____ - _____

Facsimile Phone: (____) _____ - _____

The following proposal is in strict accordance with City of Lakeland Invitation for Proposal #I.F.P. #7083, dated **FEBRUARY 21, 1997**, and all attachments as referenced therein:

This proposal shall be F.O.B. **DELIVERED** with full freight allowed.

A.) **COMMENTS, EXCEPTIONS AND/OR CLARIFICATIONS:** *(failure to list any exceptions to this invitation or specification shall be construed as a total compliance statement)*

Please indicate if an additional sheet of clarifications or exceptions is attached: _____ Yes,
_____ No.

Bid sheet continued on next page:

Instructions for the Proposal Forms

The prices quoted on all Proposal Forms for capacity, energy and start-up energy shall include all charges to Lakeland including but not limited to transmission reservation and/or delivery charges, energy losses, fixed and variable operation and maintenance charges, emissions allowances and any other ancillary charges associated with the transaction for the delivery of the capacity and energy to Lakeland at Lakeland's interconnection with the named utility.

Firm Capacity Prices will be quoted in guaranteed delivered dollars per megawatt-month (\$/MW-month) for the calendar months of the period quoted for all Proposals. Proposal Form A specifies a range of Delivered Capacity expected. Prices are required to be Proposal fixed over the entire range of Delivered Capacity Expected for each time period specified. The Delivered Capacity on Proposal Form B, if Proposal, will be quoted in whole megawatts (MW) firm for the period offered. The PROPOSER may quote a range of capacity on Proposal Form B also, a set schedule or other Capacity and Energy scenarios. Prices quoted on Proposal Form B must also be guaranteed delivered prices for the quantities offered. For Proposals offering a range of capacity, Lakeland will evaluate the offer over that range, and Lakeland may elect to award any MW capacity within that range. Other Proposals of a creative nature are welcomed and should be explained in detail on Proposal Form B under the "Other" category. Sufficient detail of "other" Proposals is a requirement to proper evaluation for both the Technical and Price aspect of the evaluation process.

Charges for start-up will be quoted as megawatt-hours per start (MWH/start), and will be priced at the energy price quoted for the period offered. Start-up Energy may be quoted in whole MW and fractions of MW. If the PROPOSER does not quote the Start-up Energy on a Proposal Form for a period in which capacity is offered on that Proposal Form, the Start-up Energy for that period will be zero.

The prices quoted on the Proposal Forms in columns labeled "Guaranteed Capacity Prices" and "Guaranteed Energy Prices" shall remain fixed and firm for the periods shown. The capacity offered in the column labeled "Delivered Capacity", and the energy quoted for "Start-up Energy" shall remain fixed and firm for the periods shown.

Alternate Capacity, Energy and Price Proposal

PROPOSAL NUMBER (to be matched with PROPOSER'S Technical Proposal)

COMPANY NAME: _____
 BUSINESS ADDRESS: _____
 CITY, STATE, ZIP CODE: _____
 TELEPHONE: _____
 FAX: _____

FILL IN ALL BLANKS AND ANSWER ALL QUESTIONS

Quote firm guaranteed prices, delivered to Lakeland at Lakeland's interconnection.
 Lakeland interconnection used to deliver capacity and energy _____

<u>Date(s)</u>	<u>Guaranteed Delivered Capacity</u>	<u>Guaranteed Capacity Price</u>	<u>Guaranteed Energy Price</u>
Year 1	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 2	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 3	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 4	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 5	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 6	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 7	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 8	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 9	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 10	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 11	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 12	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 13	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 14	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 15	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 16	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 17	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 18	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 19	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
Year 20	_____ Megawatts	_____ \$/MW-month	_____ \$/MWH
	Start-up Energy _____ MWH/START		
	Start-up Cost _____ \$/START		

OTHER: (Please describe fully proposed scenario)
 Use additional pages if necessary, each page numbered and signed as below.

SIGNATURE: _____ DATE: _____
 NAME OF CERTIFYING OFFICIAL (typed): _____
 TITLE OR POSITION: _____

SECTION IV - TECHNICAL PROPOSAL

TITLE/TYPE OF CAPACITY PROPOSAL: _____

PROPOSER'S TECHNICAL PROPOSAL NUMBER

(to be matched with PROPOSER's Price Proposal) _____

1. PROPOSER INFORMATION

COMPANY NAME: _____
BUSINESS ADDRESS _____
CITY, STATE, ZIP CODE: _____
TELEPHONE: _____
FAX: _____

FILL IN ALL BLANKS AND ANSWER ALL QUESTIONS

2. ADDENDA ACKNOWLEDGMENTS

We hereby acknowledge receipt of Addenda _____ through _____.

