



RENEWABLE ELECTRICITY  
PROGRAM COMPETITION  
REP ROUND 1

Fairness Advisor

Final Report

December 8, 2017



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## 1.0 Introduction

P1 Consulting Inc. (P1 Consulting or Fairness Advisor) was engaged by the Alberta Electric System Operator (AESO) in July 2016 to perform fairness advisory services and to provide independent verification throughout the Renewable Electricity Program Round 1 Competition (“REP Round 1” or “Competition”) to ensure that the process is conducted in a fair and transparent manner. Our mandate included reviewing the procurement documents and communications; providing advice on leading practices; reviewing and monitoring the evaluation; ensuring the adequacy of the documentation and overseeing the decision-making and governance processes that were associated with the Competition to ensure fairness, equity, objectivity and transparency. Our scope included:

- Ensuring that the REP Round 1 Request for Expressions of Interest (REOI), Request for Qualifications (RFQ) and Request for Proposals (RFP) stages of the Competition were undertaken in a fair and transparent manner and in accordance with the applicable policies, documents and agreements;
- Assuring the consistent application of the evaluation criteria and evaluation procedures of the AESO in accordance with the REOI, RFQ and RFP, and applicable policies of the AESO;
- Ensuring that all Interested Parties, Respondents and Proponents were treated consistently in the evaluation process and in accordance with the REOI, RFQ or RFP; and
- Ensuring that AESO personnel and external advisors adhered to the AESO’s conflict of interest and confidentiality requirements.

As Fairness Advisors, we were also to attend, observe and provide guidance at internal meetings. In particular, in our role as Fairness Advisors, we ascertained that the following steps were taken to ensure a fair and transparent procurement process:

- Compliance with the procurement policies and procedures;
- Objectivity and diligence during the procurement process;
- Compliance of participants with requirements related to conflict of interest and confidentiality during the process; and
- Oversight during the process in order to ensure that all bidders were treated fairly and equally.

Louise Panneton, Oliver Grant, Jillian Newsome, and Paul Johnston were the members of P1 Consulting who acted as Fairness Advisors throughout the Competition.

## 2.0 Scope of the Fairness Advisor

In addition to providing general fairness advisory services, P1 Consulting performed the following discrete tasks. P1 Consulting’s findings, with respect to whether each of these tasks was conducted in a fair and transparent manner, are also indicated.

### 2.1 Review of Procurement Documentation

In our role as Fairness Advisor, we reviewed all draft procurement documentation, including the REOI, RFQ and RFP prior to issuance to the bidding community to identify potential inconsistencies or lack of clarity and provided feedback to the AESO. The review included:

- Reviewing and analyzing the evaluation criteria and sub-criteria, the scoring methodology set out in the procurement documents, ensuring full disclosure of information, and determining that the evaluation process is appropriate;
- Determining whether or not the approach to the technical and financial evaluation is appropriate and defensible;
- Reviewing the procurement documentation for ambiguity and consistency; and

- Reviewing the procurement documentation for bias for or against any bidder.

The procurement documentation prepared by the AESO was fair and transparent.

## 2.2 Review of Communication with the Bidders

As the Fairness Advisor, we observed all communication, including written and verbal communication, between the AESO and the bidding community to ensure that the bidders were treated in a consistent manner.

### 2.2.1 Verbal Communication

Where the AESO scheduled presentations that were available for all bidders to attend, we attended, and at times presented (e.g. to clarify our role).

### 2.2.2 Written Communication

With respect to written communication, we were responsible for reviewing all Notices, Addenda, and Communique to ensure they were clear, unambiguous and free from bias. We reviewed all Requests for Information (RFIs), in order to confirm:

- Whether the information in the question was commercially confidential in nature, and if so, ensuring the response was fair (e.g. no general information was included in the response);
- Whether the response required a change to the procurement documentation; and
- Whether the response was clear, unambiguous and free from bias.

Additionally, we reviewed all Requests for Clarification (RFCs) to ensure that:

- No new information related to the Proponent's submission was requested or received; and
- The question was clear, unambiguous and free from bias.

The verbal and written communication between the AESO and the bidding community was conducted in a fair and transparent manner.

## 2.3 Evaluation Process

### 2.3.1 Evaluation Manuals

Prior to the commencement of the evaluation processes for both the RFQ and RFP, the AESO developed an Evaluation Manual, which documents the governance structure, methodology and approach to the evaluation process. Prior to finalizing the Evaluation Manual, we reviewed and commented on the draft document, to ensure appropriateness, accuracy, completeness, and consistency between the methodology established in the Evaluation Manual with the requirements, evaluation criteria and methodology described in the procurement documents.

### 2.3.2 Evaluation Training

All Evaluation Participants attended evaluation training prior to participating in the RFQ and RFP evaluation process to ensure that they understood the objectives of and the approach to the evaluation. We reviewed and contributed to the training material and attended all evaluation training sessions.

### 2.3.3 Submission Closing

The AESO implemented a process related to Submission Closings (for the RFQ and RFP Submissions) to ensure that they were conducted in a fair manner. We reviewed and approved

the process and participated in the Submission Closings to confirm that the process was followed, and that there were no issues, from a fairness perspective.

### **2.3.4 Evaluation Meetings**

We attended all internal evaluation meetings where Evaluation Panels met for consensus discussion and where Evaluation Panels presented their results through the established governance structure.

