



**Comptroller of Public Accounts
Statewide Procurement Division
RFP 304T-17-961M2 - Electricity Sourcing Services**

Scope of Services and Benefits Overview

Contract No.: 961M2-1858
RFP No.: 304T-17-961M2
Description: Electricity Sourcing Services
NIGP Class Item: 961-83
Term of Contract: May 16, 2017 through April 30, 2020
Contract Award Date: May 16, 2017

The State Comptroller' Office Statewide Procurement Division, with the assistance of the State Energy Conservation Office (SECO), has awarded the contract for Electricity Sourcing Services to Texas Energy Aggregation (TEA). This contract replaces contract # CCG-EMS-2011-001 awarded Sept. 7, 2011 by the Council on Competitive Government for Electricity Procurement Services as part of the Strategic Sourcing Program.

Purpose

This overview was prepared at the request of State agencies to outline the scope of services and benefits available to your agency through the Electricity Sourcing Services contract. Links are provided here to more detailed information.

This contract eliminates the need for agencies to run their own RFP, and addresses new opportunities which have become available since the previous contract. This contract can be used to reduce electricity expenditures while providing increased budget certainty for longer terms beyond the State's 2-year budget cycle. It allows agencies to focus upon desired outcomes, rather than dealing with the complexities of the process to more effectively control energy expenses.

Services outlined in the RFP and TEA's response:

- Assistance with the RFP process and awarding of contracts for electricity supply for meters in deregulated areas of the state
- **In *regulated and deregulated* areas of the state:**
 - ◆ Procurement of renewable energy Power Purchase Agreements (PPAs) for on-site solar behind-the-meter to reduce delivery charges with no cost of construction
 - ◆ Procurement of off-site solar and wind PPAs to fix a portion of your load for longer terms of 10-30 years
 - ◆ Demand Response contracts to create new revenue for locations which agree to dispatch backup generation and/or curtail load when called upon during emergency power shortages in the grid

New Potential Benefits

- Aggregated purchasing power with other large energy users in the state
- Purchase electricity from existing on or off-site wind or solar facilities
- Fix electricity costs for 10- to 30-year terms function as a hedge against inflation, reduce risk of price volatility and increase budget certainty
- Participate in Demand Response contracts to create a revenue stream which can be used to finance backup generation, energy storage, or efficiency upgrades
- Develop solutions that satisfy both budgetary and environmental concerns
- Analyze opportunities at no cost or obligation

Fees

Click the link for the [Electricity Sourcing Annual Service Fees](#). These fees are embedded into the monthly electric bill and paid out monthly to vendor over the first year of the electricity contract, or the agency may elect to pay the vendor directly. All fees paid to vendor are included in energy prices, budgets, and savings quoted by Texas Energy Aggregation.

Power Purchase Agreements & Demand Response Details

The optional PPA and DR parts of the contract are comprised of CPA's questions and TEA's responses. Links to may be found on the [TXSmartBuy](#) portal under [Electricity Sourcing Services](#), by clicking [Power Purchase Agreements](#) and [Demand Response Contracts](#).

RFP Scope of Services *(from RFP 304T-17-961M2 section A.4)*

An Electricity Sourcing Services Contractor under this RFP will be expected to provide assistance to Customer for a new electricity procurement or modification of an existing electricity contract. When requested by Customer, awarded Contractor(s) can negotiate a new contract or modification of an existing electricity contract with Retail Electric Provider(s).

For new electricity procurements, the Contractor will assist the Customer in the development of a solicitation in accordance with Customer's procurement policies. Contractor must ensure procurement is public and competitive. Prior to issuance, the Customer will review the solicitation to be sure all information in the solicitation is accurate and all required state terms and conditions are included.

After the solicitation is issued, the Contractor and Customer will review and evaluate the Retail Electric Provider (REP) responses and negotiate contract terms acceptable to both the Customer and identified REPs. For standard retail electric contracts, Contractor will conduct and be present at bidding or reverse auction events. For Demand Response and Power Purchase Agreements, Contractor will help the Customer evaluate, negotiate and execute the contracts.

Proposed fees or discounts offered to the State in the [Mandatory Pricing Matrix](#) may be considered Respondent's most favored Customer pricing; however, CPA reserves the right to negotiate pricing. In the event that Contractor offers or provides a decrease in price or an increase in discount to its customers for the same commodities or services, under the same terms and conditions, provided for the State of Texas pursuant to its Contract, Contractor must provide the same decrease in price or increase in discount to the State of Texas.

For more information or to schedule a phone conference, please call or email Mike Bendewald at 254-242-4246, mike.bendewald@texasenergyabc.com