3. REQUIRED FORMS CHECKLIST

The following forms must be attached:

- 3.1 Conflict of Interest Statement
- 3.2 List of Exceptions
- 3.3 Narrative description of operating history.
- 3.4 Commitment Letter verifying ability to get letter of credit if awarded a contract
- 3.5 Commitment Letter verifying Transmission Wheeling Capabilities.

4. PROJECT INFORMATION

Capacity Proposal in response to **Proposal Form A** or **Proposal Form B**
(circle one)

5. PROJECT VIABILITY

- 5.1 Unit Viability (Answer these questions for each unit proposed within this Proposal for unit or plant capacity) (see Section I, Subsection 20)

The unit is: (Circle the one that applies)

- 5.1.1 under construction (equipment foundations are complete)
- 5.1.2 in operation.

5.2 PROPOSER's Total energy Supply (see Section I, Subsection 19) at the time of Proposal, PROPOSER has first call entitlement right to _____ MW of capacity.

6. UNIT, PLANT OR SYSTEM CAPACITY

The type of capacity Proposal is _____.

7. OPERATIONAL CONSIDERATIONS OF CAPACITY OFFERED (only if Proposing unit or plant capacity)

ANSWER THESE QUESTIONS FOR EACH UNIT TO BE CONSIDERED WITHIN THIS PROPOSAL

- 7.1 Name of Unit(s) _____
- 7.2 Location of Unit (include control area) _____
- 7.3 Rated Net Capacity of unit _____
- 7.4 Megawatts Proposal from unit _____
- 7.5 Primary Fuel type _____
- 7.6 Secondary Fuel type, if any _____
- 7.7 Fuel Inventory under reserve (express in days of supply for entire capacity of unit) _____
- 7.8 Minimum run time Proposal _____
- 7.9 Planned Weeks of Maintenance per Proposal period capacity unavailable. _____
- 7.10 Equivalent Forced Outage Rate _____
- 7.11 Equivalent Availability Factor _____
- 7.12 Number of Similar sized units operated _____
- 7.13 Number of units operated of same technology _____

SIGNATURE: _____ DATE: _____

NAME OF CERTIFYING OFFICIAL (typed): _____

TITLE OR POSITION: _____

PROPOSAL SHEET CONTINUED:

CITY OF LAKELAND SYSTEM REQUIREMENTS FOR CAPACITY AND ENERGY

FEBRUARY 21, 1997

I.F.P. NO. 7083

Terms of payment offered: _____

NOTE: Standard City of Lakeland terms of payment are Net-30; discounts for early payment may be considered.

The City of Lakeland, at its sole discretion reserves the right to waive technicalities or irregularities, to reject any or all proposals, and/or to accept that proposal which is in the best interest of the City. The award, if made, may be based on considerations other than total cost. All proposal submittal information may be used for proposal evaluation. This proposal may be awarded based on various considerations, including but not limited to: experience and or qualifications, quality of materials, services or goods, past experience, administrative cost, standardization and the City reserves the right to accept all or part, or to decline the whole, and/or to award this proposal to one or more proposers. There is no obligation to buy. The proposal, if awarded will be in the judgment of the City the most responsive to the City's needs. The City of Lakeland encourages the use of minority and women-owned business as subcontractors, or in joint venture arrangements. The City is authorized by resolution to give preference to local persons, firms or corporations, in an amount of two percent (2%), not to exceed \$10,000 of the proposal price. Any vendor sent three (3) or more invitations to proposal and fails to respond, may be removed from the City proposal list.

Authorized Signature

Date Signed

Company Contact (Please Print)

City of Lakeland

Electric and Water Department Proposal Guidelines for

System Requirements for Capacity and Energy

Proposal Guidelines #C.O.L.-L.S.C.E.-97

February 17, 1997

Revision #0

SECTION I - GENERAL INFORMATION

1. LAKELAND SYSTEM REQUIREMENTS AND OPTIONS

1.1 The City of Lakeland, Florida ("Lakeland") foresees the need for capacity and energy beginning January 1, 2002. The capacity and energy needs requested by this RFP are contemplated to end by December 31, 2021. Responses that extend beyond the minimum end date of March 31, 2001 will be gladly considered. Bids may be for all or any portion of Lakeland's requirements.

1.2 Bids must be for Identifiable Resources and name the location of those resources. Identifiable Resources may be specific generating units (unit power sales), specific plant sites comprising one or more units (plant type power sales) or multiple plant sites comprising multiple units (system capacity and energy sales).

