

SOLICITATION FOR BULK POWER SUPPLY FOR SOUTH CAROLINA CITIES



EXECUTIVE SUMMARY

The South Carolina Cities of Greer and Rock Hill (hereinafter SCC) each have municipally owned and operated retail electric utilities. The SCC is issuing this Invitation to Negotiate (ITN) in order to secure power supply following the termination of their current power supply arrangements in 2028. The ITN is issued pursuant to South Carolina Title 11 Chapter 35. Upon issuing this ITN the SCC are requesting power supply solutions ranging from Independent Power Producers and Requirements service. The SCC will consider all reasonable power supply proposals. The SCC intends to either:

- aggregate their power supply needs and jointly select the optimum power supply portfolio from the responses to this ITN.
- separate their power supply needs and individually select the optimum power supply portfolio from the responses to this ITN.

The SCC, jointly or individually, will then negotiate definitive agreements with the Respondents that are selected.

Existing power supply arrangements terminate in 2028, thus this solicitation is for power supply commencing in 2029. The forecasted non-coincident peak demand of the SCC in 2029 is shown in the table below. The SCC are participants in the Piedmont Municipal Power Agency (PMPA) Catawba Project and have entitlement to an allocation as shown in the table below. Additionally, the SCC have allocations from hydro units operated by the Southeast Power Administration (SEPA) as shown in the table below.

City	Peak Demand (MW)	Catawba Entitlement (MW)	SEPA Allocation (MW)
Rock Hill	213	78.0	21.4
Greer	120	25.9	10.2
Total	333	103.9	31.6

The SEPA allocation is not firm capacity and scheduled on an “as available” basis by SEPA. The SCCs receive on average the following annual energy from SEPA:

- Rock Hill – 32,088 MWh
- Greer – 15,432 MWh

Therefore, in 2029 the SCC are seeking a total of approximately 229 MW of firm capacity and load following service.

The responses to this ITN may include:

- Purchase Power Agreements (PPA) for requirements from power generating facilities or utility systems.
- Construction of new renewable resources to include biomass, solar facilities or other renewable technologies, sited within at one or more of the SCC under a long-term purchase power agreement.
- Exchange of the SCC's entitlement shares of Catawba Nuclear Plant for alternative supplies that result in savings for the SCC (note Federal tax regulations limit the applicability of this alternative for some potential Respondents).
- PPA's for the output of existing hydroelectric facilities with expiring power sales agreements.

I. BACKGROUND

The following provides summary information about each SCC.

Greer. Greer is a city in Greenville and Spartanburg counties in South Carolina. The population was 35,308 as of the 2020 Census. Greer is adjacent to Greenville-Spartanburg International Airport which serves Greenville, Spartanburg, and the Upstate South Carolina. Greer is also the site of the largest BMW manufacturing facility in North America. Greer is home to the South Carolina Inland Port, an intermodal facility that receives and sends containers by rail to the Port of Charleston. The Greer electric utility has about 25,000 customers and a 2023 peak demand of approximately 110 MW's.

Rock Hill. Rock Hill is the largest city in York County, South Carolina and the fifth-largest city in the state. It is also the fourth-largest city of the Charlotte metropolitan area, behind Charlotte, Concord, and Gastonia (all located in North Carolina, unlike Rock Hill). As of the 2020 Census, the population was 74,372. The city is located approximately 25 miles (40 km) south of Charlotte and approximately 70 miles (110 km) north of Columbia. The 2023 peak electric demand was approximately 198 MW.

II. CURRENT POWER SUPPLY ARRANGEMENTS

Each of the SCC is a participant in the PMPA's Catawba Project which owns 25 percent of Unit 2 of the Duke Energy Carolinas (DEC) Catawba Nuclear Plant. The Catawba Project provides each city with a portion of their capacity and energy requirements. Each city receives energy via allocation of SEPA projects.

In addition, each of the SCC has entered into a Supplemental Power Sales Agreement with PMPA that provides for the remaining capacity and energy needs of each city. Together the Catawba Project, the SEPA allocation and the PMPA Supplemental Sales Agreement provide the total capacity and energy requirements of the SCC.

