

**Request for Proposals**  
**Long Term Wholesale Power Supply and Scheduling Services**  
**for**



**Raton Public Service Company**  
**Raton, New Mexico**

**Issued**  
**April 12, 2021**

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**Request For Proposal  
Long Term Wholesale Power Supply and Scheduling Services  
Raton Public Service Company, Raton, New Mexico**

**1. Introduction**

The Raton Public Service Company, located in Raton, New Mexico (Raton), is soliciting proposals from qualified wholesale power suppliers (Respondents) to provide wholesale electric power supply to serve Raton’s load.

Raton issues this Request for Proposal for Long Term Wholesale Power Supply (RFP) from Respondents to provide the Full Requirements of Raton under a fixed-price long-term power purchase agreement. The term of the agreement shall be no less than five (5) years and no more than ten (10) years beginning July 1, 2021. Respondents may submit additional alternatives with longer term lengths. As used in this RFP, “Full Requirements” includes all the wholesale power needs (Capacity, Energy and Ancillary Services) and load following required to serve Raton’s electric system load and meet all NERC/WECC requirements, as applicable. Respondents must include the transmission costs and ancillary services required including reserves, scheduling, energy imbalance, and losses necessary to deliver to one of the acceptable delivery points noted below. Power delivery under this RFP must be made to one or more of the following:

- 1) West Station;
- 2) Comanche;
- 3) Other Acceptable Delivery Points on Tri-State’s Southern Transmission System.

The power supply resources being sought in this RFP are intended to fulfill Raton’s capacity and energy requirements, transmission and ancillary services, energy management services, and any other additional services needed, including any load growth, following the expiration of Raton’s full requirements contract with Twin Eagle Resource Management, LLC (“TERM”) on June 30, 2021.

**2. Background**

**2.1 Current Power Supply Contract**

Raton currently receives its power supply through a full requirements Power Supply Agreement (PSA) with TERM and a Contract for Firm Electric Service between Raton and Western Area Power Administration (WAPA). The PSA requires Raton to purchase from TERM all energy, beyond self-generation or energy delivered under the WAPA Contract, needed to meet the requirements of its electric system. The TERM contract ends at midnight on June 30, 2021.

## **2.2 Customers and Sales**

Raton's electric utility system is operated by the Raton Public Service Company under a franchise granted by the City. The electric utility serves nearly 4,300 customers in and around Raton and averages approximately 48,000,000 kilowatt-hours (KWh) in annual sales provided from wholesale energy purchases of around 58,000,000 KWh. Hourly net to system load data from October 1, 2014 through December 31, 2020 is available in **Exhibit A**. A ten (10) year load forecast can be found in **Exhibit B**.

## **2.3 Generation**

Raton owns one (1) natural gas fired generating station rated 4.347 megawatts (MW). This plant was installed in 2017 and has a heat rate of approximately 8,900 BTU per KWh. The unit has generated 4,962 MWh with 1220 hours of run time. Raton intends that this unit will continue to run and offset its requirements within the following parameters:

Raton will need to run this generation at 100% capacity for a minimum of a 24-hour day per month for reliability.

Raton would also like the option of running the generation for the Peak Hours (HE-0700 through HE-2200) of the summer months (June 1 through September 30). Respondents are asked to provide pricing that allows for this option beginning in June 2022.

Respondents should also be aware that Raton may be called upon by their transmission provider to dispatch their generation for system reliability. In the event of a redispatch request from the transmission provider, Raton will notify the power supplier and any related costs will be reimbursed by the transmission provider.

Raton is also considering small renewable energy projects and may throughout the term install generation capacity for City use or to supplement the energy provided by the successful Respondent. Respondents will be required to allow up to 25% of Raton's energy requirements to be self-provided by City owned generation projects. Raton will entertain participation in larger renewable energy projects in cooperation with the Respondent. Respondent should clearly state any proposed limitations regarding Raton-owned generation, existing or new, in their offer/proposal.

## **2.4 Transmission Facilities**

Raton has one (1) firm 69 kilovolt (insulated at 115Kv) transmission interconnection. The 26-mile, Burro Canyon transmission line is owned by

Raton. The transmission line ties into the Tri-State Generation and Transmission Association Inc. (Tri-State) transmission system at the Burro Canyon Substation outside of Trinidad, Colorado. Currently, deliveries to Raton are metered at the Burro Canyon Substation by metering facilities owned by Tri- State.

Raton has an emergency transmission service agreement with Springer Electric Cooperative. This agreement allows for service from Tri-State’s Springer Substation outside of Springer, New Mexico over 69 KV facilities owned by Springer to the Gardner Substation. This is coupled with an emergency services agreement with Tri-State to provide short term emergency energy to Raton. It is anticipated that any long-term use of this transmission path would require additional load flow studies and further contractual arrangements with Tri-State and Springer.