### **2.3.5 Evaluation Results**

Throughout the RFQ and RFP evaluation processes, and at the end of the process, we reviewed and validated the results to confirm that they were consistent with what we observed. The RFQ and RFP evaluation processes undertaken by the AESO were fair and transparent.

## **2.4 Conflicts of Interest**

A conflict of interest refers to situations in which personal, occupational or financial considerations may affect or appear to affect the objectivity or fairness of an individual. The Fairness Advisor must ensure that project participants who are involved in the Competition identify and resolve any real, perceived or potential conflict of interest.

The AESO established an Integrity and Due Diligence Committee (IDDC) who received, analyzed and developed a determination related to declared conflicts of interest. We participated in the IDDC and were satisfied that any declared conflicts were managed and there were no concerns from a fairness perspective.

## **2.5 Confidentiality**

The Fairness Advisor ensured that project participants who are involved in the Competition adhered to the confidentiality policies provided by the AESO. As Fairness Advisor, P1 Consulting reviewed and provided input into such policies, and ensured that the relevant project participants signed them.

During the evaluation phase, the Fairness Advisor reviewed and provided input into the development of the AESO guidelines with respect to receiving, storing, distributing and reviewing Submissions in order to protect the commercial confidentiality of the RFQ Respondents and the RFP Proponents.

The provisions related to confidentiality were maintained, and the documentation was managed in a fair manner.

## **3.0 Request for Expressions of Interest**

The project team from the AESO reviewed the REOI responses diligently. They responded positively to all fairness comments and questions and there were no unresolved issues.

## **4.0 Requests for Qualifications Process**

Respondents to the RFQ submitted proposals on or before the Closing Deadline of June 16, 2017 at 15:00:00 (MDT).

The selection process was set up in 3 stages:

- Stage 1 – Completeness Validation

- Stage 2 – Pass/Fail review [independent Technical and Financial Panels], including a Connection Capacity Assessment
- Stage 3 – Integrity and Due Diligence Committee Review

The Fairness Advisor attended the evaluation consensus sessions held during the month of July, 2017 to ensure the consistency and fairness of the evaluation. We concluded that the evaluation was performed in a fair and transparent manner. The Fairness Advisor also attended the Panel presentations to the IDDC.

The Fairness Advisor reviewed the final results of the evaluation. We concluded that the evaluations were conducted fairly and in accordance with the RFQ.

#### **4.1 RFQ Selection Result**

Any Respondent that had a project pass the RFQ requirements was invited to participate in the RFP process. A Respondent could receive multiple invites if more than one project met the requirements of the RFQ.

#### **4.2 RFQ Debriefing Sessions**

The RFQ provided the opportunity for unsuccessful Respondents to request a debriefing following the conclusion of the RFQ. Sessions with the successful Respondents are to be offered following the conclusion of the RFP process, estimated to be Q1 2018. Sessions with the unsuccessful Respondents were held the week of October 2, 2017. The Fairness Advisor participated in all debriefing sessions and confirmed that a consistent approach to each debriefing session was applied and that the sessions were conducted in a fair and transparent manner.

#### **4.3 Observations of the RFQ Process**

The project team from the AESO, the Evaluation Panel Members, the Evaluation Panel Chairs, and the IDDC undertook their respective roles diligently. They responded positively to all fairness comments and questions and there were no unresolved issues.

#### **5.0 Request for Proposals Process**

Respondents to the RFP submitted proposals on or before the Closing Deadline of October 12, 2017 at 15:00:00 (MDT).

The selection process was set up in 3 stages:

- Stage 1 – Completeness Validation
- Stage 2 – Pass/Fail review [Financial Panel]
- Stage 3 – Integrity and Due Diligence Committee Review

The Fairness Advisor attended the evaluation consensus session held on October 19, 2017 to ensure the consistency and fairness of the evaluation. We concluded that the evaluation was performed in a fair and transparent manner. The Fairness Advisor also attended the Panel presentations to the IDDC.

The Fairness Advisor reviewed the final results of the evaluation. We concluded that the evaluations were conducted fairly and in accordance with the RFP.

## 5.1 Pass/Fail Assessment Process

Where an Evaluation Panel performed a pass/fail assessment, following individual assessments, the Panels convened as a group to determine whether the Proponent submissions met (or did not meet) the content requirements set out in the RFP. We attended all Evaluation Panel pass/fail assessment meetings and reviewed the results, and confirmed that a consistent approach to the evaluation was applied and that the assessments were conducted in a fair manner.

## 5.2 RFP Selection Result

This report has been provided upon request in advance of the completion of the RFP process.

## 5.3 RFP Debriefing Process

It is our understanding at the time of this report that the AESO shall offer debriefings for all Proponents. Debriefing sessions are currently planned for Q1 2018. It is our understanding at the time of this report that the Fairness Advisor shall be invited to participate in all Proponent requested debriefing sessions to confirm that a consistent approach to each debriefing session is applied and that the sessions were conducted in a fair and transparent manner.

## 5.4 Observations of the RFP Process

The project team from the AESO and the Evaluation Panels undertook their respective roles diligently. They responded positively to all fairness comments and questions and there were no unresolved issues.

## 6.0 Conclusion

As the Fairness Advisor for REP Round 1, overall and to the extent that P1 Consulting have been involved in the Competition, we certify, in our opinion that, up to the point at which this Report was delivered, that the Competition was undertaken in a fair and transparent manner.



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Louise Panneton  
Fairness Advisor

c.c.: Oliver Grant