



**We Energize Life**



# OG&E Flexible Resource RFP

Bidders' Technical Conference

May 19, 2022

# Meeting Procedures

- OG&E will go through this presentation about the RFP
- Bidders can submit questions through the Q&A feature on the Teams menu



- When submitting a question, please include your name and organization
- OG&E will respond to questions after the slide presentation is complete

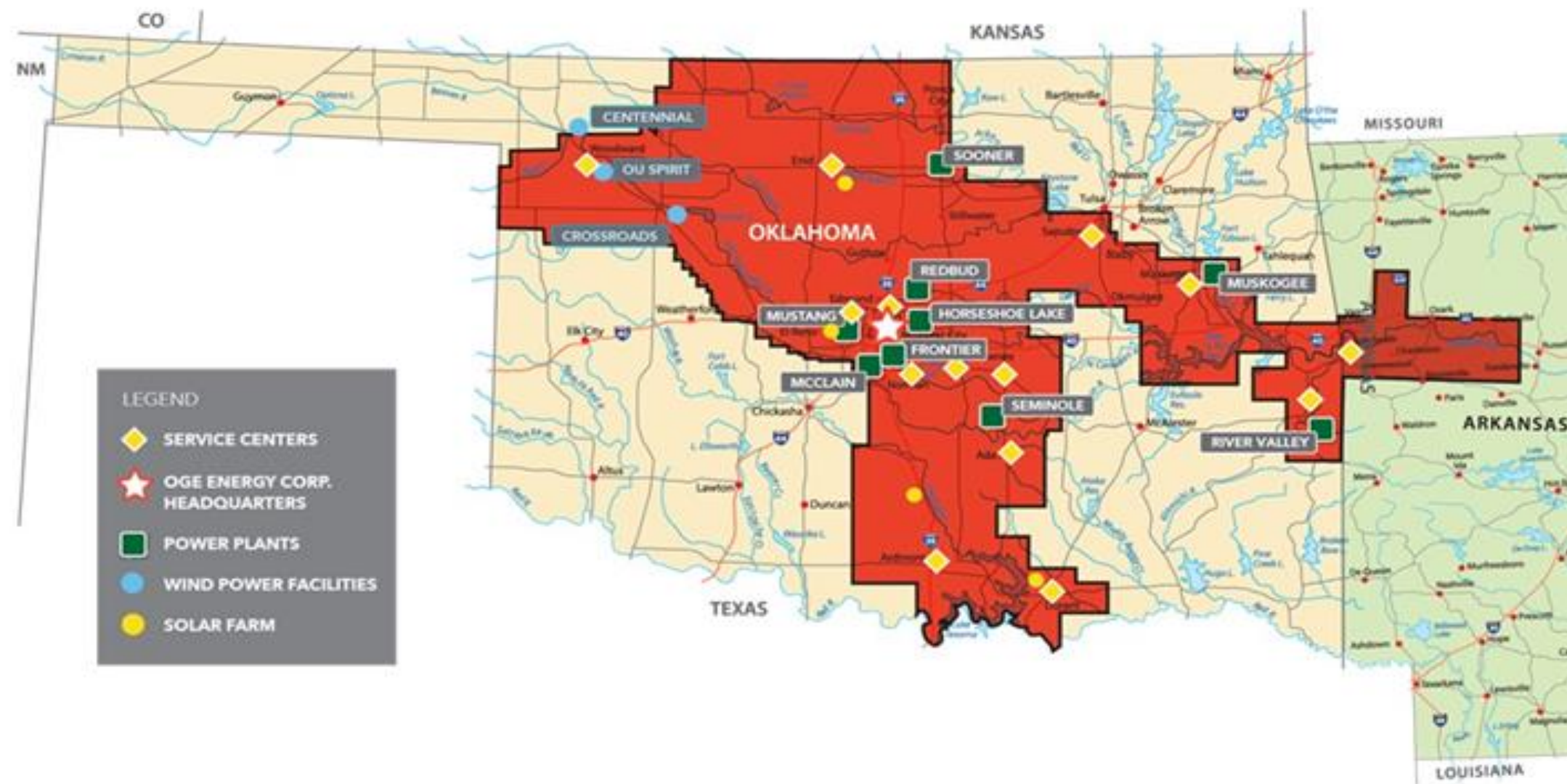


# Agenda

- Introduction to OG&E
- RFP and Technical Conference Purpose
- Flexible Resource RFP
  - Overview
  - Details on Key Elements
  - Bid Submission Structure, Materials, and Process
  - Bid Evaluation Process
- 5-minute Break
- Questions and Answers

# Introduction to OG&E

OG&E was formed in 1902 and is Oklahoma's oldest and largest investor-owned electric utility. OG&E serves more than 871,000 customers in 267 towns and cities in a 30,000 square mile area of Oklahoma and western Arkansas.



