

Request for Proposal

Expert Consultation on PJM Transmission Supplemental Projects: FERC oversight process and effectiveness

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Consumer Advocates of the PJM States (CAPS)

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Introduction & Background

PJM Interconnection is the Regional Transmission Operator (RTO) for 13 states and the District of Columbia. The Consumer Advocates of the PJM States (CAPS) is a non-profit organization whose members represent over 65-million consumers in the RTO region. While rules vary greatly across the PJM footprint, the electricity costs paid by consumers is at least partly determined by the tariff and rules under which PJM operates. CAPS mission is to actively engage in the PJM stakeholder process to ensure that the prices we pay for reliable, wholesale electric service are reasonable.

CAPS is seeking expert consulting services on the issues of transmission planning and transmission projects oversight across the PJM footprint. The overall goal is to assist CAPS member offices through education and information sharing regarding the nature of FERC's review of transmission projects and planning within PJM. In particular, CAPS members are seeking to gain more insight into FERC's formula rate process and the oversight that process provides for PJM's "supplemental projects." Supplemental transmission projects make up a growing number of projects within the PJM footprint. CAPS seeks a consultant to:

- Provide an understanding of the FERC Formula Rate proceeding and prudence challenges including the timing of the process, and how supplemental projects are addressed as part of the process;
- Provide a practical perspective of the FERC oversight of supplemental projects;
- Provide a review of each PJM Transmission Owner's Formula Rate Protocols and some information about their filings; and

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The objective of this Request for Proposal is to locate a professional expert source that will provide the best overall value to CAPS. While the proposed price of services is a significant factor, other criteria will form the basis of our award decision, as more fully described in the Evaluation Factors section of this Request for Proposal below. The consultant(s) will provide analysis and recommendations to members of CAPS as requested but will not be representing CAPS as an organization.

Project Purpose

Provide CAPS members with education and information regarding PJM supplemental transmission projects and the process for approval at FERC including analysis, review, training and education and, where appropriate, recommendations, points of advocacy that can be leveraged by our membership to advance their policy goals. Services will not include direct advocacy or representation on behalf of members of CAPS at PJM stakeholder meetings or at FERC.

Project Scope

The consultant(s) will be responsible for the following services and tasks:

- Provide an understanding of the FERC Formula Rate proceeding and prudency challenges including the timing of the process, and how supplemental projects are addressed as part of the process.
- Provide a practical perspective of the process as it pertains to supplemental projects:
 - Who participates?
 - What is the typical process for a proposal?
 - How often do projects go through a hearing process?
 - How effective is the oversight for supplemental projects at FERC (i.e. Is the process a formality and does FERC ever say “no”)
 - How are supplemental projects incorporated into the formal rate challenges at FERC and how can they be addressed.
 - Provide some recent examples of recent cases – including cases where a proposal has been overturned.

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- Provide some of the more important cases in this area of the law.
- Provide a review of each PJM Transmission Owner's Formula Rate Protocols and some information about the filings:
 - Have there been challenges at FERC to the filings (in particular, challenges focused on supplemental projects); and
 - Have any challenges been successful.

CAPS proposes a three (3) to four (4) month term of engagement with an option to renew for an additional three months at CAPS discretion. Work on the project will begin no later than October 1, 2020.

The successful bidder will be responsible for providing information, recommendations, analysis and supporting documentation to help the advocates evaluate the FERC's review of transmission projects in the PJM region. Acceptance of the work is contingent on the following acceptance criteria:

- The degree to which the candidate possesses a detailed understanding of FERC formula rate process and cases;
- An existing body of work that demonstrates high competency in analyzing FERC trends on the subject; and
- A proposal for how best to identify and monitor supplemental projects that are before FERC for review.

Evaluation Factors

CAPS' evaluation will be based upon, in part:

- The experience of the candidates;
- The candidate that best demonstrates the ability to meet the scope of work identified above; and
- The expected level of compensation

CAPS reserves the right to award the bidder that presents the best value to its members. CAPS also reserves the right to conclude the process without selecting any bidder.

Budget

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The budget will depend on the scope of work that is agreed upon and the timeframes necessary to complete the work. The budget is negotiable but should not exceed \$20,000.

Submission Guidelines & Requirements

The following submission guidelines and requirements apply to this Request for Proposal:

- Bidders intent on submitting a proposal should notify the representative identified above as early as practical and proposals are due September 4, 2020.
- A price proposal must indicate an overall fixed price for the project as well as an estimated number of hours for project completion and an hourly rate for work performed.
- Proposals must be signed by a representative that is authorized to commit bidder's company. If you have a standard set of terms and conditions, please submit them with your proposal. All terms and conditions will be subject to negotiation.
- Provide a full list of prior and existing clients represented in the area of utility regulation and identification of conflicts if any.
- Proposals must remain valid for a period of 30 days.

CAPS will evaluate the submittals and, if necessary, request follow-up information and interviews if necessary. CAPS expects to make a final selection by September 18, 2018.

Project Terms

The following terms will apply to any agreement entered into pursuant to this RFP. The Consultant must agree to enter into a contract for services acceptable to CAPS which shall include, at minimum, the following terms:

- The Consultant agrees to work as an independent contractor and not an employee of CAPS.
- The Consultant will maintain adequate liability insurance for all work done for CAPS and will pay all taxes incident to the performance of the consultant work.
- The Consultant will conduct work with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices.

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- The Consultant will observe sound management practices and employ appropriate technology to ensure the secure and safe retention and storage of information created or generated through work for CAPS. All information and other documents created or obtained during the course of the Consulting work shall be the sole and exclusive property of CAPS. Further, upon written request of CAPS all information will be turned over to CAPS and Consultant will certify it has not retained any copies of CAPS documents and information.
- The Consultant will not use any subcontractors to provide consulting services to CAPS without prior written approval of CAPS.
- The Consultant confirms there are no prior or existing clients with conflicts of interest to CAPS or its members and agrees to hold CAPS interest paramount and strictly avoid any conflicts of interest when handling or considering any work in addition to the CAPS consulting work.
- The Consultant agrees no monies from the contract issued for consulting services will be paid to any CAPS Member as wages, compensation or gifts of any kind.
- The Consultant will abide by all state and federal laws, regulations and rules when providing services to CAPS including but not limited to anti-discrimination, employment and harassment laws.
- The Consultant agrees any disputes or issues regarding Consultant services and the related contract and agreements shall be governed by the laws of Maryland and Consultant shall be prohibited from initiating any action against CAPS outside the venue of the state of Maryland.