### **2.5 WAPA Allocation**

Raton has an allocation from the Western Area Power Administration (WAPA) Salt Lake City Area Integrated Projects under Contract No. 17-SLC-0903. Within the WAPA contract, TERM is designated as the Scheduling Agent acting on behalf of Raton. Under the current PSA with TERM, the capacity and energy from this allocation is socialized within TERM’s power supply portfolio. The allocation reverts back to Raton upon termination of the PSA. Historical allocations are included in **Exhibit C**. Raton reserves the right to schedule WAPA WRP which when added to the AHP will make 100% capacity factor of the WAPA CROD (Summer/Winter).

It is anticipated that Raton’s new supplier would be designated as Raton’s scheduling agent and provide scheduling and any other required services for this allocation. Further, Raton anticipates this allocation being used solely to supply a portion of Raton’s capacity and energy needs. Any other arrangements contemplated by Respondents should be adequately addressed in their proposal.

### **3. Schedule**

RFP Issued.....	April 12, 2021
Notice of Intent Due.....	April 26, 2021
Proposals due at Raton’s Office.....	5:00 pm, May 10, 2021
Proposal(s) selected by Raton for detailed evaluation.....	May 21, 2021
Negotiate contract terms and conditions with finalists.....	Begin in May 2021
Obtain appropriate approvals.....	To Be Determined

No pre-bid conference will be held for this RFP.

#### **4. Contact**

All correspondence, questions, notice of intent, submissions or other information relating to this RFP shall be directed to:

David Piacino  
General Manager  
Raton Public Service Company  
P.O. Box 40  
334 North Second Street  
Raton, New Mexico 87740  
Phone: (575) 445 8381  
Fax: (575) 445 8425  
Email: [dpiacino@cityofraton.com](mailto:dpiacino@cityofraton.com)

Emails should use the subject line “Wholesale Power Supply”.

#### **5. Proposal Submission**

One original and two copies of the Respondent’s Proposal must be delivered by no later than 5:00 p.m. MST, May 10, 2021 to the attention of David Piacino at the address listed above.

#### **6. Proposal Content**

##### **6.1 Pricing**

Raton understands that there may be multiple options for meeting its capacity and energy requirements, therefore, Raton will consider multiple offers from a Respondent. Each offer needs to be clearly identified. Specifically, Raton requests that respondents submit a separate offer that includes a minimum of 25% of the energy provided being generated from renewable resources. Raton will consider offers that include Renewable Energy Credits equivalent to cover the 25% portion of the energy supplied as an alternative to energy generated from specific renewable resources. The Respondent should clearly explain the pricing and breakdown of the components of capacity and energy of each offer so that Raton can evaluate the total price of power under the terms and duration of each proposal. Raton reserves the right to request additional information from Respondents during the Proposal evaluation process.

##### **6.2 Supply Sources**

Each offer should identify the proposed generating source(s), i.e. existing fleet, unit specific, proposed facilities, etc.

### **6.3 Delivery Points.**

Each proposal must identify the delivery points and describe how the capacity and energy will be delivered, including, if applicable, the transmission path and transmission service agreements that may be required. If required, Raton anticipates or has executed a separate Network Services Agreement with Tri-State and/or Xcel for deliveries to the Burro Canyon Substation.

### **6.4 Other Data**

The Respondent should provide any additional information it deems appropriate for Raton to fully evaluate the proposal.

### **6.5 Earliest Contract Start Date**

While it is noted in Section 2.1 that Raton is seeking options beginning July 1, 2021, in the event TERM is unable to fulfill its obligations under the current contract, Raton is asking the Respondents to provide the earliest date it feels it could execute a contract to supply Raton's capacity and energy needs. This date will not be considered a firm commitment to begin service but will serve as an indication of a possible service start date in the event an early termination to the current contract with TERM is necessary.

### **6.6 Respondent Contact**

Respondent should provide a single point of contact to be used for all correspondence. Contact information should include name, title, physical and mailing address, direct telephone number, fax number and email address.

## **7. Minimum Term of Proposal**

The term of the agreement shall be no less than five (5) years and no more than ten (10) years beginning July 1, 2021.

## **8. Evaluation Criteria**

The principal criteria to be used by Raton in evaluating proposals include:

- Reliability of proposed power supply;
- Reliability of proposed transmission service;
- Total delivered cost of power;
- Financial viability of the respondent, including its parent or any other guarantor of services under the respondent's proposal (please include copies of the most recent Moody's/Fitch/S&P ratings reports for the performance guarantor);
- Generation type(s) must be specified (i.e. coal, gas, hydro, etc.)