Pursuant to the terms of the Supplemental Power Sales Agreement, the SCC have notified PMPA that they are exercising their respective rights to terminate the Supplemental Power Sales Agreement effective December 31, 2028.

III. TRANSMISSION

The SCC is interconnected to the DEC transmission grid and currently receives capacity and energy through Network Integrated Transmission Service (NITS) under the DEC Open Access Transmission Tariff. All responses to this ITN will be evaluated on the cost to deliver capacity and energy into the DEC transmission system. The SCC are responsible for securing and paying for the NITS.

IV. OBJECTIVE OF SOLICITATION

The SCC encourage all entities capable of providing capacity and/or energy to the SCC via the DEC transmission system or directly into the distribution system of SCC to respond. The SCC have not imposed any pre-qualification requirements in order to encourage participation. The SCC are hopeful that a portfolio of suppliers and resources can be assembled from the responses that achieve the following objectives:

- Reduced power supply costs
- Less reliance on natural gas
- Fuel diversity
- Optimization of nuclear capacity
- Reduced greenhouse gas emissions
- Bulk power supply price stability
- Ability for SCC to participate in self-generation and conservation efforts within respective service areas.

V. INSTRUCTIONS TO RESPONDENTS

Meeting with Potential Respondents. Upon the request of a prospective Respondent, the SCC or their representatives will schedule a meeting (in person or via Zoom) to discuss any questions and/or clarifications that the Respondent may have. The discussions will be confidential and will not be publicly disclosed. The meeting request is optional, and the SCC will not draw any conclusion if the Respondent does or does not request a meeting.

Notice of Intent to Propose. All Respondents are required to submit via email, notification of their intent to submit a proposal (INT Form 1) in response to this ITN. Such notice of intent should be emailed to imp@pierpontmclelland.com by 5:00 p.m. EPT on October 18, 2024.

VI. ITN SCHEDULE DATES

The following table depicts the current schedule for this solicitation.

Activity	Date
Issue ITN to all interested parties	08 Oct 2024
Meet with any Respondents requesting meeting	14 Oct 2024 thru 15 Nov 2024
Due date for Notice of Intent to Propose	18 Oct 2024
Due date for submission of Bid Forms	18 Dec 2024
Complete preliminary ranking of ITN responses	22 Jan 2025
Complete evaluation and submit letter of recommendation to SCC	19 Feb 2025

VII. FORM AND SUBMISSION OF PROPOSAL.

As part of the actual proposal submittal, all Respondents are required to complete the Respondent's Certification (ITN Form 2) and the Addendum Page (ITN Form 3) in order for the proposal to be considered responsive. The SCC require that proposals remain valid until the later of 90 days after the proposal due date or the date when all regulatory approvals relating to the proposal and related transmission services have been obtained, solely as determined by the SCC. The Respondent may modify the Proposal Forms but any modifications to Proposal Forms shall be limited to the minimum extent necessary to present information necessary to evaluate the proposals.

Respondents shall submit their proposal(s) via email to imp@pierpontmclelland.com no later than 5:00 P.M., December 18, 2024. Proposals will not be accepted after this time and date.

A Respondent may submit more than one proposal. Each proposal submitted by a Respondent will be evaluated separately.

All costs associated with the proposal are to be borne by the Respondent. The SCC will not reimburse any Respondent for costs incurred in responding to this ITN or for costs incurred during subsequent negotiations.

Errors, Modification or Withdrawal of Proposal. Each Respondent is expected to carefully review the information provided in this ITN as it contains important instructions which should be followed in preparing the proposal. Respondent assumes the risk of any non-compliance resulting from errors on the part of the Respondent or the failure of the Respondent to follow the ITN.

All proposals must be signed with the firm name and by a responsible officer or employee.

Correction or withdrawal of inadvertently erroneous proposals shall be permitted up to the time of the Proposal Due Date. After the Proposal Due Date, no changes in proposal prices or other provisions shall be permitted; provided, however, the SCC shall have the authority to waive minor irregularities.

The Respondent may withdraw a proposal by giving written notice to the SCC at the email address noted in Section V prior to the Proposal Due Date.

