

Date: 12/23/2014

REQUEST FOR PROPOSALS FREQUENTLY ASKED QUESTIONS PERTAINING TO:

Contract Title/Description: Consulting Services to Review Utility Standard / Service Electricity Procurement

Contract Number: STA15129PSCDPLSOSR

Agency Name: Delaware Public Service Commission

Date: December 24, 2014

- **Question 1:** What are the relevant bid documents?

PSC Staff Response: See the link to the De. Public Service Commission webpage on open RFPs <http://dep.sc.delaware.gov/rfp.shtml>. This specific docket is 14-0283. Related dockets are 14-144 and 04-391.

- **Question 2:** How extensive an assessment and review are desired? Should this be fairly high level and identify the programs and features that might be applicable rather than an in-depth analysis of the details?

PSC Staff Response: Task 1 should be a fairly high level to identify the programs and approaches in other states especially restructured states and surrounding states. A set of parameters could be established for comparison taking into account the elements mentioned in Task 1 and others, to help identify the best and worse features of procurement programs and how they would apply to Delmarva's supply procurement. A quantitative parameter could include historical Prices to Compare (PTC) if available or other common quantitative parameter. Task 2 gets into more detail and recommendations.

- **Question 3:** Is Task 2 intended to be an in-depth analysis of selected programs in other states and recommendations for DE specific programs?

PSC Staff Response: Task 2 should be the determination of potential programs with qualitative and quantitative comparisons that would result in a recommendation or recommendations based on analysis. The quantitative comparisons could involve a comparison of historical Prices to Compare (PTC) or other common quantitative parameter, and historical comparison if power was bought directly from the PJM markets as one of the scenarios. The expectation is that historical pricing and modeling should be used to help in the comparison and the eventual recommendation of proposed options/programs with some comparisons of future prices considering the status quo procurement program and the recommended procurement program(s).

- **Question 4:** Does Task 3 involve drafting specific legal documents for statutory changes or just identifying what elements need to be changed?

PSC Staff Response: Task 3 would involve identifying what statutory changes would need to occur.

- **Question 5:** For Task 4 what are the time periods desired for both the historic and future analyses?

PSC Staff Response: The historical should be from 2008 –present. The concentration should be on a comparison of programs/pricing in history for scenarios. Prospective should be 10 years.

- **Question 6:** The RFP requests “transparent” modeling. Does the PSC consider production cost models such as PROMOD to be “transparent” or are these models considered “black box” models?

PSC Staff Response: Staff is not looking for only prospective modeling or sophisticated modeling. The concentration should be on historical modeling comparisons for example, if all Delmarva’s residential and small commercial load was bought only from the PJM markets and other scenarios that other states use. If more sophisticated models such as PROMOD are used Staff would want to know the primary inputs, the source of the inputs and also the outputs.

- **Question 7:** Can the PSC provide an estimated or expected budget for the four tasks requested?

PSC Staff Response: The PSC does not have an estimated or expected budget and will wait for the bidders to use their professional judgment to provide proposed budgets for the tasks.

- **Question 8:** Is it correct to assume that the consultant’s findings for all four tasks will be contained in the “Summary Assessment Report” that will be presented to the PSC? If not, how will the consultant’s findings be communicated to the PSC?

PSC Staff Response: It is correct to assume that all three tasks and to a limited extent Task 4 should be contained in the *Summary Assessment Report*.

- **Question 9:** Will the consultant be expected to make an oral presentation of their findings to the Commission?

PSC Staff Response: At this time it is not expected that an oral presentation to the Commission will occur and that amount should not be included in the fixed price bid amount now being

solicited. If the Commission would ask for an oral presentation that amount would be separately negotiated.

- **Question 10:** Will the consultant be expected to meet with PSC Staff or other stakeholders while developing their report?

PSC Staff Response: There may be at least one workshop (1 day) that the consultant should either attend or conference into.

There would be one conference call at the beginning with milestone meetings at an agreed upon frequency not less than every month scheduled thereafter. These meetings would be conference calls.