



Questions and Answers

For OG&E's 2022 Flexible Resource RFP

Question #1

Pursuant to the above mentioned RFP, on page 7 Table 2: Schedule for OG&E Flexible Resource RFP. The line: Complete Negotiations (expected) lists a date of January 27,2022. This date is in the past. What is the correct date?

A: *The correct date is January 27, 2023. The table in the draft RFP document posted to the website has been corrected. The updated document can be found at this link: [DRAFT+2022+OGE+Flexible+Resource+RFP.pdf](#)*

Question #2

The IRP listed at (<https://ogeenergy.gcs-web.com/static-files/6fd094d7-f7d6-4dae-8ec9-7482d0071a34>) appears to be more prescriptive than this RFP with regards to technology. Please consider providing a more prescriptive definition of what OG&E wants in terms of combination of technologies to meet power supply needs (e.g. 400 MW CTs plus 100 MW Storage, Battery or Other).

A: *The purpose of this RFP is to solicit bids to meet OG&E's capacity needs. While the RFP specifies the types of technologies that can be bid in, the purpose of the RFP analysis is to determine what the best resource or combination of resources is for customers based on the quantitative and qualitative evaluation criteria for this RFP. One of the stated objectives of OG&E's 2021 Integrated Resource Plan (IRP) is Fuel and Technology Diversity. For the benefit of its customers, OG&E strives to maintain a diverse fuel and resource mix that mitigates risks related to regulation, fuel costs and other issues.*

Question #3

Please provide additional information regarding the expected capacity profile of the power supply technology. For example, is 4 hours consecutive run time expected to occur on a routine daily basis, or perhaps multiple times per day? Can a typical load profile or multiple potential expected load profiles be provided? The IRP listed at (<https://ogeenergy.gcs-web.com/static-files/6fd094d7-f7d6-4dae-8ec9-7482d0071a34>) is referenced but does not provide this level of detail.

A: *The 4-hour consecutive run time does not necessarily represent an expected dispatch profile; however, it ensures resources offered in the RFP are capable of providing accredited capacity that can be counted toward OG&E's capacity obligation. As stated in OG&E's response to Bidder question #2, the purpose of the RFP is to solicit bids to meet OG&E's capacity needs.*

SPP Planning criteria, Section 7.1.1.6 (2) states, "The total seasonal net capability rating shall be that available regularly to satisfy the daily load patterns of the member and shall be available for a minimum of four continuous hours taking into account possible fuel curtailments and thermal limits."



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For more information regarding the requirements for capacity accreditation of resources, please see the SPP Planning Criteria, Section 7.1. SPP's Planning Criteria can be found at this link: [Microsoft Word - spp planning criteria v2.4 clean copy](#)

Question #4

The IRP listed at (<https://ogeenergy.gcs-web.com/static-files/6fd094d7-f7d6-4dae-8ec9-7482d0071a34>) notes that OG&E views combustion turbines as the best technology to meet near term power supply goals. Considering this, can OG&E provide some additional detail regarding how the benefit of unlimited run time of this technology will be quantified in this evaluation.

A: *In the quantitative analysis of the RFP, the resources will be modeled in an economic dispatch simulation. The ability to dispatch for longer durations will be captured in this section of the analysis. Additionally, the ability to be able to dispatch for longer durations provides benefits and will be reviewed in the qualitative analysis under the flexibility sub-criterion.*

Question #5

How will OG&E comparatively evaluate on an economic basis a CT and/or RICE solution vs. a storage offering, given that storage offerings have constraints on maximum up-time vs. down-time in a given day.

A: *OG&E will utilize an economic dispatch model of the resources taking into consideration the dispatch characteristics and constraints of each resource.*

Question #6

If a bidder would like to submit a battery solution, how will OG&E analyze the costs of "fueling" a battery after the 4-hour discharge period is complete? What assumptions around time of use rates, cost per kw for charging, and discharge cycles per year will feed that analysis? How will OG&E model the degradation of the resource over the lifespan, as well as potential recycling costs associated batteries.

