SLEMCO/DEMCO Request for Capacity Supply Arrangements

Technical and Bidders' Conference

November 6th, 2026, 1PM CST

RFP Administrators & Counsel

SLEMCO

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Agenda

- Overview of SLEMCO and DEMCO
- Capacity Requirements & Product Options
- Proposed Schedule
- Communications & Websites
- Question/Comment & Bidder Registration Processes
- Proposal Submission Process & Requirements
- Evaluation
- Questions

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Overview of SLEMCO and DEMCO

- **Southwest Louisiana Electric Membership Corporation** ("SLEMCO") and **Dixie Electric Membership Corporation** ("DEMCO"), referred to herein as Buyers, are Louisiana electric distribution cooperatives
  - Located in MISO Zone 9; service territories shown in **Fig. 1**
  - Seeking capacity supply and associated services beginning as early as possible
- They are subject to regulation by the Louisiana Public Service Commission and its rules regarding:
  - Market Based Mechanisms for power supply contracting ("the MBM process")
  - The Minimum Capacity Obligation ("MCO") rule
  - The MaxGen General Order
- **All bidders should familiarize themselves with these rules**

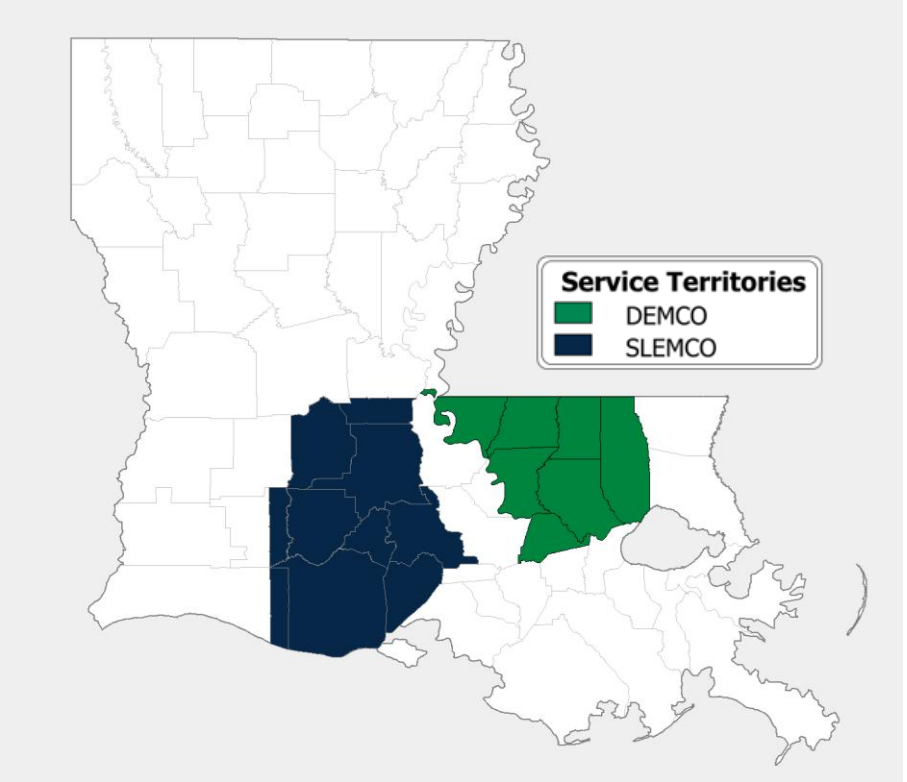


Figure 1. Current Parishes Served by SLEMCO and DEMCO.