# RFP and Technical Conference Purposes

## RFP

- The purpose of this RFP is to secure flexible resources identified in the Preferred Plan selected through OG&E's 2021 Integrated Resource Plan (IRP)
- This Flexible Resource RFP supports execution of OG&E's 2021 IRP 5-year Action Plan, which identified a variety of resources to address future capacity needs

# Evaluation Consultant to OG&E



## Role:

ICF will provide critical expertise in developing RFP documents, responding to Bidder questions, supporting the threshold evaluation of Bids and will lead the qualitative evaluation of Bids. ICF performed similar roles on OG&E's 2018 Capacity RFP and 2021 Solar RFP.



# Confidentiality

Bids submitted in response to this RFP, and any contracts resulting from this RFP, will be treated as confidential. Nonetheless, Bidders should be aware that information received in response to the RFP may be subject to review by applicable regulatory agencies. Information submitted in response to the RFP may become subject to federal or state laws pertaining to public access to information as a result of any reviews conducted by the Oklahoma Corporation Commission, the Arkansas Public Service Commission and the Federal Energy Regulatory Commission. As such, Bidders should clearly designate all sensitive information as “Confidential.” Except as required by regulatory reviews, OG&E will use reasonable efforts to avoid disclosure of such confidential information to persons other than those involved with the evaluation, selection, and any subsequent negotiations. OG&E expects to self-bid into this RFP pursuant to the rules and regulations of the Oklahoma Corporation Commission.

# Flexible Resource RFP Overview

|                           |   |
|---------------------------|---|
| <b>Technologies</b>       | Combustion Turbines (CTs), Reciprocating Engines (RICE), and/or Energy Storage Resources  |
| <b>In-Service Date</b>    | Before May 1, 2027, with a preference for projects in service as early as possible  |
| <b>Capacity</b>           | Between 50 MW and 500 MW nameplate  |
| <b>Operating Duration</b> | Capable of at least 4 hours of consecutive run time at minimum and maximum capacity   |
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| <b>Location</b>           | Within SPP in Oklahoma or Arkansas, with a preference for resources in OG&E's service territory   |
| <b>Interconnection</b>    | Plan for securing firm transmission service prior to the in-service date  |
| <b>Structure</b>          | Asset Purchase Agreement, including form EPC Exhibit  |
| <b>Affiliate Bid</b>      | OG&E expects to self-bid into this RFP  |



# Flexible Resource RFP Timeline

| <b>Item</b>   | <b>Date</b>        |
|---|--------------------|
| <b>Draft RFP Issue Date</b>                             | April 28, 2022     |
| <b>Draft RFP Technical Conference</b>                   | May 19, 2022       |
| <b>RFP Final Issue Date (expected)</b>                  | June 1, 2022       |
| <b>Notice of Intent to Bid Due Date</b>                 | September 8, 2022  |
| <b>Questions Deadline</b>                               | September 9, 2022  |
| <b>Bid Due Date</b>                                     | September 15, 2022 |
| <b>Bid Opening Day</b>                                  | September 16, 2022 |
| <b>Selection of Projects for Negotiation (expected)</b> | December 2, 2022   |
| <b>Complete Negotiations (expected)</b>                 | January 27, 2023   |

# RFP Website

## RFP Website:

RFP documents are posted at: [OG&E - Suppliers & Contractors \(oge.com\)](https://www.oge.com)

