

# Request for Proposals

## *Gas-Electric Interface Study*

**Issue Date:** April 14, 2017

**Responses Due:** May 15, 2017 5:00 p.m. MDT



155 North 400 West, Suite 200

Salt Lake City, Utah 84103-1114

## 1. Introduction

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The Western Electricity Coordinating Council (“WECC”) is issuing this Request for Proposals (“RFP”) seeking proposals from vendors qualified to provide an assessment of the adequacy, security, and risks associated with natural gas infrastructure and its ability to reliably meet evolving Bulk Electric System (“BES”) needs as more specifically set forth in Exhibit A (“Services”). WECC is seeking a single vendor to provide these Services.

All respondents to this RFP (“Respondents”) must include pricing information and a proposed schedule for providing the Services. All proposals are subject to the conditions set forth in this RFP. Section 9 describes the content and format of the RFP responses. The information derived from this RFP will be used to select the Respondent that will provide the Services to WECC. Any resultant contract will be based on the Exhibits to this RFP.

This RFP does not constitute an offer to form a contract and does not obligate WECC to accept or consider any party’s response to this RFP. WECC has no obligation to provide compensation in any form to any party in connection with any action taken or for any costs incurred in response to this RFP. WECC retains full discretion with respect to whether and how to proceed with this procurement; including making this RFP available and proceeding or not proceeding with the Services in any manner WECC sees fit.

## 2. WECC Background

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WECC is the Regional Entity responsible for coordinating and promoting BES reliability in the Western Interconnection. WECC provides an environment for coordinating the operating and planning activities of its members as set forth in the WECC Bylaws.

WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 Western states in between.

WECC is geographically the largest and most diverse of the eight Regional Entities that have Delegation Agreements with the North American Electric Reliability Corporation (“NERC”). Due to the vast and diverse regional characteristics, WECC and its members face unique challenges in coordinating the day-to-day interconnected system operation and the long-range planning needed to provide reliable electric service across nearly 1.8 million square miles.

## 3. Submitted Information

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Ownership of all data, material, and documentation – regardless of where originated – that is submitted to WECC, pursuant to this RFP, shall belong exclusively to WECC and may be subject to inspection by the WECC Board of Directors, WECC staff, WECC members, or the public. Information

specifically identified by the Respondent as confidential or proprietary will be treated as specified below.

WECC reserves the right to accept, reject, or use without obligation or compensation, any information submitted in response to this RFP.

**4. Proprietary or Confidential Information**

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WECC requires that confidential or proprietary information not be submitted in response to this RFP unless clearly marked as proprietary or confidential. WECC will not release any submitted information, including information that is submitted to WECC after the initial submission, which is marked confidential or proprietary, except to those evaluating the responses or otherwise having a direct need to know and except as specifically required by authorized auditors or by applicable law, regulation, or court order. However, WECC may release summaries of such data that do not specifically identify any confidential or proprietary information. WECC will ensure all evaluators have signed non-disclosure agreements prior to the review of information marked confidential or proprietary.

While specific pricing information submitted by Respondents will be kept confidential, WECC may release or publish aggregated and/or redacted pricing information (bid totals without identification of Respondents) for budgeting and comparison purposes.

**5. RFP Response Deadline and RFP Schedule**

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Responses to this RFP are due in their entirety at or before 5:00 p.m. MDT on May 15, 2017 in the format and including the content described in Section 9, delivered to Byron Woertz, Manager – System Adequacy Planning, via email at: [bwoertz@wecc.biz](mailto:bwoertz@wecc.biz).

Hard copy responses delivered via mail or other means will not be accepted.

WECC may reject late offers. WECC reserves the right to not consider unsolicited responses.

**5.1 Informational Conference**

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WECC will host an informational conference on April 25, 2017 at 11:00 a.m. MDT to answer any questions regarding this RFP. Participants may join the webinar using the following information:

URL: <https://wecc.webex.com/meet/bwoertz>

Conference Line: (415) 655-0003

Passcode: 804 711 071

**5.2 Proposed Schedule**

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Date	Event
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<b>April 14, 2017</b>	RFP Issued
<b>April 25, 2017</b>	Informational Conference, 11:00 a.m. MDT
<b>May 15, 2017</b>	RFP Responses Due
<b>May 31, 2017</b>	WECC Award Decision Announced (if applicable)
<b>June 23, 2017</b>	Contract Executed (if applicable)

## 6. Contact Information

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### RFP Point of Contact:

Byron B. Woertz, Jr., Manager—System Adequacy Planning  
Western Electricity Coordinating Council  
155 North 400 West, Suite 200  
Salt Lake City, UT 84103  
[bwoertz@wecc.biz](mailto:bwoertz@wecc.biz)  
(801) 883-6841

### Alternate RFP Point of Contact:

Branden Sudduth, Director—Reliability Planning  
Western Electricity Coordinating Council  
155 North 400 West, Suite 200  
Salt Lake City, UT 84103  
[bsudduth@wecc.biz](mailto:bsudduth@wecc.biz)  
(801) 883-6888

## 7. Respondent Questions to WECC

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Respondents may ask questions regarding this RFP. These questions must be submitted to the RFP Point of Contact electronically via email. To the extent the questions are not Respondent-specific, the questions and responses will be posted on the WECC web site.

## 8. WECC Questions to Respondents

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Upon reviewing the responses to this RFP, WECC may have additional technical, business, or financial questions for Respondents. Such questions and Respondents' answers to them will be kept confidential, consistent with the terms of Section 4 above, to the extent they are clearly identified as proprietary or confidential.

