

REQUEST FOR PROPOSAL ADDENDUM PURCHASING OFFICE CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL: <u>GAL0021</u> ADDENDUM NO. <u>1</u> DATE OF ADDENDUM: <u>February 4, 2015</u>

This addendum is to incorporate the following:

1. Discussion of this Request for Proposal (RFP) by the City's Electric Utility Commission (EUC) at their meeting on 1/26/2015 may be viewed online at:

http://austintx.swagit.com/play/01282015-799

- 2. Attachment 1 is Austin Energy's response to the EUC's comments on the solicitation.
- 3. Attachment 2 is the EUC's response to Attachment 1.
- 4. Austin Energy (AE) has evaluated the comments and recommendations regarding the Scope of Work (SOW) contained in the Request for Proposal (RFP) for an independent review of economic and financial assessment of the costs and benefits of adding a nominal 500 MW natural gas combined cycle plant to AE's portfolio and the assessment of the cost and benefits of alternatives to a natural gas combined cycle plant. As a part of that analysis, AE has reviewed the components of the current generation plan for consistency with the SOW and has made adjustments to ensure the deliverables from the RFP are comparable to the scenarios of the generation plan.

As a result, the SOW has been amended to include the elements of energy efficiency, water quality impacts and emissions impacts. Hedging, which is not a cost element of the generation plan and is governed by separate policy, has not been included. Other elements such as the period of analysis, cost elements, assumptions and inputs will remain consistent with the approved generation plan; which is located at the following link:

http://www.austinenergy.com/wps/wcm/connect/461827d4-e46e-4ba8-acf5e8b0716261de/aeResourceGenerationClimateProtectionPlan2025.pdf?MOD=AJPERES

In addition, a related presentation is located at:

http://www.austinenergy.com/wps/wcm/connect/554c421b-e743-4b29-be29-149ff9bd198e/aeResource+PlanCCAEv1020141204.pdf?MOD=AJPERES

Items 1-4 above are incorporated by reference solely to add context to the solicitation.

5. A revised Scope of Work dated 1/29/2015 is hereby added as Attachment 3. Please be advised that the original Scope of Work (Section 0500) is still included in the solicitation documents for reference; however, it is replaced in whole by Attachment 3.

All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated and made a part of the above-referenced Solicitation.

APPROVED BY:

Gage Loots, Supervising Senior Buyer Purchasing Office, 512-322-6251

ACKNOWLEDGED BY:

SUPPLIER

AUTHORIZED SIGNATURE

DATE

RETURN ONE (1) COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, PRIOR TO PROPOSAL CLOSING OR WITH YOUR SEALED PROPOSAL. FAILURE TO DO SO MAY CONSTITUE GROUNDS FOR REJECTION OF YOUR OFFER.