### Current Opportunities

Below are Requests for Proposals for upcoming projects

2021 OGE Solar RFP

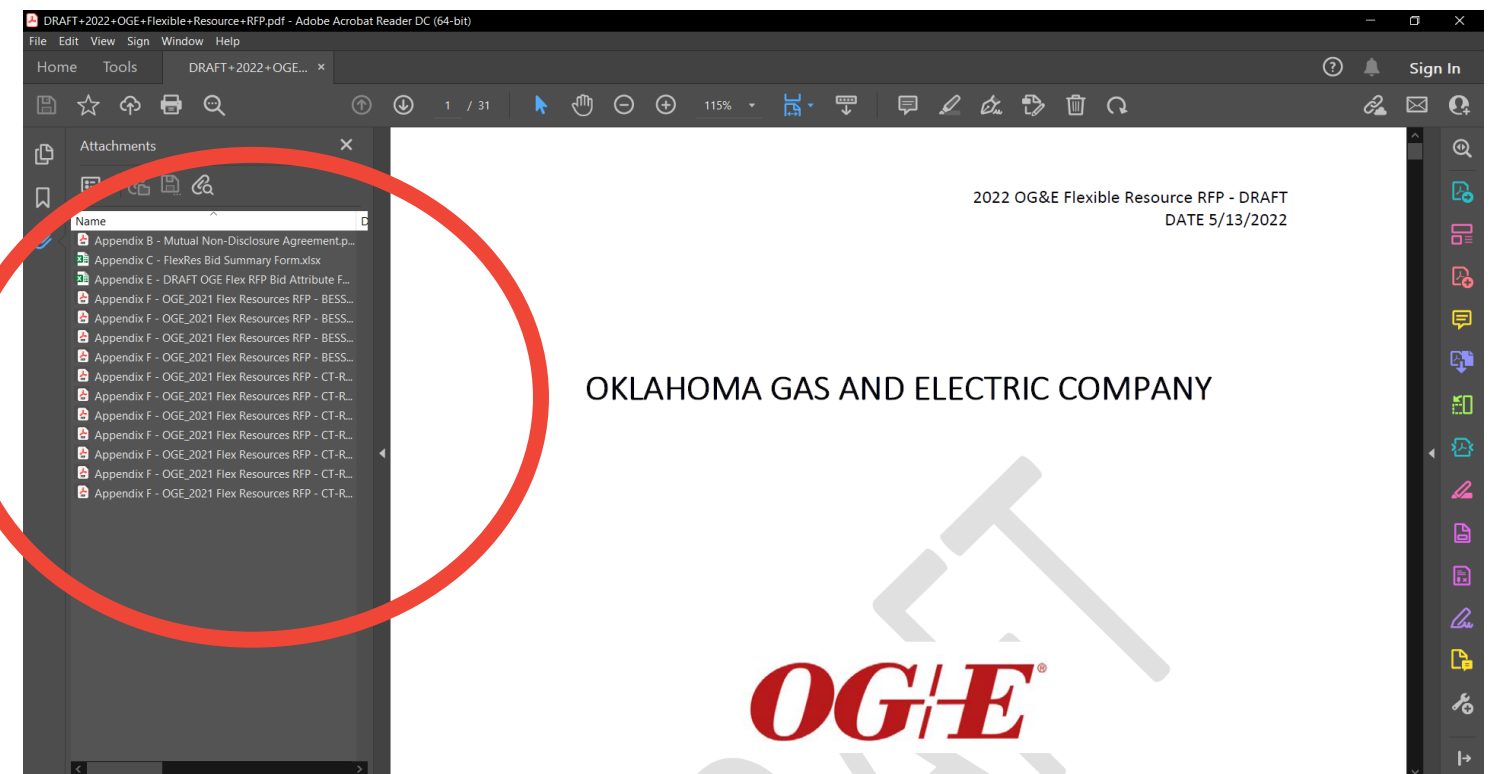
2021 Solar RFP Q&A 2022\_01\_21

OGE Solar RFP Tech Conference Presentation

Code of Conduct Flexible Resources RFP

DRAFT 2022 OGE Flexible Resource RFP

***Technology Note:*** Download the RFP document and open in Adobe Acrobat to access all embedded Appendices and Forms



# RFP Q&A procedures

## RFP Questions and Answers:

Prospective Bidders are encouraged to submit questions about this RFP via email to [FlexRes2022RFPComm@oge.com](mailto:FlexRes2022RFPComm@oge.com) on or before the September 9, 2022, deadline for submission of questions. All questions, and responses to those questions, will be posted to the “RFP Website” ([OG&E - Suppliers & Contractors \(oge.com\)](#)) within five (5) business days after receipt of the question, to the best of OG&E’s capabilities. Questions submitted will not be treated as confidential, and the question and answer may be shared for the benefit of other interested parties via the RFP Website. However, Bidder names and other identifying details will not be included in question-and-answer material posted to the RFP Website.

