

Snohomish PUD Request for Offers issued November 10, 2016

Follow-up Questions and Answers

November 18, 2016

1. Is there a preference for Day Ahead or Real Time Dispatch?
 - a. The PUD does not have an explicit preference, we would like the flexibility next hour, but are aware that there may be additional costs and operational requirements associated with real-time, next hour dispatch. Will evaluate based on costs.
2. Will a Balancing Authority system sale be considered?
 - a. The PUD would be open to a system sale as long as it is clear what fuel is being used to generate the power.
3. Does the transmission need to be firm?
 - a. Yes
4. Is the PUD interested in a call option?
 - a. The PUD is not considering this a call option since it is asking for a resource specific or at least System specific offer. The PUD is open to different contract structures.
5. Would the PUD be interested in a seasonal exchange?
 - a. The PUD is open to different contract structures, and all structure will be evaluated based on the cost to provide the capacity and how well the offer fits with the PUD's climate change policy.
6. Is there flexibility in the timeline?
 - a. **Bids must be submitted by 5:00pm PPT on Friday, December 9th.** The notification and negotiation dates have some flexibility.
7. Will the PUD call/dispatch all HLH hours?
 - a. Yes, the PUD envisions with a day ahead product that it would be dispatched for the entire HLH period, unless the bidder provides for other options (such as a call back). Additionally, the PUD would dispatch the entire contract unless the bidder give a provision for only calling part of the contract. In that case it may be dispatched based on need.
8. Is there a preference on pricing structure, index with price cap vs heat rate?
 - a. At this point there is not a preference, the PUD is only requesting pricing in order to compare products to understand the cost trade-offs.
9. Does the PUD require a Price Cap?
 - a. The price cap is not required. However, if one is included it is a feature that the PUD will evaluate. The PUD requested the cap to see if any bid could serve the risk mitigation purpose that an option would serve by having a fixed strike price.