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Capacity Requirements

- Buyers are seeking MCO compliant capacity deliveries as early as possible
  - **Target:** Winter season of 2028/2029PY
  - No *required* delivery start date
    - Proposals with delivery beginning before, during, or after the 2028/2029 PY will be considered
    - Earlier delivery will be valued in each Buyer's evaluation
- Capacity blocks must be at least 100 MW for contract terms between 10 and 25 years
  - Capacity is split for 300 MW for each Buyer
  - Blocks may be split between the Buyers of no less than 25MW
  - Bidders encouraged to offer pricing for multiple term lengths
- The proposal must state the earliest possible delivery date
  - Bidders may offer alternative start dates with corresponding prices
- Each Buyer may integrate capacity contracted through this RFP into its existing wholesale supply arrangements, with transferred Zonal Resource Credits ("ZRCs")
- Buyers will consider two product types, discussed further on the following slide:
  - Resource-specific "as-accredited" capacity
  - Resource-backed "firm" capacity

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Capacity Product Options

(A) Resource-specific ("as-accredited") capacity:

- The ZRCs delivered each MISO season equal the contracted share of the resource's accredited capacity as determined by MISO for that season
- The Buyer bears the risk of any decline in accreditation unless the proposal provides otherwise

(B) Resource-backed ("firm") capacity:

- Seller guarantees delivery of a fixed quantity of MCO-compliant ZRCs each MISO season
- Seller bears the risk of accreditation changes, outages, and deratings, including an obligation to replace any shortfall with MCO-compliant ZRCs or pay the Buyers' replacement cost

- Bidders may offer either or both product types and must state which product type each price applies to
- Each Buyer will evaluate both product types based on their respective costs and risks, including accreditation and replacement capacity risk
- Each Definitive Agreement will allocate accreditation risk, including responsibility for replacing lost ZRCs and bearing the replacement cost

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Proposed Schedule*

ACTIVITY	DATE
Notice to LPSC of RFP (Docket No. X-38068)	*August 19, 2026*
Draft RFP filed	*October 19, 2026*
Technical and Bidders' Conference	November 6, 2026, at 1PM CST
Deadline for objections on RFP	November 24, 2026
Final RFP Issued	December 18, 2026
Question Submittal Deadline	January 4, 2027
Question Responses Final Posting	January 8, 2027
Proposal Submittal Deadline	January 20, 2027

*The Buyers reserve the right to modify the RFP Schedule at their discretion.

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Communication & RFP Websites

Communications during RFP

- All contact initiated by bidders during the RFP Process should be through the websites created to support communication and dissemination of information or via email to SLEMCO.DEMCOCapacityRFP@daymarkea.com.
- Designated Contacts for this RFP include:
  - Stan Faryniarz & Aliea Afnan Munger, Daymark Energy Advisors (c/o SLEMCO.DEMCOCapacityRFP@daymarkea.com)
  - Ronnie Donaldson, Vantage Point Solutions (c/o ronnie.donaldson@vantagepnt.com)

RFP Websites

DEMCO

https://demco.org/demco-slemco-capacity-rfp-2026

SLEMCO

https://slemco.com/slemco-demco-capacity-rfp-2026/#

Note:

- Potential bidders may use **either** website to submit questions/comments, register, access answers to questions received on an ongoing basis, and to submit their proposal
  - **There is no need to register on both websites**

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Question/Comment and Registration Processes

Question and Comment Process

- Potential bidders may submit questions to the RFP websites at any point up to **January 4th, 2027**
- Answers to questions, including those asked before and during this Technical and Bidders' Conference, will be posted on the websites on an ongoing basis
- Those asking the questions will be anonymous
- All questions submitted by the deadline will be answered **no later than January 8th, 2027**

Bidder Registration

- Bidders are invited to register on the RFP websites to receive notices of updates to information on the RFP websites

