**PROJECT PROPOSAL FOR PROFESSIONAL SERVICES**
**Consulting Services to Review Utility Standard Offer Service Electricity Procurement**
**ISSUED BY Public Service Commission Staff of the state of Delaware**

**CONTRACT No. STA15129PSCDPLSOSR**
Docket No. 14-0283

**Submitted to**

**Delaware Public Service Commission**
**861 Silver Lake Blvd.**
**Cannon Building, Suite 100**
**Dover, DE 19904**

**Submitted by**:

**Tibiri Energy Group, LLC**

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**January 15, 2015**

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**TRANSMITAL LETTER**

January 15, 2015

Ms. Pamela Knotts
Public Service Commission
861 Silver Lake Blvd. Cannon Building, Suite 100
Dover, De. 19904

**RE**: REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES
Consulting Services to Review Utility Standard Offer Service Electricity Procurement
ISSUED BY Public Service Commission Staff. CONTRACT NUMBER STA15129PSCDPLSOSR

Dear Ms. Pamela Knotts

Tibiri Energy Group, LLC. ("Tibiri Energy") is pleased to offer its services for Professional Services Consulting Services to review Utility Standard Offer Service Electricity Procurement for the Delaware Public Service Commission (PSC). Our proposal, which is structured in accordance with your Request for Proposal, dated December 9, 2014, fully addresses your requirements.

Tibiri Energy believes that its team is uniquely qualified to serve the best interests of the PSC. Our qualifications are affirmed through successful application of our extensive industry knowledge in similar assignments.

As of the date of this transmittal, Tibiri Energy is not aware of any modifications to the RFP. However, should any modifications be issued subsequent to our transmittal, but prior to the deadline, we would like to preserve the right to amend this proposal.

In addition to the original RFP, Tibiri Energy acknowledges that there were no additional documents and/or RFP amendments from the Delaware PSC except Q and A.

Tibiri Energy appreciates the opportunity to submit this proposal to the PSC for the proposed scope of work. Thank you for your consideration. We look forward to the privilege of working with you on this important assignment.

If you should require additional information or details regarding these assignments, or if there is any matter in our proposal that requires clarification, please contact Ibrahima Kalle, our proposed Project Manager, at 302-530-1893, or via email at ibrahimkalle@tibirienergies.com

For Tibiri Energy Group, LLC

Ibrahima M. Kalle

President and Principal

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## I. FIRM ORGANIZATION AND MANAGEMENT:

- **Firm Offer**

The following proposal is a firm offer and will remain open for six weeks from the date of this proposal. Tibiri Energy Group, LLC (“Tibiri Energy”) proposes to provide expert consulting assistance to the Delaware Public Service Commission ("PSC") regarding the proposed.

- **Assurances**

Tibiri Energy assures the PSC that it will, prior to performing any work to be billed to the PSC in connection with the project, which is the subject matter of the RFP, secure all necessary licenses or permits required by the Division of Revenue and other appropriate agencies and department of the State of Delaware to perform work of the nature contemplated by the RFP.

- **Independent Capacity and Assignability**

Tibiri Energy thereof shall, in the performance of work under the proposal and RFP, act in an independent capacity and not as officers or employees of the State. If chosen as the successful offeror, we shall not assign nor transfer any interest under the contract resulting from the RFP without prior written consent of the PSC.

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- **Prime Contractor**

Tibiri Energy is certified minority enterprise (MBE) in Delaware with offices at:

31 E. Stonewall Drive, Middletown, DE 19709

Telephone: 302-3530-1893

Email: info@tibirienergies.com

The individual to be contacted for this proposal is Ibrahima Kalle, the proposed project manager or Adria Buchanan.

- **Indemnification**

If selected as the successful offeror, Tibiri Energy agrees to indemnify, defend, and save harmless the State of Delaware, its officers, Commissioners, employees and agents from any and all claims and/or losses accruing or resulting to persons, firms, or corporations who may be injured or damaged by Tibiri Energy in the performance of its duties and responsibilities under the proposal accepted by the PSC and also from and against any liability, including costs and expenses, for violation of proprietary rights, copyrights, or rights of privacy or confidentiality arising out of this publication, translation, reproduction, delivery, performance, use or disposition of any data furnished pursuant to this engagement or based on any libelous or otherwise unlawful matter contained in such data.

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Tibiri Energy also agrees that it will also provide or cause to be provided, at no further cost to the PSC, such additional professional consulting services as may be necessary to rectify or otherwise correct the effects of any errors or omissions resulting from the negligent performance or non-performance by Tibiri Energy, its employees, agents or assigns of its reasonable duties and responsibilities in connection with the subject matter in the RFP.

- **Access to Records and Right to Audit**

Tibiri Energy also agrees that the PSC, through its duly authorized agents or employees, shall have the right to audit and examine such books, records, time cards, and other material in possession or control of Tibiri Energy as may be deemed necessary to verify fees, charges, or expenses billed to the PSC in regard to the project which is the subject of the RFP.

- **Confidentiality of Proposals, Work Papers and Materials**

The proposal filed in response to this RFP will be considered a public document and will be available for public inspection upon filing with the State of Delaware.

Tibiri Energy agrees that the PSC shall own and have unlimited right to all interim and final written testimony, exhibits, or reports and that Tibiri Energy shall not assert any rights or establish any claim under existing copyright, patent, or data law as to such material or processes. Further, Tibiri Energy agrees that upon request it will turn over to the PSC within thirty (30) days following the deliberation and decision by the Commission on the subject

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matter of the RFP, original or legible copies of all work papers created by Tibiri Energy in support of the testimony, exhibits or reports during the course of the engagement.

- **Expertise**

Tibiri Energy's principals have been performing utility regulatory consulting services for more than 16 years on national, state and local levels and have extensive experience in the utility regulatory fields. Tibiri Energy's principals have substantial experience addressing issues in utility rate setting and tariff analysis proceedings.

- **Professional Staff**

Our project team is well qualified to provide professional consulting assistance to the PSC in the proposed. We believe we satisfy the key ingredients for the success of this assignment: strong technical skills, extensive utility and financial and economic experience, high familiarity with the utility industry, relevant experience, an understanding of the regulatory environment, and demonstrated project management, program evaluation and research capability.

- **Tibiri Energy's Current Clients:**

    - States of Pennsylvania's COSTARS program

    - State of Maryland Environmental Department

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- **Why Tibiri Energy Group, LLC?**

  - **The advantages of our approach include the following:**

***Extensive utility industry experience***: Collectively, our consultants have extensive and diverse experience with utilities and regulators. In addition to possessing the requisite professional skill, our project team has extensive experience in program evaluation, asset management, and research capability and survey knowledge and presenting testimony before public utility regulatory commissions.

***Clients kept informed of work progress and encouraged to participate***: Our consulting philosophy and practice emphasize a collaborative approach. We strive to establish the closest possible working relationship with our clients' personnel. We encourage our clients to become actively involved in our assignments.