# RFP DETAILS

# RFP Details

|                           |   |
|---------------------------|---|
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| <b>Affiliate Bid</b>      | OG&E expects to self-bid into this RFP  |

# RFP Details - Technologies

## Technologies

Combustion Turbines (CTs), Reciprocating Engines (RICE), and/or Energy Storage Resources

OG&E will accept offers for resource types:

- Combustion Turbines
- Reciprocating Engines
- Energy Storage

The full technical specifications will be provided after Bidders submit an appropriately-executed Mutual Nondisclosure Agreement. Receipt of the full technical specifications is a precondition for submission of a Bid into this RFP.



# RFP Details – In-Service Dates

|                           |   |
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# In-Service Date

|                        |  |
|------------------------|--|
| <b>In-Service Date</b> | Before May 1, 2027, with a preference for projects in service as early as possible |
|------------------------|--|

Resources must be in-service prior to the summer season in the year they come online for the generation capacity to be counted towards OG&E's Planning Reserve Margin requirement in that year. OG&E's 2021 Integrated Resource Plan identifies generation capacity needs starting in 2023. OG&E has a preference for resources capable of coming online as early as possible.

# RFP Details – Capacity and Operations

|                           |  |
|---------------------------|--|
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# Project Capacity and Timing

|                           |   |
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- An entire bid must contain a minimum of 50 MW which can be comprised of multiple, individual resources that are less than 50 MW
- Resources must have a consecutive run time of at least 4-hours in order to qualify as capacity in the SPP
- OG&E is requesting resources that can cycle quickly multiple times per day for system reliability

# RFP Details - Location

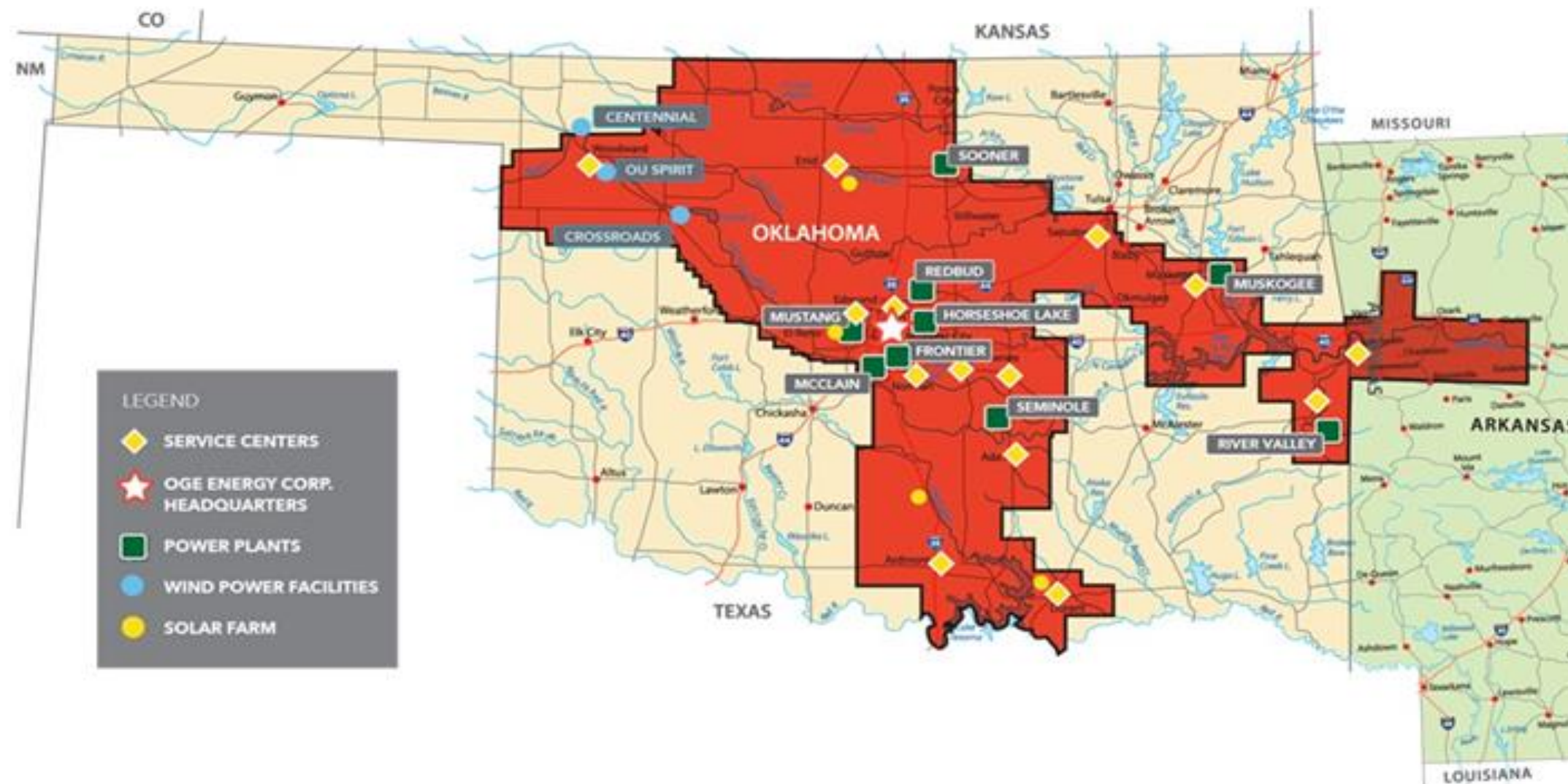
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# Location