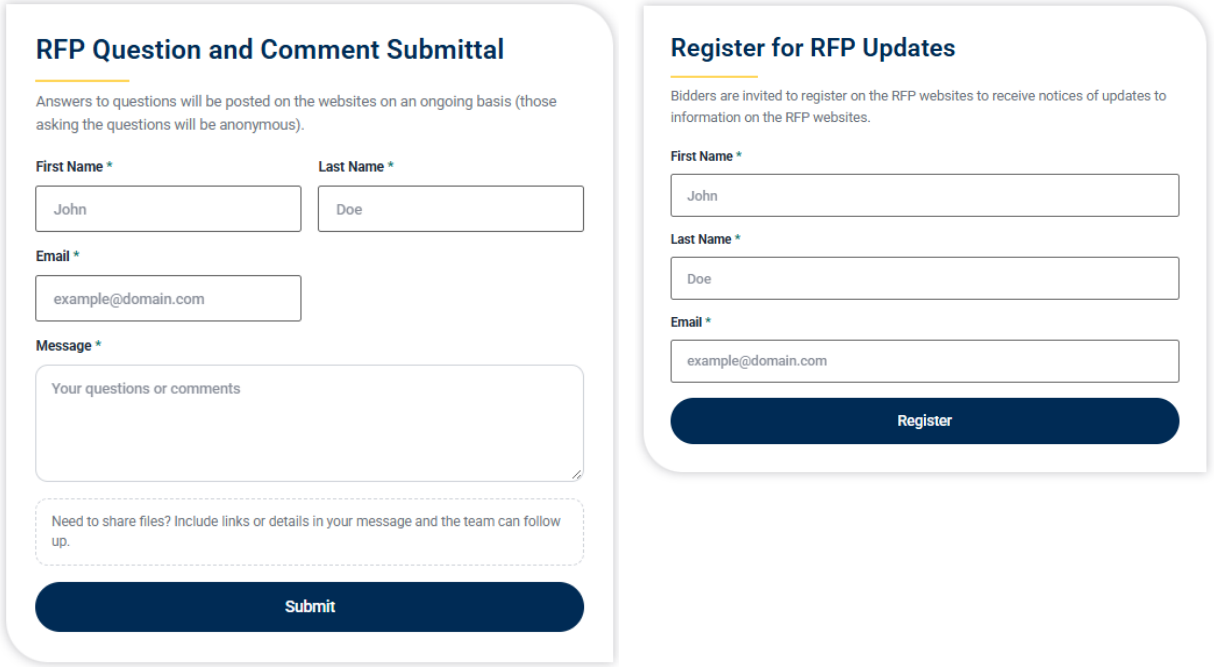


Figure 2. *Question & Comment* and *Bidder Registration* collection preview on the RFP websites

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Proposal Submission Process

- Proposals must be prepared and submitted in accordance with the requirements and direction of the RFP
- Bidders shall include with their proposals a proposed form of Definitive Agreement, including any material terms and conditions applicable to the proposed capacity arrangement, which shall be subject to further negotiation and approval by the applicable Buyer
- Proposals must be submitted electronically via the electronic form ("Jotform") accessible on the Buyers' respective RFP webpages and must arrive no later than 5 PM CST on January 20, 2027
- The electronic form will become available upon release of the final RFP, tentatively set in the schedule as December 18, 2026
- The questions asked on the electronic form will correspond directly to the numbering and requested information Appendixes D & E of the draft RFP, with the general order being:
  - Bidder point of contact information and an executed Confidentiality Agreement
  - Bidder Information (See Appendix D of the RFP)
  - Term & Pricing (See Appendix E of the RFP)
    - All Contracts
    - Capacity Product and Services Offers (as applicable)

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Proposal Mandatory Requirements

- Conditions and exclusions for proposals submitted to both Buyers must be clearly stated, and each Buyer will consider such conditions in its own evaluation.
- A proposal offered to both Buyers must state:
  i. Standalone price and terms for each Buyer
  ii. Any joint-award pricing or discount and the conditions that apply
- Multiple proposals by a single Respondent are permitted but are required to be submitted separately
- Respondents submitting multiple proposals must identify if any are mutually exclusive from other Proposal(s) submitted by that Respondent
- All proposals must remain firm and irrevocable for 180 days following the Proposal Submittal Deadline and, for any proposal selected for negotiation by a Buyer, through execution of a Definitive Agreement, if any, with that Buyer, unless earlier released by that Buyer in writing
- Bidders may be asked to extend their proposals if the RFP Schedule changes

