



POWERSOUTH[®] ENERGY COOPERATIVE

A Touchstone Energy[®] Cooperative 

REQUEST FOR PROPOSALS

**FOR 50 TO 80 MW OF SOLAR ENERGY PLUS 25
TO 50 MW OF OPTIONAL BATTERY STORAGE**

Revision 2.0

RFP Released: September 21, 2020

Proposals Due: October 31, 2020

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1.0 PURPOSE OF REQUEST FOR PROPOSAL

PowerSouth Energy Cooperative (“PowerSouth”) is seeking information and proposed pricing on projects ranging from 50 to 80 MWs (AC) of delivered solar photovoltaic energy, electrical products and all associated environmental attributes, with a commercial operation date (“COD”) no later than October 31, 2023. The solar resources must be located in the PowerSouth service territory reflected in the territory map on PowerSouth’s website noted below, but may be interconnected to PowerSouth, Alabama Power, or Gulf Power’s transmission systems. In addition, PowerSouth is seeking information and proposed pricing for battery energy storage systems of 25 to 50 MWs (AC) up to 4 hours duration to be **paired** with the 50 to 80 MWs (AC) of delivered solar energy.

Any transaction resulting from this Request for Proposals (“RFP”) will be in the form of a energy purchase agreement (“EPA”), a form of which is attached hereto or available upon request with a minimum term of 15 years up to a term of 25 years. PowerSouth will evaluate the proposals based on levelized value economic analysis, cost of delivery, creditworthiness, relevant experience, and other evaluation criteria as it determines in its sole discretion. Respondents must be creditworthy as determined by PowerSouth, in its sole discretion. This is not a competitive bidding process, rather it is a request for proposals and PowerSouth reserves the right to review, discuss, consider, reject and negotiate with each, some or none of the respondents. Respondents who fail to deliver a response prior to the deadline for submittal will not be considered.

An electronic copy of this RFP and Frequently Asked Questions received during the RFP process can be found on PowerSouth’s webpage at the following website address: www.powersouth.com/renewables.

2.0 DESCRIPTION OF POWERSOUTH ENERGY COOPERATIVE

PowerSouth is a generation and transmission cooperative corporation formed in 1941 to supply wholesale electric power to its member-owners. PowerSouth's member-owners, located in Central and South Alabama and Northwest Florida, consist of 16 distribution cooperatives and four municipal members. Each of the distribution cooperatives and municipal members distribute the power purchased from PowerSouth to end-users, most of whom are individual residential accounts. In early 2020, PowerSouth entered into a PPA for 80 MW of solar photovoltaic energy.

PowerSouth is responsible for providing all of its members’ power requirements. PowerSouth has a current peak demand of approximately 2,450 MW. Approximately fifty percent of PowerSouth's energy requirements is served directly from its own transmission system. The other fifty percent is served through network transmission arrangements with Alabama Power and Gulf Power under their Open Access Transmission Tariff (OATT).

PowerSouth’s current credit ratings are BBB+/Negative with S&P and Fitch and A3/Stable with Moody’s. For additional information about PowerSouth, please see our website at <http://www.powersouth.com>.

3.0 INSTRUCTIONS TO RESPONDENTS

3.1 General Provisions

- This RFP is for the supply of solar photovoltaic energy and paired optional battery storage in the amounts, start dates, and durations shown.
- Solar and battery storage energy, electrical products, renewable attributes and certificates, and environmental attributes must be from new resources. Respondents may submit more than one proposal.
- Projects must be commercially operable and providing solar energy, including battery storage if chosen, no later than **October 31, 2023**.
- **Respondents are NOT required to submit a formal interconnection application to be a qualified respondent in this RFP. PowerSouth will evaluate the transmission capacity at each point of delivery stated in the proposals, for those projects connecting to PowerSouth's transmission system. Detailed interconnection information will be requested from short-listed respondents. In connection with the selected project, PowerSouth will enter into an interconnection agreement that will match the term and provisions relating to the EPA so that all output will be delivered to PowerSouth.** For each project, PowerSouth will determine the facilities and upgrades (and associated costs) needed on its side of the Point of Delivery (as defined below) in order to interconnect the project to PowerSouth's transmission system. These costs will be taken into consideration during PowerSouth's evaluation. **Respondents should not assume any interconnection costs in their EPA price.**
- Respondents are requested to submit proposals for a time period of 15 to 25 years.
- Respondents are requested to submit paired battery energy storage solution proposals with limitations of a minimum of 52 cycles or greater per year (with durations of up to 4 hours).
- The point of delivery ("POD" or "Point of Delivery") for all electrical products and energy shall be into the PowerSouth, Alabama Power, or Gulf Power transmission systems. For those projects interconnecting onto the Alabama Power or Gulf Power transmission systems, in order to be selected PowerSouth will require the facility to be designated as a Network Resource under PowerSouth's Network Integration Transmission Service Agreement with Southern Company or Gulf Power.
- PowerSouth's transmission access and capacity will be a factor in the selection of the final responses. All costs and coordination required for any transmission service requests to the POD are the responsibility of the Respondent.
- Restrictions on interconnection locations for projects proposed to connect to PowerSouth's transmission system include, but are not limited to:

