



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

A G E N D A

LOUDON UTILITY BOARD WORKSHOP

Monday, February 8, 2021

4:30 PM

1. Recognition of Visitors
2. Software Upgrade
3. Solar RFP
4. Queener Road Utility Relocation
5. Update on Active Projects
 - A. TVPOA Tank / River Crossing / WTP / Low Volume Pump / Bulk Hypo. Conversion
 - B. Operations Center Projects – Mezzanine, Interior Updates
6. Safety Report
7. Natural Gas Rate
8. Other



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: February Workshop Items

Date: February 5, 2021

The following items appear on the agenda for the February 8, 2021 workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors:
2. Software Upgrade: It is our desire to start our accounting and customer service software conversion process from LocalGov to NISC. This is a multi-year process that can begin this Spring but would not encounter new costs until next fiscal year. Because work could commence (but not be billed) this fiscal year we wanted to explain the long-term scope of this project to the Board and seek permission to begin the conversion process. Permission would come in the form of contract to be presented at your March meeting. This is more or less a heads-up and invitation to join this process.
3. Solar RFP: In order to better promote LUB's wholesale power Flexibility options we included in your packet a proposed Request for Proposal from solar providers. The proposal invites submittals for 15, 20, and 25-year terms.

4. Queener Road Utility Relocation: With a goal of completion by April 1, 2021 we are working on the following:
 - Replacement of a 6-inch water main with a 12-inch water main (2,400 ft in length)
 - relocation of utility poles along with coordination with the various telecoms that are located on the poles
5. Update on Active Projects:
 - A. We will provide general updates on the status of the following on-going Water/Waste Water system improvement projects:
 - TVPOA Tank – still in property acquisition phase
 - River Crossing – entering compliance with Fed EDA grant requirement phase
 - WTP – nearing end of State Revolving Fund application phase
 - Low Volume Pump – still in property acquisition phase
 - Bulk Hypo. Conversion – end of design phase and nearing public bidding phase
 - B. Also, we will provide an update on the proposed interior upgrades at the Operations Center which will be presented by project managers Jim McKee and Travis Williams.
6. Safety Report: There have been no reportable injuries to date.
7. Natural Gas Rate: The natural gas rates have not been received as yet.



LOUDON UTILITIES
Natural Gas • Electricity • Water • Wastewater

Request for Proposals
for
Renewable Energy Resources
("2021 Renewable RFP")

Issued: March 13, 2021
Proposals Due: April 24, 2021

TABLE OF CONTENTS

1.0 INTRODUCTION.....	3
1.1 LUB OVERVIEW	3
1.2 DESCRIPTION OF SOLICITATION	3
2.0 GENERAL TERMS	4
2.1 PRODUCT DEFINITIONS	4
3.0 COMMUNICATIONS	6
3.1 COMMUNICATIONS DURING RFP PROCESS	6
4.0 RFP SCHEDULE.....	6
5.0 PROPOSAL PROCESS	7
5.1 GENERAL REQUIREMENTS	7
5.2 PROPOSAL EXPENSES	7
5.3 PROPOSAL SUBMITTAL FEE	7
5.4 METHOD FOR SUBMITTING PROPOSALS	8
6.0 PROPOSAL ORGANIZATION	8
6.1 COVER LETTER	8
6.2 COMPANY DATA AND EXPERIENCE	9
6.3 PROJECT DESCRIPTION.....	9
6.4 PROJECT EXECUTION PLAN	10
6.5 FINANCIAL PLAN	10
6.6 PRICING	11
6.7 SCHEDULE	11
7.0 PROPOSAL EVALUATION.....	12
7.1 EVALUATION PROCESS	12
7.3 ADDITIONAL PROPOSAL-SPECIFIC BENEFIT AND RISK FACTORS	12
7.2 CONTRACT APPROVAL.....	12
8.0 RESERVATION OF RIGHTS	12
8.1 GENERAL	12
8.2 RIGHT TO REJECT.....	12
8.3 LIMITATIONS	12
8.4 CONFIDENTIALITY	13
9.0 EXHIBITS.....	14

1.0 INTRODUCTION

1.1 LUB Overview

Loudon Utilities Board (LUB) is an independently governed enterprise fund of the City of Loudon, that provides energy and water services for business customers and residents, serving more than twelve thousand people in parts of three counties in east Tennessee.

