

NORTH ATTLEBOROUGH ELECTRIC  
DEPARTMENT(NAED)

REQUEST FOR PROPOSALS

ISO-NE MANAGEMENT, SUPPORT, SETTLEMENT AND  
CONSULTING SERVICES

November 30, 2017

The North Attleborough (MA) Electric Department (“NAED” or “Department”) is seeking proposals for professional services for ISO NE Management, Support, Settlement and Consulting Services.

The anticipated period for the contract is thirty six (36) months, commencing on January 1, 2018.

The selected vendor will provide services to NAED with the object of minimizing NAED’s cost relative to the supply of its utility load while maximizing the value of generation resources in the market.

The selected vendor will manage operational and market requirements in the ISO-NE spot markets. Said responsibilities shall include but not be limited to the following:

- Serve as NAED's Agent for the ISO NE market system

- Monthly power supply cost & revenue reports

- ISO NE invoice reporting

- Weekly ISO NE invoice settlement

- Weekly power supply budget projection that looks forward on a rolling 3 to 4 year basis

- Demand bidding, FTR recommendations and bidding, bilateral transaction scheduling, verification

- Reviews financial transmission rights, virtual contracts, and ancillary market for opportunities to manage exposures and reduce market risks

- Work with NAED and its representatives to ensure power supply cost & settlement data are in a format to facilitate continuity into existing reports & analysis

- Monitor ISO NE market rules and provide projections of market rule impacts and strategies to manage the changes

- Assist NAED in the preparation of NAED's annual budget recommendations, and provide NAED with such additional administrative support information and/or reports

Proposals should be received by our offices by **December 12, 2017**.

If you have any questions about this Request for Proposals, please contact Paula Tattrie at 508-643-6325 or by email at [ptattrie@naelectric.com](mailto:ptattrie@naelectric.com).

Sincerely,

James C. Moynihan  
General Manager

# I. Information & Background:

The North Attleborough Electric Department (“Department” or “NAED”) is a municipal light plant established by a Special Act of the Massachusetts General Court in 1894. The Department operates under the provisions of M.G.L. c. 164, §§ 34-69 and certain other statutory provisions under M.G.L. c. 164. As a municipal light plant, NAED is a public service corporation with a franchise obligation to provide low cost, reliable service but is subject only to limited regulatory review.

NAED provides electrical utility services to the residents of the Town of North Attleborough, MA, located in Bristol County, MA with a population of 28,712 (2010 US Census).

The North Attleborough Board of Electric Commissioners provides policy direction for the Department and approves rates and budgets. The Board is comprised of three (3) residents of the Town who are elected to serve three (3) year staggered terms.

The Department is overseen on a daily basis by its General Manager, appointed pursuant to M.G.L. c. 164, § 56.

The Department supplies a combined residential, commercial, and industrial load of approximately **13,326** customers' meters (from 2015 DPU Report, p. 4).

There are over **12,000** residential customers that make up nearly 90% of the NAED customers. NAED System Peak for 2015 was **53.600 Megawatts (MW)** - higher than the 2014 "peak" (which was 50.992 MW, DPU Report, p. 57) “System Load By Circuit – 2015” summarizes circuit load and number of customers for each circuit at the time of the 2015 peak. The historical peak for the past 5 years is as follows:

2011	58.944 MW
2012	58.016 MW
2013	58.048 MW
2014	50.992 MW
2015	53.600 MW

As of December 31, 2015, the Department had **13,305** accounts (per bills rendered, December, 2015), and **13,326** customers (DPU Report, P. 4).

Of the **13,305** accounts per bills rendered there were:

- 12,025** (approximately 90.4%) residential customers (rates 1 & 5).
- **1,119** "Commercial & Industrial" accounts (approximately 8.4%) (rates 6 & 7).
- **133** "Municipal" accounts (approximately 1%) (rates 11, 12, 13, 14 and 23).
- **28** Leased Lighting accounts (approximately .2%) (rate 15).

Note that the Leased Light accounts represent customer accounts with leased lighting only. There are approximately 840 leased lights (DPU Report, P. 71) with the majority being billed on existing electric customer accounts (metered kwhs and leased light charges).