- Interconnections shall only be allowed to interconnect to 115kV transmission lines or higher.
- Interconnections in close electric proximity to synchronous generation facilities have the potential to produce harmonic components which could exceed the specified machine ratings of the generating units. Therefore, such interconnections are discouraged, and will require detailed harmonic penetration studies.
- Nothing contained in this Request for Proposals (“RFP”) shall be construed to require or obligate PowerSouth to select any proposals or limit the ability of PowerSouth to reject any or all proposals in its sole and exclusive discretion. PowerSouth further reserves the right to withdraw and terminate this RFP at any time prior to the execution of a contract.
- The submission of a proposal to PowerSouth shall constitute the Respondent's acknowledgment and acceptance of all the terms, conditions and requirements of this RFP and the terms of the form EPA unless the Respondent provides exceptions to such document.
- All proposals submitted to PowerSouth pursuant to this RFP shall become the exclusive property of PowerSouth and may be used for any reasonable purpose by PowerSouth. PowerSouth shall consider materials provided by Respondents in response to this RFP to be confidential. However, PowerSouth reserves the right to disclose any or all of the information submitted in response to this RFP to any consultant(s) or attorney(s) retained by PowerSouth.
- A respondent who enters into an EPA with PowerSouth will be required, as a part of that EPA, to certify as a Qualifying Facility under PURPA and must sell all of the resource’s output to PowerSouth.
- The EPA is required to have language that allows PowerSouth to assign the EPA to the Rural Utilities Service (RUS) without the Respondent’s consent. In addition, RUS shall have the right to further assign, sell, or transfer the agreement to a third party.

3.2 RFP Process and Schedule

The response process will include the activities and events as indicated in the schedule shown below. The schedule may be modified at any time and from time to time in PowerSouth’s sole discretion. Response opening will be performed in private. Proposals will be screened and offers that do not meet the requirements of this RFP will be rejected as non-conforming. The evaluation of the proposals will be performed by PowerSouth.

Respondents on the short list developed by PowerSouth may be requested to provide additional information, including detailed interconnection information and to participate in transmission studies, up to and potentially including a system impact study. Final evaluation of the offers will then be performed, and a project will be selected for award.

RFP Schedule	
RFP Release Date	September 21, 2020
Proposal Submittal Deadline	October 31, 2020
Notification of Short List	November 30, 2020 (Tentative)
Transmission Feasibility Screening	December 2020
Project Selection	January 2021 (Tentative)
Submittal of Interconnection Application and Detailed Project Data from Awarded Project (if not already completed)	March 2021 (Tentative)

3.3 Proposal Submittal Fee

Each proposal shall be submitted with a one thousand dollar (\$1,000.00) non-refundable submittal fee in the form of a wire transfer. Proposal submitted without the submittal fee will not be evaluated by PowerSouth. Wire transfer information will be provided upon respondent's request.

3.4 Method for Submitting Proposals

All proposals submitted in response to this RFP must be received by PowerSouth no later than October 31, 2020 in accordance with the requirements hereof. **PowerSouth will not accept proposals received after the specified date and time and said proposals will be disqualified from further evaluation.**

Respondents are required to submit their proposal via Dropbox using the link provided below, including all exhibits. Multiple proposals submitted by each Respondent shall be identified separately. All proposals should be uploaded to the Dropbox link within one folder per developer. All proposal files within the folder should be appropriately labeled "**Developer Name. Project Name. Description of File**".

Dropbox Delivery Only: <https://www.dropbox.com/request/sOfFbe8LZ0tvU1oSqUH9>

3.5 Questions and Interpretation of RFP

PowerSouth requests that all questions concerning this RFP be submitted by email at the following address: rfp@powersouth.com. To the extent that PowerSouth determines appropriate, PowerSouth may publish responses to questions on our webpage in a FAQ document in order to provide other potential respondents the benefit of any clarifications communicated. The FAQs may be located at the following web address: www.powersouth.com/renewables.

