

## **Independent Monitor Scope of Work Cleco Power 2004 RFP**

### **Introduction**

This paper outlines the responsibilities and activities associated with providing independent monitoring services of Cleco Power's 2004 RFP for power supply. It is based on Louisiana Public Service Commission's (LPSC) Market-Based Mechanism Order, or MBM Order, issued in Docket No. R-26172, Sub Docket A, February 16, 2004.

### **Responsibilities**

The key responsibilities of the Independent Monitor (IM) are to ensure that no undue preference is given to affiliated bids, or to self-build or self-supply projects. To that end, the IM shall:

1. review and track Cleco Power's conduct of its RFP for power supply;
2. ensure that RFP solicitation, evaluation and selection processes are objective and impartial;
3. report to LPSC Staff regularly and facilitate regular communication between Staff and Cleco Power on the ongoing RFP process;
4. report any problems, irregularities or concerns with the RFP process immediately to Cleco Power and to Staff; and
5. submit a final RFP evaluation report to Staff and the Commission, which shall include any recommendations for improving the RFP process.

### **Activities**

These responsibilities entail the following activities:

1. review draft RFP documents and supporting attachments, and provide recommendations to Cleco Power and Staff to ensure that all RFP materials, procedures, and timing support a robust and fair power supply solicitation;

2. during the RFP consultation process established in the MBM Order, recommend, as indicated, changes to the draft RFP, and comment on changes proposed by Staff and participants;
3. supervise Cleco Power's implementation of the inter-affiliate requirements of the MBM Order, as well as Cleco Power's inter-affiliate codes of conduct attached to its 2004 RFP in Appendix A. Verify that Cleco personnel involved in the RFP process execute appropriate confidentiality agreements and understand their obligations to perform in accordance with all code of conduct requirements;
4. review and comment on the adequacy and timeliness of self-build information provided by Cleco Power, subject to confidentiality protections, as part of the RFP process. Ensure, to the extent practicable, that self-build options are evaluated in a manner comparable to third party bids, and that Cleco personnel evaluating self-build options adhere to all relevant requirements of the MBM Order;
5. ensure that Cleco Power develops and implements effective procedures to manage sensitive bid information and maintain bid confidentiality during the RFP process;
6. consult with RFP Evaluation Team members and Staff to ensure that bid evaluations are: a) structured to avoid undue preference to affiliate-bids or to self-build and self-supply projects and the like; and b) conducted in an appropriate manner;
7. communicate regularly with RFP Evaluation Team members, senior Cleco personnel, and Cleco outside counsel to monitor progress of the RFP and identify any problems encountered;
8. as needed, make recommendations to Cleco personnel to improve the RFP process;
9. submit monthly confidential reports to LPSC Staff and Cleco Power during all phases of the RFP process. Include, among other things, all IM recommendations made to Cleco Power and the results of those recommendations;
10. facilitate communication between Cleco Power and LPSC Staff during the course of the RFP process;
11. Technical and Bidders' Conference. Present information and respond to questions/concerns/ suggestions regarding Independent Monitor function and responsibilities;

Elizabeth Benson  
Energy Associates  
7303 Timber Lane  
Falls Church, VA 22046  
703-641-7948 – voice  
703-641-1250 – fax  
Erbens@aol.com – e-mail

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12. review and provide input to all Cleco Power communications with bidders including, but not limited to, the Technical and Bidders' Conference and communication provided through Cleco Power's RFP website;
13. respond to questions, issues and concerns of bidders during the RFP process. As needed, communicate bidder issues/concerns to the appropriate parties, including Cleco Power and LPSC Staff;
14. receive Notices of Intent to Bid;
15. receive, organize and redact indicative and final bids. Receive, open, log in, assign proposal identifier, organize, screen, and redact identifying information. Work with approved Cleco designated representative(s) to accomplish the enumerated tasks, and to otherwise ensure security and confidentiality of all bid information;
16. forward redacted proposal information to RFP Evaluation Team members. Work with approved Cleco designated representative(s);
17. monitor regularly the work of Cleco Power RFP Evaluation Team members to ensure fairness and track progress;
18. monitor negotiations between Cleco Power and selected bidders. If negotiation involves an affiliate of Cleco Power, participate in all elements of the negotiation to ensure that the process is impartial, objective, and at arm's length. Monitor the adequacy and thoroughness of due diligence performed by Cleco Power for any affiliate deal;
19. report any problems, irregularities or concerns with the RFP process immediately to Cleco Power and to LPSC Staff; and
20. submit a final RFP evaluation report to Staff and the Commission, which shall include any recommendations for improving the RFP process. The report shall be a public document, although subject to redaction of confidential information.