1.2 Description of Solicitation

This announcement constitutes a Request for Proposals (RFP) notice, soliciting proposals in supplying delivered energy, capacity, and environmental attributes to LUB. This RFP does not constitute a commitment, implied or otherwise, that LUB will act on this matter. LUB will not be responsible for any costs Respondents incur in furnishing LUB responsive information.

Although a competitive bidding process is not legally required for LUB power purchases, in certain circumstances a process such as this presents on balance the most advantageous method of proceeding. LUB is interested in procuring up to 7.5 MW of new stand-alone renewable energy resources, including all the associated environmental attributes (Renewable Energy Credits/Certificates, etc.). All resources must be located in the LUB service territory and delivered to LUB. If any proposal is delivered to the LUB interface, it must have all of the cost components included for a total energy price. Notwithstanding the above stated target, LUB reserves the right to vary from this target energy quantity based on evaluation of bids that are received. Any transaction resulting from the RFP will be in the form of a Power Purchase Agreement (PPA).

2.0 GENERAL TERMS

2.1 Product Definitions

- 2.1.1** Energy, Capacity, and Environmental Attributes proposed must be from new renewable energy sources.
- 2.1.2** All MW values discussed in this RFP will be measured at the revenue meter.
- 2.1.3** The minimum generation nameplate capacity at the point of interconnection for each site will be 2 MW. The maximum generation nameplate capacity at the point of interconnection for each site will be 7.5 MW. Solar generation sites greater than 5 MW must utilize central-type inverters rated 500 kVA or higher.

- 2.1.4** Projects must follow and adhere to the LUB interconnection procedures. For additional information on LUB’s interconnection procedures, Respondents should contact Bill Watkins at bill.watkins@loudonutilities.org.
- 2.1.5** Projects must be commercially operable and providing renewable energy by September 29, 2023 or earlier, as agreed to by both parties.
- 2.1.6** All projects must be electrically connected to the LUB distribution system, if inside the LUB service area. All projects must be able to support grid operation, including voltage regulation, frequency response, voltage and frequency ride-through in accordance with NERC PRC-024, and active power control (curtailment). Respondents will be responsible for reimbursing all costs incurred by LUB in relation to interconnecting the project.
- 2.1.7** Respondents are requested to submit proposals for a delivery period of 15, 20, and 25 years. The LUB Standard PPA will be provided so that Respondents can provide comments. Each shortlisted Respondent will be required to provide a bid bond to be determined at the time of shortlisting. Respondents with solar generating sites greater than 5 MW are required to utilize central-type inverters rated 500 kVA or higher and are requested to provide a \$/MWh adder for 24/7 reactive power support (utilizing inverters that are capable of producing or absorbing reactive power at minimum of 30 percent of their rating 24/7 including at night).
- 2.1.8** LUB is distribution partner of the Tennessee Valley Authority TVA and accordingly TVA must approve any selected proposal under the terms of the flexibility provisions of TVA’s wholesale power contract with LUB. The Respondent should be prepared to coordinate closely with LUB on any necessary reviews by providing information and schedules necessary to complete TVA’s consultations in a timely manner that supports the proposed facility construction timeline.
- 2.1.9** The Respondent’s proposal and project must comply with all applicable federal and state laws, both during construction and during plant operation. All federal, state, and local approvals, permits, licenses, fees, emissions allowances, environmental reviews, and other environmental requirements are the responsibility of the Respondent for the entire term covered by each proposal. This should include any rezoning, land-use permits, and other discretionary approvals that may be required.

3.0 RFP SCHEDULE

The following schedule is based on LUB’s expectations as of the release date of this RFP. LUB reserves the right to modify the schedule at its sole discretion.