A: *OG&E projects hourly nodal Locational Marginal Prices (LMPs) through modeling. Those hourly nodal LMPs will be utilized for both charging and discharging of energy storage resources. In modeling energy storage performance characteristics, OG&E will utilize information provided by Bidders on the Bid Attribute forms, for example, Form C and Form E, and in their technology narratives together with credible industry sources on energy storage.*

Question #7



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The IRP listed at (<https://ogeenergy.gcs-web.com/static-files/6fd094d7-f7d6-4dae-8ec9-7482d0071a34>) notes that OG&E views combustion turbines as the best technology. Please provide additional information on how OG&E regards Long Term Service Agreements (LTSA) with OEM suppliers and if they are desired. If OG&E desires an OEM LTSA, what level of OEM LTSA shall be submitted: minimum level, maximum level. No detail has been provided.

A: *OG&E offers guidance on LTSAs in the detailed technical specification to be provided after execution of a mutual non-disclosure agreement. Bidders are encouraged to ask additional questions after review of these technical specifications, as needed.*

Question #8

Will OG&E consider an LNTP to de-risk project during OCC and/or permitting process? It is not clear that an appropriate contingency could be developed to capture firm pricing over such long durations given the current market volatility.

A: *OG&E understands the project and regulatory approval timeline would need to be worked in parallel. OG&E could consider an LNTP. Guidance on conditional elements of Bids are described in the Company's response to Question #9.*

Question #9

With current market conditions, it is expected that there will be very substantial challenges with regards to obtaining firm pricing from major suppliers (e.g. CTs, RICE, Transformers etc.) Given the relatively drawn out time frame from proposal submittal in September to the potential signing of an EPC agreement in Q1 2022, we are not aware of any suppliers that will hold pricing firm over this duration, and negotiating firm escalation provisions is equally as difficult. Will OG&E provide additional information regarding how lack of available firm pricing and need for escalation provisions be factored into the evaluation of the bids?

A: *It is in the interest of OG&E's customers and the efficient evaluation of RFP responses for Bids to have as firm pricing and as few conditionalities as feasible. Nonetheless, OG&E does recognize that current industry supply chain and macroeconomic factors may limit Bidders' ability to offer fully firm prices. OG&E can offer this guidance: (i) OG&E will bear in mind industry and macroeconomic factors when determining whether a Bid is unconditional in the threshold evaluation; (ii) Bidders should attempt to limit any non-firm price elements of their Bids to factors outside of their reasonable control; (iii) Bidders should be as explicit as possible about the rationale, numerical computation, bilateral nature, and upper limits of any escalations or other non-firm price or other conditional elements of their Bids; and (iv) Bids with prices that are more firm and have fewer conditionalities (apart from Form APA and EPC redline edits) should score as well or better than Bids with prices that are less firm and have more conditionalities on the firm price sub-criteria in the qualitative evaluation.*



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Question #10

In the above RFP a Hydrogen capable component (co-firing) is mentioned. What level of co-firing is acceptable? Can any additional information be provided regarding how hydrogen co-firing capabilities will be economically evaluated?

A: *For CT and RICE resources, natural gas will be considered the primary fuel for the quantitative analysis. Per page 18 of the Draft RFP, CT and RICE resources must be hydrogen-capable in the future. As the hydrogen market continues to grow and converge with the power generation market, the ability to move to hydrogen being the primary fuel is desired and will be considered in the qualitative analysis.*

Question #11

Can multiple sites be bid? How would the benefits of distributing the power output to multiple sites in the OG&E grid be evaluated against potential detriments (e.g. increased heat rate for smaller site, higher \$/KW for lower power density)?