## 9. RFP Responses

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### 9.1 General

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All responses must address the Services (described in Exhibit A).

### 9.2 Response Requirements, Format and Organization

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Acceptable response formats include MS Word (versions 2007 or later) and Adobe Acrobat PDF files. Any graphics included in the response must be viewable by MS Word or Adobe Acrobat.

Each response shall contain the following components:

- A. Cover Letter
- B. Executive Summary of Proposal (2-3 pages)
  - a. Brief company overview
  - b. Summary of project approach
  - c. Do not include financial or proposed cost information
- C. Company Information
  - a. Respondent Background and Qualifications
  - b. Respondent Experience
  - c. References
- D. Technical Proposal
  - a. Technical Plan and Approach
  - b. Subcontracting (if desired as part of the project approach)
  - c. Supporting Documentation
- E. Business Proposal
  - a. Pricing Proposal
  - b. Proposed Schedule

Each of these components is explained in detail below.

#### 9.2.1 Cover Letter

Each Respondent must identify who will act as the Respondent's primary contact throughout the RFP process, including that person's position in the organization, mailing address, telephone number, and email address. The cover letter shall be signed by an individual authorized by Respondent to submit a response.

### 9.2.2 Company Information

- **Company Background and Qualifications.** Provide a summary of Respondent's professional background and qualifications. The following is the minimum, required information:
  - Describe Respondent's company's legal structure and ownership.
  - Identify the date the company was established and how long the business has provided similar products or Services.
  - Identify office location(s).
  - Provide qualifications/résumés of any individual(s) being proposed to perform the Services.
- **Respondent Experience.** Describe Respondent's experience in providing the Services and submit examples. Describe Respondent's experience in managing projects of this nature. If Respondent proposes to partner with another organization to provide the Services, describe the experience of the partner and key individuals within the partner's organization who are proposed to provide the Services.
- **References.** Provide a list of at least three (3) customers WECC may contact for references. Use examples that are similar to this RFP. The reference information should include:
  - Client business name and address;
  - Client contact name and telephone number; and
  - Brief description of the scope of services provided.

### 9.2.3 Technical Proposal

All RFP responses shall include a Technical Proposal that specifically addresses the Services, as specified below:

- **Technical Plan and Approach.**  
Submit Respondent's technical approach for performing the Services.
- **Subcontracting.** Identify any subcontractors Respondent plans to use in the performance of the Services. No subcontracting will be permitted without approval from WECC. In addition, the contractor will be responsible for the quality, data confidentiality and timeliness of all work performed by any subcontractors.
- **Supporting Documentation.** Include examples of previous Respondent activities related to this proposal, including published documentation, as attachments to the proposal. Documentation may include presentations, white papers, formal publications or any other documents demonstrating expertise in the Services.

#### 9.2.4 Business Proposal

- **Pricing Proposal:** Prices are requested on a firm fixed price basis. Complete the Exhibit B – Price Schedule and submit with the Business/Pricing Proposal. Prices are to include all costs, overhead, profit, taxes, etc., associated with performing the Services. Price(s) will be fixed for the life of the Contract. The Pricing Proposal shall also include a payment schedule including milestones for payment. If Respondent proposes to include travel to Salt Lake City in their project approach, any costs associated with such travel should be included in the Direct Costs portion of the Exhibit B – Price Schedule and not included in the Firm Fixed Price portion.
- **Project Management Approach:** Respondents should describe the following items in sufficient detail to allow WECC to determine whether the Respondent can meet the requirements of the RFP:
  1. Project Approach—how you propose to organize the project;
  2. Project Schedule, including key milestones;
  3. Chronological list of deliverables including timing and responsibility for each deliverable;
  4. Specific tasks needed to complete each deliverable;
  5. Task interdependencies, especially project tasks that depend on antecedent tasks;
  6. Budget and schedule management plans;
  7. Issue management system to document and resolve project issues; and
  8. Project communication plan to keep WECC informed of the project's status.

### 10. Evaluation Criteria

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WECC will evaluate proposals to determine the best combination of attributes or the "maximum value" proposal. Maximum value will be determined by comparing attributes including, but not limited to, the following:

- Total cost to WECC;
- Technical and management expertise;
- Experience in delivering services similar to the Services (described in Exhibit A);
- Respondent's skill, experience, and reputation for integrity and honesty;
- The expected time of delivery or performance; and
- Respondent's compliance with the specifications of this RFP.

The following criteria and weights will be used in evaluating proposals and in determining the proposal that demonstrates the maximum value to WECC:

Criteria Description	Weight
Quality of technical solution, extent it meets WECC requirements, extent it anticipates future needs, etc.	35%
Quality/capabilities of staff, key resources assigned	30%
Extent of successful past performance implementing similar efforts	15%
Price effectiveness	20%

## 11. Examples of Contract Terms

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The following Exhibits A, B, C, and D are examples of the terms WECC uses for all WECC procurements. These Exhibits are being provided as examples only. The actual contract terms proposed by WECC may vary. While specific terms may be negotiated as necessary and appropriate, Respondents are expected to agree to the use of these Exhibits in any resulting contract(s).

# Gas-Electric Interface Study Request for Proposals

## Exhibit A—Statement of Work

### Part A General

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#### Purpose

The purpose of this project is to evaluate potential future reliability risks associated with interdependencies between the natural gas delivery system and the Bulk Electric System (“BES”). This information will be used to identify potential mitigation measures to minimize risk to the BES.

Contractor must meet all specifications and requirements described in this Exhibit A when providing the services described herein (“Services”) for Western Electricity Coordinating Council’s (“WECC”).