RFP Schedule

Action	Date
RFP Release Date	March 12, 2021
Pre-Bid Conference Call	March 26, 2021
Question Submittal Deadline	March 27, 2021
Proposal Submittal Deadline	April 30, 2021
Evaluation of Proposals	May 2021 (tentative)
Notification of Short List	June 2021 (tentative)
Selection of Proposals	June 14, 2021 (tentative)
Contract Execution	June 28, 2021 (tentative)

4.0 PROPOSAL PROCESS

4.1 General Requirements

- 4.1.1 Information regarding this RFP can be found on the LUB website under the procurement link: <https://www.loudonutilities.org/procurement/>

4.2 Proposal Expenses

- 4.2.1 Each Respondent will bear any and all costs and expense required to prepare its proposal.

4.3 Proposal Submittal Fee

- 4.3.1 Each proposal shall be submitted with a \$125 submittal fee in the form of a wire transfer to LUB. The submittal fee will be required for each project submitted (multiple offers for the same project may be submitted with one submittal fee). Proposals submitted without the submittal fee will be returned to the Respondent and will not be evaluated by LUB. Wire transfers should be made to the following account:

Bank Name:	SunTrust Bank, now Truist
Bank Address:	Atlanta, GA
ABA/Routing Number:	061000104
Account No.:	1000142336238
Beneficiary:	Loudon Utilities 2480 Hwy 72N Loudon, TN 37774
Taxpayer ID:	62-6000345
OBI:	Provide your organization name and Reference 2021 Renewable RFP

- 4.3.2 The submittal fee is non-refundable.

- 4.3.3 LUB requires a bid bond from all shortlisted Respondents. The bid bond will be 1% of the maximum gross revenue (rounded up to the nearest thousand) of

the project over the term of the proposal offered. The bid bond guarantees the Respondent's bid, as reflected in Power Advocate, will be honored throughout the duration and until the conclusion of the 2020 RFP process or until November 30, 2020 (whichever is earlier). LUB will return bid bonds for all Respondents that are shortlisted but not ultimately selected by LUB for a project. For Respondent(s) shortlisted, the bid bond will be required to be posted by the date specified in the shortlist notification letter in a form and substance acceptable to LUB by means of a (i) surety bond, (ii) cash, or (iii) a letter of credit. For Respondents that are satisfying the bid bond requirement with a surety bond, the bid bond must be issued by a surety listed in the Department of the Treasury listing of approved sureties. For Respondents satisfying the requirement with a letter of credit, the letter of credit must be issued by a U.S. commercial bank domiciled in the United States, or from a U.S. branch of a foreign bank, with such bank having a credit rating on its long-term senior unsecured debt of (1) "A3" or higher from Moody's or (2) "A-" or higher from S&P, or if rated by both Moody's and S&P, both (1) and (2).

4.4 Method for Submitting Proposals

- 4.4.1 Each project proposed by a Respondent must have a different proposed point of interconnection. Respondents may propose multiple projects, each with a separate submittal fee. Respondents may submit multiple proposals for any single project with a single submittal fee.
- 4.4.2 All proposals submitted must be received by the submittal deadline. Proposals received after the deadline may be accepted by LUB in its sole discretion.
- 4.4.3 All proposals must be submitted via FED EX to 2480 HWY 72 N, Loudon TN 37774, ATTN: 2021 Renewable RFP

5.0 PROPOSAL ORGANIZATION

Proposal must contain:

5.1 Cover Letter

- 5.1.1 The cover letter shall include an "executive summary" of the highlights of the proposal.
- 5.1.2 The cover letter shall include contact information for the primary point of contact, including name, title, address, phone, and email.

5.2 Company Data and Experience

- 5.2.1 Include the company name, address, and telephone number.

- 5.2.2 Identify the legal form of the company (corporation, partnership, limited liability company, etc.), date formed, jurisdiction of organization, and any relevant affiliates.
- 5.2.3 Include the company history and experience in the areas of development, financing, construction, and operation of renewable generation facilities.
- 5.2.4 Identify any existing renewable generation facilities owned or operated.