***Proven technical skills***: Consulting is a skill-based professional service. Our project team is made up of career consultants who have strong experience in each functional discipline (e.g. economic, finance, management, research, survey, and engineering). The methodologies we employ have been tested successfully in many areas. We believe our approach provides the greatest probability of producing both useful and measurable benefits.

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- **Demonstrated project management capability**

We consider project management to be an essential responsibility. We have substantial experience with managing a full spectrum of consulting engagements, including many complex, large-scale projects. We are responsible for providing direction to the project team, insuring that there is sufficient depth, detail, and balance to work plans. We use detailed work activity plans and budgets to monitor progress and also as a focal point for communications with the client. We have repeatedly demonstrated the ability to manage consulting teams to produce quality results on time and within budget.

- **Importance of this engagement**

We offer all of the talents and experience of a large consulting firm. At the same time, we are a smaller, growing business where every client is very important. We strive to give each client a high degree of personalized care and attention. We anticipate being able to bring to a project the valuable blend of big firm capabilities and small firm commitment, attention, and responsiveness.

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## II. PROJECT SUMMARY

- **Background**

In the 20th century, vertically integrated regulated electric utility companies provided energy supply, transmission (high voltage) and distribution (low voltage) services in well-defined territories to meet the electricity demands of consumers. Beginning in the late 1990s in coordination with the Federal Energy Regulatory Commission (FERC), a substantial number of states, primarily in the Northeast, Mid-Atlantic and Midwest regions of the country, restructured the electric power industry to allow competition among electric suppliers by deregulating electric generation, allowing open access to transmission and distribution networks, and unbundling retail rates into electric generation, transmission and distribution components. The vertically integrated utility companies were broken down into state regulated local distribution companies (LDCs), unregulated generation service providers, and federally regulated transmission service providers. Transmission and distribution networks remained regulated to ensure the continued reliable delivery of electric energy to retail consumers. Public Utility Commissions (PUCs)/Public Service Commissions (PSCs) continued to regulate rates/tariffs, terms and conditions of LDCs, while the FERC regulated transmission service and state agencies continued to regulating the siting and environmental impact of the construction of generating stations and transmission and distribution facilities. In the restructured states retail choice programs were formed to allow retail consumers to choose from alternative competitive electric service providers and LDCs were directed to continue to provide electric service (often referred to as standard offer service (SOS)) to those customers who did not choose an alternative service providers.

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The Federal Energy Regulatory Commission (FERC) regulates interstate transmission services, wholesale power markets and hydropower plants. In the restructured states, FERC formed various Transmission Regional Organizations (RTOs)/Independent System Operators (ISO) including PJM Interconnection, Midwest ISO, New York ISO, New England ISO, California ISO, and ERCOT to administer wholesale markets. These organizations plan and operate transmission systems, dispatch generation fleets, and provide OASIS (Open Access Same Time Information) Services under a single tariff. RTOs/ISOs also purchase balancing requirements of transmission services to assure reliable operations and handle accounting and settlements within wholesale markets. Table 1 shows the electric power industry policy layout for federal, state and local agencies.

**Table1: Electric Power Industry Policy Layout**

| Electric Power Industry Policy Layout | | | |
|---|---|---|---|
| Policy Areas | Local Government | State Government | Federal Gouvernment |
| Electric Power Industry Stucture | No | Yes | Yes |
| Reliabilty Standards | No | No | Yes |
| Wholesale Rate Design | No | No | Yes |
| Transmission Cost Recovery | No | Yes | Yes |
| Transmission Sitting | Yes | Yes | Yes |
| Resource Adequacy | Yes | Yes | Yes |
| Resource Mix | Yes | Yes | No |
| Retail Rate Design | Yes | Yes | No |

- **What is standard offer service (SOS)?**

In analyzing the generally poor performance to date of competitive retail electricity markets, one can easily point to the key dilemma confronting policymakers. Regulators must reconcile the two potentially conflicting goals of encouraging competition while protecting consumers during the transition to full retail deregulation. To meet these objectives, almost every state that is involved in retail restructuring uses “standard offer service” (SOS) or “default service” or

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“provider of last resort” (POLR) for consumers. LDC’s buy power from the wholesale market where the price is determined by several factors (e.g., generation availability, transmission availability, congestion, fuel prices and/or weather conditions) and turn around to sell power (electricity) at fixed prices to consumers. SOS then translates these whole sale purchases into a fixed-price service set by the regulator. Substantial numbers of residential and small business customers (i.e., “mass market” customers) have to date shown no desire to switch away from their SOS providers to alternative competitive providers, while the switching rates of medium-size and large commercial and industrial (C&I) customers are generally substantial. For all classes of customers the switching rates vary significantly across states. By comparing retail market performance across states that use different pricing and features of SOS, we can identify the SOS programs that are likely to promote retail competition the various customer classes.

Studies have shown the design of an effective strategy for achieving retail competition depends on the ability of regulators and retailers to recognize differences in search costs and switching behavior across different customer classes. The analysis also shows that unregulated retail affiliates of incumbent utilities may possess substantial “brand” value, allowing such firms to attract customers away from SOS or default-service options. These affiliated retail suppliers typically do not face the types of reputation and brand-recognition issues that may confront other new (and typically “unbranded”) retail entrants. Evidences have demonstrated that for “unbranded” suppliers, market shares gradually build up over time consistent with a “word-of-mouth” effect. If new entrants must make investments to build up a reputation and establish brand recognition, then the development of competitive retail markets would likely be a slow process. Several studies have pointed to the establishment of “market-based” SOS rather than

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the use of a regulated price. The SOS market design would let the market determine a "fair" risk-adjusted price for SOS. In doing so, competition would be injected in the SOS procurement process, and competitive retail suppliers would achieve greater market penetration than if SOS service were subsidized.

- **What is the risk with SOS pricing?**

Electricity products typically fall into two broad categories, hedged or un-hedged. These categories can be described as follows:

- A hedged electricity product is a service offered at a fixed or pre-determined price. This product is similar to the electricity service that most retail customers receive today, where customers are shielded from fluctuations in wholesale energy prices that may affect the costs incurred by their retail supplier. Customers, consequently, have no incentive to adjust their consumption in response to changes in wholesale costs that may arise during the period where retail prices are fixed. This hedge market may be good or bad for consumers. With the advancement in smart metering technology (deployment of smart meters), many mid and large-scale customers are taking advantages of low wholesale energy prices but many residential and small businesses are still depending on regulators and could be paying high prices through SOS contracts.

- An un-hedged electricity product is a service based on the wholesale market price of electricity where end users bear some of the price risk. Time-of-use (TOU) rates, TOU rates with a triggering wholesale price, and hourly rates tied to wholesale market prices are all

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examples of un-hedged (to varying degrees) electricity products. Several mid and large customers are using un-hedged electricity products because they have smart meters and understand the dynamics of market conditions.