#### Background

As the Regional Entity responsible for assuring the reliability of the BES across the Western Interconnection, WECC is increasingly concerned about the adequacy, security, and risks associated with natural gas infrastructure and its ability to reliably meet evolving BES needs. The recent issues surrounding the Aliso Canyon natural gas storage field in southern California highlighted the increasing operational strains that high penetrations of variable energy resources (VER) and the increasing need for system flexibility are placing on the natural gas system. As the Western Interconnection continues to add large amounts of asynchronous VERs and as traditional resources fueled by coal and nuclear fuels retire, the natural gas system will play an increasingly key role in ensuring BES reliability.

As a result, WECC intends to structure and launch an assessment of the natural gas infrastructure and its interdependency with the electric system in the West. WECC’s intention is to identify key potential electric power supply reliability and operational risks of which policy makers should be aware and which utility planners should incorporate into their efforts. This assessment will build upon previous and related work conducted on this issue by Energy + Environmental Economics (E3) in 2014, the North American Electric Reliability Corporation’s (“NERC”) assessment of single points of disruption currently underway and other recent studies.

#### Contractor-Furnished Property or Services

The Contractor is required to provide all property and services in support of this contract.

### Part B Technical Requirements

#### Specific Requirements

#### Tasks, Deliverables and Time Schedule

Key tasks and/or milestones and their deliverables are listed below. Please indicate proposed completion dates for each task and deliverable.

Task/Milestone Description	Deliverables	Proposed Completion Date
1. <b>Map the Western Interconnection's BES assets to the natural gas system.</b>	<p>Identification of, as a minimum:</p> <ul style="list-style-type: none"> <li>• Gas generators directly connected to interstate pipelines and local gas generation behind the Local Distribution Company (LDC) city gate</li> <li>• Potential points of key vulnerabilities</li> <li>• Pipeline capacities</li> <li>• Pipeline utilization rates and subscription rates</li> <li>• The amount of generation tied to each pipeline</li> <li>• Critical storage fields and above-ground storage facilities (LNG) that present risks (similar to Aliso Canyon in Southern California)</li> </ul>	

Task/Milestone Description	Deliverables	Proposed Completion Date
	<ul style="list-style-type: none"> <li>• Unique characteristics of local BES assets, e.g., high number of LDC connections</li> <li>• Other key mid-stream assets that create risk (e.g., large processing plants) and the nature of their contracts (firm vs. interruptible)</li> </ul>	
<b>2. Prepare information sharing plan</b>	<p>Information-sharing plan that provides maximum public availability of study results while protecting proprietary, confidential and critical infrastructure data</p> <ul style="list-style-type: none"> <li>• Discussion with project stakeholders regarding protection of information protection and confidentiality concerns</li> <li>• Evaluation of potential confidentiality concerns for each project deliverable and associated data</li> <li>• Categorization of each deliverable as public, protected (available with restrictions) or confidential (not available to the public)</li> <li>• Identification of potential vulnerabilities of study deliverables to Critical Energy Infrastructure.</li> </ul>	
<b>3. Complete a hydraulic evaluation of the gas transportation system serving the BES in the Western Interconnection.</b>	<ul style="list-style-type: none"> <li>• Evaluation of the dynamic response of the gas transportation system</li> </ul>	

Task/Milestone Description	Deliverables	Proposed Completion Date
	<ul style="list-style-type: none"> <li>Identification of gas generators subject to significant and long-duration gas supply interruptions resulting from loss of gas supply and/or storage facilities</li> </ul>	
<b>4. Update earlier assessments of natural gas infrastructure adequacy to identify new infrastructure required to meet the fuel demands modeled in WECC’s 2026 Common Case under normal and extreme conditions (e.g., cold winter, dry hydro).</b>	<p>Update that includes:</p> <ul style="list-style-type: none"> <li>Forecasted natural gas loads and subregional expected changes in ramp rates for power generation as well as commercial, industrial and residential consumption under extreme weather conditions;</li> <li>Impacts on existing infrastructure from increases on current to forecasted electric loads; and</li> <li>Potential gaps in gas transmission, distribution, compression and storage capacity to meet forecasted loads.</li> </ul>	
<b>5. Identify one or more “stress-test” scenarios and evaluate the associated electric reliability/cascading outage risks.</b>	<ul style="list-style-type: none"> <li>Description of stress-test(s), e.g., a cold winter day with limited solar generation and low hydro-availability, and supply restrictions imposed to electric generation due to core customer needs; partly cloudy day with extreme ramps of gas generation intra-day with extreme needs for ramping and cycling of gas generation</li> <li>Description of potential reliability and/or outage risks</li> </ul>	

Task/Milestone Description	Deliverables	Proposed Completion Date
6. Evaluate reliability risks associated with natural gas contracts associated with gas generation resources on the BES.	<ul style="list-style-type: none"> <li>Description of types of contracts, e.g., firm, non-firm, interruptible, ratable takes associated with gas generation resources on the BES</li> <li>Description of contingencies that could lead to supply interruptions to gas generation resources</li> <li>Description of resulting impacts to the BES</li> </ul>	
7. Identify key planning contingencies—both gas- and electric-side—that should be considered by electric utility planners resulting from the natural gas delivery system, including long-range issues such as safety retrofits of storage facilities.	<ul style="list-style-type: none"> <li>Description of key planning contingencies</li> <li>Description of impact on the BES</li> </ul>	
8. Identify operating protocols/mismatches between the gas and electric systems that could/should be reconciled with potential improvements to those protocols.	<ul style="list-style-type: none"> <li>Description of key gas and electric system operating protocols affecting gas generators</li> <li>Description of potential conflicts between gas and electric system protocols</li> <li>Recommendations for resolving conflicts between gas and electric operating protocols</li> </ul>	
9. Identify supply-side contingencies that also should be monitored and	Description of significant supply-side contingencies, e.g., drain on gas supply from Texas due to Mexico’s increasing development of gas generation resources.	