- Minimization of the risks of future fuel cost changes; and
- Term of contract .

Raton reserves the right to consider any other factors deemed relevant to its respective power supply needs.

### **8.1 Total Delivered Cost of Power**

The total cost of power delivered to Raton will be based on the Respondent's proposed pricing and take into account any additional costs required for Raton to utilize the proposed power supply resource(s), including losses, imbalance charges, reserve capacity charges, transmission charges, and any other costs required to deliver the required capacity and energy to the designated interconnection point.

### **8.2 Viability of Respondent**

The Respondent must provide sufficient evidence of financial and operational capability to provide the services outlined in the proposal during the contract term. The financial and operational viability of any third parties relied upon by the Respondent for providing service to Raton must also be demonstrated. The Respondent, its parent, and any other guarantor of services under the Respondent's proposal, must provide audited financial statements from the previous three years in order to demonstrate financial viability. If the Respondent's guarantor has a credit rating, the most recent ratings reports must be provided also. Information submitted to demonstrate operational capability must include identification of the proposed transmission path and identification of proposed interconnection points with any and all transmission providers required to provide delivery of power and energy from the proposed resource(s) to Raton.

## **9. Proposal Duration**

All Proposals must be valid through July 2021, pending evaluation by Raton and the beginning of contract negotiations between Raton and the winning Respondent.

## **10. Proprietary Data**

A Proposal may include data that the Respondent does not want disclosed to the public or used for any purpose other than Proposal evaluation. Proprietary data should be specifically identified as such on every page where proprietary data may be contained. In such case, reasonable care will be exercised so that data identified as confidential will not be disclosed or used without the Respondent's permission, except to the extent provided in any resulting contract or to the extent required by law. This restriction does not limit Raton's right to use or disclose any data contained in the Proposal if it is obtainable from another source without restriction. In any



event, Raton, their employees, counsel, and consultants will not be liable for the accidental disclosure of such data, even if it is marked.

## **11. Acceptance of Proposal**

Raton, prior to the execution of a contract, reserves the right to:

- Conduct negotiations with selected Bidders;
- Change the requirements contained in the proposed specifications;
- Select any proposal;
- Reject any or all proposals;
- Reject any proposal that is incomplete, ambiguous or contains major errors or irregularities;
- Waive any formality, technicality, or irregularity in proposals received;
- Accept other than the lowest bid if Raton determines that it is in its best interest; or
- Obtain additional information or clarification from Bidders concerning proposals.

## **12. Intent to Respond**

Raton requests that recipients of this RFP complete and return the Notice of Intent to Respond form attached as **Exhibit D** by 5:00 p.m. MST on April 26, 2021. The form should be returned by mail, facsimile or email to the contact provided in Section 4. Completed Notice of Intent to Respond forms will be treated confidentially by Raton to the extent permitted by law. Prospective Respondents should make their best efforts to provide accurate information about their planned proposal; however, Respondents will not be bound by the information provided in the completed Notice of Intent to Respond.

### Exhibit B - Raton System Peak Demand and Energy Forecast

<b>Peak Demand Forecast (kW)</b>												
<b>Month</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>January</b>	8,850	8,785	8,720	8,655	8,590	8,525	8,461	8,503	8,545	8,588	8,631	8,674
<b>February</b>	8,217	8,152	8,087	8,022	7,958	7,893	7,828	7,867	7,906	7,946	7,986	8,026
<b>March</b>	7,625	7,560	7,495	7,430	7,365	7,300	7,236	7,272	7,308	7,345	7,381	7,418
<b>April</b>	6,938	6,873	6,809	6,744	6,679	6,614	6,647	6,680	6,714	6,747	6,781	6,815
<b>May</b>	5,983	5,918	5,854	5,789	5,724	5,659	5,687	5,716	5,744	5,773	5,802	5,831
<b>June</b>	7,203	7,138	7,073	7,009	6,944	6,879	6,913	6,948	6,983	7,017	7,053	7,088
<b>July</b>	7,166	7,101	7,036	6,971	6,906	6,841	6,876	6,910	6,945	6,979	7,014	7,049
<b>August</b>	6,653	6,588	6,523	6,458	6,393	6,329	6,360	6,392	6,424	6,456	6,488	6,521
<b>September</b>	6,279	6,214	6,149	6,084	6,020	5,955	5,985	6,014	6,045	6,075	6,105	6,136
<b>October</b>	6,802	6,737	6,672	6,607	6,543	6,478	6,510	6,543	6,575	6,608	6,641	6,675
<b>November</b>	7,806	7,742	7,677	7,612	7,547	7,482	7,520	7,557	7,595	7,633	7,671	7,710
<b>December</b>	9,080	9,015	8,950	8,885	8,820	8,755	8,799	8,843	8,887	8,932	8,976	9,021

