

November 15, 2023

Request for Quotation – Wholesale Electric Supply & Services
Issued on Behalf of the Borough of Tarentum

Wholesale Electricity Supplier:

PRX Energy LLC (“PRX”) and the Borough of Tarentum (“Tarentum”) are issuing this Request for Quotation (“RFQ”) for wholesale electric supply and services as described below. Quotes are due on **December 6, 2023 by noon (EST)**.

Tarentum intends to award to a Supplier that provides the best overall value in consideration of price, quality of service, and terms of contract. Tarentum requests that all bids include or a broker fee of \$2.00/MWh payable to PRX. If such fee is excluded, it will be added to the quoted price for comparison against other offers.

Tarentum owns and operates a municipal electric system (the “System”) located within its jurisdiction and purchases electricity for resale to its customers under established tariff rates. The Tarentum System is served physically by First Energy – West Pann (the “Utility”), meaning the Utility is the PJM scheduling coordinator for the Tarentum pnode and manages the System’s interconnection points.

The System sells about 33,000 MWhs of electricity to its rate payers and has rate making authority to determine rates to ensure payment of its obligations under an agreement that will be awarded via this RFQ process.

Deal Structure Requested

To ensure rate stability and a reliable source of electric, Tarentum is requesting the following terms:

- The supply terms requested are firm electricity that is load following at a fixed price. Tarentum cannot consider block structures.
- The start date for all quotes is **January 1, 2025** (starting at hour 0:00) and the terms for the requested quotes are as follows:
 - **1-year term** ending December 31, 2025 (hour ending 24:00 midnight)
 - **2-year term** ending December 31, 2026 (hour ending 24:00 midnight)
 - **3-year term** ending December 31, 2027 (hour ending 24:00 midnight)
 - **4-year term** ending December 31, 2028 (hour ending 24:00 midnight)
 - It is preferred, but not required, that Suppliers provide a quote for all terms
- The delivery point requested is the Tarentum pnode (#24668858) as defined by PJM.
- The fixed price requested should be at the delivery point and not a local hub or aggregate; however, optional pricing at local hubs or aggregates can be considered only if there is a price offered at the requested delivery point. Tarentum will not consider offers that are only at a local hub or aggregate.

- Tarentum is not a PJM member and therefore is requesting the following services required to deliver electricity to the pnode:
 - Supplier will be the Load Serving Entity (“LSE”) on behalf of Tarentum on the PJM system and will create a sub-account for the load responsibility and cost obligations.
 - Supplier will schedule all day-ahead electricity to the pnode and coordinate with First Energy – West Penn on all scheduling activity. Supplier will be responsible for all day-ahead forecasting of load to minimize its own operational balancing costs.
 - Supplier will be responsible for the energy charges, including balancing costs, that are allocated to the sub-account and receive the fixed price payment in return.
 - Tarentum will be responsible for all other PJM charges (e.g., ancillaries, capacity, transmission, losses, and ARR - including both charges and credits for such.) A spreadsheet designated as **Attachment A** to this RFQ provides a list of PJM charges Tarentum currently pays at cost to its current Supplier.
 - All charges (PJM pass through costs and the fixed price) shall be billed monthly and each monthly bill shall include a breakdown of all PJM line-item charges that are being passed through.

Tarentum Load Characteristics

- The historical hourly load data for the past 10 years is provided in Attachment A.
- The composition of the System’s customer base can be summarized as follows:
 - All customers except one are residential or small commercial.
 - The one manufacturing customer is less than 10% of the total load.
 - The top 10 loads on the Tarentum system are XX% of the total load.
- Tarentum does not currently have behind-the-meter generation and is not considering any programs that would allow its customers to install generation including solar generation.
- The usage patterns are largely weather driven and highly predictable.

Prior to Offer Submission

Eash Supplier responding to this RFQ shall complete the following prior to submitting an offer:

- Provide a copy of Supplier’s EEI Master Power Purchase and Sale Agreement with any special provisions required.
- Provide a copy of a draft Transaction Confirmation stating the deal structure as requested and including any other terms the Supplier requires.
- Enable the payment of the broker fee to PRX as required by Supplier under separate arrangement between Supplier and PRX.
- Complete a credit review of Tarentum and confirm an amount of unsecured credit approved along with a clear statement of the level of credit that may be required in the event Tarentum’s creditworthiness is downgraded during the term.

Questions?

Please direct any questions to Gregg Shively at PRX via email (gshively@prxenergy.com) or phone (703-584-4184). All questions or requests for additional information should be submitted prior to November 29, 2023.

Award Process

Tarentum will be facilitating an award with the Borough's Council to ensure the Borough Manager can award a transaction and sign associated documents on December 6, 2023. The process, which will be facilitated by PRX, is as follows:

- The Borough Manager and PRX will present this RFQ and the expected results to Tarentum's Council at a meeting scheduled on November 15, 2023.
- Based on the expectations set, Council will provide the Borough Manager with the authority to award and sign documents the day offers are provided.
- The Borough Manager will select an award shortly after the offer deadline and communicate such award to the selected Supplier.
- The Supplier will provide executable documents within 2 hours of receiving the award.
- The Borough Manager and PRX will review the documents and the Borough Manager will sign and return the documents to the Supplier before 3:00 pm EST.
- The Supplier will provide countersigned documents within 24 hours of receiving Tarentum's signature.

Tarentum is a public entity and as such is obligated to be transparent to its constituents regarding this RFQ process and its results. Any confidentiality limitations desired by the Supplier should be communicated prior to the questions deadline on November 29, 2023.

Thank you for your interest in serving the Tarentum Borough and we look forward to evaluating your response.