- **How Delmarva's SOS is currently structured?**

Understanding the current structure of Delmarva's SOS will provide a strong basis for this analysis. According to the Commission, the electricity supply of Delmarva's residential and small business customers is currently acquired through a wholesale reverse auction process. Bidders on the auction are invited to bid on approximately 50-megawatt block size with multiple blocks making up a tranche to provide service over specific periods of time. For residential and small commercial customers, bidders are asked to bid three year contracts on (1)/ (3) of the load such that only (1)/ (3) of the total load contracts are expiring each year. This laddered approach was specifically designed to reduce energy price volatility to customers and has continued for over the past 10 years. In addition, Delmarva is permitted to recover the expenses related to the administration of SOS and a reasonable allowance for retail margin. Delmarva is also authorized to enter into short-long term procurement contracts, make investment in demand side resources, build, own and/or operate generation and transmission facilities and provides integrated resource planning (IRS) to meet supply requirements and take any other Commission-approved action to diversify retail load. According to National Association of Regulatory Utility Commissioners (NARUC), there are several competitive procurement processes in the United States including traditional (incremental supply), restructured markets with no retail choice (incremental supply with request for proposals (RFP)), and restructured markets with retail choice (FRS or hybrid full requirement services). Each of these programs

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presents different procurement requirements. For the traditional procurement method, supply comes from specific power plants that are obtained throughout of RFPs and utilities manage this procurement. For the restructured markets without a retail choice program, supply of power is obtained through RFPs managed by utilities. For a restructured market with a retail choice program, there are two approaches to the procurement. The first one is through the FRS where supply is obtained through auctions or RFPs and the market manages supply of portfolios. The other procurement process is the hybrid FRS framework, which includes long term contracts (with FRS procurement), utility generation options with some degree of portfolio management by the utility, public power authority, and specialized procurements (renewable or renewable energy credits). In this procurement method, supply is provided through a competitive market or utility. In the hybrid procurement framework, utilities have fully or near fully divested their generation portfolios to increase competition in the market. The current hybrid markets are Delaware, Pennsylvania, Connecticut, Ohio, and Illinois. Delmarva's procurement process is a hybrid program that combines long-term contracts with full requirements service (FRS) to meet consumers' demands. We propose market, comparative (institutional), cost-benefit, and implementation analyses to review costs and benefits of traditional, restructured markets without retail choice programs, and restructured markets with retail programs to determine cost-effectiveness retail choice programs for Delmarva's residential and small businesses. We will analyze and compare costs and benefits of Delmarva's procurement process (status quo) with all other procurement processes to determine cost effective programs for Delmarva's residential and small business customers. We will use price-only option and prices with non-pricing factors (e.g., transmission assessment) in our studies to determine costs and benefits of each program. We will be looking for stable and long-term retail contracts that can provide efficiency, effectiveness, equity and ease of implementation.

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- **Project Team Management**

Ibrahim M. Kalle, as project manager and lead consultant, will be closely involved in all phases of the project; the project manager coordinates the work efforts of all professional staff, monitors the progress of the project and ensures that all deadlines are met. Tibiri Energy will address Task 1- Electricity Supply Procurement Assessment, Task 2 - Electricity Supply Procurement Recommendations, Task 3 - Legislation and Change Recommendations, Task 4 - Modeling to Support Recommendations and Task 5 - Policy Briefing. Mr. Kalle will also be responsible for allocating each consultant's time to this project in light of his or her commitments to other projects. Scheduling and control of each phase of the work will be provided under the personal supervision of Mr. Kalle. Communications between Mr. Kalle and the professional staff assigned to the project will be maintained on a daily basis. Mr. Kalle and Karl Pavlovic, who have strong knowledge of rate setting and tariff analyses cases and other regulatory matters, will provide testimony at the hearings if needed. Mr. Kalle will supervise all analysis performed by Tibiri Energy. Williams and Buchanan are regulatory analysts and they will be involved in the project by performing research and analytical works. Buchanan will be preparing schedules and exhibits, editing written reports and verifying data. Fanta is a research associate. She will assist on the project by preparing analyses under the direction of the senior professionals, locating testimony and orders online, performing research, proofing schedules and testimony, and keeping files organized. We will have two research associate interns from the University of Delaware. They may assist on the project by performing research, and survey preparation and collection of survey data and organize data and keep files organized.

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- **Project Objectives:**

1. Provide an updated review of current experiences with potential benefits/cost of long term retail choice programs within traditional, restructured electricity markets with retail programs and restructured electricity markets with retail choice programs in the United States.

2. Offer policymakers actionable insights on key program design considerations and implementations.

- **Tasks**

**Task 1: Electricity Supply Procurement Assessment:**

a) Discovery and review of major active long-term approaches especially among restructured states to secure electricity supply in a more cost effective manner while maintaining appropriate levels of price stability for Delmarva's residential and small commercial customers.

b) Evaluation of the identified programs benefits/costs and potential applicability to Delmarva's residential and small commercial customers.

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c) Identification of the best and worst features of the major electricity supply procurement programs and what issues should be respectfully considered of Delmarva's supply procurement program, if any.

d) Preparation of a Summary Assessment report to provide the Commission with long-term programs to secure the most cost effective electricity supply background information.

**Task 2: Electricity Supply Procurement Option Recommendation:**

a) Discovery and review of major active long-term approaches especially among determination of potential major active long-term approaches to secure electricity supply in a more cost effective manner while maintaining appropriate levels of prices stability for Delmarva's residential and small commercial customers to include recommended features or approaches.

b) Cost-effective electricity supplies procurement for Delmarva to include recommended features or approaches.

c) Evaluation of the expected benefits/costs of any recommended supply procurement program(s).

d) Determination of any critical analysis parameters that could impact the recommended procurement program(s).

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e) Identification of any electricity procurement program recommendations for the Commission's consideration.

**Task 3: Review of Legislation and change recommendations:**

a) Review current legislative requirements and provide recommendations to eliminate or modify unnecessary and costly statutory requirements.

b) Review current legislative requirements and provide recommendations of changes, if any, which would be needed to comply with any electricity program recommendations.

**Task 4: Provide Modeling to Support Recommendations:**

a) Modeling with sensitivities to support analysis and recommendations.

b) Modeling support should include both historical and prospective for determining cost/benefits.

c) Modeling should be transparent as much as possible.

**Task 5: Policy Briefing:**

a) Identify key stakeholders

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b) Schedule policy briefing meetings

c) Prepare briefing materials - audio-visual and handouts

d) Schedule meetings and invite key stakeholders

e) Conduct briefing and manage follow-ups

Our analytical approach to the first two tasks includes reviewing literature, defining the scope of the study (study area, time horizon), identifying all negative and positive effects of policy, estimating monetary costs and benefits of policy, accounting for opportunity costs, calculating net present value (NPV), internal rate of return (IRR) and benefit-cost ratio (BCR), reflecting on value of life, quality of life, equity issues, reporting study assumptions, presenting results using scenarios ("with and without" analysis), comparing retail choice options/programs, analyzing cost-effective options/programs, and selecting cost-effective options/programs for Delmarva's residential and small business customers. We have research and survey capabilities to collect and analyze data to respond the RFP in a timely manner. The legislation review will include research for problems, causes and consequences of problems in the current legislative documents and PSC rules and regulations and recommending policy solutions to improve Delmarva's procurement process. Task 4 is forecasting of prices and/or demands for a long term horizon and we will use industry-leading software such as Ventyx, Least Squares econometric modeling or other modeling tools as recommended by the Commission to project demands and/or prices to support our recommendations.

