

New Braunfels Utilities RFP #02170
Questions & Answers

Q. When should a confidentiality agreement be executed?

A. *NBU and EnerVision are not requiring a confidentiality agreement unless a respondent is requesting data related to NBU. If a respondent wishes its response to be covered by a confidentiality agreement it should be executed in advance.*

Q. May a respondent quote prices in the ERCOT South Load Zone or some other point besides the LCRA NOIE Load Zone?

A. *Prices are requested to reflect delivery to the LCRA NOIE Load Zone but a respondent is free to quote prices for delivery in the ERCOT South Zone in addition if desired. NBU is currently in the LCRA Zone.*

Q. Will NBU have any allocated PCRRs when it commences service under any contracts that result from this RFP?

A. *That is yet to be determined. Prices in response to this RFP should not assume any allocation of PCRRs/CRRs. This subject will be addressed further in contract negotiations for those respondents that achieve the short list.*

Q. Does NBU prefer ownership or PPA for wind projects?

A. *This RFP is intended to solicit PPA proposals. Bidders may submit alternative proposals for consideration.*

Q. Could you please clarify what a unit-contingent proposal would be, as well as a non-unit contingent?

A. *A unit-contingent proposal is one in which the availability of energy to be provided is tied to the operation of a specified generating unit. A non-unit contingent proposal is one with a structure that does not meet that definition.*

Q. Could you please clarify where the ERCOT LCRA NOIE Load Zone is located? Is interconnection to an LCRA line preferred?

A. *Please refer to the ERCOT nodal website (<http://nodal.ercot.com>) for definitions and requirements.*

Q. We intend to submit a base load proposal from a coal-fired asset. Do you have a suitable index in mind for coal-based offers?

A. *We do not have in mind a specific index and leave that to you. Any index should, however, be a published index that is based on a liquid market.*

Q. As you know, the impact of any future carbon legislation is unknown at this time. Will NBU accept a “pass through” of future carbon charges?

A. While it is NBU’s preference that potential counterparties accept the risk associated with potential carbon charges, we will accept proposals that “pass through” carbon charges for consideration. Such proposals will be evaluated using carbon pricing scenarios. Any ultimate acceptance of a resource with carbon “pass through” would, of course, be subject to the negotiation of appropriate contract terms and conditions.

Q. Section 5 of NBU’s Confidentiality Agreement, Survival of Obligations, establishes the effective date as four (4) years from the date and year the proposal is completed. For clarification purposes, when is the proposal considered complete?

A. Proposals are considered complete, for the purpose of the application of this section, on the date the RFP Proposals are due (i.e. August 27, 2010).