Task/Milestone Description	Deliverables	Proposed Completion Date
<b>potentially factored into utility planning.</b>		
<b>10. Evaluate potential market-related drivers that could impact BES reliability</b>	Identification of current gas market and regulatory mechanisms that could affect BES reliability, e.g., the proliferation of shorter-term supply contracts that limit investments in gas infrastructure	
<b>11. Suggest mitigation options that could be considered to reduce risks identified in previous tasks.</b>	<p>Recommendations on mitigation measures, which may include, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Possible use of dual-fuel capability of key power generation assets located in vulnerable geographies where practicable in view of local regulatory environments</li> <li>• Additional gas infrastructure development (e.g., storage, system networking)</li> <li>• Availability of scalable electricity storage</li> <li>• Availability of tools for easing the power system's demands on the gas system (e.g., smart inverters with ride through capability)</li> <li>• Policy and regulatory changes that should be advocated for (e.g., interruption hierarchy in case of restricted gas supplies, operating practices/situational awareness between the two sectors, scheduling protocols)</li> </ul>	

Task/Milestone Description	Deliverables	Proposed Completion Date
	<ul style="list-style-type: none"><li>• Expedited siting/permitting/environmental review for gas projects</li><li>• Joint emergency response drills/operating procedures</li><li>• Pipeline/storage tariff innovations or alternative services to support quick start generation (e.g., permissive deviations from ratable takes)</li></ul>	
<b>12. Deliver reports on project results</b>	<p>Reports to WECC and stakeholders on the results of the study</p> <ul style="list-style-type: none"><li>• Regular reports (every 4-6 weeks) to core project team and other groups as directed by WECC regarding project deliverables status</li><li>• One or more interim reports with available deliverables, minimally at approximate project mid-point</li><li>• Final project report</li></ul>	

### **Part C Inspection and Acceptance**

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WECC may inspect any Services at any time and place. WECC will perform inspections in a manner that will not unduly delay the Services. WECC will review and approve all Services to ensure compliance with this Exhibit A. Neither inspection, lack of inspection, acceptance, nor payment shall relieve Contractor of any of its obligations under this Contract.

# Gas-Electric Interface Study RFP

## Exhibit B—Price Schedule

**Part 1: Firm Fixed-Price Portion** – Provide prices including all costs, overhead, profit, taxes, etc.

Item	Description	Fixed Price	Proposed Payment Date
<b>Task #1</b>	Map the Western Interconnection’s BES assets to the natural gas system.	\$	
<b>Task #2</b>	Prepare information-sharing plan	\$	
<b>Task #3</b>	Complete a hydraulic evaluation of the gas transportation system.	\$	
<b>Task #4</b>	Update earlier assessments of natural gas infrastructure adequacy to identify new infrastructure required.	\$	
<b>Task #5</b>	Identify one or more “stress-test” scenarios and evaluate the associated electric reliability/ cascading outage risks.	\$	
<b>Task #6</b>	Evaluate reliability risks associated with natural gas contracts associated with gas generation resources on the BES.	\$	
<b>Task #7</b>	Identify key planning contingencies—both gas- and electric-side—that should be considered by electric utility planners.	\$	
<b>Task #8</b>	Identify operating protocols/mismatches between gas and electric system planning.	\$	
<b>Task #9</b>	Identify supply-side contingencies that also should be monitored and potentially factored into utility planning.	\$	
<b>Task #10</b>	Evaluate potential market-related drivers that could impact BES reliability	\$	

## Gas-Electric Interface Study RFP

### Exhibit B—Price Schedule

<b>Task #11</b>	Suggest mitigation options that could be considered to reduce risks identified in previous tasks.	\$
<b>Task #12</b>	Deliver reports on project results	\$
<b>TOTAL:</b>		\$

All prices are fixed in \$USD.

#### Part 2: Direct Costs Portion

Estimated Direct Costs	Quantity	Unit Cost	Estimated Cost
Travel to/from Salt Lake City, UT		\$	\$
<b>Total Direct Costs:</b>			\$

All travel must be approved by WECC in advance of actual travel. WECC pre-approved travel shall be reimbursed for actual and reasonable costs incurred in accordance with Exhibit C, Section B.1 – Payment and the Exhibit D, Contractor Travel Reimbursement Policy.

**Total Firm Fixed Cost:** \$

**Total Direct Costs:** \$

**Total Project Costs:** \$

## **WECC Standard Clauses**

### **Services**

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#### **1. Services**

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WECC agrees to retain and Contractor agrees to provide to WECC the services and products described in Exhibit A (“Services”). Contractor also has, or will obtain prior to providing the Services, and will maintain, any required certification necessary to provide the Services and will bear the cost of any such certification. This Contract is a non-exclusive Contract and nothing herein shall prohibit Contractor from performing similar services for itself and others. All access by Contractor to WECC’s premises and property shall be in accordance with WECC’s applicable personnel, workplace and security policies and procedures.

#### **2. Performance Standards**

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Contractor agrees to perform the Services to the reasonable satisfaction of WECC as specified in Exhibit A and as required by any professional requirements, statutes or regulations to which the Services or performance of the Services would be subject. Contractor agrees to perform the Services in a timely manner and in compliance with the time schedules in Exhibit A. Contractor shall perform any other ancillary duties reasonably related to performing the Services in the same manner and to the same standards as provided herein.

