



Date: April 14, 2022
To: All Vendors
Subject: Addendum #2

REFERENCE: P029-22 Energy Risk Management Consulting Services

This Addendum forms part of the contract and clarifies, corrects or modifies original proposal document.

Use the attached "Revised Cost Sheet" when submitting a response. **DO NOT INCLUDE PRICING WHEN ACKNOWLEDGING RECEIPT OF THIS ADDENDUM.**

Question 1: Can a vendor propose service that involves a model other than the BEPM spreadsheet model?

Answer 1: BPUB has had good success with the BEPM, however, we are certainly open to consider alternatives.

Question 2: What is the expected frequency around the scope of work activities in the RFP?

Answer 2: The frequency varies. Some weeks there is no activity and at other times there is 10-12 hours or more of activity.

Question 3: Is there a maximum budget under which a vendor needs to serve this agreement, or is it pure T&M agreement?

Answer 3: It is a T&M agreement with a not to exceed cap, however, BPUB expects a normal level of effort to be roughly 8-12 hours per week.

Question 4: Is there any way to understand the complexity and/or effort around maintaining the BEPM?

Answer 4: Page 13 of the RFP describes the BEPM. The program is excel based using the At-Risk model. There is a free download available on the Palisade website.

Question 5: Who is the current risk management incumbent (not Tenaska but the entity that helps them with managing risk)?

Answer 5: The current incumbent is Experience on Demand.

Question 6: Can Brownsville provide an extension?

Answer 6: At this time, BPUB cannot provide an extension.

Question 7: Is this scope of work “Energy Risk Management Professional Consulting and Technical Services - P029-22” purely T&M or is a good faith estimate expected?

Answer 7: It is a T&M agreement with a not to exceed price.

Question 8: Is there an incumbent Consultancy currently supplying the services as listed in the RFP?

Answer 8: Yes, Experience on Demand is the incumbent consultant.

Question 9: Is it BPUB’s preference to engage Consultants with Texas Residency?

Answer 9: No, BPUB does not have a preference.

Question 10: Is there an approved budget for the services sought in this RFP?

Answer 10: No, not specifically.

Question 11: Can you please share the organization structure of the BPUB group currently performing services listed in Exhibit A of the RFP?

Answer 11: The Risk Oversight Committee (ROC) is composed of the General Manager & CEO, Assistant General Manager & COO, the CFO and three Operations Directors that report directly to the Assistant General Manager & COO, and the Energy Risk Manager. The Energy Risk Manager prepares analysis, reports and presentations which are presented quarterly to the ROC. The Energy Risk Manager reports directly to one of the Operation Directors and the consultant selected will assist the Energy Risk Manager with any specific request by the ROC.

Question 12: Scope of services includes assessment of quality and compliance of Energy Risk Management program.

a. Can you please clarify whether these services would have a dependency on work performed under P013-22 – Energy Risk Program Quality Assessment?

Answer 12: No, there is no dependency on the work performed under the Energy Risk Program Quality Assessment. There is an amendment clarification. The Quality & Compliance Assessment was mistakenly listed in this RFP.

Question 13: Page 9 item #6: as part of Instructions to RFP Respondents you have asked for a brief summary of the proposed approach. However, on the same page under “Minimum submission requirements” (item #2) you request a detailed approach.

a. Is your expectation that we supply both – a summary as well as a detailed version of our approach?

Answer 13: Yes, vendor shall supply both a summary as well as a detailed version of their approach.

Question 14: The RFP references “developing and maintaining” models.

- a. Do you expect the Consultant to code models in programming language or third-party tools? If yes, does Brownsville PUB have any preference for the tools to be used?
- b. Do you have licenses for such tools or are you expecting the Consultant to help ease the licensing process with the vendor and Brownsville PUB? Are there any licenses you expect the Consultant to acquire?

Answer 14: a) Yes, BPUB expects Consultant to code models in programming language or third-party tools, however, programming language will be limited to normal excel formula development and development of macros. Refer to the RFP under the BEPM and/or Palisade website for more details of the At-Risk software.

b) BPUB has licenses, however, BPUB will have to arrange permission from the developer of the model for the selected consultant to utilize it. In addition, the selected consultant will need to have an At-Risk License from Palisade. Please note Palisade website on the RFP.

Question 15: Apart from BEPM, what other energy risk management models does Brownsville PUB use?

- a. Are there different models for conventional and non-conventional assets?

Answer 15: BPUB does not use any other energy risk management models. TPS, BPUB's QSE, uses other models to support BPUB. No, there are no different models for conventional and non-conventional assets.

Question 16: Can you provide a description of your load-stack and a typical daily view of your supply/demand swings?

Answer 16: BPUB owns the following:

Hidalgo, 105MW, natural gas, initial operation in 2000

Silas Ray Plant, 98MW, natural gas, initial operation in 1947

Sendero Wind, 38MW, initial operation in 2015

Desert Sky Wind, 44MW, initial operation in 2021

Fixed price contract, 24MW

Swings vary seasonally, BPUB peaks during the summer and winter months with peak projections for the next few years between 303-333MW.

Question 17: Does the scope of services require an assessment of the current model, or is BPUB seeking to develop and maintain a newer/different model?

Answer 17: BPUB is not seeking an assessment to the current model or to develop a newer different model. Mainly is to maintain the model and adjust the model as needed to make the required calculations for the different analysis requested by the ROC or other BPUB Staff. In addition, vendors are welcome to propose their own modeling solution.

Question 18: BEPM Model:

- i. Are the forward models and CRR auction results integrated?
- ii. Is data shared between groups for modeling and position management?
 - a. i.e., sanity checks that spreads and seasonality make sense
- iii. Model validation
 - a. Rerunning prior models against actuals

- b. A second and/or simplified analytic model / linear programming model baseline
- iv. How often is the model run and updated during the planning period?

Answer 18: i. Yes

ii. a) Yes

iii. a) Yes, BPUB performs back test of the model against operating data; b) Neither, it is against historical operating and market data

iv. Monthly and as needed.

Question 19: Does BPUB have a proposed plan for prioritizing and scheduling the scope of services outlined in the RFP for the 2-year duration of the project (6/1/22-6/1/24)?

Answer 19: No, not at this time.

The signature of the company agent, for the acknowledgement of this addendum, shall be required. Complete and return via email to dsolitaire@brownsville-pub.com

I hereby acknowledge receipt of this addendum.

Company: _____

Agent Name: _____

Agent Signature: _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

If you have any further questions about the proposal, please call (956) 983-6366.

BY: *Diane Solitaire*
Purchasing

REVISED COST SHEET
P029-22

Instructions: Consultant shall take into account all incurred expenses and cost of services when filling out the cost sheet and include it in the final proposal. Additional expenses shall be added to the Additional Expenses Section.

Project Services			
PRODUCT/SERVICE DESCRIPTION	QTY	UNIT COST/HOUR	TOTAL COST
Provide on-call, and in person (as needed) energy risk management and resource planning advisory services, to include all items listed in the scope of work above			
ADDITIONAL EXPENSES (if applicable)			
1.			
2.			
3.			
TOTAL COST:			

NOTE: ADDITIONAL EXPENSES MAY INCLUDE MISCELLANEOUS EXPENSES NOT LISTED ABOVE.

Company Name: _____

Authorized Company Representative: _____

Authorized Company Representative: _____
Signature – Failure to manually sign RFP will disqualify it / Date

Company Address: _____

Telephone #: _____

Fax #: _____

E-mail: _____

16-Revised