<b>Energy Forecast (kWh)</b>												
<b>Month</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>January</b>	4,773,048	4,721,922	4,670,797	4,619,672	4,568,546	4,517,421	4,466,295	4,488,627	4,511,070	4,533,625	4,556,294	4,579,075
<b>February</b>	3,994,376	3,943,251	3,892,126	3,841,000	3,789,875	3,738,749	3,687,624	3,706,062	3,724,592	3,743,215	3,761,932	3,780,741
<b>March</b>	3,951,451	3,900,325	3,849,200	3,798,074	3,746,949	3,695,824	3,644,698	3,662,922	3,681,236	3,699,643	3,718,141	3,736,732
<b>April</b>	3,556,791	3,505,666	3,454,540	3,403,415	3,352,289	3,301,164	3,317,670	3,334,258	3,350,930	3,367,684	3,384,523	3,401,445
<b>May</b>	3,428,159	3,377,034	3,325,908	3,274,783	3,223,658	3,172,532	3,188,395	3,204,337	3,220,359	3,236,460	3,252,643	3,268,906
<b>June</b>	3,549,222	3,498,096	3,446,971	3,395,846	3,344,720	3,293,595	3,310,063	3,326,613	3,343,246	3,359,962	3,376,762	3,393,646
<b>July</b>	3,880,835	3,829,710	3,778,584	3,727,459	3,676,334	3,625,208	3,643,334	3,661,551	3,679,859	3,698,258	3,716,749	3,735,333
<b>August</b>	3,674,178	3,623,053	3,571,928	3,520,802	3,469,677	3,418,552	3,435,644	3,452,822	3,470,087	3,487,437	3,504,874	3,522,399
<b>September</b>	3,389,536	3,338,411	3,287,285	3,236,160	3,185,035	3,133,909	3,149,579	3,165,327	3,181,153	3,197,059	3,213,044	3,229,110
<b>October</b>	3,539,277	3,488,152	3,437,027	3,385,901	3,334,776	3,283,650	3,300,069	3,316,569	3,333,152	3,349,818	3,366,567	3,383,400
<b>November</b>	3,896,985	3,845,860	3,794,734	3,743,609	3,692,484	3,641,358	3,659,565	3,677,863	3,696,252	3,714,734	3,733,307	3,751,974
<b>December</b>	4,759,629	4,708,504	4,657,379	4,606,253	4,555,128	4,504,003	4,526,523	4,549,155	4,571,901	4,594,761	4,617,734	4,640,823

**Exhibit C**  
**WAPA Hydro-Power Allocation**  
**Monthly Capacity and Energy Table**

**Raton Public Service**  
**Contract No. 13-SLC-0676**

	CAPACITY (KW)		ENERGY (KWH)		
	CROD	Minimum	SHP/AHP	WRP	Total
<b>January</b>	1,522	356	568,541	563,827	1,132,368
<b>February</b>	1,522	391	501,113	558,199	1,059,312
<b>March</b>	1,522	323	515,606	616,762	1,132,368
<b>April</b>	1,003	196	332,355	389,805	722,160
<b>May</b>	1,003	208	347,014	399,218	746,232
<b>June</b>	1,003	216	352,301	369,859	722,160
<b>July</b>	1,003	215	371,767	374,465	746,232
<b>August</b>	1,003	219	368,643	377,589	746,232
<b>September</b>	1,003	180	341,547	380,613	722,160
<b>October</b>	1,522	302	453,607	678,761	1,132,368
<b>November</b>	1,522	322	506,477	589,363	1,095,840
<b>December</b>	1,522	403	579,268	553,100	1,132,368

**NOTICE OF INTENT TO RESPOND**  
**Raton Public Service Company**

\_\_\_\_\_ (Company) received Raton Public Service  
Request for Proposals for full requirements wholesale power supply beginning July 1, 2021.

We have reviewed the package and  Do  Do not intend to provide a  
Proposal.

Please describe the type of offer you will be providing:

Term of proposal: \_\_\_\_\_

Proposed Points of Interconnection:

Respondent's  
Representative:

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Business Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-mail: \_\_\_\_\_

Please return by 5:00 pm MST on April 26, 2021 to Raton Public Service Company, P.O. Box 40, 334  
North Second Street, Raton, New Mexico 87740, Attn: David Piacino, Fax: (575) 445 8425 Email:  
dpiancino@cityofraton.com