## Location

Within SPP in Oklahoma or Arkansas, with a preference for resources in OG&E's service territory





# RFP Details – Interconnection

|                           |   |
|---------------------------|---|
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# Interconnection

## Interconnection

Plan for securing firm transmission service prior to the in-service date

Bidders are required to submit a copy of the preliminary transmission interconnection study completed by SPP (if available). If this is not available, Bidder must submit a comparable study conducted by an independent engineer and identify the planned governing interconnection type as defined by SPP OATT Attachment V. Examples include Network Resource Interconnection Service, Surplus Interconnection Service, Generating Facility Replacement, etc.

*Detailed requirements are specified in Section 2.2.5 of the Draft 2022 Flexible Resource RFP.*

# RFP Details – Contract Structure

|                           |   |
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# Asset Purchase Agreement

## Structure

Asset Purchase Agreement, including form EPC Exhibit

Bidders are required to submit a brief narrative summary of any changes sought as well as a redline mark-up of the form APA with EPC Exhibit.

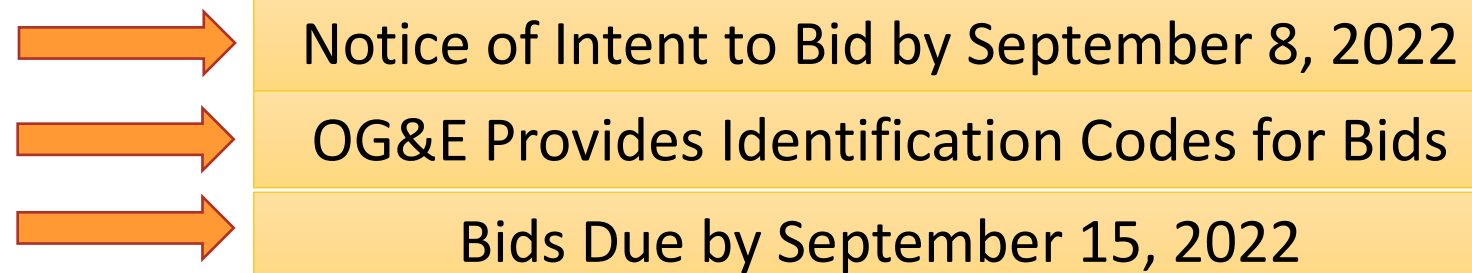
# RFP Details – Affiliate Bid

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# RFP RESPONSES



# Response Structure



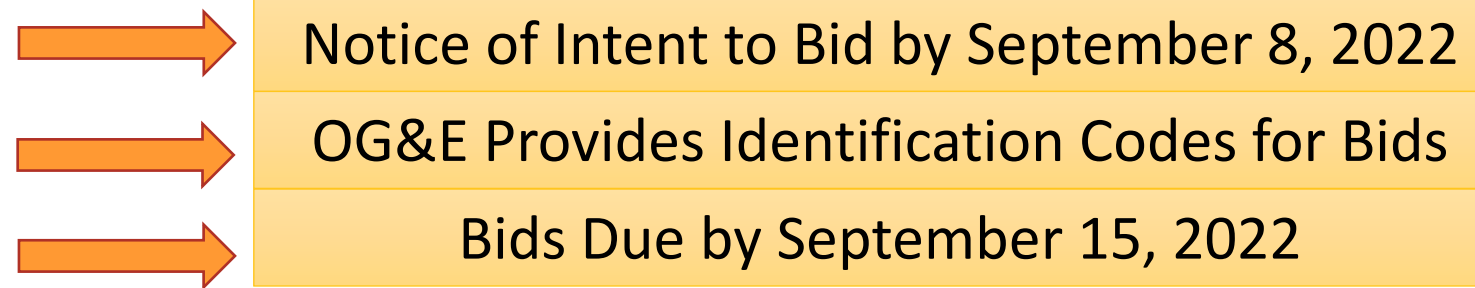
## **Completed Bid Package must contain:**