5.3 Project Description

- 5.3.1 Provide a map of the proposed Project footprint, as well as a complete description of the proposed Project including technology, nameplate capacity, location county, state, coordinates, size (acreage), nearby structures or facilities.
- 5.3.2 Respondent shall provide adequate evidence of site control.
- 5.3.3 Each Respondent's proposal shall 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.
- 5.3.4 All Respondents shall state the expected annual generation output from the project and include the expected 8760 generation shapes.
- 5.3.5 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 LUB power distribution system. The Respondent shall also provide latitude and longitude coordinates for its Point of Interconnection. The point should reference the location on the line segment or station at which the Respondent proposes to interconnect and the voltage level.
- 5.3.6 Respondent shall provide a status of interconnection including current status, queue number, required system upgrade cost estimate, and estimated completion date.

5.4 Project Execution Plan

- 5.4.1 Respondent should provide a description of how it intends to complete the project and deliver renewable energy to LUB.
- 5.4.2 Respondent will be required to keep LUB informed of Project progress during development. A description of the process that would be used to update LUB on project progress, including any changes to the schedule, should be included in the proposal.

5.4.3 Respondent shall attach its project development plan and associated schedule to complete the project by its expected delivery date.

5.5 Financial Plan

5.5.1 The proposal must include sufficient financial information regarding the developer and investors to establish creditworthiness satisfactory to LUB in LUB's sole discretion. The proposal should include as a minimum the following information regarding the Respondent and the proposed developer:

- Audited financial statements that include balance sheets, income statements, statements of cash flows, and notes to the financial statements.
- Bank name, address, phone number, and officer contact.
- Credit references that include name, address, phone number, and contact.
- Annual report or company brochure, if available.

5.5.2 LUB requires secure and reliable physical delivery of the capacity and associated energy corresponding to all purchase power agreements. Security (performance assurance) covering both the physical delivery of capacity and energy will be provided in the form of either a:

- (1) Letter of Credit issued by a U.S. commercial bank domiciled in the United States, or from a U.S. branch of a foreign bank, with such bank having a credit rating on its long-term senior unsecured debt of (1) "A3" or higher from Moody's or (2) "A-" or higher from S&P, or if rated by both Moody's and S&P, both (1) and (2).
- (2) Parent guaranty issued by an entity located in the United States and that is satisfactory to LUB and has a long-term senior unsecured debt rating (not supported by third-party credit enhancements) of (1) "Baa2" or higher by Moody's or (2) "BBB" or higher by S&P, or if rated by both Moody's and S&P, both (1) and (2).
- (3) Various combinations of the foregoing, as LUB determines to be acceptable.

5.5.3 The cost of such credit assurance must be borne by the Respondent. LUB will provide the initial performance assurance schedule to the shortlisted Respondents.

5.5.4 The financial plan shall include the short-term financing and long-term ownership plan.

5.6 Pricing

- 5.6.1 All contract pricing must be firm from the time of submittal through the term of the PPA.
- 5.6.2 Firm pricing shall be provided in a \$/MWh price for the renewable resource that will include all energy, capacity, transmission, ancillary services, and environmental attributes from the facility.
- 5.6.3 Pricing shall be all-inclusive, including any necessary development, design, procurement, permitting, financing, and construction costs.

5.7 Schedule

- 5.7.1 Proposals shall include a proposed Project development schedule. The following is a non-exclusive list of required information:
 - Timing for all permits
 - Financial milestone dates
 - Engineering and design timing and dates
 - Major equipment purchase dates
 - Contracting dates and milestones
 - Construction timing
 - Commercial operation date

6.0 PROPOSAL EVALUATION

6.1 Evaluation Process

- 6.1.1 LUB may select none, one, or more than one proposal for contract award.

6.2 Additional Proposal-Specific Benefit and Risk Factors

- 6.2.1 Written support for the solar development by the top elected official and/or a body of elected officials and/or its economic development designee/agency within the local unit of government possessing zoning and/or permitting authority over the proposed property, will be considered a value contribution to the RFP response.

