

Puerto Rico Electric Power Transmission and Distribution System P3 Project

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Puerto Rico Electric Power Transmission and Distribution System  
P3 RFQ Evaluation Worksheet

Respondent: Exelon Corporation

Overall Rating: 96.6%

Narrative: \_\_\_\_\_

**Evaluation Scores**

**Excellent (9-10 pts):** The Respondent has provided information relative to its qualifications which indicates a consistently outstanding level of quality. No weaknesses are identified.

**Good (7-8 pts):** The Respondent has presented information relative to its qualifications which is considered to meet the stated requirements. Minor weaknesses (if any) are identified and no correction is necessary.

**Adequate (5-6 pts):** The Respondent has presented information relative to its qualifications which is considered to meet the stated requirements. Minor weaknesses are identified and need to be corrected.

**Deficient (3-4 pts):** The Respondent has presented information relative to its qualifications which fails to fully meet the stated requirements. Major weaknesses are identified and need to be corrected.

**Poor (0-2 pts):** The Respondent has either presented information relative to its qualifications that contains significant weaknesses or the required information was not presented. Weaknesses are so major that a major revision to the SOQ would be necessary.

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1. Compliance with Requirements of PPP Act and Act 120

Compliance with Requirements of PPP Act and Act 120

Responsible Firm: [PMA]

Pass / Fail for Section: Pass.  
 Pass means that Respondent complied with the requirements listed below.

Requirements	Yes/No	Pass/Fail	Comments
Respondent provides statement it shall be properly registered, or capable of being properly registered, to do business in Puerto Rico at the time of execution of the PPP Contract	Yes	Pass	
Respondent provides statement it shall comply with all applicable Puerto Rico and U.S. laws and/or requirements	Yes	Pass	
Each Respondent and Team Member completes unmarked version of Form of Respondent Certification (Appendix A of the RFQ) or provides a certification equivalent to that in Section 3, Part 1, 1.2 of the RFQ.	Yes	Pass	
Respondent provides executed Document Acknowledgement and Contact Information letter from the Respondent (executed by the contact person ("Respondent Representative") for all future communication between the Authority and the Respondent).	Yes	Pass	

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2. Background & Team Information

Background & Team Information			
Responsible Firm: [Citi]			
Section Score (0-10): <u>9.6</u> % Weight 10%			
Requirements	Yes / No	Pass / Fail	Comments
Respondent shall provide a description of the Respondent and all Team Members that identifies:			
<ul style="list-style-type: none"> <li>Anticipated roles, functions and overview of business operations</li> <li>Jurisdiction, form of entity organization, ownership structure and capitalization</li> <li>Currently and formerly owned or controlled electric utility operating companies</li> <li>Anticipated legal relationships (e.g. joint ventures, partnerships), and percentage of ownership interest</li> <li>Up to 5 individuals who will play an important role on behalf of the Respondent and Team Member(s)</li> <li>Instances in which the Respondent and Team Member(s) have worked together</li> <li>Evidence of carrying out major infrastructure projects</li> <li>Evidence and tenor of operations and management experience in electric T&amp;D</li> <li>Experience administering FEMA and other federal disaster relief funding</li> </ul>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p> <p>Yes</p> <p>N/A</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>9</p> <p>9</p> <p>10</p> <p>N/A</p> <p>10</p> <p>N/A</p> <p>10</p> <p>10</p> <p>8</p> <p>10</p>	<p></p> <p></p> <p></p> <p>Single entity</p> <p>Provided 5 individuals</p> <p>Single entity</p> <p></p> <p></p> <p></p> <p>5 resumes provided</p>
Respondent <u>may also</u> provide resumes on specific Key Individuals.	Yes	10	5 resumes provided

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Background & Team Information			
Responsible Firm: [Citi]			
Section Score (0-10): <u>9.6</u> % Weight 10%			
Requirements	Yes / No	Pass / Fail	Comments
Respondent shall also submit a list of all technical, financial, legal, accounting, or other advisors that the Respondent or a Team Member has engaged.	Yes	10	
Respondent or at least one Team Member must demonstrate that its current or previous electric utility operations and management fulfills the following criteria:	Yes	10	
<ul style="list-style-type: none"> <li>At least 250,000 customers</li> </ul>	Yes		
<ul style="list-style-type: none"> <li>Electric utility T&amp;D rate base of at least \$2bn</li> </ul>	Yes		
<ul style="list-style-type: none"> <li>At least 1,000 employees</li> </ul>	Yes		
15 pages maximum			

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**3. Financial Capabilities**

