

Duke Energy Florida, Inc

Pre-Release Presentation

DEF2018RFP

Pre-Release Meeting

10/2/13

Tampa Marriott Westshore, 1001 N Westshore Blvd, Tampa, FL 33607

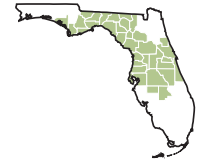


Welcome, Presentation Checks and Introductions

- Welcome

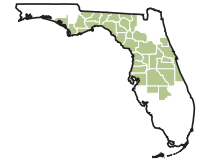
- Presentation Checks
 - Marriott Audio and Presentation Checks
 - Live Meeting Audio and Presentation Checks

- Introductions
 - Court Reporter Attendance
 - Marriott Attendees
 - Live Meeting Attendees



Pre-Release Agenda

- RFP Contacts
- Pre-Release Purpose and RFP Objectives
- NPGU
- RFP Documents and Schedule
- Proposal Types and Bid Submission
- RFP Evaluation Process
- RFP and Transmission Fees
- Suppliers Registration Process



RFP Contacts

DEF RFP Contact

and

Independent Monitor/Evaluator Contact

Benjamin Borsch

Duke Energy Florida (DEF16)

299 1st Ave North

St. Petersburg, FL 33701

Telephone number: (727) 820-4781

E-mail address:

DEF2018RFP@duke-energy.com

Sedway Consulting, Inc.

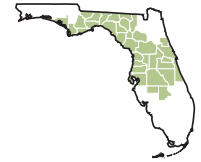
821 15th St,

Boulder, Colorado 80302

Telephone number: (303) 581-4172

E-mail address:

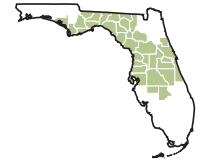
Alan.Taylor@sedwayconsulting.com



Purpose and Objective

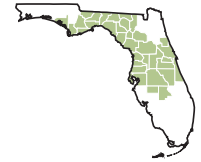
- Purpose of “Pre-Release” Meeting
 - Respond to questions and comments on “Pre-Release” of RFP
 - RFP is to be issued on 10/8/13

- Objectives of the RFP:
 - To solicit and screen competitive proposals for alternatives to Duke Energy Florida’s NPGU
 - Meet FPSC “Bid Rule” Requirement
 - DEF’s objective is to select resources that offer maximum value to its customers
 - Based on cost and non-cost attributes
 - Not a solicitation for equipment or services associated with construction of the Unit



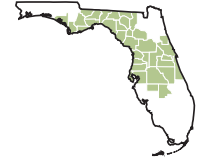
Next Planned Generating Unit (NPGU)

- DEF has a need for 1,640 MW (summer) in the year 2018, a minimum of 820 MW of which must be in service no later than May 1, 2018 with the balance of the capacity available no later than December 1, 2018.
- DEF proposes to meet this need through the construction of a Natural Gas-fired combined cycle unit in Citrus County, Florida.
- The RFP requests proposals of alternatives to this unit.
- Details of the proposed unit can be found in Section IV of the RFP.



RFP Documents

- **RFP Document (Solicitation)**
 - Outlines requirements for submission of proposals and Evaluation Methodology
- **Attachment A: Key Terms and Conditions**
- **Attachment B: 2013 TYSP**
- **Attachment C: Response Package (Instructions)**
 - Provides instructions and information required for inclusion in proposals
- **Attachment D: Schedules**



Schedule of RFP

A. Solicitation

Pre-Release of RFP	9/24/2013
Pre-Release Meeting	10/2/2013
Issuance of RFP	10/8/2013
Bidders Meeting	10/18/2013
Submission of Proposals	12/9/2013 by 3:00 pm

B. Evaluation and Screening of Proposals

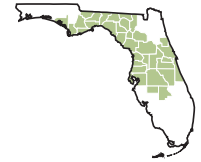
Selection of Short List	Expected by 3/2014
Selection of Finalist(s)	Expected by 5/2014

C. Negotiations

Initiate Negotiations	Expected by 5/2014
Clarifications and Adjustments	Expected by 6/2014
Award Announcement	Expected by 8/2014

D. Regulatory Filings

File for certification	Expected by 9/2014
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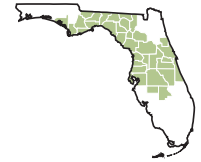


Types of Proposals

- Open to various supply-side alternatives
 - New Unit proposals
 - Existing Unit proposals
 - System Power proposals

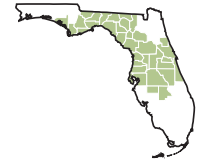
- Approximately 1,640 MW (summer)

- Innovative and Creative Responses
 - Proposals may be of various sizes, terms, types, fuels and technologies



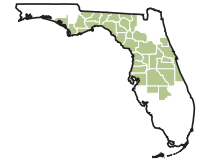
RFP Bid Submission Information

- Due no later than 3:00 PM on December 9, 2013 to RFP Contact Persons.
- For each proposal, Bidders must submit a complete bid package consisting of all of the required information as described on the Power Advocate RFP web site for this DEF2018RFP by December 9, 2013.
- Additionally, a copied version of the submitted proposal in electronic format and provided on a flash-drive must be received by the IM/E at the Sedway Consulting address listed for the Official Contacts in Section I.E. no later than December 10, 2013.
- Bidders may submit as many proposals as they desire. To help defray the cost of performing the proposal evaluations, Bidders are required to submit for each proposal a submittal fee of \$20,000. Proposal fees must be received by the DEF Contact at the St Petersburg location by December 10, 2013. All such submitted fees shall be non-refundable.