A: *Yes, an individual Bidder can submit Bids for as many Sites as they prefer. Bidders can offer up to four Bids per Site. However, individual Projects cannot be divided between more than one Site. In both the qualitative and the quantitative evaluations, each Bid is individually evaluated.*

Question #12

Please comment as to how important it is for OG&E to have a single common technology at a site (e.g. 4 aero CTs) vs. a combination of technologies (frames, aero's, Battery Energy Storage System). Single technology could possibly provide a more optimized fit to the load profile and potentially be justified from a pure NPV standpoint but may be at the expense of O&M challenges / level of effort. Quantifying this will be difficult so more direction is requested.

A: *The RFP evaluation process is set up to identify the Projects that offer the best value and lowest risks under the requirements. This includes up-front capital costs, ongoing capital and expenses, fuel, generation revenues, and risks, among others. OG&E has not pre-judged which resources or combinations of resources allowable under this RFP would be best apart from guidance provided in the RFP.*

Question #13

Does OG&E envision providing updated economic basis inputs regarding the "base", "high gas", "low gas", and "Energy Evolution" cases from the IRP listed at (<https://ogeenergy.gcs-web.com/static-files/6fd094d7-f7d6-4dae-8ec9-7482d0071a34>) given current market conditions?



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A: OG&E will use long-term fuel price projections published by Energy Information Administration (EIA) in the Annual Energy Outlook 2022 on March 3, 2022.

Question #14

Please provide additional information regarding the emission rate parameters that will be evaluated with regards to the "environmental impact sub-criterion" as listed in the above-mentioned RFP?

A: As stated in Section 3.3.3 of the RFP, the assessment will involve "the potential to reduce air emissions based on Project emission rates per MWh compared to the utility's 2020 average emission rates. For CT and RICE Projects, that assessment should differentiate between impacts without the use of hydrogen fuel and with use of hydrogen as the primary fuel in the future." OG&E expects to utilize information provided by Bidders on Form C of the bid attribute forms, together with Bidder data and narrative on the Generation Facility elsewhere in the Bids to inform its evaluation. Projects with emission rates per MWh that are better-than-average compared to industry benchmarks for flexible resources can be expected to score higher on this factor than Projects with average or below-average emission rates. OG&E may also rely on general industry performance data to assess the accuracy and reasonableness of technology performance information provided by Bidders. For Energy Storage Generation Facilities, their roundtrip efficiency, among other technical characteristics, may affect evaluation of this factor.

Question #15

How far out in the future is the NPVCC evaluation to be based on (e.g. 30 years)?

A: OG&E will be using a 30-year net present value of customer cost for the quantitative analysis.

Question #16

The Pre-RFP requires the generation to be available no later than May 1, 2027, but also states that there is a preference for early completion dates. Will OG&E define what this benefit may be as part of the formal evaluation process described in the above-mentioned RFP including financial metrics to allow bidders to tailor offerings in order to provide OG&E with the highest overall value?

A: Earlier completion dates, other factors equal, should reduce risks of timely Project commissioning. For that reason, earlier completion dates may positively affect scores on qualitative sub-criteria including, but not limited to, critical path schedule and capacity security. OG&E appreciates the stated context of the question, which is to offer best value to the utility and its customers. To that end, the RFP allows up to four (4) Bids per Site. Therefore, Bidders have the opportunity to, for example, submit Bids



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(potentially with different technical characteristics and/or prices) with earlier and later completion dates for the same Site.

Question #17

Regarding the points available for community and environmental impacts in Section 3.3.3 of the above RFP, please confirm if the more locally focused topics covered in this section are the only evaluation parameters considered for points award.

A: *Yes, the scoring of the community impacts and environmental impacts sub-criteria will be based on the factors described in Section 3.3.3 of the RFP. Regarding community impacts, descriptions that are specific to the communities in which the proposed Project(s) are located are preferred to more generalized descriptions of the Bidder's approach to or history with community involvement.*

Question #18

If a participant submits batteries as all or a portion of the resource to meet the need, does OG&E expect to place a limit on the amount of this type of resource (batteries) it will allow as part of the solution to meet the up to 500MW request.