- Mutual Nondisclosure Agreement
- Bid Summary Form for use in Bid Opening
- Bid Narrative Topics as outlined in RFP section 2.2.3
- Bid Certification and Attribute Forms as outlined in RFP section 2.2.4
- Additional Attachments (listed on next slide)
- Redline of Form APA with EPC Exhibit

## **Additional Notes:**

- No more than four (4) Bids can be submitted per Site
- To reduce administrative requirements for Bidders, certain materials can be submitted once per Bidder or once per Site
  - Other materials must be submitted for each Bid
- There is no Bid submission fee

# Response Structure (cont.)

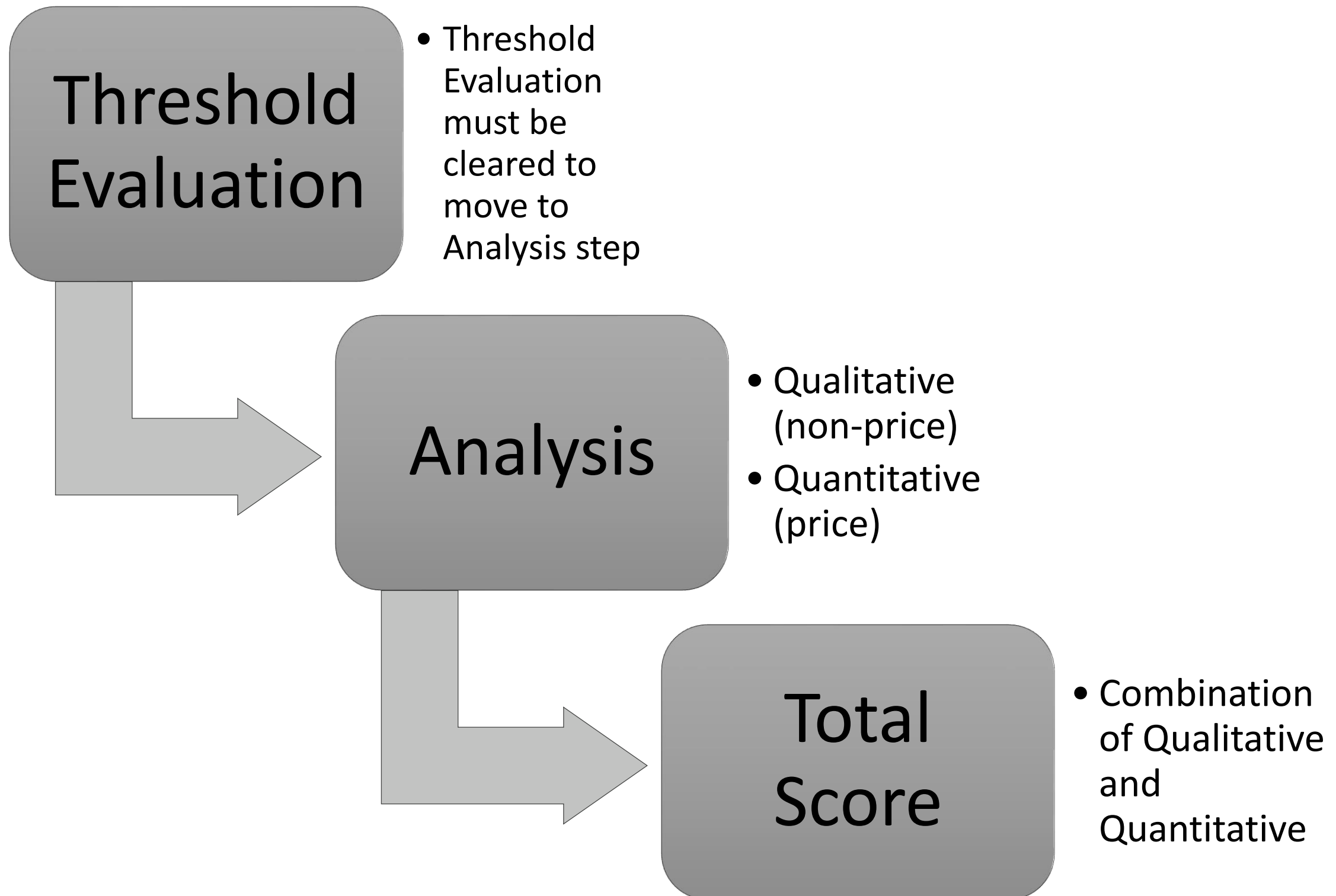


## Completed Bid Package must contain:

- Additional Required Attachments
  - i. USGS-based maps of Project and equipment
  - ii. Copy of Bidder's preliminary or final SPP transmission interconnection study (if available)
  - iii. If applicable, identify the applicable section of the SPP Open Access Transmission Tariff Attachment V that would govern the interconnection of the Project and provide a comparable study to the SPP interconnection study, performed by an independent engineer
  - iv. Risk reports and mitigation plans, if available
  - v. If applicable, reactive power capability curve