Financial Capabilities		
Responsible Firm: [Citi]		
Section Score (0-10): <u>10</u> % Weight 30%		
Requirements	Score	Comments
Respondent must demonstrate adequate financial wherewithal to fulfill the terms of the PPP Contract. Respondent or at least one Team Member must provide:		<b>*Scores as per Citi's evaluation</b>
<ul style="list-style-type: none"> <li>• Evidence of demonstrated tract record of earned ROE approximating regulatory authorized ROE</li> </ul>	10	
<ul style="list-style-type: none"> <li>• Evidence of experience with formal regulatory proceedings or similar rate justifications</li> </ul>	10	
<ul style="list-style-type: none"> <li>• Credit ratings (if any)</li> </ul>	10	
<ul style="list-style-type: none"> <li>• Copies of audited financial statements, Form 10-Ks, or similar annual reports for the past 2 years</li> </ul>	10	
Each Respondent must provide specific evidence demonstrating their ability to raise financing		
<ul style="list-style-type: none"> <li>• Capability of raising significant quantities of debt and equity in the current capital markets</li> </ul>	10	
<ul style="list-style-type: none"> <li>• The number and size of past relevant transactions</li> </ul>	10	
<ul style="list-style-type: none"> <li>• Specific experiences on past relevant transactions</li> </ul>	10	
<ul style="list-style-type: none"> <li>• Respondent or at least one Team must provide evidence of at least 5 debt or equity raises, each of at least \$100mm in proceeds</li> </ul>	10	

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<b>Financial Capabilities</b>		
Responsible Firm: [Citi]		
Section Score (0-10): <u>10</u> % Weight 30%		
<b>Requirements</b>	<b>Score</b>	<b>Comments</b>
10 pages maximum		

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4. Technical & Operational Capabilities

Technical & Operational Capabilities		
Responsible Firm: [City]		
Section Score (0-10): <u>9.3</u> % Weight <u>50%</u>		
Requirements	Score	Comments
<p>Respondent must demonstrate its technical and operational capabilities to fulfill the terms of the PPP Contract. At least 1 Team Member must provide:</p> <ul style="list-style-type: none"> <li>For the past 5 years, operational metrics (SAIDI, SAIFI, CAIDI), and OSHA recordable events must be within acceptable industry standards for mainland U.S. electric utilities</li> <li>Track record of sustained customer satisfaction</li> <li>Experience with at least 3 large scale T&amp;D projects, each with total investment of at least \$50mm</li> <li>Certification of no significant or sustained environmental violations</li> </ul>		
	10	Operational metrics and OSHA recordable events provided on pages 20-22.
	10	Provided J.D. Power statistics on customer satisfaction on pages 22-23.
	10	Provides three large-scale T&D projects with total investments of \$200 million, \$200 million and \$189 million on pages 23-25.
	8	Exelon states that it does not have any items that they believe constitutes a significant or sustained environmental regulation violation. However, it discloses an incident where in 2015 the EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court. Pepco paid a civil penalty in the amount

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Technical & Operational Capabilities		
Responsible Firm: [City]		
Section Score (0-10): <u>9.3</u> % Weight 50%		
Requirements	Score	Comments
<ul style="list-style-type: none"> <li>Sustained history of reasonable customer rates</li> </ul>	10	of \$1.6 million (pages 24-25). Customer rates are provided on pages 26-27. Rates for all of Exelon's utilities fall below the US average.
Respondent and Team Member(s) should describe their degree of experience:		
<ul style="list-style-type: none"> <li>Coordinating safe, reliable, and economic dispatch of electric utility systems, particularly those with significant reliance on renewable energy resources</li> </ul>	9	Exelon states that it has 24-hour dedicated resources that monitor and economically dispatch all assets within its generation fleet (page 27).
<ul style="list-style-type: none"> <li>Negotiating and executing power supply agreements, including tolling, take-or-pay or similar types of power supply agreements</li> </ul>	10	Exelon states that through its Constellation subsidiary, it has a relationship with over 100 generation owners comprised of private equity firms, publicly traded merchants, and renewable developers. Some of the product capabilities include unit-contingent power purchase agreements (pages 27-28).
<ul style="list-style-type: none"> <li>Operating electric utility T&amp;D infrastructure on an island or other stranded location in both urban and rural settings and under challenging natural circumstances, such as mountainous regions and dense vegetation growth</li> </ul>	8	Exelon states it operates T&D infrastructure in geographies including islands, rivers, forests, wetlands, abandoned railroads and remote rural territories. However, no examples are provided regarding operating on an island or other stranded location (page 28).