A: *Per the RFP, Bidders can submit Bids up to the maximum capacity of 500 MW using CT, RICE, and/or Energy Storage Generation Facilities in any combination.*

Question #19

With the specification of the above mentioned RFP indicating that the resource must be able to make a daily start, how will OG&E evaluate life cycle costs, specifically maintenance costs that may include LTSA costs that are starts based. Alternatively should bidders assume all LTSA costs are beyond the scope of this response.

A: *Please see the response to question #7 regarding OG&E's approach to LTSAs, in general. As part of the quantitative evaluation, OG&E will utilize an economic dispatch model to project how the resources will be dispatched in the SPP Integrated Marketplace. While the RFP requires that resources are capable of daily dispatch, this does not necessarily mean the economic dispatch will result in a daily start or multiple daily starts for the resources offered.*

Lifecycle costs include both scheduled and unscheduled maintenance and will be part of the evaluation. Maintenance costs are captured in the Bid Attribute forms and from industry information.



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Question #20

Please provide information regarding the expected min / max daily capacity factor as well as average annualized capacity factor.

A: *Daily capacity factors for CTs or RICE resources could range from 0% to 100%, based on economic dispatch instructions provided by SPP. Annual capacity factors will also be dependent on economic dispatch instructions. EPA New Source Performance Standards 40 CFR Subpart TTTT - Standards of Performance for Greenhouse Gas Emissions for Electric Generating Units sets forth operational restrictions on any new steam generating unit, IGCC, or stationary combustion turbine that is greater than 25MW or has a base load heat input rating greater than 250 MMBtu/hr. While the rule lists a number exemptions it is highly probable that, if a combustion turbine technology is selected, its efficiency will set the maximum annual capacity factor allowed due to these restrictions set forth in 40 CFR part 60, subpart TTTT.*

Question #21

Please confirm that the RFP Appendix F Exhibit A requirement for all Contractor furnished equipment to be "new and unused" precludes the bidding of extensively refurbished equipment.

A: *Bidders should make desired redline changes in Appendix F Exhibit A to reflect the equipment they would like to utilize and provide any documentation supporting the recommendation. All primary components must be capable of achieving a 30-year service life. The definition of Generation Facility in the Draft RFP Document may also be helpful.*

Question #22

Please confirm that the above mentioned RFP Appendix F Exhibit A: Requirement for all Contractor furnished equipment to be "new and unused" precludes the bidding of new equipment that is already manufactured and currently owned / stored by a 3rd party. Although technically "new" such equipment presents risks in the form of available OEM warranty, chain of custody documentation, and risk of condition given less than ideal preventative maintenance and storage procedures.

A: *RFP Appendix F Exhibit A does not preclude the bidding of new equipment that is already manufactured and currently owned and/or stored by a third party. As stated in the response to question #21, Bidders should make desired redline changes in Appendix F Exhibit A to reflect the equipment they would like to utilize. Bidders should provide information on warranty assignment on any equipment obligations.*



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Question #23

Does OG&E have a preference for aeroderivative vs. frame CTs? If not please clarify the "multiple starts per day" intention as to how many this might be in terms of a range?

A: *OG&E does not have a preference between aeroderivative vs. frame CT's. Each turbine technology presents different advantages and disadvantages. The "multiple starts per day" capability does not necessarily represent the specific daily operations profile for the unit(s); however, it does ensure resources offered in the RFP can provide operational flexibility.*

Question #24

Are there email specific invitations [to the Bidders' Technical Conference]?

A: Yes.

Question #25

Will there [be] an extension of time for draft RFP questions due to confusion around attachment access?