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- **Task Related Schedule:**

| | 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| Specific Tasks: | FEB | MAR | APR | MAY | JUN | JUL | AUG |
| Preliminary discussions with Delmarva and PSC's staffs | XXX | | | | | | |
| Survey preparation and identifications of SOS programs for the analysis | XXX | XXX | XXX | | | | |
| Detailed discovery and follow-through | | | XXX | XXX | | | |
| Detailed review of legislation and change recommendations | XXX | XXX | XXX | | | | |
| Analysis of Information | | | XXX | XXX | XXX | | |
| Collection and preparation of modeling data and modeling support | XXX | XXX | XXX | XXX | XXX | | |
| Preparation and submit draft | | | | XXX | XXX | | |
| Policy Briefing | | | | | XXX | | |
| Revise and finalize draft | | | | | XXX | XXX | |
| Preparation of testimonies if needed | | | | | XXX | XXX | |
| Provide technical support | XXX | XXX | XXX | XXX | XXX | XXX | |
| Analyze opinion and order | | | | | | XXX | |

- **Approach to Scope of Work**

For this project, we believe the best approach is to use institutional comparative and benefit-cost analyses. The project aims to provide a complete analysis of the potential benefits and costs of long-term electricity procurement approaches to secure a more cost effective electricity supply while maintaining appropriate levels of price stability for Delmarva's residential and small commercial loads in Delaware. To achieve this goal, our team will analyze the benefits and costs of various long-term electricity procurement options including SOS programs in traditional and restructured markets that could offer lower retail electricity costs while maintaining appropriate levels of price stability for residential and small business customers currently taking place around the various U.S. states, especially in restructured states, and a summary outcome of the programs to the extent known, identifying those that may be very similar or dissimilar to Delaware's particular electricity market.

Our goal is to identify options/program (s) that could be considered for Delmarva's residential

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and small commercial customers, given Delaware electricity market specifics and provide an assessment of the benefits/costs that could be anticipated in the Delaware electricity market and more specifically for Delmarva's customers for the respective options/program(s). We will collect and analyze SOS programs in traditional and restructured markets to select feasible options/programs. We will evaluate all options using some combination of market, cost-benefit, institutional, comparative, and/or implementation analyses. These analytical tools will examine design features, costs and benefits to society of taking action, including trade-offs between short-term and long-term costs, and costs and benefits borne by different groups throughout society (especially vulnerable communities). The tools will also examine the institutional arrangements required for the different policy actions, especially with respect to the ease of implementation and the likelihood of political opposition. All work will be performed by an accomplished research team with superior survey skills to collect and analyze data to complete the tasks within budget and on time.

The main question for the research is: What are the stable and cost effective SOS retail services for Delmarva's residential and small customers in Delaware? To answer this question we will first collect and analyze relevant information and isolate relationship between institutional choices. We will finally determine outcomes and organize findings for our recommendations. We will consider solutions that are effective, efficient, economic (equity) and feasible to implement (political, administrative, and technical support). Comparing features of the current policy (status quo) with feasible policy options will result in stable and cost-effective SOS programs. The result can be summarized goals/alternative tables below.

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| Goals/Alternative Matrix | | | | | |
|---|---|---|---|---|---|
| Goals | Current Policy (Status Quo) | Option 1 | Option 2 | Option 3 | Option 4 |
| Effectiveness (at doing what?, How measured?) | Effect on key indicator under the current policy | ? | ? | ? | ? |
| Efficiency | Annual cost, cost effectiveness ($/kWh), Cost-Benefit (CB) ratio, etc | ? | ? | ? | ? |
| Equity | Who benefits?, Who pays? Is it fair? | ? | ? | ? | ? |
| Political Feasibility/Flexibility | Can we keep status quo? | ? | ? | ? | ? |

All questions in the goals/alternative table must be answered to make comparison in the following table.

| Comparison Table for Options | | | |
|---|---|---|---|
| Comparison | Relevant Intuitional Design features | Relevant Observed Practices | Relevant Observe Outcomes |
| Option 1 | | | |
| Option 2 | | | |
| Option 3 | | | |
| Option 4 | | | |

Cost Effectiveness will be performed on the current policy and all selected options to determine the best program for Delmarva's residential and small customers.

| Setting Up Cost Effectiveness | | | | | |
|---|---|---|---|---|---|
| | Current Policy (Status Quo) | Option 1 | Option 2 | Option 3 | Option 4 |
| Program Cost | | | | | |
| Outcome achieved (i.e., benefit- in original units (kWh) | | | | | |
| Cost-effectiveness (Cost/Outcome achieved) | | | | | |

Sometimes an economic solution may not be the final solution for a social problem, for this reason, we will consider relevant social factors in our final policy recommendations for changes or improvements to existing legislative language.

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Current legislative language and PSC rules and regulations will be reviewed to provide recommendations to eliminate or modify unnecessary and costly statutory requirements pertaining to electricity supply procurements. We will identify and analyze the essential features of public policy issues, including the nature, causes, and consequences of public policy problems to assess and compare the likely outcomes of proposed policies and requirements for implementation. Based on our findings, we will design policy solutions to improve the current legislative language. As part of this process we may use market and market failure analysis, analysis of government failure, comparative analysis, cost-benefit analysis, and/or market implementation analysis.

The final part of this process will focus on modeling techniques to support recommendations including both historical and prospective benefits/costs to residential and small commercial customers. The modeling assumptions will include sensitivity analyses of different options along with the risks and outcomes. The modeling will be transparent to help policymakers' decision-making. The important question here is: How do we model variables to forecast prices or demand for 20-25 years? Long-term demand forecasting presents the first step in planning and developing future generation, transmission and distribution facilities. One of the primary tasks of an electric utility is to accurately predict load demand requirements at all times, especially long-term. Based on the outcome of such forecasts, utilities coordinate their resources to meet the forecasted demand using a least-cost plan. In general, resource planning is performed subject to numerous uncertainties. Studies have indicated that a major source of uncertainty in planning for future capacity resource needs and operation of existing generation resources is the forecasted load demand. To achieve long-term forecast, there are several methods, which consists of some traditional methods, neural networks, genetic algorithms, fuzzy rules, support

