



# Analyzing wind and solar proposals

## Resource Management Commission

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# Overall Process Components

- Maintain contact with renewable developers and marketers on an on-going basis
- Solicit proposals through the RFP process
- Analyze proposals
- Make recommendation to Risk Oversight Committee
- Seek authority to negotiate and execute from City Council and related boards



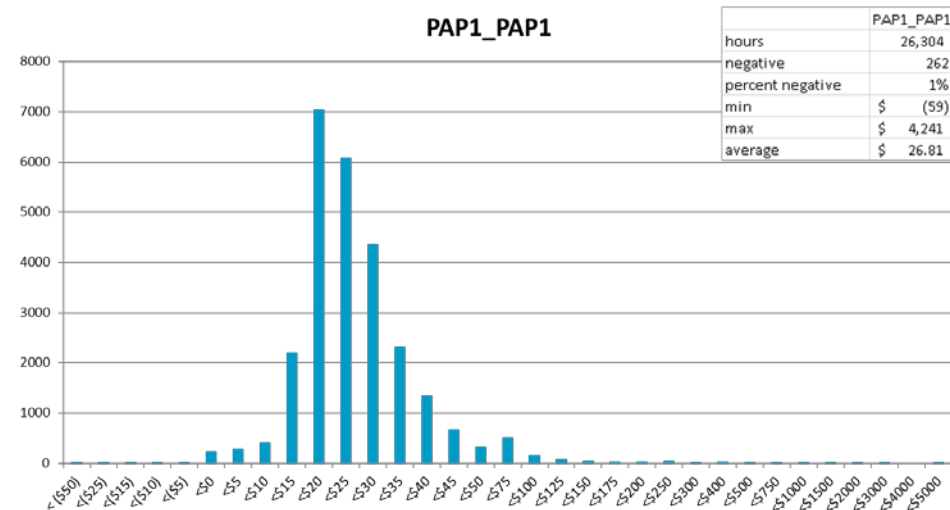
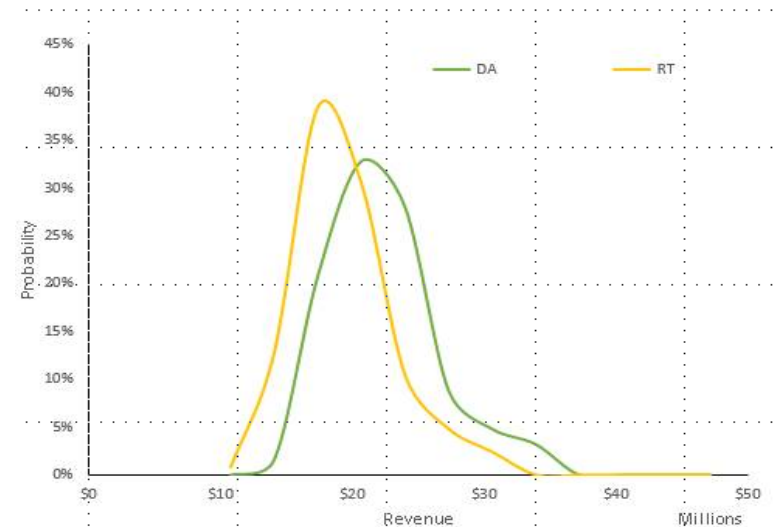
# Which proposal delivers the most value?

- Proposals are sorted and screened
  - Generation type
  - Geographic location
  - Interconnection size
  - Price
- Scoring typically consists of:
  - 70% Economics
  - 10% Project Viability
  - 10% Developer Experience
  - 10% Financial Viability



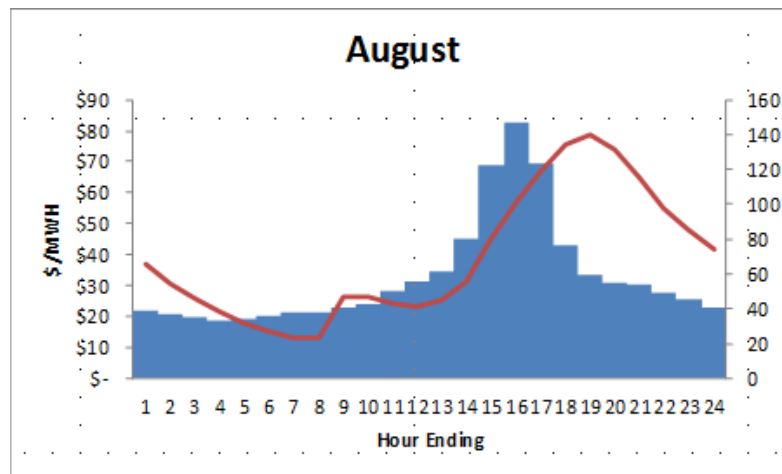
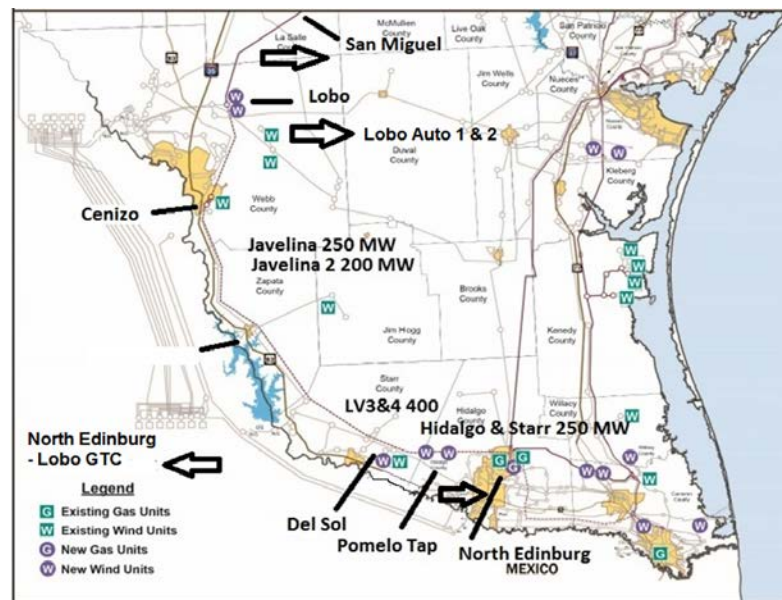
# Which proposal delivers the most value?

- Economic Analysis:
  - Consider contract costs (\$/MWH)
  - Fundamental modeling with scenario analysis
  - Stochastic modeling
  - Historical look at proxy resource node performance



# Which proposal delivers the most value?

- Project viability:
  - Could this project adversely affect existing AE assets?
  - Is it sited in an area with adequate but weak infrastructure?
  - Is it expected to generate in periods of higher load price risk?





# Which proposal delivers the most value?

- Developer Experience
  - Does the developer have experience with technology?
  - In ERCOT?
- Financial Viability
  - How likely is the project to receive financing?
- Why does it matter?
  - Time and resource costs, efficiently use our time
  - We are doing PPAs to take advantage of PTCs and ITCs....timing is important



Questions ?