



PenTex Energy
2022 Request for Proposals
for
ERCOT Energy Products

RFP Administrator:



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1. Introduction

1.1. Overview

PenTex Energy (PenTex) is an electric distribution company with a peak electric demand of nearly 105 MW in North Texas. PenTex was established in 1938 and serves over 11,000 members and over 17,500 meters in Cooke, Montague, Grayson, Wise, and Denton counties.

1.2. Purpose

The purpose of this Request for Proposals (RFP) is to solicit, evaluate, and procure future energy products for the entirety of PenTex's load obligation beginning March 1, 2023, due to upcoming modifications to its current long-term power supply arrangement. The results obtained from this RFP will identify potential options for PenTex's future power supply.

1.3. RFP Administrator

The duties of the RFP Administrator will be performed by Alliance for Cooperative Energy Services Power Marketing LLC (ACES).

ACES' business model provides an established infrastructure of independent energy management practices that supports the verification of, and compliance with, applicable processes, policies, and procedures. ACES manages a significant amount of confidential data through a combination of specific internal guidelines, the company's independent control group, the company's corporate compliance manager, and periodic reporting to its Board of Directors' Risk Oversight and Audit Committee. ACES takes its obligations regarding the maintenance of confidential information very seriously and will handle all confidential information with the highest professional regard.

2. Instructions to Respondents

2.1. RFP Contact Information and Communications

All communications from parties responding to this RFP (Respondent(s)) shall be directed to the PenTex 2022 RFP team: PenTex2022RFP@acespower.com. PenTex strongly discourages direct contact with PenTex or ACES personnel regarding this RFP. Verbal discussions or communications are discouraged and will be considered unofficial and non-binding, and direct contact with PenTex or ACES personnel may result in disqualification from this RFP.

The RFP Administrator will post relevant questions submitted by Respondents, as well as PenTex's responses, on the RFP website: www.acespower.com/PenTex2022RFP. Posting these questions and responses will ensure that all Respondents have equal access to non-confidential information that may be potentially relevant to their responses to this RFP (Proposals).

2.2. Submittal of Proposals

All proposals must be submitted electronically. To be considered and accepted, an electronic version of the appropriate Proposal Appendix or Appendices must be sent to the RFP email address identified in Section 2.1 no later than 4:00 p.m. CPT on the Proposal Submission Deadline detailed in Section 2.3.

PenTex and the RFP Administrator will only evaluate Proposals submitted in accordance with the instructions outlined in this RFP. Proposals sent directly to PenTex or ACES personnel will be discarded and will not be evaluated.

2.3. RFP Schedule

The Pentex 2022 RFP schedule is shown in Figure 1 below. As circumstances warrant, PenTex, in its sole judgment and discretion, may change this schedule. In that event, the RFP Administrator will inform all potential Respondents as far in advance as reasonably possible by posting any change on the RFP website, www.acespower.com/PenTex2022RFP.

Figure 1.

Milestone	Deadline
RFP Issued	November 10, 2022
Proposal Submission Deadline (4:00 PM CPT)	November 28, 2022
Notification of Results	December 15, 2022
Execution of Power Supply Agreements (No Later Than)	February 28, 2023

3. Proposals

3.1. Requested Proposals

PenTex requests power supply Proposals from a diverse variety of energy resources. PenTex will accept multiple Proposals from a Respondent. In the event an individual Respondent provides multiple Proposals, the Respondent must indicate whether the Proposals are mutually exclusive. Mutually exclusive Proposals will be evaluated as competing proposals. Load data and financials needed to submit Proposals will be provided as requested.