  - vi. Audited financial statements for the last three (3) years for Bidder and guarantor (if applicable)
  - vii. Technology re-powering and conversion narrative
  - viii. Financial agency rating reports

# BID EVALUATION

# Bid Evaluation



# Threshold Evaluation

|                             |                              |                       |              |
|-----------------------------|------------------------------|-----------------------|--------------|
| Capacity                    | In-Service Date              | Contract Type         | Product Type |
| Location                    | Transmission Interconnection | Property Site Control | Experience   |
| Bidder Financial Capability | Completeness                 | Unconditional         |              |

# Qualitative Analysis (30% of Total Score)

## Contract Risks, Costs, and Benefits (9%)

- Firm Price
- Contract Assignment
- Form APA (including EPC exhibit) Redline

## Overall Project Characteristics and Development Risks (16%)

- Capacity Security
- O&M Plan and Protection against Risks
- Critical Path Schedule, Site Control, and Bidder Experience
- Financing Capability
- Technology
- Flexibility

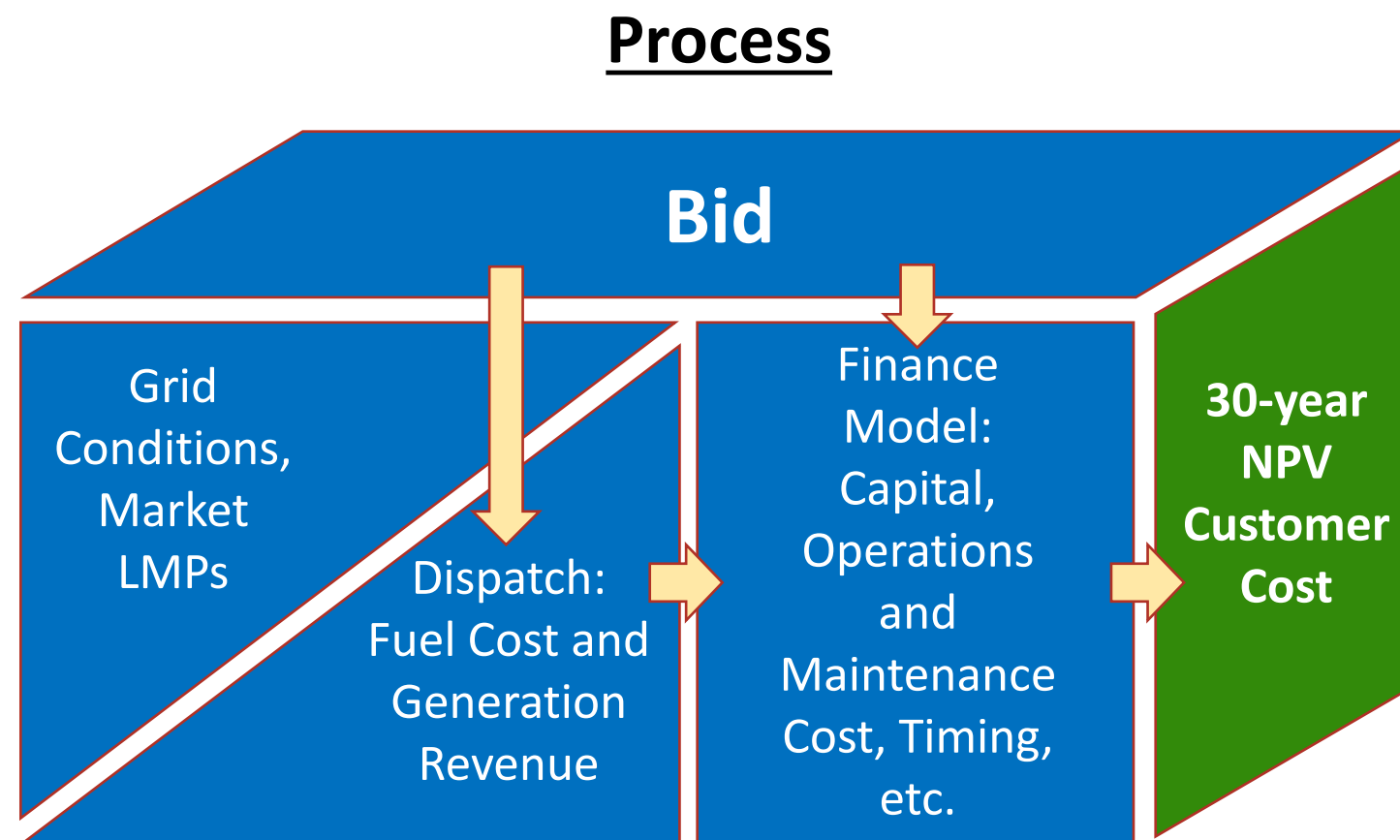
## Community and Environmental Impacts (5%)