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vector machines, wavelet networks and expert systems. Application of any of these methods requires a good understanding of power system condition and a long-term view of generation, transmission, distribution capacity planning, and fuels. The accuracy of long-term load forecast has a significant effect on developing future generation and distribution planning. An overestimation of load demand will result in substantial investment for the construction of excess power facilities, while underestimation will result in customer discontentment. Unfortunately, it is difficult to forecast load demand accurately over a planning period of several years. This fact is due to the uncertain nature of the forecasting process. There are a large number of factors that characterize and directly or indirectly affect the underlying forecasting process- all of them uncertain and uncontrollable. However, neither the accurate amount of needed power nor the preparation for such amounts of power is as easy as it looks, because: (1) long-term load forecasting is always inaccurate, (2) peak demand is very much dependent on temperature, (3) some of the necessary data for long- term forecasting including weather condition and economic data are not available, (4) it is very difficult to store electric power with the present technology, (5) it takes several years and requires a great amount of investment to construct new power generation stations and transmission facilities. Therefore, any long-term load demand forecasting, by nature, is inaccurate! There are several prices and demand forecasting tools on the market. We are planning to use the Ventyx Market Power forecasting tool, which provides valuable information on the dynamics of the marketplace through its ability to determine the affects of transmission congestion, fuel costs, generator availability, and load growth on market prices. This tool easily and quickly delivers the hourly forecasts of mid - to long-term electric market prices needed for critical and timely decision-making. Both PJM Interconnection and Ventyx Corporation have good starting base-cases (load flow models) for this study and we will collaborate with them to gather the data we need to

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accomplish this task.

- **Project Deliverables:**

Successful completion of the project will generate the following deliverables:

1. A comparative case analysis report exploring promising benefit/cost/results of the various long-term options that could provide lower retail electricity costs while maintaining appropriate levels of price stability for residential customers currently taking place around the various U.S. states, especially in restructured states, and a summary outcome of the programs to the extent known, identifying those that may be very similar or dissimilar to Delaware's particular electricity market.

2. Options/programs that could be considered for Delmarva's residential and small commercial customers, given Delaware's electricity market specifics and provide an assessment of the benefits/costs that could be anticipated in the Delaware electricity market and more specifically for the Delmarva customer for the respective options/program(s).

3. Problems, causes and consequences of problems of current legislative requirements and recommendations to eliminate or modify unnecessary and costly statutory requirements pertaining to electricity supply procurements.

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4. Results of modeling supporting recommendations including both historical and prospective benefits/costs to the Residential and Small Commercial customers. Modeling, including sensitivities should be provided for different options along with the risks and outcomes. Modeling should be transparent as possible.

5. A review of the state of the PJM energy market for transmission planning and generation interconnections programs. This review may not serve too much if SOS contracts are agreed on a price-only auction or price. But if we are looking for in-depth analysis of the market, we should consider both pricing and non-pricing factors for better decision-making. The knowledge of bidders' competitive positions, power purchase programs and investment programs may provide valuable information for decision-making. The Commission needs a full range of resource alternatives in the wholesale power market to make informed decisions.

6. Specific recommendations to reduce long-term electricity supply costs for Delmarva's residential and small commercial customers.

7. A policy briefing for the Commission, policymakers and stakeholders, including a PowerPoint presentation and 2-page policy brief.

8. A schedule for testimonies if needed.

9. Progress Reports

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Tibiri Energy will periodically report progress to the Project Case Manager on a bi-weekly basis.

We will identify all actual or potential problems in completing the work with an assessment of their probable impact and will recommend solutions to each problem.

We will also be in frequent contact with PSC and its attorneys on a regular basis. This interaction will help ensure an integrated and consistent treatment of issues by the PSC before the Commission

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## III. PERSONNEL

**Ibrahima Kalle**

Ibrahima Kalle is the president and principal, and founder of Tibiri Energy Group, LLC, a certified minority enterprise (MBE) in Delaware, Maryland, and Pennsylvania, and a certified electricity broker in Maryland (License # IR 3279). Mr. Kalle is an electrical engineer and analyst with seventeen years of experience in the power industry. He understands structure and restructuring policies, and is familiar with FERC's wholesale market designs and states' retail choice program designs and implementations, and utility management theories and practices. Mr. Kalle also has experience in:

- Management, leadership, and planning theories, concepts and practices.
- Organizational design, corporate governance, and decision-making theories, concepts and practices.
- Business policies, regulations, compliances, and transparency.
- Public policy analysis including market analysis, cost-benefit analysis, analysis of market failure, analysis government failure, and market implementation analysis.
- Program management and evaluation theories, concept and practices.
- Consumer and producer theory and market equilibrium, analysis of uncertainty and game theories, welfare analysis, and analysis of imperfect information.
- Retail rate/tariff designs and transmission formula rate setting.
- Capital accumulation, economic growth, business cycle, unemployment, inflation, financial markets, fiscal and monetary policies, economic fluctuations and stabilization of the market

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- Econometric theory of discrete and continuous distributions, methods of estimation (least squares, maximum likelihood, GMM), estimations, hypothesis testing, asymptotic theory, general linear model, autocorrelation, identification and estimation of simultaneous equations, and error in measurement.
- Financial economic theories including market efficiency, asset pricing and corporate finance, investment analysis and portfolio management, financial management and accounting, financial engineering and risk management, corporate governance, and financial theory and decision making and financial modeling and valuation (e.g., mergers and acquisitions, private equity transactions and leverage buyouts).
- Quantitative and qualitative research methods for social sciences, and energy and economic programs.
- Energy purchases, energy/electricity planning, socioeconomic effect analysis of energy projects, financial and pricing analyses of energy markets and technologies, and the risk-return trade-off and its implications for capital budgeting, portfolio construction, valuation, and financial options, the process of obtaining and allocation capital.
- Capital structure, cost of capital, tools for allocating capital (discounted cash flow, economic value-added), measurements of financial performance, and integrating financial and business strategy
- Engineering theories, concepts and practices, electric grid transmission and distribution planning, expansion, operation planning and maintenance, smart grid infrastructure, distributed generation and large generation interconnection studies.
- Management and development of transmission plans, capital improvement projects and related engineering planning studies, short and long-term transmission modeling and

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coordination of models (production cost and power flow), asset management and new business developments.

- Power/oil/gas trading, electricity and natural gas purchases, risk management, budget forecasts and purchases and/or sales of multi-million dollars of energy, electricity, natural gas and renewable energy products.
- Contract development and power purchase agreements (PPA).
- Finances and engineering designs and implementations of energy efficiency and renewable (wind, solar, biomass) projects, and demand side management.