#### **3. Inspection**

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WECC may inspect any Services at any time and place. WECC will perform inspections in a manner that will not unduly delay the Services. If any of the Services do not conform to the requirements expressed or implied in this Contract, WECC may require Contractor to perform the Services again in conformity with this Contract. Neither inspection, lack of inspection, acceptance, nor payment shall relieve Contractor of any of its obligations under this Contract.

#### **4. Subcontracting**

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Contractor shall not subcontract any Services not specifically agreed upon at Contract award without WECC’s prior written approval. Consent to subcontract any portion of this Contract shall not relieve Contractor of any responsibility under this Contract.

## **5. Warranty**

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Contractor warrants that all Services will be performed in a professional manner, be free from defects in workmanship and conform to the requirements expressed or implied in this Contract. WECC will give written notice of any defect or nonconformance to Contractor within a reasonable period of time after discovery. Corrections shall be at no cost to WECC, and any Services corrected or re-worked by Contractor shall be subject to this clause to the same extent as Services initially performed.

## **Payment**

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### **1. Payment – Firm-Fixed-Price Contracts**

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WECC shall pay Contractor the fixed amount specified in Exhibit B for all Services required by Exhibit A.

Title to all Services covered by payments shall pass to WECC at the time of payment. Any payment shall not be construed as relieving Contractor from the sole responsibility for the satisfactory completion of the Services or the restoration of any deficient Services or as waiving WECC's right to require the fulfillment of all of the terms of the Contract.

Upon receipt and acceptance of all Services by WECC and approval by WECC of the invoice designated by Contractor as the "final invoice" and all supporting documentation, WECC shall promptly pay any balance due Contractor.

### **Travel Costs**

Costs incurred for travel, lodging, meals and incidental expenses shall be reimbursed on an actual cost basis to the extent they are reasonable, necessary, and consistent with the requirements of WECC's Exhibit D – Contractor Travel Reimbursement Policy.

### **2. Withholding**

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If necessary, WECC reserves the right to withhold an amount not to exceed ten (10) percent of the total Contract price for a reasonable period of time to ensure Contractor's performance or to otherwise protect WECC's interests under the Contract.

### **3. Invoicing – Firm-Fixed-Price Contracts**

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Contractor may invoice upon completion and acceptance of the firm-fixed-price Services identified in Exhibit B.

Contractor may submit invoices electronically (email, fax, etc.). Invoices must include (1) Contractor's name and address, (2) the invoice date, (3) a description of the Services performed (including the price and quantity, if applicable), (4) the total amount due, (5) the name and address of the person to whom

payment will be made, and (6) the name, title, phone number, and mailing address of the person to be notified in event of a defective invoice or defective Services.

Invoices shall be submitted to:

Shelli Nyland  
Western Electricity Coordinating Council  
155 North 400 West, Suite 200  
Salt Lake City, UT 84103  
Email: [snyland@wecc.biz](mailto:snyland@wecc.biz)

#### **4. Payment Terms**

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Payment will be made 30 days after (1) invoicing as described in this Section B, and (2) WECC acceptance of the Services. Acceptance is deemed to occur within 15 days after receipt of Services unless Contractor is notified otherwise.

#### **5. Discounts for Prompt Payment**

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In connection with any discount offered for prompt payment, time shall be computed from the date shown on the invoice or, if no date is shown, from the date WECC receives the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check.

#### **6. Taxes, Permits, Licenses**

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Contractor shall be responsible for obtaining, maintaining, and bearing the cost of all permits and licenses, as well as all self-employment, social security, revenue, business, sales, excise, or any other taxes, fines, penalties, or other liability to the Internal Revenue Service of the United States or to the applicable taxing authority of another country, and to any state, province, or other entity with taxing jurisdiction. Contractor agrees to indemnify and hold harmless WECC from any claim of liability of any kind by any taxing, permitting, or licensing authority arising as a result of payments made under this Contract.

### **Intellectual Property**

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#### **1. Covered Work**

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“Covered Work” means (1) all Services, and (2) all inventions or other intellectual property that are conceived or developed by Contractor in whole or in part: (a) while performing Services for WECC, (b) on WECC’s time, or (c) using WECC’s equipment, supplies, facilities, or Confidential Information. Covered Work includes all Services and all inventions or other intellectual property conceived or

developed by Contractor, whether or not the activities occur (i) on or off the premises; (ii) before, during or after working hours; (iii) within or outside the scope of the Services; or (iv) by Contractor alone or with others.

## **2. Assignment**

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Subject to the payment by WECC of the payments identified in Exhibit B, Contractor assigns to WECC exclusively, throughout the world, all of its rights, titles, and interest in and to the Covered Work, including without limitation all copyright and trademark rights associated therewith, and confirms that WECC has the right to make, have made, and own enhancements, derivative works, and other modifications to the Covered Work.

## **3. Third-Party and Contractor-Owned Content**

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Contractor represents and warrants that this Contract to provide Services to WECC will not violate or infringe the copyright, patent, intellectual property, or other proprietary rights of any third party. Contractor shall notify WECC, in accordance with Section H.5, if it intends to incorporate any third-party content in the Services (“Third-Party Content”) or any Contractor-owned content in the Services (“Contractor-Owned Content”) that it believes are not Covered Work. Contractor shall not incorporate Third-Party Content or Contractor-Owned Content without the prior written consent of WECC. Contractor shall identify all Third-Party Content and any limitations that are applicable to the use and exploitation of Third-Party Content prior to or at the time of delivery thereof. Contractor has the sole obligation for obtaining, at Contractor’s sole expense, any and all rights, clearances, or licenses necessary for WECC to use and exploit any Third-Party Content. Contractor hereby grants to WECC a non-exclusive, unlimited, perpetual, irrevocable, worldwide, and royalty-free right and license to use Contractor-Owned Content in connection with WECC’s business at WECC’s sole discretion.