A: *No. The Final RFP is expected to be issued by about June 1, 2022. Bidders' questions will be accepted through September 9, 2022. To gain access to the attachments to the RFP, download the RFP document from the RFP website([OG&E - Suppliers & Contractors \(ogee.com\)](https://www.ogee.com)) and open the file in Adobe Acrobat. Attachments will be visible in the document. An example is provided on Technical Conference slide 10 ([PowerPoint Presentation \(ogee.com\)](https://www.ogee.com)).*

Question #26

It's a little unclear based on the draft RFP materials uploaded whether the expectation from OG&E is that upon execution of the APA (estimated ~January 2023 per the RFP schedule), the project is NTP-ready at that time. The RFP is very clear that (i) an EPC Contract needs to be in place at the time of APA execution as well as (ii) site control agreements, but isn't as explicit as to whether other elements such as permitting, interconnection agreement, etc. need to be completed by APA execution as well. I saw Appendix F of the RFP (i.e., draft APA for BESS) makes reference to the Seller performing all Critical Development Work prior to APA Closing, however the exhibit that is supposed to define what Critical Development Work entails was not included. Given all this, my question for OG&E is whether (i) the project proposed must be NTP-ready at the time of APA execution or (ii) there is flexibility of not having the project NTP-ready (e.g., outstanding development items are laid out as milestones in the APA)? Follow up question to this, if OG&E does grant flexibility, would it be fair to presume that OG&E would view projects that are NTP-ready more favorably than projects that are less advanced?

A: *OG&E recognizes that with in-service dates allowable under this RFP more than four years in the future that it may not be feasible to complete all permits and agreements required for the Generation*



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Facility by the time of APA signing, which is expected to occur in early 2023. As one example and as noted in the draft RFP, there must be a plan for securing firm transmission service prior to the in-service date. However, it is certainly possible that an interconnection agreement would not be signed prior to the APA being signed. As noted in Section 3.3.2 of the draft RFP, Bidders will be evaluated on the soundness of their plans for securing permits and agreements (e.g., interconnection, rights-of-way) as part of the critical path schedule sub-criteria, though some or many of those documents may not be completed by the time of Bid submission nor APA execution.

On the topic of Notice to Proceed, Bidders are expected to adhere to the specific requirements of the Form EPC with regard to Notice to Proceed and Notice to Proceed Date, though Bidders may provide redline edits on that or other portions of the Form EPC which will be evaluated by OG&E.

While we attempted to fully address this question, we excluded the formal phrase "NTP-ready" from our response because it is not a defined term in the draft RFP and, therefore, may have different meanings to different Bidders. If this does not fully address your question, please submit a follow-up question.

Question #27

It appears that Appendix D (i.e., Certification and Authorization Form) is missing from the documents uploaded - see attached. Would you be able to provide me a copy of this document?

A: *Appendix D is not included in the attachments. It can be found on pages 27 and 28 in the body of the pdf document.*

Question #28

What should be used to determine the Cost of purchased capacity and energy to adjust the options to a common basis?

A: *As noted in OG&E's 2022 Flexible Resource RFP, Section 3.4, OG&E will conduct the quantitative evaluation of bids "based on the expected customer impact resulting from detailed simulation modeling utilizing scenarios and sensitivities similar to those described in the OG&E 2021 IRP." OG&E will calculate and rely on the projected Net Present Value of Customer Cost ("NPVCC") per kW of creditable capacity of each bid in its evaluation. OG&E's 2021 IRP can be found at the following link: [Integrated Resource Plan \(gcs-web.com\)](https://www.gcs-web.com).*



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Question #29

Can you please advise where we can get the posted list of OG&E people on the Bid Team and RFP Evaluation Team?

A: OG&E has posted a Code of Conduct, which includes members of the RFP Bid Team and RFP Evaluation Team on the RFP Website noted in the RFP document (<https://www.oge.com/wps/portal/ord/who-we-are/supplierscontractors>). The direct link to the Code of Conduct document is provided here: [Code+of+Conduct+Flexible+Resources+RFP.pdf \(oge.com\)](#).