Mr. Kalle works for Tibiri Energy Group, LLC to provide energy management and consulting services to design and implement clean energy infrastructures, and for the City of Baltimore to design and implement energy efficient technologies to reduce air emissions, purchase electricity, natural gas, renewable energy, and renewable energy credits (REC), implement demand side management and reviews of retail choice programs. Mr. Kalle worked for Conectiv/Delmarva Power and NRG Energy, Inc. to plan and analyze generation and transmission infrastructures, trade power, forecast demands/wholesale energy prices and retail prices/demands, plan operation and maintenance, schedule loads and dispatch generation in PJM, NYISO and MISO energy markets, and PJM, GPU Energy and the government of Guinea to perform operation, planning and engineering studies and cost-benefit/cost-effectiveness analyses to determine socioeconomic impacts for electric generation, and electric transmission and distribution projects. He provides guidance to energy companies, investors, and banking organizations looking for new markets, merger and acquisition, expansion, and/or diversification of their portfolios in the energy markets.

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Mr. Kalle is pursuing MA/PhD degrees in Urban Affairs and Public Policy at the University of Delaware and has completed masters of sciences in Management and Technology from the Wharton School and the School of Engineering and Applied Sciences at the University of Pennsylvania, a master of science in electrical engineering from Drexel University, Philadelphia, and a bachelor of science in electrical engineering/physics from Gamal Abd El Nasser University of Conakry, Guinea.

**Adria Buchanan**

Adria Buchanan is a regulatory compliance analyst and consultant with 7 years of experience in the public policy arena. She has prepared policy memos for state legislators in New Hampshire and New Orleans, respectively, and currently works with the City of Wilmington, DE to implement initiatives to affirmatively further fair housing compliance. She has experience in:

- Corporate governance, monitoring and work-flow design
- Infrastructure spending
- Policy research, analysis and writing
- Accreditation
- Internal auditing
- Research and survey design (qualitative & quantitative)
- Training and adult learning
- Public speaking and group facilitation
- Conflict resolution and collaborative problem-solving

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Ms. Buchanan consistently works with mid and senior management to explain, train and collaborate on more efficient process improvements. Ms. Buchanan is pursuing her MA Degree in Urban Affairs and Public Policy as the University of Delaware and completed Bachelors in Geography and Public Policy at Dartmouth College. She is also certified to teach English as a second language and has worked with children and adults both domestically and abroad.

**Bruce Williams**

Bruce Williams is an engineer with a Master of Marine Policy from the University of Delaware and a Bachelor of Science, in Mechanical/Ocean Engineering from California State University Long Beach. He is currently a researcher at the Center for Carbon Free Power Integration, University of Delaware and a faculty researcher at the University of Maryland (Atmospheric Physics). Mr. Williams also does consulting projects on a part time basis. Mr. Williams has experience in:

- Regional Economic Studies,
- Cost-Benefit Analysis,
- Incremental Analysis
- Engineering Economics,
- Technical Writing, Formal Writing,
- Negotiating, Public Speaking and Media Liaison,
- Personnel Management and Supervision,
- Technical Management
- Civil Engineering

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- Coastal & Ocean Engineering,
- Physical Oceanography,
- Water Resources Plan Formulation,
- Civil Works Project Management,
- Reconnaissance and Feasibility Study Management,
- Environmental Planning,
- NEPA/EIS compliance studies,
- Scheduling, Budgeting,
- Spreadsheet Modeling and Design,
- Laboratory Mechanical Design and Testing,
- Topographic and Hydrographic Surveying.

**Fanta Kalle**

Fanta Kalle is a research assistant at the University of Delaware and math instructor at the Community College of Delaware. She has 3 years of experience in data mining research. Fanta Kalle earned her Bachelor of Science in Biological Sciences at the University of Delaware in 2014. Since 2010 Fanta Kalle joined Tibiri Energy Group and is currently an associate policy researcher. She conducts energy policy research for renewable, energy efficiency, and RECs to help clients reduce their energy consumptions and save money.

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Dr. Pavlovic has over 30 years experience providing clients with economic and policy analyses of regulated and unregulated commercial operations and expert testimony in support of litigation, negotiation and strategic planning. His analyses and testimony are distinguished by systematic articulation and testing of assumptions, thorough evaluation of data, innovative application of statistical tools and economic principles, and clarity and precision of presentation. Dr. Pavlovic has provided expert testimony on the operations, costs and revenues of gas and electric utilities, the impacts of restructuring wholesale and retail electric markets, the operation and competitiveness of petroleum and electric markets, the market valuation of crude oil, and electric and gas reliability. Major projects directed by Dr. Pavlovic have included: analytical assistance to counsel and testimony on all aspects of the restructuring of wholesale and retail electric markets in the Eastern Interconnection; technical representation of the District of Columbia People's Counsel on the Pepco Productivity Improvement Working Group and various PJM working groups; impact evaluation study of pilot energy efficiency and renewable energy programs in the District of Columbia; analysis of petroleum markets, expert testimony, and coordination of technical testimony in the Trans-Alaska Pipeline quality bank litigation; Independent Technical Review of the economic models used by the US Army Corps of Engineers for the Ohio River System Investment Plan; assistance to a major independent telephone company in the formulation and implementation of corporate strategic plans, applications for long-distance authority, and settlement negotiations with major domestic and foreign carriers.

By education and professional experience Dr. Pavlovic has expertise in formal and mathematical logic, statistics, economics, financial analysis, econometrics, and computer

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modeling. With over 30 years' experience as a consultant and expert witness, Dr. Pavlovic has in-depth knowledge of commercial and industrial operations in the energy, transportation, and telecommunications industries and is familiar with a wide range of experimental and investigative methods in science and engineering.

**Dante Mugrace**

Mr. Mugrace has over 25 years' experience in all aspects of regulatory accounting and policy including processing, analyzing and evaluating utility rate case petitions before Public Service Commissions. Mr. Mugrace examines and evaluates rate filings, contracts, agreements and rate matters regarding utility operations and provides recommendations as to best course of action. Additionally, he analyzes and reviews utility regulatory matters and sets forth recommendations in resolving the issues, calculates total revenue requirement needed to cover operating expenses and rate of return, and researches and evaluates regulatory utility matters to assess impact on various classes of customers, regarding rates, service, compliance and cost of service provisions, as well as annual true-up and tracking mechanisms.

As a former regulator, Mr. Mugrace brings a thorough understanding of regulatory policy and process to his consulting assignments. Mr. Mugrace was the Bureau Chief Utility Rate Manager for the New Jersey Board of Public Utilities. Mr. Mugrace managed and assigned tasks to a staff of 12 professionals and supervisory personal in the daily administrative, financial and managerial functions of the Division. Primary duties were to determine whether the utility has sufficient revenues to cover its operating expenses, earn a return on its plant investment and to ensure that it provides safe, reliable and continuing utility service to its customers. Mr.

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Mugrace focused on and developed ways to minimize the rising costs of utility services by investigating alternative rate structures, analyzing engineering mechanisms and techniques, looking into the feasibility of mergers and acquisitions and reviewing financing and rate alternatives to minimize the impact on ratepayers. Mr. Mugrace was responsible for ensuring that the rate case process was adhered to regarding the statutory timeframe for preparing, reviewing and recommending findings to the Board Commissioners on financial operations, costs, revenues and operating expenses, prior to the litigation proceedings. Mr. Mugrace assumed the role of Director during transition periods and Administrative changes.