## **4. Cooperation**

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Contractor agrees to cooperate with WECC to execute such documents as may be necessary in the event WECC desires to seek copyright, patent or trademark protection of Covered Work. Contractor irrevocably appoints WECC as its agent and attorney-in-fact to perform any acts WECC deems necessary, at its discretion, for WECC to obtain and protect from infringement any WECC patent, copyright and/or other intellectual property right arising hereunder and as provided by law. Contractor agrees that as between WECC and Contractor, any acts taken by WECC on Contractor’s behalf pursuant to this section shall have the same legal force and effect as if executed by Contractor.

## **5. Use of Know-How**

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With the exception of the Covered Work, in which WECC shall have all right title and interest, any other ideas, methods, concepts, know-how, techniques, or processes developed during the course of

this Contract by personnel of Contractor, may be used by either Party, without any obligation to account to the other Party, and in any way that Party deems appropriate, including by or for its stakeholders, clients or customers, notwithstanding anything to the contrary herein.

## **Confidential Information**

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### **1. Confidential Information**

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Contractor acknowledges that, in the course of providing Services to WECC, Contractor may acquire (whether orally or in writing) knowledge relating to the confidential affairs of WECC and/or confidential or proprietary information relating to WECC Members or NERC Registered Entities, including: (i) information of a technical or proprietary nature, such as know-how, formulas, trade secrets, inventions or research projects; (ii) personnel and other information that is not generally disclosed by WECC or NERC Registered Entities to the public; (iii) business matters such as information about costs, profits, pricing, markets, sales, suppliers, customers, developments, products, and marketing, and (iv) electric utility information and information about the Bulk Electric System, including Confidential Information as defined in Section 1500 of the NERC Rules of Procedure. The information described above shall collectively be referred to herein as “Confidential Information”.

### **2. Confidentiality**

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Both during the performance of the Services and after the expiration or termination of this Contract, Contractor agrees that, except as authorized in writing by WECC, Contractor shall: (i) use reasonable efforts to preserve and protect the confidentiality of all Confidential Information, and, in any event, no less care than is used by Contractor in protecting the confidentiality of its own confidential information; (ii) except as reasonably necessary to provide the Services, use reasonable efforts to prevent any disclosure of Confidential Information to anyone, including its employees; and (iii) not use Confidential Information in any way other than in furtherance of this Contract. Confidential Information of any nature that Contractor acquires regarding any aspect of WECC’s business shall be treated in strict confidence. Information so obtained shall not be divulged, furnished or made accessible to third parties without the prior written permission of WECC; provided however, that such required written permission shall not apply in cases where Contractor uses a subcontractor approved by WECC, as set forth in Section A.4, to assist in the performance of the Services. Contractor is responsible to ensure that any such subcontractor is bound by a written agreement not to disclose Confidential Information that is at least as restrictive as this Section D. The terms of this Section D shall survive termination or expiration of this Contract.

Contractor represents and warrants that it will not use the confidential information or trade secrets of any third party in or for the Services or disclose such information to WECC without that third party's prior written consent.

### **3. Exceptions**

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Contractor shall not have any liability to WECC for disclosure of any Confidential Information that Contractor can establish to have been: (i) publicly known without breach of this Contract; (ii) publicly released for disclosure by WECC; (iii) given to Contractor by someone other than WECC without a duty to maintain confidentiality; or (iv) required by applicable laws.

### **4. Injunctive Relief**

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Contractor agrees that any material breach or attempted or threatened breach of this Section D could result in irreparable injury to WECC for which damages would be an insufficient remedy. Accordingly, Contractor consents to injunctive relief without limiting the applicability of any other remedies.

### **5. Return of Confidential Information**

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Not later than three (3) days after the termination or expiration of this Contract, Contractor will destroy all originals and copies of Confidential Information and all notes, internal analyses, and work products containing Confidential Information. Contractor shall certify and confirm in writing to WECC that such destruction occurred.

## **Advertising and Marketing**

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The Parties agree that Contractor, after obtaining WECC's prior express written approval, may use WECC's name and a brief factual description of the Services provided. WECC will not endorse (e.g., provide a value judgment) vendor services for the use by that vendor in its promotional material or in references.

## **Indemnification**

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Contractor agrees to indemnify and hold harmless WECC and WECC officers, employees, and agents, against any suits, losses, liabilities, damages, claims, settlements, costs, and expenses, including reasonable attorney fees and expenses (collectively, "Damages"), arising from: (i) any breach by Contractor of this Contract; (ii) any breach of any representations and warranties contained herein; or (iii) any intellectual property infringement by Contractor or any subcontractors, agents, partners or others acting for or on behalf of Contractor.

## Expiration and Termination

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The following terms shall be applicable to expiration and termination of this Contract. Expiration and termination shall not affect any terms that are intended to survive expiration or termination, including, but not limited to, WECC's ownership of Covered Work, warranties, indemnity obligations, limitations of liability or the obligations of Section D, Confidential Information. Upon notice of termination:

(1) Contractor shall discontinue providing to WECC any Services under this Contract, (2) Contractor shall deliver to WECC any Services in-progress or completed as of the date of termination, and (3) WECC shall make payments, as appropriate, to Contractor.