4.0 PROPOSAL ORGANIZATION

Proposals must be provided in the format outlined below. The content of proposal(s) shall be subject to the requirements of this RFP. PowerSouth requests that all exhibits, documents, schedules, etc. submitted as a part of a proposal be clearly labeled and organized in a fashion that facilitates easy location and review.

All Proposals should include the following minimum components (additional information may be requested by PowerSouth):

- **Executive Summary**

- An "executive summary" of the highlights and special features of the Proposal.
- Company contact information and the primary point of contact for the proposal, including name, title, address, phone, and email.

- **Company Background**

- Legal form (corporation, partnership, limited liability company, etc.), organizational documents date formed, jurisdiction of organization, and any relevant affiliates.
- Company history and experience in the areas of development, financing, constructing, and operating renewable generation and energy storage facilities.
- Details of project personnel, providing descriptions of their experience in developing, constructing and operating renewable generation and energy storage facilities.
- Existing renewable and energy storage generation facilities owned or operated.

- **Project Details**

- Provide a complete description of the proposed Project including technology, equipment, nameplate capacity (in AC and DC), location, size (acreage), proposed plan for certification for qualifying facility status (or application for QF certification), and current site environmental conditions.
- Respondents shall complete the project information template included with the RFP and submit this spreadsheet with the proposal to the [PowerSouth RFP Dropbox](#), including the guaranteed annual generation output (P50) from the project for each year of the EPA term.
- Respondent shall provide the PVsyst output report for the project.

- Respondent shall also include the expected 8760 generation shape in an Excel spreadsheet to be submitted with the proposal.
- Respondents shall complete the Generator Interconnection Request Solar Generating Facility Data included within Exhibit 2 and submit this spreadsheet with the proposal to the [PowerSouth RFP Dropbox](#).
- Respondent should provide all battery operational characteristics and limitations. Including, but not limited to, the list below:
 - State of Charge provisions
 - Low, medium, high state of charge definitions
 - Minimum and maximum cycles per year
 - Guaranteed round trip efficiency
 - Percent availability per year
 - Ramp rate
 - Guaranteed life of battery
 - And other technical specifications
- Respondent shall provide evidence of site control for the entire project or all parcels Project sites without adequate site control will not be evaluated for selection. Additionally, project sites subject to conservation easements or other encumbrances or limitations affecting use will not be evaluated.
- Respondent shall provide a comprehensive one-line diagram describing the electrical equipment and the point of interconnection at which the project will connect to the PowerSouth, Alabama Power, or Gulf Power transmission system.
- The Respondent shall provide latitude and longitude coordinates for its proposed Point of Interconnection. The point should reference the location on the line segment or station that the Respondent proposes to interconnect their generator, the voltage level, and whether interconnecting to PowerSouth, Alabama Power, or Gulf Power transmission systems.
- Each Respondent's proposal shall provide a list of all expected operational and site permits and provide copies of any permits that have already been obtained. If no permits have been obtained, then the Respondent should provide a plan for obtaining all required permits.
- Respondent shall include a proposed Project development schedule, including timing for all permits, engineering and design timing and dates, financial milestone dates, major equipment purchase dates, construction timing, and commercial operation date.

- Respondent shall also provide proposed responsibilities on registering for and obtaining environmental and renewable attributes and for certifying qualifying facility status.

- **Pricing**

- Firm pricing shall be provided in a \$/MWh price for each year of the term of the EPA that will include all energy, ancillary services, and environmental attributes from the solar PV facility.
- Firm pricing shall be provided in a \$/kw-month price for each year of the term of the EPA that will include all energy, ancillary services, and environmental attributes from the battery energy storage facility. Such pricing shall be on a market based rate basis and should contain a description of the respondents experience with a market based rate.
- Pricing may be fixed or include an annual escalator. The annual escalation shall be no more than 2.0% for each year of the EPA term.
- Pricing shall be all-inclusive, including all development, design, procurement, permitting, financing, transaction, and construction costs, excluding those interconnection costs beyond the point of delivery.
- The EPA will require respondent to provide performance security based on creditworthiness standards set forth therein and the proposal should include a description of and take into account providing performance security for each project

- **Financial Data**

- Respondent shall include sufficient financial information to establish creditworthiness satisfactory to PowerSouth, including information on the makeup of the company and its parent organization, and investors, shall be provided along with the most current annual financial reports and SEC Form 10K (if applicable to the Respondent).
- Respondent shall include audited financial statements for the three (3) preceding years that include balance sheets, income statements, statements of cash flows, and notes to the financial statements.