1.3 All bids must be for "Firm Capacity" and must be countable for Reserves in the State of Florida, and delivered to Lakeland's system.

2. RESERVATIONS

2.1 Lakeland reserves the right to reject any or all bids or any part thereof and/or to waive informalities if such action is deemed to be in the best interest of Lakeland. Lakeland also reserves the right to reject any bids that are incomplete, obscure or irregular, any bids that omit required information as part of the bid process or bids from bidders who have previously failed to perform satisfactorily or to complete on time contracts of any nature.

2.2 Lakeland reserves the right to contract for up to double the amount of capacity requested in this RFP, using any combination of bid scenarios included in the bidder's response.

3. INTERPRETATIONS AND ADDENDA

3.1 Any Bidder having questions as to the intent or meaning of any part of this RFP should contact the Lakeland Representative VIA FAX in time to receive a written reply before submitting a bid.

4. BIDDER INQUIRIES

4. BIDDER INQUIRIES

All requests for additional information or clarification regarding this bid shall be in writing and mailed or faxed to:

Lakeland Representative
for Technical matters:

Mr. Rolando Sanz-Guerrero
Manager of Business Development and
Fuels

Address:

City of Lakeland
Dept. of Electric & Water Utilities
501 E. Lemon St.
Lakeland, Florida 33801

Fax:

(941) 499-8393 or (941) 499-6344

Lakeland Representative
for Commercial matters:

Mr. Terry Fry
Assistant Purchasing Manager
City of Lakeland
1140 East Parker Street
Lakeland, Florida 33801
(941) 499-6777

Address:

FAX:

5. FORM OF BID

5.1 This RFP contains forms entitled Technical Proposal Form and Price Proposal Form. These forms must be filled out and appropriate response. If an item is not applicable, the bidder must include a "n/a" in the respective space on the form.

5.2 Bidders may submit multiple bids. Each bid must meet the minimum requirements as outlined in Section II of this RFP and submit a completed Bid Form A. Bids that do not meet the minimum bid requirement will be disqualified in total.

6. COLLUSION

The bidder by affixing appropriate signature to this bid, agrees to the following: "BIDDER CERTIFIES THAT THIS BID IS MADE WITHOUT ANY PREVIOUS UNDERSTANDING, AGREEMENT OR CONNECTION WITH ANY PERSON, FIRM, OR CORPORATION MAKING A BID FOR THE SAME ITEMS; AND IS IN ALL RESPECTS

7. DISQUALIFICATION OF BIDDER

7.1 Bidders are required to disclose the name of any public officials or employees of the City which have any financial position, directly or indirectly, with the bid. Failure to complete and submit the "Conflict of Interest Certificate" included in the Technical Proposal will be grounds for disqualification of the bidder.

7.2 Any contact regarding the solicitation, evaluation, and selection process between any bidder or its agents and any City of Lakeland employee or public official is strictly prohibited. Failure to observe this requirement shall result in disqualification of the bidder. This prohibition does not apply to the following.

7.2.1 The addressing of any elected or appointed public official of the City of Lakeland at public meetings advertised and conducted pursuant to Section 286.011, Florida Statutes,

7.2.2 Bidders who are currently under contract with Lakeland but only in regards to any work performed on projects unrelated to this bid,

7.2.3 Meetings or contacts with City of Lakeland employees or public officials which are called or instigated by Lakeland as part of the procurement, selection, evaluation or negotiation process concerning this bid.

8. BID VALIDITY PERIOD

The Bid Validity Period shall be ninety (90) days from the Bid Due Date.

9. EXCEPTIONS

Exceptions may be submitted with the Technical Proposal. Only exceptions submitted with the Technical Proposal will be considered. Exceptions taken by the bidder which are not acceptable to Lakeland must be withdrawn. Exceptions to the minimum requirements are not acceptable.

10. AWARD

Award, if made, will be to what is deemed the most responsive, responsible bid(s), consistent with Lakeland's judgement concerning reliability, environmental impacts and rates that, when taken in concert with Lakeland's self build alternatives, result in the best combination of reliability, environmental impacts, rates and overall economic and operating benefits to Lakeland's customers.

11. BIDDER QUALIFICATIONS AND REQUIREMENTS

11.1 Bidders must be an electric utility, Independent Power Producer (Qualifying Facility, Exempt Wholesale Generator, or Non Utility Generator), or Electric Power Marketer who has received certification as such by the Federal Energy Regulatory Commission. Lakeland may require proof of experience from bidders unfamiliar to Lakeland.