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Proposal Evaluation

- Proposals will be evaluated based on their ability to contribute to an overall low-cost, low-risk capacity portfolio for the applicable Buyer and its members
- The evaluation will look both at the details of the bidder and at indicators of bidder capacity
- Proposal evaluation will take place in three phases
  - Phase 1 will be conducted jointly by the RFP Administrators
  - Phases 2 and 3 will be conducted independently by each Buyer, using their respective evaluation methodology, scoring criteria, and weighting, established by that Buyer before proposals are received on both qualitative and quantitative measures
- Each Buyer may shortlist, negotiate with, and select proposals regardless of the decisions of the other Buyer

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Proposal Evaluation: Phases 1 & 2

Phase 1: Screening for Mandatory Requirements

- Administrators will screen proposals for compliance with mandatory requirements and inform bidders within 3 business days of any deficiencies
- Bidders must correct deficiencies within 3 business days from receipt of notice of missing elements

Phase 2: Initial Qualitative and Quantitative Proposal Evaluation

- Bids will be reviewed for cost and impact on member rates, reliability, risk, flexibility, adaptability to change over time, and the availability to meet the capacity requirements outlined in the RFP
- Comparative cost evaluation will be conducted using the functionality of an industry standard model tailored to MISO Zone 9
- Bid evaluation may also consider the potential financial exposure associated with each proposal, including accreditation and replacement-capacity risk, contingent liabilities and the impact of such risks on the applicable Buyer's members over the proposed contract term
- Potential bidders should see Section VI.B. of the RFP for specific elements to be evaluated

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Proposal Evaluation: Phase 3

Phase 3: Portfolio Comparison, Negotiation, and Proposal Selection

- Potential portfolios, which may include one or more bids, will be evaluated by each Buyer to find the most cost-effective, reliable, and flexible capacity solution for that Buyer
- Each Buyer's evaluation will be based on its own risk-adjusted economics, not only combined portfolio economics; selection may not necessarily be result of the lowest price bid
  - For example, a lower quoted price may not be lower cost if accreditation, transmission, replacement-capacity, escalation, or other risks are shifted to the Buyer
- Each Buyer, directly or through its RFP Administrator, may contact and meet individually with bidders to discuss proposal details and potential modifications of proposals to allow that Buyer to construct a complete capacity portfolio
- Each Buyer will separately negotiate Definitive Agreements with the bidders it selects, if any selection is made
- Information exchanged between a bidder and a Buyer in those negotiations will not be shared with the other Buyer without the consent of the bidder and that Buyer

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Notification of Selection Status & Regulatory Approvals

Notification of Selection Status

- At the conclusion of Phase 3, each Buyer will notify bidders of their selection status with respect to that Buyer
- Consistent with Paragraph 13 of the MBM Order, any bidder whose proposal is not selected may request, and the applicable Buyer will in a timely fashion provide, a written explanation of the reason the proposal was not selected

Regulatory Approvals

- No Buyer's Definitive Agreement will become effective without LPSC approval
- Each Buyer will seek LPSC approval of its own Definitive Agreement(s), if any, after execution, independently of the other Buyer
- Prior to LPSC approval, no communication from Buyers should be relied upon as assurance of a future contract award

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Questions



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Thank you

Designated Contacts for this RFP include:

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DAYMARK ENERGY ADVISORS & VANTAGE POINT SOLUTIONS

Daymark Energy Advisors, an independent consulting firm based in Worcester, Massachusetts, and Vantage Point Solutions, an independent consulting firm based in Mitchell, South Dakota, are serving as Administrators for this RFP.

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