6.3 Contract Approval

- 6.3.1 LUB's selection of the successful Respondent(s) shall not be implied as a commitment until a suitable contract has been approved by the LUB Board of

Directors, or its designee, and the power purchase agreement has been executed by LUB.

7.0 RESERVATION OF RIGHTS

7.1 General

- 7.1.1 This RFP is an invitation to submit a proposal and does not create a binding offer or agreement.
- 7.1.2 All material submitted in response to the RFP will become the property of LUB.
- 7.1.3 Following selection, a Respondent may be required to participate in negotiations and to submit any price, technical, or other revisions to its Proposal that may result from such negotiations.
- 7.1.4 LUB reserves the right to procure renewable resources through other means instead of, or in addition to, this RFP.

7.2 Right to Reject

- 7.2.1 This RFP does not commit LUB to award a contract, pay any cost associated with the preparation of a proposal, or purchase power from any project. LUB reserves the right to accept or reject any or all responses to this RFP or cancel this RFP in whole or in part at any time.

7.3 Limitations

- 7.3.1 LUB may ask Respondents to clarify the information in their proposals, but the Respondents may not alter their proposals or otherwise submit any additional information after the proposal due date unless requested by LUB to do so.

7.4 Confidentiality

- 7.4.1 LUB recognizes that certain information contained in proposals submitted may be considered confidential and, as permitted by applicable law, will treat as confidential any information clearly labeled as such. LUB reserves the right to share proposal information, on a confidential basis, with any existing or future customers of LUB. If LUB is formally requested and required by any regulatory or judicial authority, or is otherwise required by law, to disclose information with regard to a proposal, LUB will disclose such information in accordance with applicable laws and regulations.

8.0 Exhibits

Price Ratios for Renewable Energy

Months		Time of Day (CPT)	
	July & August	Mon-Fri 2pm-7pm	169%
		Mon-Fri 6am-2pm and 7pm-12am; Sat & Sun 6am-12am	140%
		Everyday 12am-6am	118%
	June & September	Mon-Fri 12pm-8pm	114%
		Mon-Fri 6am-12pm and 8pm-12am; Sat & Sun 6am-12am	86%
		Everyday 12am-6am	74%
	January & February	Mon-Fri 6am-10am and 7pm-10pm	114%
		Mon-Fri 10am-7pm	96%
		Mon-Fri 10pm-12am; Sat & Sun 6am-12am	94%
		Everyday 12am-6am	110%
	December & March	Mon-Fri 6am-10pm	81%
		Mon-Fri 10pm-12am; Sat & Sun 6am-12am	73%
		Everyday 12am-6am	93%
	April, May, October & November	Mon-Fri 6am-10pm	85%
		Mon-Fri 10pm-12am; Sat & Sun 6am-12am	75%
		Everyday 12am-6am	74%



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

NOTICE OF ELECTRONIC MEETING ACCESS & INFORMATION

To ensure government operations continue to function openly and transparently during the COVID-19 emergency while taking measures to protect the health and safety of citizens and government officials, Governor Bill Lee issued Executive Order No. 71 on December 27, 2020 allowing governing bodies to conduct essential business by electronic means. A link to the Electronic Meeting Access & Information is available online at:

WWW.LOUDONUTILITIES.ORG

Join the Zoom Meeting using our computer, tablet, iPad, and/or smartphone:

<https://loudonutilities.zoom.us/j/6429958536?pwd=WVRYQzEyaXc1c0lrUUhjWkVTYWZjdz09>

Meeting ID: 642 995 8536

Password: LoudonTN

One tap mobile

+13017158592,,6429958536# US (Germantown)

+13126266799,,6429958536# US (Chicago)

Dial by our location

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

Meeting ID: 642 995 8536

All participants will be muted upon entry to the Zoom Room.
During the appropriate times, the moderator will unmute any participant who would like to speak.

If you have questions or requests for special accommodations, please contact us at 865-458-2091.