### 1. Termination for Cause

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Either Party may terminate this Contract for cause after providing the other Party with ten (10) calendar day's written notice and a reasonable opportunity to cure any alleged default. Cause shall include, but not be limited to, lack of compliance with applicable law, a conflict of interest, failure to perform in a timely manner or failure to comply with any other term of this Contract.

### 2. Termination for Convenience

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Only WECC may terminate this Contract for convenience or when it determines, at its sole discretion, that the continuation of the Contract would not produce beneficial results commensurate with the further expenditure of funds. WECC may terminate for convenience by providing Contractor with thirty (30) calendar days' prior written notice. The Parties agree that WECC's termination for convenience shall not prohibit WECC from later claiming that Contractor breached the Contract.

## General Provisions

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### 1. No Solicitation of Employees

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Each Party agrees not to hire or solicit, directly or indirectly, any employee or former employee of the other Party during the term of this Contract and for a period of one (1) year after the expiration or termination of this Contract without the other Party's prior written consent; provided, however, that the foregoing restriction shall not apply with respect to former employees of such other Party who have not been employed by such other Party for the six (6) months prior to such hire or solicitation.

### 2. Modification

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This Contract may be modified or amended by the Parties only in writing executed by both Parties hereto.

### 3. Waiver

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All waivers of any term set forth in the Contract or of any breach or default must be specifically set forth and acknowledged as such in writing. Any such waiver in one instance shall not constitute a waiver in any future instance unless specifically set forth and acknowledged as such in writing.

### 4. Applicable Law and Forum

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This Contract shall be interpreted and enforced in accordance with the laws of the state of Utah, without regard to conflict of law principles. The exclusive jurisdiction for any action to interpret or enforce this Contract shall be in Salt Lake County, Utah. The Parties hereby consent to the personal jurisdiction of such courts.

### 5. Notices

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All notices between WECC and Contractor shall be in writing and shall be effective when delivered either by (i) U.S. Mail, with a confirming email to the notice recipient; or (ii) by email directed to the following individuals:

a.) Notices to WECC shall be directed to:

General Counsel  
Western Electricity Coordinating Council  
155 North 400 West, Suite 200  
Salt Lake City, UT 84103-1114  
Tel: (801) 582-0353  
Email: [sgoodwill@wecc.biz](mailto:sgoodwill@wecc.biz)

b.) Notices to Contractor shall be directed to:

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A Party may inform the other Party that a change will occur regarding the contact information of an individual to whom notices are to be delivered without the need to amend this Contract by providing a notice to the other Party in writing that describes the change. No such change shall be deemed to have been given until notice of the change has been received by the Party to which the notice was provided.

## **6. Assignment**

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This Contract shall not be assigned by either Party without the other Party's prior written consent.

## **7. Uncontrollable Events**

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If either Party cannot perform any of its obligations because of a Force Majeure Event, as defined below in this section, then such nonperforming Party will: (i) notify the other Party; (ii) take reasonable steps to resume performance as soon as possible; and (iii) not be considered in breach during the period of such Force Majeure Event.

Force Majeure Events shall include acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, or lockout, to the extent that the foregoing make performance impossible or unreasonable, and any other event of similar magnitude which makes performance impossible or unreasonable. Neither Party shall terminate this Contract under Section G.1 (Termination for Cause) in such circumstances.

## **8. Independent Contractor Relationship**

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In accordance with the mutual intentions of the Parties hereto, Contractor is performing services for WECC as an independent contractor, and all of the terms and conditions of this Contract shall be interpreted in light of such relationship. Nothing contained in this Contract constitutes appointment of either Party as an agent, representative, partner, joint venture, or employee of the other Party for any purpose, except as specifically noted in Section C.4 - Cooperation. Neither Party may bind the other Party to any other contract with any third party. No acts or assistance given by WECC to Contractor shall be construed to alter this relationship. Contractor acknowledges that neither it nor its employees, contractors, or agents have any rights in or under any health, liability or disability, or other insurance policies maintained by WECC, nor to any overtime, vacation, holiday, sick leave, seniority, or other benefits. Contractor further acknowledges that neither it, nor its employees, contractors or agents have any right to claim unemployment compensation, worker's compensation, or disability compensation pursuant to this Contract, or as a result of Contractor's relationship with WECC. Contractor represents that, to the extent required by law, Contractor is covered by, and will continuously maintain, disability insurance, worker's compensation insurance, or other such insurance, and agrees that all activities and work associated with providing the Services performed under this Contract will be at Contractor's own risk and liability. At WECC's request, Contractor will promptly provide proof of insurance.

## **9. Severability**

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The Parties agree that any provision of this Contract or its application that is held invalid shall be modified as necessary to render it valid and enforceable to the maximum extent possible with its original intent. If any provision of this Contract or its application is held invalid and cannot be modified to render it valid and enforceable, the invalidity shall not affect other obligations, provisions, applications, or parts of this Contract that can be given effect without the invalid provisions or applications.

## **10. Interpretation**

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The headings of the sections of this Contract are for convenience only and shall not be of any effect in construing their meanings. The Parties agree that this Contract shall not be interpreted or construed more strictly against the drafter.

## **11. Counterparts**

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This Contract may be executed in counterparts, each of which shall be deemed an original Contract for all purposes, including the judicial proof of any of the terms hereof; provided however, that all such counterparts shall constitute one and the same Contract.

## **12. Remedies**

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Unless expressly set forth to the contrary, either Party's election of any remedies provided in this Contract shall not be exclusive of any other remedies available hereunder or otherwise at law or in equity, and all such remedies shall be deemed to be cumulative.