**Marlon Griffing, Ph.D.**

Dr. Griffing holds bachelors, masters, and doctoral degrees in economics. Dr. Griffing is well versed in microeconomics, cost/benefit analysis, and econometrics analysis. He has over 15 years' experience as an expert witness and consultant, addressing the cost of capital, capital structure, and rate design of natural-gas and electric utilities in general rate cases, reliability and supply adequacy for natural-gas, electricity and oil-pipeline companies in certificate of need cases, and competitive-environment issues for telecommunications utilities. Dr. Griffing testified on cost-of-capital issues for the Minnesota Department of Commerce (DOC) from 2004-2013. He also managed the DOC's testimony in two oil-pipeline certificate-of-need cases and arbitrated a telecommunications dispute for the Nebraska Public Service Commission. He has appeared over 30 times before the regulatory agencies of four state commissions.

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**Resumes**

Resumes detailing education and experience pertinent to the work to be performed under this project for the Tibiri Energy professionals who will be participating in this project are provided in Appendix I, attached to this proposal. Each professional's resume includes descriptions of the individual's experience, the individual's responsibility in previous assignments during their employment with Tibiri Energy as well as references. Summaries of similar work, along with approximate dates of that work and client references, are included in Appendix II.

**Organizational Chart**

A project organizational chart below shows the staffing and lines of authority for the project team members.

Project Manager
Kalle

Team Leader
Tasks 1, 2, 4 and 5
Kalle

Team Leader
Task 3
Pavlovic

Researcher & Analyst
Buchanan

Market Analyst
Williams

Regulatory Expert
Mugrace

Economist
Griffing

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## IV. REFERENCE:

- Delaware Public Service Commission, Dkt. 13-115, Application of Delmarva Power & Light for an Increase in Electric Base Rates Reference:
  James Geddes
  Ashby & Geddes
  500 Delaware Avenue
  Wilmington, DE 19899
  (302) 654-1888

- North Dakota Public Service Commission, Dkt. PU-12-813, In the Matter of the Application of Northern States Power Company For Authority to Increase Rates for Electric Service in North Dakota
  Reference: Michael R. Diller
  North Dakota Public Service Commission
  600 E Boulevard Ave Dept 408 Bismarck, ND 58505-0480
  (701) 328-4079

- In the Matter of the Application of the Potomac Electric Power Company for the Authority to Increase Existing Retail Rates and Changes for Electric Distribution Service (2011) D.C. Public Service Commission Formal Case No.1087
  Reference: John Adragna
  McCarter & English, LLP
  1015 15th Street, NW
  Washington, DC 20005
  (202) 303-3841

- Dr. John Byrne, PhD. – Director of the Center for Energy and Environmental Policy (CEEP) and Distinguished Professor of Energy & Climate Policy; Ph.D., University of Delaware. Tel.: (302) 831-8405 Fax: (302) 831-3098 E-mail: jbbyrne@udel.edu. Website: http://ceep.udel.edu/

- Willett Kempton, PhD. – Research Director, Center for Carbon Free Power Integration. Professor of Marine Science and Policy, University of Delaware,
  Newark, DE. Phone (302) 598-8494. Email: willet@udel.edu.

- Jeremy Firestone, PhD., J.D. - Director, Center for Carbon Free Power Integration, College of Earth, Ocean and Environment, 204 Robinson Hall, University of Delaware, Newark, DE. Phone (302) 831-0228. Email: jf@udel.edu.

- Noel Chesser - Senior Manager, EnerNOC, Inc., 1414 Key Highway, Suite 200 M, Baltimore, MD 21230 Office: 443.573.1528 | Mobile: 443.695.1378 | fax: 410.864.1981, nchesser@enernoc.com | www.enernoc.com

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- Reference: Jeff Genzer Duncan, Weinberg, Genzer & Pembroke, P.C.
  1615 M Street, N.W., Suite 800
  Washington, D.C. 20036
  (202) 467-6370
  JCG@dwgp.com

- Reference: Michael R. Diller North Dakota Public Service Commission
  600 E Blvd Ave
  Dept. 408
  Bismarck, ND 58505
  (701) 328-4079
  Mdiller@ND.gov

- Reference: Fred Butler, Butler Advisor Services
  (Former New Jersey Utility Commissioner)
  176 Grayson Drive
  Belle Mead, NJ 08502
  (908) 874-6312
  Frederickbutler@comcast.net

- Reference: Vincent Chavez
  Office of the Attorney General
  445 Minnesota Street Suite 1400 Bremer Tower St. Paul, MN 55101
  Phone: 651-757-1343
  Email: Vincent.Chavez@ag.state.mn.us

- Reference: Adam Heinen
  Department of Commerce
  85 7th Place East, Suite 500 Saint Paul, MN 55101
  Phone: 651-539-1825
  Email: Adam.Heinen@state.mn.us

- Reference: Hwikwon Ham
  Minnesota Public Utilities Commission
  121 7th Place East, Suite 350
  Saint Paul, MN 55101-2147
  Phone: 651-201-2253
  Email: Hwikwon.Ham@state.mn.us

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## V. COSTS AND PRICE:

- **Price**

Our estimated price is broken down by task and is presented on the following pages. Details concerning estimated professional fees, hourly rates, out-of-pocket and travel expenses, and the total project cost are shown.

- **Professional Fees**

We estimate professional fees of $40,500 for Task 1, $ 25,475 for Task 2, $ 13,675 for Task 3, $26,500 for Task 4, and $9,840 for Task 5 for a total of $115 .990. Details are presented on the following pages by taking anticipated time for each consultant and multiplying it by the applicable hourly rates.

- **Out-of-Pocket/Travel Costs**

The estimated cost for out-of-pocket and travel costs are $1,000 for Task1, and all other Tasks are $0. We minimize expenses by staying at economical hotels, comparing airline flights and car rentals, and the efficient and economical use of supplies and resources

- **Total Not-to-Exceed Price**

Our total not-to-exceed price is $40,500 for Task 1, $ 25,475 for Task 2, $ 13,675 for Task 3, $26,500 for Task 4, and $9,840 for Task 5 for a total of $115 .990. It may be possible to

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complete the project for less than this, and, if so, we would only bill for professional fees and expenses incurred.

**The PSC shall pay Tibiri Energy Group, LLC as full compensation for all authorized work performed and accepted including all costs, fees, and expenses, an amount not to exceed $ 115,990.00**

As stated in the RFP, in the event that it becomes necessary or desirable during the course of the project for Tibiri Energy to perform additional work not reasonably contemplated within the proposed firm price, it is understood and agreed that NO compensation will be paid for such work commenced or undertaken without the prior approval of the PSC.