- **Statements**

- A comprehensive listing and description, including a rationale, if warranted, of all exceptions to the contract terms and conditions in the attached EPA that the Respondent would seek during contract negotiations.

- A statement from the Respondent must be provided which clearly indicates that the proposal will remain effective from the time of submittal through execution of the EPA.

5.0 PROPOSAL EVALUATION AND CONTRACT NEGOTIATIONS

5.1 Short List Development

After the proposal submittal deadline, PowerSouth will privately open all proposals and begin reviewing proposals for completeness and responsiveness. Those proposals which do not include all required information shall be rejected. Notification will be provided to the unsuccessful Respondents.

After the initial screening, PowerSouth will evaluate the remaining proposals based on leveled value economic analysis, cost of delivery, relevant experience, creditworthiness, and other evaluation criteria to develop a short list.

PowerSouth may select any number of proposals for short-listing and further consideration, as noted below. This is not a bidding process so that in no way is any respondent that is selected for the shortlist or otherwise deemed to have a binding contract; a binding contract will only occur after PowerSouth and the selected respondent have executed and delivered the EPA subject to the terms and conditions contained therein. After additional evaluation and internal transmission system analysis of the short-listed projects proposals, PowerSouth will make a project proposal selection.

Discussions with a short-listed Respondent shall in no way be construed as commencing "negotiations" with a Respondent or in any way be deemed an acceptance of a proposal from that Respondent. PowerSouth intends to use such discussions as a method of reducing the number of proposals to those, if any, that PowerSouth determines warrant further evaluation and, possibly, contract negotiations. Note that proposals are required to remain effective from the time of submittal through the execution of the EPA and then effective as set forth in the EPA.

The selected respondent will be provided a Letter of Intent from PowerSouth and will be requested to submit detailed interconnection information and to participate in a transmission system impact study. The respondent will be required to make a formal request for interconnection onto PowerSouth's transmission system and will be required to pay for any associated transmission system impact studies.

5.2 Contract Negotiations

After the shortlisting discussions have been conducted, PowerSouth may notify a Respondent in writing of its interest in commencing contract negotiations with that Respondent. PowerSouth's commencement of and active participation in such negotiations shall not be construed as a

commitment from PowerSouth to execute a contract or an acceptance of a proposal from that Respondent. Even if negotiations progress, no contract shall be deemed to occur until an EPA is agreed upon and fully executed by the Respondent and PowerSouth in accordance with its procedures and after any and all required regulatory approvals have been received.

PowerSouth reserves the right at any time, during contract negotiations, at its sole discretion, to terminate or, once terminated, to resume negotiations with a Respondent.

Respondents are advised that, prior to PowerSouth signing an EPA, the Respondent will be required to provide substantial evidence of credit assurance. All forms of credit assurance will be subject to approval of PowerSouth, in its sole discretion, before entering into an agreement. The form and quality of credit assurance shall be approved by PowerSouth, in its sole discretion, prior to further negotiations.

PowerSouth may require that certain provisions be included in its contracts. Such provisions may include, but are not limited to, performance assurance (depending on the financial means and historical performance of the Respondent), indemnification, insurance coverages, liquidated damages for delays in or for non-performance, ability of PowerSouth to reassign its entire rights, or a portion thereof, to the contract to another party, and a "regulatory out" provision. The Respondent will not be allowed to assign its rights or obligations under the EPA, transfer any interest or operational control of the facility, or undergo a direct or indirect change of control of the Respondent, without the prior written consent of PowerSouth unless certain agreed conditions for transfer as contained in EPA are satisfied (such as, but not limited to, financial assurances, regulatory requirements, creditworthiness and demonstrated operating experience with similar solar facilities).

Liquidated damages provisions in the contract will require the Respondent, if Respondent fails to deliver guaranteed energy, to pay PowerSouth an amount equal to the difference between (i) the product determined by multiplying the price that PowerSouth paid to replace such guaranteed energy by the amount of energy guaranteed and (ii) the product determined by multiplying the contract price by the amount of guaranteed energy.

This RFP contains general guidelines and requirements for developing and submitting proposals. Nothing herein shall be construed to bind PowerSouth unless and until a written contract with a Respondent has been successfully negotiated, approved, executed, and is effective. Once effective, the contract will govern the relationship between and responsibilities of the parties. The costs for responding to the RFP are the responsibility of the Respondent.

Exhibit 1
Form of Energy Purchase Agreement

Exhibit 2
Generator Interconnection Request
Solar Generating Facility Data