Reserved Rights. The SCC, at any stage in the ITN process, reserves the right to:

- Reject any and/or all proposals received in response to this ITN.
- Waive errors or omissions by Respondents in any proposal if corrected to the SCC's satisfaction.
- Reject any proposals not received on or before the proposal due date and time.
- Reject any proposal if the Respondent fails to extend the validity date as requested by the SCC.
- Not disclose detailed reasons for rejecting a proposal.
- Accept other than the lowest price proposal due to non-price considerations.
- Negotiate arrangements for power supply with one or more Respondents.
- Request clarifications from Respondents at any time.
- Amend this ITN at any time.

Conflict of Interest. A proposal may be disqualified at any point in the evaluation process if the SCC determine, in its sole discretion, that the Respondent has attempted to gain an advantage through conduct deemed unethical, conflict of interest, interference or any such means. The Respondent shall certify that he/she has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive responses in connection with the proposal and that the Respondent is not financially interested in, or otherwise affiliated in a business way with any other Respondent.

Proprietary Confidential Business Information. All proposals shall become the property of the SCC. Except as noted below, the SCC will not disclose to third parties any information that is clearly labeled "Proprietary Confidential Business Information" in a proposal unless such disclosures are required by law or by order of a court or government agency having appropriate jurisdiction. Each page of Proprietary Confidential Business Information must be clearly labeled "PROPRIETARY CONFIDENTIAL BUSINESS INFORMATION" at the top of the page. The SCC also reserve the right to disclose information contained in proposals to its consultant(s) for the sole purpose of assisting in the proposal evaluation process. The SCC will require the consultant(s) to maintain the confidentiality of the document.

Compliance with Regulations. It shall be the responsibility of each Respondent to ensure that their proposal is in full compliance with OSHA, EPA, Federal and State of South Carolina regulations or other requirements as applicable. County, local laws, ordinances, rules and regulations that in any manner affect the item(s) covered herein apply. Lack of knowledge by the Respondent will in no way be cause for relief from responsibility.

Execution of Proposal. Proposal must contain a manual signature of an authorized representative in the space provided.

Disputes. In case of any doubt or differences of opinion as to the items to be furnished hereunder, the decision of the SCC shall be final and binding on both parties.

Minimum Requirements. Each proposal must satisfy these minimum requirements in order to be included in the evaluation process. Failure to meet the specified minimum requirements may result in rejection of the proposal. These minimum requirements are intended to demonstrate, to the reasonable satisfaction of the SCC, that the Respondent has the ability to meet the SCC' needs as presented in this ITN.

- The proposal shall remain valid to the later of 90 days after the Proposal Due Date, or the date for all regulatory approvals relating to the proposal and related transmission service have been obtained.
- The Respondent has completed the relevant ITN Forms 1 through 4. All forms requiring a signature must be signed by a duly authorized official representing the Respondent.
- Pricing information must be provided by Respondents in sufficient detail for the SCC to fully analyze each proposal.

VIII. EVALUATION PROCEDURE

The objective of the proposal evaluation process is to establish a short-list of proposals that best meet the needs and preferences of the SCC as expressed in this ITN and from which the SCC may select one or more Respondents for direct negotiations. The evaluation will be performed in several discrete stages, and at each stage proposals that do not survive the screening will not be considered at the next stage. Only information provided by Respondents as a part of their proposal submissions and subsequent clarifications submitted in response to such request(s) from the SCC will be considered in the evaluation. No unsolicited data received by the SCC after the Proposal Due Date will be evaluated. Clarifications may be requested by the SCC at any stage in the evaluation process.

The first stage of the evaluation process may consist of a screening for compliance with the Form and Submission of Proposal requirements in Section 9. At the next evaluation stage, initial price screening of proposals will be accomplished by

comparing the proposals on a present-value cost basis. Detailed price and non-price evaluations, if necessary, may be conducted next. From this detailed analysis, proposals will be ranked. A short-list of proposals will be developed and Respondent(s) will be selected for participation in negotiations. The Respondent(s) selected will be notified for commencement of negotiations.

Selection and elimination of proposals and subsequent notification of Respondents at all stages of the evaluation will be at the SCC discretion. The SCC intend to notify Respondents of those proposals that are eliminated from further consideration under this solicitation within a reasonable amount of time.