3.2. Proposals for Energy-Only Blocks

Proposals for energy-only blocks shall provide the information required in Appendix A-1: Evaluation Form for Energy-Only Blocks. Respondents are not required to provide proposals for all terms and quantities requested. Each proposal will be evaluated independently:

- Mar-Dec 2023, Cal '24, Cal '25
 - 30 MW 7x8
 - 50 MW 7x16

- Jun-Sep '23, Jun-Sep '24, Jun-Sep '25
 - 25 MW 7x16
- Jan-Feb '24, Jan-Feb '25
 - 25 MW 7x24
- All submissions must be in CPT to align with ERCOT operations and standard traded products
 - 16-hour period is defined as hour ending (HE) 07 through HE 22 CPT
 - 8-hour period is defined as hour ending (HE) 01 through 06 and 23 through 24 CPT
- Proposals must be for physical, real-time (RT) energy
 - Proposals for physical energy must be Firm (LD), as defined in Schedule P: Products and Related Definitions of the Edison Electric Institute (EEI) Master Power Purchase & Sale Agreement
- Proposals shall be priced at ERCOT HB_North

3.3. Proposals for Energy-Only, Fixed Load Shape Schedules

PenTex will consider power supply proposals from Respondents for energy-only, fixed load shape schedules. Proposals for energy-only, fixed load shape schedules shall be for entire shape provided. PenTex prefers physical, RT Proposals for energy-only, fixed load shape schedules. Offers can be provided for the following terms as laid out in Appendix A-2:

- 3/1/2023 - 12/31/2023 (10 months)
- 3/1/2023 - 12/31/2024 (22 months)
- 3/1/2023 - 12/31/2025 (34 months)

Load forecast data for the purpose of developing energy-only, fixed load shape schedule Proposals will be provided to Respondents as requested. If a Respondent needs other load information, please send a request to the RFP Administrator at the email address provided in Section 2.1.

4. Evaluation Criteria

PenTex intends to make the evaluations and rankings fair and objective while balancing multiple factors. Strong preference will be given to respondents that can move along and execute an enabling agreement as well as the following:

- Offer prices and/or calculation method inclusive of all costs
- Responsiveness of Proposal
- Logistical, technical, economic, and commercial viability of Proposal
- Financial qualifications of Respondent
- Other value-added benefits

5. Waiver

PenTex reserves the right, in its sole discretion, to reject all Proposals submitted as part of this RFP process for any reason. PenTex may modify the criteria outlined in this RFP at any time without prior notification.

6. Notice of Disclaimer

The information contained in this RFP has been prepared solely to assist prospective Respondents in making the decision of whether to submit a Proposal. PenTex does not purport this information to be all-inclusive or to contain all the information that a prospective Respondent may need to consider in order to submit a Proposal. Neither PenTex nor its Members and Customers, employees, agents, officers, nor consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability, or completeness of the information contained herein, or in any document or information made available to a Respondent, whether or not the aforementioned parties know or should have known of any errors or omissions, or were responsible for its inclusion in, or omission from, this RFP. PenTex expressly excludes and disclaims all express and implied warranties of merchantability and fitness for a particular purpose.

PenTex reserves the right to modify or supplement this RFP at any time. No part of this RFP and no part of any subsequent correspondence by PenTex, its Members and Customers, employees, officers, agents, or consultants shall be taken as providing legal, financial, or other advice, nor as establishing a contractual relationship or contractual obligation with a Respondent. Contractual obligations on the part of PenTex will arise only if definitive agreements have been approved and executed by the appropriate parties having the authority to approve and enter into such agreements.

Each Respondent, whether the Respondent's Proposal is accepted or rejected, expressly waives any claim whatsoever related to this RFP against PenTex or its Members and Customers, employees, officers, agents, or consultants. PenTex further reserves the right to withdraw and terminate this RFP at any time. The submission of a Proposal to PenTex shall constitute Respondent's acknowledgement and acceptance of all terms, requirements, and conditions of this RFP.

7. Confidentiality

All Proposals shall become the exclusive property of PenTex. The Respondent shall treat and preserve ALL information, data, and communications received from PenTex as confidential information, regardless of the existence or lack thereof of confidential markings and will only be distributed to such personnel who are required to have access to the information as part of this RFP process. PenTex will treat all Proposals, including any supporting documentation, submitted by Respondents as confidential information. Terms for the treatment of confidential information will comply with the tri-party Confidentiality Agreement executed between PenTex, ACES, and the Respondent.