- **Costs of Tasks :**

**Task 1: Electricity Supply Procurement Assessment**

| NAME | BILLING RATE | HOURS | EXPENSES | TOTAL |
|---|---|---|---|---|
| Principals: | | | | |
| Ibrahima Kalle | $ 150.00 | 95 | | $ 14,250.00 |
| Karl Pavlovic | $ 150.00 | 25 | | $ 3,750.00 |
| Bruce Williams | $ 100.00 | 85 | | $ 8,500.00 |
| Adria Buchanan | $ 100.00 | 90 | | $ 9,000.00 |
| Fanta Kalle | $ 65.00 | 35 | | $ 2,275.00 |
| Fanta Kalle | | | | |
| CPA and Notary Service | | | $ 900.00 | $ 900.00 |
| | | | | |
| All other Fees or Expenses: | | | | |
| Secretariat Support | $ 25.00 | 25 | | $ 625.00 |
| Travel | | | $ 1,000.00 | $ 1,000.00 |
| Coping, telephone, mailing | | | $ 200.00 | $ 200.00 |
| | | | | |
| TOTAL | | 355 | $ 2,100.00 | $ 40,500.00 |

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## Task 2: Electricity Supply Procurement Recommendations

| NAME | BILLING RATE | HOURS | EXPENSES | TOTAL |
|---|---|---|---|---|
| Principals: | | | | |
| Ibrahima Kalle | $ 150.00 | 60 | | $ 9,000.00 |
| Karl Pavlovic | $ 150.00 | 20 | | $ 3,000.00 |
| Bruce William | $ 100.00 | 45 | | $ 4,500.00 |
| Adria Buchanan | $ 100.00 | 55 | | $ 5,500.00 |
| Fanta Kalle | $ 65.00 | 30 | | $ 1,950.00 |
| CPA and Notary Service | | | $ 900.00 | $ 900.00 |
| | | | | |
| All other Fees or Expenses: | | | | |
| Secretariat Support | $ 25.00 | 25 | | $ 625.00 |
| Travel | | | | |
| Coping, telephone, mailing | | | $ - | |
| | | | | |
| TOTAL | | 235 | $ - | $ 25,475.00 |

## Task 3: Legislation and Change Recommendations

| NAME | BILLING RATE | HOURS | EXPENSES | TOTAL |
|---|---|---|---|---|
| Principals: | | | | |
| Karl Pavlovic | $ 150.00 | 65 | | $ 9,750.00 |
| For your team member | $ - | 30 | | $ - |
| for your team member | $ - | 65 | | $ - |
| Ibrahima Kalle | $ 150.00 | 16 | | $ 2,400.00 |
| CPA and Notary Service | | | $ 900.00 | $ 900.00 |
| | | | | |
| All other Fees or Expenses: | | | | |
| Secretariat Support | $ 25.00 | 25 | | $ 625.00 |
| Travel | | | | |
| Coping, telephone, mailing | | | ?? | ?? |
| | | | | |
| TOTAL | | 201 | $ 900.00 | $ 13,675.00 |

## Task 4: Modeling to Support Recommendations

| NAME | BILLING RATE | HOURS | EXPENSES | TOTAL |
|---|---|---|---|---|
| Principals: | | | | |
| Ibrahima Kalle | $ 150.00 | 10 | | $ 1,500.00 |
| Ventex Reference Case | $ 25,000.00 | | | $ 25,000.00 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| All other Fees or Expenses: | | | | |
| Secretariat Support | | | | |
| Travel | | | | |
| Coping, telephone, mailing | | | | |
| | | | | |
| TOTAL | | 10 | | $ 26,500.00 |

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## Task 5: Policy Briefing and Testimonies

| NAME | BILLING RATE | HOURS | EXPENSES | TOTAL |
|---|---|---|---|---|
| Principals: | | | | |
| Ibrahima Kalle | $ 150.00 | 20 | | $ 3,000.00 |
| Karl Pavlovic | $ 150.00 | 20 | | $ 3,000.00 |
| Bruce William | $ 85.00 | 8 | | $ 680.00 |
| Adria Buchanan | $ 85.00 | 16 | | $ 1,360.00 |
| CPA and Notary Service | | | $ 900.00 | $ 900.00 |
| | | | | |
| All other Fees or Expenses: | | | | |
| Secretariat Support | $ 25.00 | 36 | | $ 900.00 |
| Travel | | | | |
| Coping, telephone, mailing | | | $ 200.00 | |
| | | | | |
| TOTAL | | 100 | $ 1,100.00 | $ 9,840.00 |

## Total Estimated Costs for Conducting All Tasks:

| | |
|---|---|
| Task 1: Electricity Supply Procurement Assessment | $ 40,500.00 |
| Task 2: Electricity Supply Procurement Recommendations | $ 25,475.00 |
| Task 3: Review of Legislation and Chance Recommendations | $ 13,675.00 |
| Task 4: Provide Modeling to Support Recommendations | $ 26,500.00 |
| Task 5: Policy Briefing and Testimonies | $ 9,840.00 |
| Total Not to Exceed Cost | $ 115,990.00 |

**Note: If more sensitivity analysis is need, our rice of modeling may change based on hourly rate provided by Ventyx.**

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## VI. AUTHORIZED NEGOTIATOR

Ibrahima Kalle is authorized to negotiate on behalf of the firm for our proposal to perform the work on this project.

**Ibrahima M. Kalle**
President and Principal of Tibiri Energy Group, LLC
31 E. Stonewall Drive, Middletown, DE 19709
Telephone: 302-3530-1893
Email: info@tibirienergies.com
Site: http://www.tibirienergies.com

Respectfully Submitted,

| | |
|---|---|
| | January 10, 2015 |
| Ibrahima M. Kalle | Date |

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## VII. CONFLICTION OF INTEREST

Tibiri Energy has reviewed its prior and existing employments, and that of its personnel and its subcontractors, to insure that there are no interests that could reasonably be deemed to conflict with the work that is the subject matter of the RFP.

Tibiri Energy has no financial or business interest directly or indirectly with PSC regulated companies or with Delmarva or any of its related companies, which would or could be reasonably thought to affect the exercise of the independent professional judgment throughout the proceedings contemplated by the RFP.

Even though we are not state employees, Tibiri Energy is familiar with the terms of 29 *Del. C*. Ch. 58 - Laws Regulating the Conduct of Officers and Employees of the State.

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## VIII. OUR IMPRESSION ON THE FORM

We have a good impression of the Offeror based on the proposal form because the form provides a clear vision and the relevant goals and scope of work. Questions are well framed in the proposal and answers to these questions will offer policymakers actionable insights on key SOS program design considerations and implementation methods. We appreciate the inclusion of attachments 2, 3, 4, 5 and 9 in the proposal. For the first time, we see attachments 2 and 9 in the proposal, which encourages small minority business enterprises (MBE) to participate in the studies of public projects. We believe recognizing MBE provides for greater due diligence, provides justice and equality of opportunity for local MBE firms and enhances local economic development through entrepreneurship.

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**Appendix I:**

a)- Tibiri Energy's business License
b) Attachment: 2, 3, 4, 5, 8 and 9

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