- Community Impacts
- Environmental Impacts

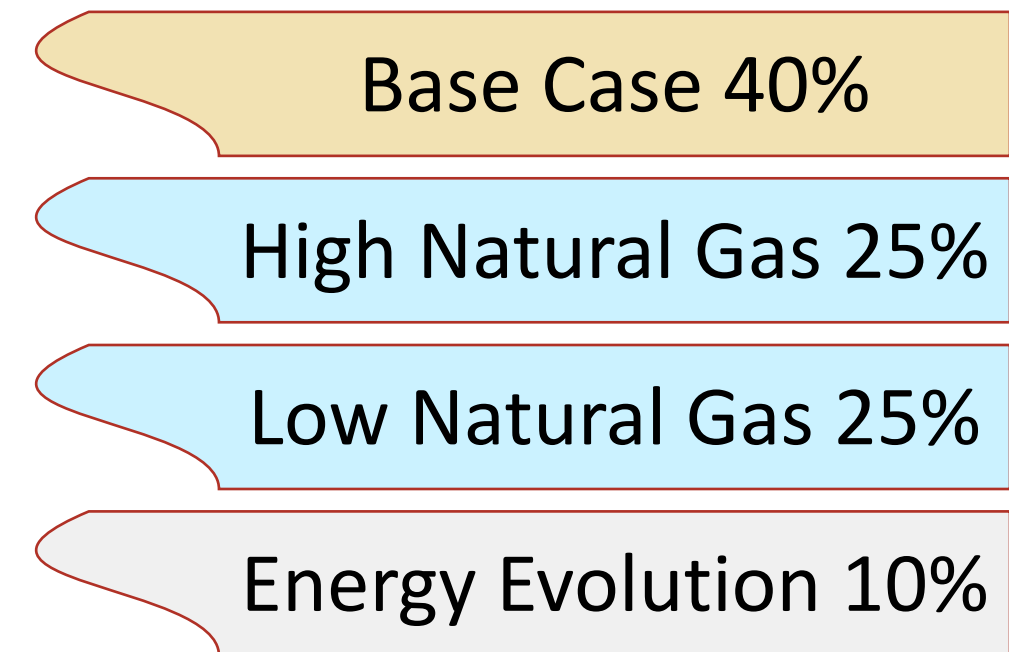


# Quantitative Analysis (70% of Total Score)

OG&E will evaluate all Bids based on the expected customer impact resulting from detailed simulation modeling utilizing scenarios and sensitivities described in the OG&E 2021 IRP.



## Apply Weighted-Average of Market Conditions



# Project Selection

Results of the Quantitative and Qualitative analysis will be combined into a single evaluation score for each Bid that passes the threshold evaluation

OG&E may select the top-ranking Bid based on the combined qualitative and quantitative score from among Bids received or may select multiple Bids to comprise a portfolio able to satisfy OG&E's need.



# Break to collect questions

# Questions and Answers



# Further Questions

## Questions and Answers

All additional questions regarding the RFP should be submitted to:

[FlexRes2022RFPComm@oge.com](mailto:FlexRes2022RFPComm@oge.com)