11.2 Bidders must be the owners of the Unit, Plant or System Capacity or must have the Unit, Plant or System Capacity under contract. Lakeland may require proof of such contracts. Such contracts must include, as a minimum, the right but not the obligation for Lakeland to assume the rights of that contract. Any contracts provided to Lakeland may have the price and any other sensitive information blacked out before submittal to Lakeland.

12. OPERATING EXPERIENCE AND QUALIFICATIONS

12.1 Bidders must be EPO of the Unit, Plant or System Capacity or must have the EPO of the Unit, Plant or System Capacity under contract. Lakeland may require proof of such contracts. Such contracts must include, as a minimum, the right but not the obligation for Lakeland to assume the rights under that contract.

13. PERFORMANCE SECURITY

Lakeland will demand some form of performance security in the final contract with a successful bidder. The bidder may propose performance security in the Proposal which it believes would be acceptable to Lakeland.

SECTION II - BID REQUIREMENTS

1. DEFINITIONS

EQUIVALENT AVAILABILITY FACTOR (EAF)

The ratio of total period hours less outage hours and equivalent derated hours, to total period hours, expressed as a percentage.

PERIOD HOURS

Requested Schedule of Hours for Capacity and Energy delivery.

FIRST CALL CAPACITY

As long as the unit(s) from which capacity is purchased (in case of unit power sale) is available, Lakeland has right to the output of the unit(s). Lakeland's rights are superior to any other party's rights to such unit(s) output.

FIRST START RELIABILITY

Calculated as the number of successful starts, divided by the number of requested , expressed in percent(%). A successful start is a start-up within the required start-up time and, once synchronized, the unit loads successfully to meet the scheduled load level by the beginning of the hour, and maintains the desired load as set forth in the daily schedules to the end of the last scheduled hour for the day.

START-UP POWER

That power generated during the first hour after a generator is placed in service until the unit is available for full load.

GADS

Generating Availability Data System - Industry reporting system for the standardized reporting of generator performance, administered by NERC.

NERC

North American Electric Reliability Council. Industry association which establishes reliability criteria for interconnected operations.

2. AMOUNT OF CAPACITY REQUIRED

2.1 Lakeland's Minimum Capacity requirements are as follows:

<u>Date(s)</u>	<u>Amount(s)</u>	<u>Minimum Block Size Per Bid</u>
1/1/2002-12/31/2021	200 Megawatts	50 Megawatts

2.2 Lakeland's estimated capacity and energy utilization based on typical industry capacity classifications is base with a capacity factor of an estimated 70-90%. The power must be available when called.

3. MINIMUM REQUIREMENTS OF CAPACITY BID

3.1 Control Area Services

Capacity offered from units external to Lakeland's service territory must be included within the metered boundaries of a control area. Metering, interchange scheduling and accounting, and unit operation shall be in accordance with good utility practices and applicable NERC guidelines.

3.2 Availability

3.2.1 Required to be available on a First Call Capacity Basis, year round.

3.2.2 Required to meet a 90% First Start Reliability criteria during each bid period.

3.2.3 Required to have an 90% Equivalent Availability Factor for Unit Capacity bid, 95% Equivalent Availability Factor for Plant Capacity bid, and an availability/priority equal to native load customer priority for System Capacity bid.

3.3 Deliverability

3.3.1 Capacity not within Lakeland's service territory must be delivered to Lakeland's system by one or more of the following interconnections with Lakeland:

Tampa Electric Company
Florida Power Corporation
Orlando Utilities Commission

3.4 Dispatchability

3.4.1 Required to be on-line and fully available at the beginning of the first hour of the scheduled day or time period.

3.4.2 No maximum run time limit shall exist for any resource bid.

3.4.3 Must be able to be scheduled into Lakeland's daily operation in the Florida Municipal Power Pool and/or Lakeland Stand-Alone Operation. Schedule changes shall be ramped on ten minute ramps to minimize accumulated build up of inadvertent. Bidder shall state if there is a minimum schedule which would need to be maintained during a daily schedule.

3.4.4 Lakeland will accept start-up energy one hour prior to the first hour of a requested schedule start. Such start-up energy shall be capped at ten percent (10%) of the committed capacity.

3.5 Maintenance Scheduling

The bidder must submit the current one-year and five-year outage plans for units or plants from which capacity is quoted. In the final contract, the successful bidder will be required to produce at least annually a one and five year maintenance outage plan for units or plants from which capacity is quoted.