RFP Evaluation Process

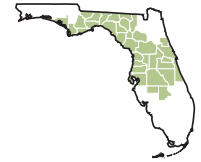
- Seven Step RFP Evaluation Process (Ref Fig III-1):
 - 1 – Threshold Screening
 - 2 – Initial Evaluation
 - 3 – Selection of Short List
 - 4 – Detailed Evaluation
 - 5 – Final List
 - 6 – Negotiations
 - 7 – Final Decision



Step 1 - Threshold Requirements

Ensure Proposals Meet Minimum Requirements (Ref Fig III-2)

- General Requirements
- Operating Performance
- Contract
- Site Control
- Transmission



Step 2 - Initial Evaluation

Total Cost Screening

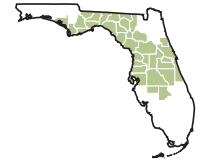
- Generator Cost Screening (Ref. Fig III-3)
- Transmission Cost Screening
- Generator and Transmission Cost Screening

Minimum Technical Requirements (Ref Fig III-4)

- Environmental
- Engineering and Design
- Fuel Supply and Transportation Plan
- Project Financial Viability
- Project Management Plan

Ensure Competitive Proposals

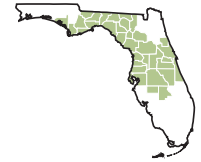
- DEF reserves right to eliminate relatively high cost proposals



Step 3 - Selection of Short List

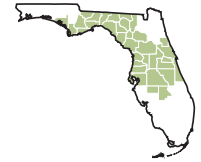
Determine Appropriate Proposals for Detailed Evaluations

- Scheduled by March 2014
- Proposals offering maximum value will be selected
- Bidders will be notified



Step 4 - Detailed Evaluation

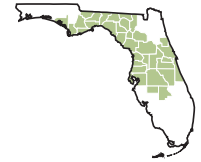
- Optimization Analysis
 - Optimal plan built around each proposal or combination of proposals
- Technical Evaluation (Ref Fig III-5)
 - Operational Quality
 - Development and Commercial Feasibility
 - Project Value
- Transmission Review
 - DEF Internal Transmission Review
- Financial Analysis Review
 - Impact of each alternative on CPVRR over planning horizon compared to a Base Case
 - Marginal cost impact of incurring additional fixed obligations
- Bidder Clarifications



Step 5 - Selection of Final List

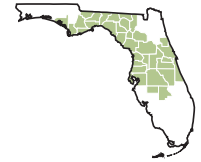
Proposals That Offer Maximum Value

- Scheduled by May 2014



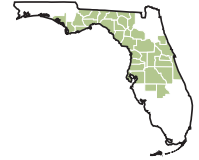
Step 6 - Negotiations

- Contract Negotiations
 - Scheduled to begin by May 2014
 - Scheduled to be completed by August 2014



Step 7 - Final Decision

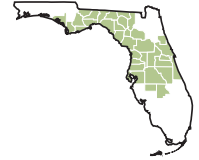
- Final Decision
 - Scheduled to be completed by August 2014
- Regulatory Filings
 - If Determination of Need is required, DEF will be co-applicant
 - Cost recovery filing may also be required, with DEF making filing
 - Filings projected to be made by September 2014



RFP and Transmission Fees

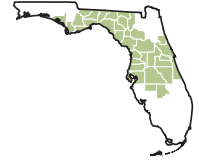
- RFP Submission Fee
 - Payable to Duke Energy Florida, via DEF RFP Contact
 - \$20,000 fee per proposal
 - Two variations in term and/or pricing at no cost

- Transmission Analysis Deposits (per proposal)
 - \$10,000 for feasibility analysis — Due at submission via DEF OATT/OASIS
 - \$50,000 for system impact study — Due 7 days after reaching Final List, via DEF OATT/OASIS
 - \$100,000 for facilities study — Due 7 days after system impact study, via DEF OATT/OASIS, if determined necessary



Suppliers Registration Process

- Power Advocate is the web-base interface tool for posting and responding to the RFP
- All suppliers who intend to bid will request access to Power Advocate through the link [DEF 2018 RFP on-line registration](#)
- Once access has been granted, supplier will complete registration in Power Advocate through the link [Registration instructions and Power Advocate requirements](#)
- Both links are posted on the [2018 RFP for Electric Generating Capacity Web Page](#)



Duke Energy Florida 2018 RFP

- Concluding Discussions
- Pre-Release Meeting Questions
- Pre-Release Meeting Adjournment