



CONTRACTORS

Presented by:

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June 16, 2022

Informational Update



AGENDA



- **TWO GENERATION PLANNING CONTRACTS**
- **MODELING & ANALYSIS CONTRACTOR**
- **RAC ADVISOR**

TWO GENERATION PLANNING CONTRACTS



CPS Energy will contract with two companies for generation planning support:

- One company will provide modeling & analysis services
- A second company serve as the RAC advisor. They will be available to answer any questions the RAC might have as well as conduct a “peer review” of the process; they will not run a separate model



We will be using two firms for generation planning. One firm to provide modeling & analysis services & the other to be an advisor for the RAC.

MODELING & ANALYSIS CONTRACTOR

CHARLES RIVER ASSOCIATES



Charles River Associates (CRA) is a leading consulting firm providing generation planning support to utilities across the U.S.

CRA Charles River
Associates

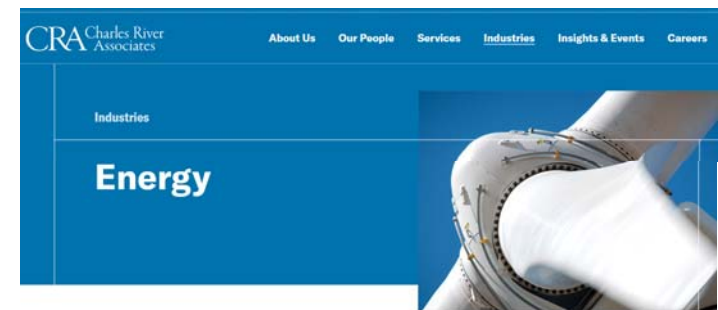
MODELING & ANALYSIS CONTRACTOR

CHARLES RIVER ASSOCIATES



Why Charles River Associates?

- CRA is an experienced and knowledgeable partner that has provided generation planning support to CPS Energy and many other utilities
- They use the same production cost modeling software (Aurora) as CPS Energy
- CRA model outputs will seamlessly synchronize with CPS Energy's cash flow model, allowing financial metric and bill impact analysis by CPS Energy's financial team



We will collaborate with the RAC as well as our community to ensure the modeling firm runs the scenarios that reflect community feedback.

RAC ADVISOR

- The second contractor will be an advisor for the RAC
- The contractor will be chosen by the RAC
- Contractor will sign a Non-Disclosure Agreement that will allow access to information, in compliance with CPS Energy's confidentiality policy
- Their duties will include:
 - Review generation planning inputs, assumptions, process, and results from both CPS Energy and Charles River Associates for reasonableness
 - Attend all the RAC meetings to help answer questions
 - Report to the RAC with a written report and in person at a RAC meeting



The RAC advisor will be chosen by the RAC and will be available to the RAC throughout the process.

RAC ADVISOR

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The scope of the advisor will include:

- Review major CPS Energy and CPS Energy consultant input assumptions associated with key electric market drivers such as load growth forecasts, commodity price forecasts, environmental policy expectations, and ERCOT market outcomes for reasonableness
- Assess CPS Energy's scenario concepts and alternative approaches to risk analysis (this might include extreme event and stochastic analysis) and how they compare with industry standards
- Benchmark input assumptions and uncertainty ranges against public datasets, industry norms, and those used by utilities across the country



RAC ADVISOR

SCOPE PAGE 2 OF 2



The scope of the advisor will include (continued):

- Evaluate the various portfolio constructs CPS Energy expects to develop for reasonableness
- Review major portfolio modeling outputs to confirm the relative performance of various portfolios against major CPS Energy objectives and metrics
- Provide technical advisory support to the RAC during its meetings and offer comments to CPS Energy throughout the process
- Provide a report to the RAC related to the tasks specified above.



RAC ADVISOR

REQUEST FOR QUALIFICATIONS



Each respondent will provide:

- Experience
- Similar Services
- Organizational Chart
- Workload
- Qualifications for each team member including
 - Key personnel
 - Experience
 - Licenses & Certifications
 - Commitments
 - Function
 - Similar Projects
 - Relevant Experience
 - Alternatives



Each respondent will submit qualifications about their company and their team members.

RAC ADVISOR REQUEST FOR QUALIFICATIONS

The actual Request for Qualifications –
RFQ – can be found at

<https://cpsenergy.diversitycompliance.com/>



Request for Qualifications

for

RAC Consultant

Request for Qualifications No. 1

Issued: June 23, 2022

**Qualification Submittal Deadline: July 7, 2022 by 3:00 p.m.
(Central Time)**

**CPS ENERGY
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SAN ANTONIO, TEXAS 78296-1771
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RAC ADVISOR

LIST OF POTENTIAL RESPONDENTS



We will send the RFQ to several companies including:

- Stoic Energy
- Institute for Energy Economics and Financial Analysis (IEEFA)
- Rocky Mountain Institute
- Energy Finance Consulting
- Energy Innovation
- Crest Policy Consulting
- Energy Futures Group
- ICF
- Black and Veatch
- Burns and McDonnell
- Guidehouse (formerly Navigant)

The RAC members should provide any additional companies to CPS Energy by June 22nd to be added to the list.

RAC ADVISOR TIMELINE



DATE	EVENT
June 16	RAC Meeting – Present concept
June 22	RAC provide additional names
June 23	Release Request For Qualifications (RFQ)
July 07	Responses due (2 weeks)
July 15	Packets sent to RAC members (1 week)
July 21	RAC Meeting – RAC chooses top 3 to interview
Aug 18	RAC Meeting – Top three candidates interviewed. Selection made by RAC
Aug 29	CPS Energy Board approval
Aug 30	Contract awarded

Questions?