The SCC anticipates receiving several types of responses:

1. Responses from electric utilities or non-utility generators proposing firm capacity and energy from generation facilities,
2. Responses from independent power producers proposing to construct new capacity within a SCC service area to serve a portion of a retail load under a long-term contract with delivery at distribution voltage.
3. Responses for energy from renewable resources to include solar and energy storage systems.

Specific Instructions for Respondents proposing firm capacity from resources.

This category of possible responses includes proposals from regional electric utilities and independent power producers proposing requirements service from generating resources.

The SCC prefers pricing to be based on three components as follows:

Demand Rate based on the maximum energy delivered in any one-hour period or the contracted capacity into the transmission grid. The SCC prefers a specified demand charge for each year which may or may not be constant, however, if the demand charge is not constant for the term of the proposal, the demand charge for all future years should be specified and not dependent on indices.

Non-Fuel Energy Rate based on the total energy delivered into the transmission grid during the billing period. The SCC prefers a specified energy charge for each year which may or may not be constant, however, if the energy charge is not constant, the energy charge for all future years should be specified and not be dependent on indices.

Fuel Energy Rate based on the total energy delivered into the transmission grid during the billing period. The Fuel Energy Charge may be fixed or escalate at an inflation index or vary with the actual fuel costs. The Respondent shall specify the methodology to be used to determine the monthly fuel cost. In addition, the Respondent shall provide the actual Fuel Charge per MWh that the SCC would have been charged for each month from October 2023 through September 2024 using the Respondents proposed methodology. If the Respondent believes that fuel costs during this period of time was not reflective of normal conditions, the Respondent may provide additional explanation, however, the monthly costs provided must reflect the actual costs that would have been charged using the proposed methodology.

The demand and energy rates should be exclusive of transmission charges. The Respondent shall identify all the transmission systems and the transmission services required to deliver the capacity and energy to the SCC including all applicable ancillary services through each transmission system.

The rates for capacity and energy provided by the Respondent shall represent the total costs of capacity and energy to the SCC excepting transmission costs and the Respondent accepts all responsibility for, and absorbs any costs (except for fuel), associated with (1) satisfying any and all regulatory requirements necessary to effect the sale and delivery of power to the SCC; (2) increased cost for replacement power or penalties (if any) during any periods when the Respondent's sources are unavailable for any reason; and (3) supplying necessary planning reserves as required by the region reliability organization.

IX. PROPOSAL FORMS

- 1. Intent to Bid Form**
- 2. Respondent Certification Form**
- 3. Addendum Page**
- 4. Capacity and Energy from Resources Proposal Form**

ITN Form 1

TO BE COMPLETED BY ALL RESPONDENTS

Notice of Intent to Propose Form

Due: October 18, 2024 (5:00 PM EPT)

1. Company Name:

2. Name of Contact Person:

3. Mailing Address:

4. Telephone:

5. Fax:

6. E-Mail:

ITN Form 2

TO BE COMPLETED BY ALL RESPONDENTS

Respondent's Certification

I have carefully examined the Invitation to Negotiate, Instructions to Respondents, General and/or Special Conditions, Specifications, Proposal and any other documents accompanying or made a part of this ITN. I hereby propose to furnish the goods or services specified in the Invitation to Negotiate at the prices or rates quoted in my proposal. I agree that my proposal will remain firm for a period of ninety (90) days in order to allow the SCC adequate time to evaluate the proposals. Furthermore, I agree to abide by all conditions of the proposal.

I certify that all information contained in this proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the vendor/contractor as its act and deed and that the vendor/contractor is ready, willing and able to perform if awarded the contract. I further certify that this proposal is made without prior understanding, agreement, connection, discussion, or collusion with any person, firm or corporation submitting a proposal for the same product or service; no officer, employee or agent of the SCC or of any other Respondent interested in said proposal; and that the undersigned executed this Respondent's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Name of Business

By: Sworn to and subscribe before me this

Signature

_____ day of _____ 2024

Printer Name and Title

Signature of Notary

Mailing Address

My Commission expires _____

City State and Zip Code

Personally Known _____

Telephone Number

Or Produced

Identification _____

Email Address

Type _____

ITN Form 3

TO BE COMPLETED BY ALL RESPONDENTS

Addendum Page

The undersigned acknowledges receipt of the following addenda to the ITN (indicate number and date of each):

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

FAILURE TO SUBMIT ACKNOWLEDGEMENT OF ANY ADDENDUM THAT AFFECTS THE PROPOSAL PRICES IS CONSIDERED A MAJOR IRREGULARITY AND WILL BE CAUSE FOR REJECTION OF THE PROPOSAL.