With regards to municipal sales, the DPU Report (see pgs. 37 & 57) provides the following information re: Calendar Year **2015**:

**Total Purchases:** **237,153,977 kWh** (as compared to 237,080,032 kWh in 2014)

**Total Sales:** **229,901,251 kWh** (as compared to 229,852,908 kWh in 2014)

<b>Sales by Customer Class</b>	<b>Kwh Sales</b>	<b>Percentage (rounded)</b>
Residential:	<b>112,060,253 (2015)</b> 109,113,168 (2014)	48.74% 47.47%
Commercial & Industrial:	<b>101,969,925 (2015)</b> 105,116,445 (2014)	44.35% 45.73%
Municipal:	<b>14,846,935 (2015)</b> 14,706,636 (2014)	6.46% 6.39%
Miscellaneous (includes Leased Lighting):	<b>1,024,138 (2015)</b> 1,016,660 (2014)	0.45% 0.44%

## **II. Scope of Work & Deliverables**

Responsibilities include, but are not limited to the following:

Serve as NAED's Agent for the ISO NE market system. The selected vendor will bid NAED's demand into the ISO-NE day-ahead and real-time markets. The selected vendor will utilize a short-term, hourly load forecast to support this activity and will analyze day-ahead and real-time locational marginal price trends with NAED's load zone to determine demand bidding strategies that comply with NAED's risk tolerance.

Effectively and responsibly manage NAED's ISO-NE's "working capital fund" and make appropriate recommendations relative to the amount in the fund.

Prepare monthly power supply cost & revenue reports that summarize all of NAED's power purchases and ISO-NE market settlement. The report will include the cost of capacity and energy paid to each supplier and the value of all market products obtained through ISO-NE market settlement.

Review and assess ISO NE invoice reporting, on a monthly basis which includes, but is not limited to energy capacity, reliability must-run, Open Access Transmission Tariff (OATT), ancillary market, auction revenue rights and ISO-NE administrative charges and credits.

The selected vendor will provide NAED with a weekly ISO NE invoice settlement statement.

The selected vendor will provide NAED with a weekly power supply budget projection that looks forward on a rolling 3 to 4 year basis. Said projection will include a projection of long term unit entitlement and power supply contract costs, short term bilateral contract costs, capacity, transmission, and ISO-NE market costs, as appropriate. NAED's projected "open spot market energy positions" shall be priced at current forward market prices, shaped by NAED's load profile.

The selected vendor will, on behalf of NAED, provide Demand bidding, Financial Transmission Rights (FTR) recommendations and bidding, bilateral transaction scheduling, verification.

The selected vendor will review, on behalf of NAED, financial transmission rights, virtual contracts, and ancillary market for opportunities to manage exposures and reduce market risks. The selected vendor will provide NAED with appropriate recommendations and information related thereto.

The selected vendor will work with NAED and its representatives to ensure power supply cost & settlement data are accurate, and in a format to facilitate continuity into existing reports & analysis.

The selected vendor will monitor ISO NE market rules and provide projections to NAED of market rule impacts and strategies to manage the changes, as may be appropriate. Examples shall include Regional Network Service cost projections and composite capacity offers for unit entitlements in the Forward Capacity Auctions (FCA).

The selected vendor will assist NAED in the preparation of NAED's annual budget recommendations, and provide NAED with such additional administrative support, information and/or reports that NAED requires.

In addition to the above, the selected vendor will provide an appropriate contact(s) for NAED to interact with relative to the above services.

### **III. Qualifications of Proposer**

NAED requires information that demonstrates the technical capabilities and experience of proposers to undertake this work and to provide appropriate illustrative information, references, and information relative to the proposer's organizational structure, qualifications of its professional staff and experience/expertise to perform the responsibilities identified in this RFP.

The proposer shall demonstrate its ability to effectively present both verbally, and in writing, information and recommendations as required by this RFP.

### **IV. Price**

Proposals should include the Total Monthly Fee based upon the following factors:

Settlement Costs:	Monthly Fee
ISO-NE Market:	Monthly Fee
Budget Preparation:	Monthly Fee
Other:	Monthly Fee

Proposals should also identify any additional charges, *e.g.*, "One Time Set Up Fee".

### **V. Consultant Selection Process**

Selection of a consultant will be based on evaluation by NAED of consultant qualifications, work plan, references, and cost proposal. NAED may request any additional information that it deems necessary or expedient to evaluate proposals and select a vendor.

NAED will select the consultant which it deems to be in the best interest of NAED and its ratepayers.