## **13. Disputes**

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All disputes in connection with this Contract shall be settled, to the extent possible, by negotiation between the authorized representatives of the Parties. If the matter is not resolved by such negotiations, either Party may at any time, by giving written notice to the other Party as provided in this Contract, and upon the agreement of the other Party, cause the matter to be referred to:

- a) A mutually agreed upon mediator for nonbinding confidential mediation. The Parties will share equally in the cost of the mediation services; and/or
- b) Arbitration in Salt Lake City, Utah, before a single arbitrator under the then current rules of the American Arbitration Association for final and binding confidential arbitration. The prevailing Party is entitled to recover its reasonable costs, attorney fees, and out-of-pocket expenses relating to arbitration.

The pendency of a dispute shall not excuse or suspend any Party's obligations pursuant to this Contract.

#### **14. Limitation of Liability**

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WECC's total liability to Contractor for any breach arising out of or relating to this Contract shall not exceed the total amount payable under the Contract Price paragraph of this Contract. In no event shall WECC be liable to Contractor for any incidental, indirect, special, consequential or emotional distress damages of any kind, including, but not limited to, lost profits, lost income, lost revenue, loss of data, loss of anticipated business, loss of goodwill, or loss of third party contracts or other opportunity costs. Such damages shall not be recoverable even if they were, or should have been, known or foreseeable by WECC. The Parties agree that these provisions are an agreed benefit of the bargain and remain in effect even if any remedy, set forth in the Contract or at law, fails of its essential purpose.

#### **15. Conflict of Interest**

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Contractor represents and warrants that its entering into this Contract with WECC (i) is not restricted or limited by any other contract or understanding with any third party, (ii) will not result in a breach of any contract or understanding with any third party, and (ii) does not otherwise create any conflicts of interest for Contractor. Contractor agrees to notify WECC, in accordance with Section H.5, Notices, whenever Contractor believes a task assigned to Contractor would put its ability to abide by preexisting obligations at risk or would otherwise create a conflict of interest. Both Parties retain the right to do business with third parties in matters that may be competitive with the interests of the other Party to this Contract. However, such right shall not alter Contractor's obligation under this section to disclose to WECC any potential conflicts or Contractor's obligation to protect all Confidential Information from disclosure to third parties.

#### **16. Bankruptcy**

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In the event Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Contractor agrees to furnish written notification of the bankruptcy pursuant to Section H.5, Notices. This notification shall be furnished within five days of the initiation of the proceedings relating to bankruptcy. This notification shall include the date on which the bankruptcy petition was filed and the identity of the court in which the bankruptcy petition was filed.

### Exhibit D – Contractor Travel Reimbursement Policy

#### **Contractor Travel Expense Reimbursement Requirements**

WECC will pay or reimburse reasonable business travel expenses for contractors who are authorized in advance to travel out of their home location to fulfill the requirements of a contract with WECC.

Contractors are expected to exercise good judgment in incurring business-related expenses. All expenses submitted for reimbursement shall be accompanied by an itemized receipt (credit card receipts alone are not sufficient). WECC shall not be obligated to pay reimbursement requests that are not accompanied by an itemized receipt. If the contract includes fixed per diem rates, the fixed per diem rate specified in Exhibit B of the contract will be paid as described in the contract with no separate reimbursement for hotel expenses, meals or incidental expenses.

Contractors shall comply with the following practices:

#### **Airline Travel**

Airline tickets shall be purchased at the most economical, non-refundable coach fee. If it is likely that an itinerary will change, it is acceptable to purchase a refundable coach ticket.

#### **Hotels**

Contractor shall exercise judgment in obtaining a room at a reasonable rate. Moderate class hotels generally provide the best value and their usage is preferred. Items such as massages, mini bar purchases, rental movies, etc., are personal and will not be reimbursed by WECC.

In Loveland, Colorado; Vancouver, Washington; and Salt Lake City, Utah; WECC has negotiated special rates with some hotels for WECC travelers. Contractors shall use these hotels and special rates when reasonable and available, or use these rates as a guide when determining reasonable rates for the location of their travel. The contractor shall submit the original receipt provided by the hotel (a credit card receipt alone is not sufficient) with the request for reimbursement. Detailed receipts for any charges to the room shall also be provided.

#### **Ground Transportation**

Contractors must use the most cost effective mode of transportation, which could be a rental car, a taxi, or a shuttle. Contractors shall exercise judgment in obtaining rental cars at reasonable rates. When renting a vehicle, the type and size should be commensurate with the number of people traveling and local weather conditions. Contractors renting automobiles in fulfillment of their contract obligations to WECC are responsible for their own insurance. Insurance offered by rental car companies for collision, liability or other additional coverage is not reimbursable.

Reimbursable items include the actual cost of the car rental, tolls, and gasoline purchases. Gas purchases should not be prepaid or arranged by the car rental agency.

#### **Meals**

Contractors shall use good judgment in selecting reasonably priced restaurants. Detailed receipts submitted for meals attended by multiple individuals shall include the names and affiliations of all individuals for whom the reimbursement is claimed.

Expenses for alcoholic beverages are not reimbursable.

**Mileage Reimbursement**

Contractors will be reimbursed at the standard IRS rate for use of personal automobiles for contract-related business. Documentation supporting mileage claims (for example, a Google Maps print out of the route travelled) shall be submitted with the request for reimbursement.

**Parking**

Fees for parking at airports and other locations when traveling on contract-related business are reimbursed by WECC. Valet and other premium parking services should be avoided.

**Tips**

Tips are permitted where reasonable and appropriate.

**Travel Items**

Items such as magazines, books, snacks, movies, Wi-Fi and toiletries are personal items and will not be reimbursed by WECC.