COMPANY

SIGNATURE

TITLE

ITN Form 4

TO BE COMPLETED BY RESPONDENTS PROPOSING REQUIREMENTS, CAPACITY AND ENERGY FROM GENERATION RESOURCES

Capacity and Energy Pricing from Generation Resources

This bid Form should be completed by Respondents proposing capacity and energy from generating resources. Respondents proposing requirements proposals must provide energy scheduling services and be capable of load following dispatch of proposed resources. The Respondent may assume that either a pseudo tie will be implemented, or hourly block scheduling will be submitted as required for economic dispatch.

The Respondent is encouraged to use the Pricing Forms provided in this section to the maximum extent possible. However, if the Respondent's proposal is not consistent with the format of these forms, the forms may be altered to facilitate the submission of the pricing. The Respondent is encouraged to alter the forms to the minimal extent possible.

Term. The proposed Term of 2029 to 2035 is provided as guidance only. Respondents are encouraged to bid a Term that would provide the best pricing outcome.

Capacity Pricing. Provide the total cost of capacity delivered into the transmission grid for each contract year below, expressed in \$/MW-month. Complete only for years in which capacity is proposed.

12 Month Period Ending December 31*	Total Capacity Price (\$/MW-Month)
2029	
2030	
2031	
2032	
2033	
2034	
2035	

* Period ending July 31 for year 2035

ITN Form 4 (continued)

Provide an explanation of how the monthly billing capacity will be determined including measurement points and the time period over which the monthly billing capacity will be determined and if coincidence to Respondent's peak is considered. Provide any additional explanation the Respondent may believe necessary in order to accurately evaluate the Capacity Pricing:

Non-Fuel Energy Pricing. Provide the non-fuel charge of energy delivered into the transmission grid for each contract year below, expressed in \$/MWh. Complete rows only for years in which energy is proposed.

12 Month Period ending December 31*	Non-Fuel Energy Price (\$/MWh)
2029	
2030	
2031	
2032	
2033	
2034	
2035	

* Period ending July 31 for year 2035

ITN Form 4 (continued)

Provide any additional explanation the Respondent may believe necessary in order to accurately evaluate the Non-Fuel Energy Pricing.

Fuel Energy Pricing. Provide the methodology that is proposed to determine fuel energy rate including listing of any indices used and formulas used to convert fuel prices into fuel energy rates. The explanation of the methodology should be specific and in sufficient detail that Fuel Energy Rates can be forecasted. Attach additional sheets if necessary.

Sample Formulaic or Cost Based Fuel Energy Rate Calculation. Provide an example of the actual calculation the Fuel Energy Charge for September 2024 using actual data. Note the result of the calculation should agree with the data provided in the following table. Attach additional sheets if necessary.

ITN Form 4 (continued)

Historical Fuel Energy Rates. If the Respondent has based the proposed Fuel Energy Rate based on actual costs or on indices, provide the actual cost that would have been charged to the SCC for the preceding twelve months.

Monthly Period	Levelized Fuel Energy Rate (\$/MWh)
October 2023	
November 2023	
December 2023	
January 2024	
February 2024	
March 2024	
April 2024	
May 2024	
June 2024	
July 2024	
August 2024	
September 2024	

If the Respondent believes that fuel costs during this period of time was not reflective of normal conditions, the Respondent may provide additional explanation, however the monthly costs provided above must reflect the actual costs that would have been charged the SCC using the methodology proposed by the Respondent.

ITN Form 4 (continued)

Payment Terms. The Respondent should provide proposed payment terms. The description should be sufficient detail to be the basis of contract payment provision.