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Technical & Operational Capabilities		
Responsible Firm: [Citi]		
Section Score (0-10): <u>9.3</u> % Weight 50%		
Requirements	Score	Comments
<ul style="list-style-type: none"> <li>Operating electric utility T&amp;D infrastructure in a natural disaster-prone region, and experience with post-event restoration and electrification</li> </ul>	10	Exelon states it has experience operating in natural disaster-prone regions and its operating companies have been affected by Hurricanes Sandy (2012), Irene (2011), Isabel (2003), and Floyd (1999), as well as other storms (pages 28-29).
<ul style="list-style-type: none"> <li>System planning taking into account long-term customer demand projections to be met with electric supply, which may include integrated resource planning</li> </ul>	9	Exelon states it has independent Distribution Planning organizations that ensure that all distribution feeders and substations comply with guidelines. It also uses a transmission planning organization that ensures all transmission lines and substations comply with guidelines and standards (page 29).
<ul style="list-style-type: none"> <li>Managing disaster recovery operations, federal disaster relief funding, and relationships with FEMA and other government entities</li> </ul>	8	Exelon states that its utilities are not typically involved with federal disaster relief funding. However, it contributed in Puerto Rico's response to Hurricane Maria. It also has a relationship with multiple regulatory entities that regulate states such as Delaware, Maryland, New Jersey, Illinois, and Pennsylvania (pages 29-31).

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Technical & Operational Capabilities		
Responsible Firm: [Citi]		
Section Score (0-10): <u>9.3</u> % Weight 50%		
Requirements	Score	Comments
<ul style="list-style-type: none"> <li>Operating electric utility T&amp;D infrastructure that incorporates significant and expanding renewable project interconnection requests, generation capacity, distributed generation, advanced grid technology implementation, energy efficiency initiatives, energy storage, and microgrids (if any)</li> </ul>	10	Exelon 2020 was its industry-leading program to eliminate greenhouse gas emissions and advance a clean energy future. It states that Exelon provides more zero-carbon power than any other generator in the U.S. and has the lowest carbon emission rate amongst all large producers. ComEd is currently deploying the largest urban utility-operated microgrid in the country that provides resiliency to key critical infrastructure for the city of Chicago.
50 pages maximum	13 pages	

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5. Safety Performance

Safety Performance		
Responsible Firm: [Citi]		
Section Score (0-10): <u>10</u> % Weight 10%		
Requirements	Score	Comments
Respondent and Team Member(s) must demonstrate (a) their ability to address and resolve safety issues, and (b) their knowledge of safety strategies and methodologies.	10	Exelon has established an Industrial Safety Program as their framework for defining the industrial safety culture and expectation for continuously improving safety performance.
Respondent and Team Member(s) must submit copies of the Occupational Safety and Health Administration 300 forms for the past 3 years, only as related to electric utility operations. If not applicable, Respondent and Team Member(s) must present a document explaining the reasons for not submitting the form.	10	Appendix E contains OSHA reports for 2015, 2016, and 2017.

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6. SOQ Requirements and Procedures

SOQ Requirements			
Responsible Firm: [Citi]			
Pass / Fail for Section: <u>Pass</u>			
A Pass means that Respondent complied with all of the requirements below.			
Requirements	Yes/No	Pass/Fail	Comments
Respondents shall comply with the SOQ format requirements:			
• SOQ must be prepared in English	Yes	Pass	SOQ was provided in English
• Cover page (to include identification of all management Team Members)	Yes	Pass	Included
• Cover Letter (two pages maximum)	Yes	Pass	Included
• Table of Contents	Yes	Pass	Included
• Executive Summary (two pages maximum)	Yes	Pass	Included
Respondent must submit one originally executed SOQ with signatures in blue ink and marked as "Original", and four copies along with one copy in portable document format (PDF) on a CD or USB flash drive.	Yes	Pass	
A physical copy of the original SOQ must be delivered no later than the Submission Deadline, December 5, 2018 at 5:00pm AST.	Yes	Pass	
Each Respondent must declare, and agree to be under an obligation to declare, that it does not have knowledge of or the ability to avail itself of confidential information of the Government, PREPA or the Authority relevant to the Project, except to the extent it has been expressly authorized by the Government, PREPA, or the Authority	Yes	Pass	On Appendix A, page 2, <b>Exclon</b> further certify that Respondent and Team Members shall not, other than as permitted in the RFQ, attempt to communicate in relation to the RFQ, directly or indirectly, with any

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SOQ Requirements			
Responsible Firm: [Citi]			
Pass / Fail for Section: <u>Pass</u>			
A Pass means that Respondent complied with all of the requirements below.			
Requirements	Yes/No	Pass/Fail	Comments
			representative of the Authority, PREPA, the PPP Committee, AAFAF, the Energy Bureau, the Government, the FOMB or any public agency of Puerto Rico. The certification above, includes a disclaimer note as follow: Notwithstanding the foregoing, as described in Appendix C to our SOQ, Fidel Marquez is on the Transformation Advisory Board.