

***Final Report***  
***Bid Evaluation and Selection Process***  
***For***  
***Electricity Generated By Cogeneration***  
***A/O 2004-02***  
***Hydro-Quebec Distribution***  
***Call For Tenders Process***

***July 29, 2005***

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# **Bid Evaluation and Selection Process For Electricity Generated By Cogeneration Call For Tenders Process A/O 2004-02**

## **A. Introduction**

This report addresses the activities associated primarily with the bid evaluation and selection stages of Hydro-Quebec Distribution's Call for Tenders (A/O 2004-02) for Electricity Generated by Cogeneration. The objective of this evaluation is to comment on the fairness and consistency of the proposal evaluation and selection process relative to industry norms and standards. The report primarily addresses the three steps of the evaluation and selection process, including (1) minimum requirements, (2) ranking of bids, and (3) simulation of bid combinations.

Through the Call for Tenders, Hydro-Quebec Distribution seeks to purchase a total of 350 MW of Annual Firm Capacity and Associated Energy on an annual basis (annual baseload deliveries) from electric cogeneration and steam facilities. Hydro-Quebec Distribution may also purchase the additional energy available at the cogeneration plant, in addition to the contract capacity, between October and April. The deliveries of additional energy offered by the bidder during the eligible period cannot exceed 20% of the contract capacity multiplied by one hour. The contract term may range from 15 to 20 years, with a commencement date of delivery no later than December 1, 2009.

This Call for Tenders process is effectively a targeted solicitation process, open only to a specific type of generation (i.e. cogeneration). In terms of eligibility, according to the Call for Tenders, the installed capacity of the generation plant on which the proposal is based must not exceed 200 MW and the cogeneration plant should have an efficiency rate of at least 70%. Eligible fuels include fossil fuel, forest biomass, and combustible residual material.

The Cogeneration Call for Tenders differed from other Hydro-Quebec Distribution Call for Tenders in two important ways. First, bidders were required to demonstrate (and Hydro-Quebec Distribution had to verify) that the energy efficiency rate of the cogeneration plant involved in this call for tenders must be equal to or greater than 70%. In addition, the energy content of the annual generation of steam must be equal to or greater than 10% of the energy content of the cogeneration plant's annual generation of electricity and steam. Second, an evaluation criteria entitled "Criteria associated with the Order in Council and Regulation" is added for evaluation purposes. This criterion includes net emissions for greenhouse gases, location of cogeneration projects in industrial parks, and regional diversity. A total of 11 points is taken into account in the evaluation for this criterion.

The Cogeneration Call for Tenders was issued on October 6, 2004 and bids were received on May 10, 2005, approximately two months after the initial due date of March 15, 2005.

The extension of the time to submit the proposals was motivated by requests from bidders for an extension. In addition, Hydro-Quebec Distribution issued three addendum to the Call for Tenders.

This report will focus on the application of the bid evaluation methods and Call for Tenders procedures during each of the three steps of the evaluation and selection process. It will also focus largely on the role and activities performed by Hydro-Quebec Distribution during the bid evaluation and selection process, leading to the selection of the preferred project(s). This report primarily focuses on the technical aspects of the tasks associated with the evaluation of the bids received and secondarily on the process and procedures underlying the evaluation and selection of bids.

For purposes of undertaking this assessment of the Call for Tenders process and procedures associated with the evaluation and selection of bids, the following issues will be addressed in this report:

1. A brief discussion of the various steps or activities in the bid evaluation process as defined in the Call for Tenders documents and related documents.
2. A general description of how the bid evaluation process and procedures were carried out by Hydro-Quebec Distribution. Included in this assessment will be a description of the key tasks, the roles of Hydro-Quebec Distribution's Evaluation Team and the role of Merrimack Energy in the process, documentation prepared by Hydro-Quebec Distribution to support the bid evaluation process, issues raised during the evaluation process, and the procedures undertaken to complete the evaluation.
3. An overall evaluation of the performance of Hydro-Quebec Distribution in completing these stages of the process.

The overall bid evaluation process and procedures required are identified in the "Call for Tenders and Contract Award Procedure". The Call for Tenders document further explains the process and procedures as implemented, as well as the evaluation criteria. In general, the process and procedures followed by Hydro-Quebec Distribution are similar to the process followed in other Call for Tenders. The adjustments made to the Cogeneration Call for Tenders will be highlighted in this report.

## **B. Description of the Cogeneration Call for Tenders Bid Evaluation Process**

The bid evaluation and selection process outlined in this Call for Tenders was similar to the process followed in other Call for Tenders, including the three steps of minimum requirements, ranking of bids, and simulation of bid combinations. As will be discussed, the first two steps were identical to the process followed by Hydro-Quebec Distribution in other Call for Tenders processes. However, the third stage of the process was never initiated since Hydro-Quebec Distribution deemed that the economics of the bid combinations would have been heavily influenced by volatile gas prices, which led

Hydro-Quebec Distribution to select one project primarily fueled by biomass through this Call for Tenders process.

As a brief background, a total of ten proposals were submitted, with a total capacity bid of 591.7 MW (based on the principal proposals and not including the variants). All proposals except for one, bid a 20-year contract term. In addition, the vast majority of proposals were fueled by fossil fuels (i.e. natural gas or oil). Three bidders offered additional energy in their proposals.

All proposals were accepted at submission. One proposal was rejected during the completeness/conformance stage of the review after bid submission and opening. The proposal did not qualify as a bona fide cogeneration installation. The remaining nine proposals were eligible for Step 1 of the evaluation process

### **Step 1 of Evaluation Process: Minimum Requirements**

The first of the three steps in the evaluation process was the evaluation of bids to ensure they conformed to the minimum requirements listed in the Call for Tenders. These included: (1) identification and demonstration the bidder has undertaken the necessary steps to acquire or secure use of the site; (2) identification of a steam host with sufficient quantity of steam to meet the minimum efficiency requirements; (3) compliance with the type and level of security required; (4) demonstrated experience in the development and operation of at least one similar project; (5) demonstration of technological maturity of the generation technology proposed; (6) demonstrate the project can be connected to the TransEnergie system in time to meet the guaranteed commencement date of delivery; and (7) demonstration that the energy efficiency must be equal to or greater than 70% along with the energy content of the annual generation of steam being equal to or greater than 10% of the energy content of the cogeneration plant's annual generation of electricity and steam.

All the information necessary to evaluate the bids from the perspective of meeting minimum requirements was requested in the Bid Form included as Appendix 10 in the Call for Tenders document. TransEnergie was responsible for making the determination whether the proposal could meet the guaranteed commencement date of delivery. TransEnergie, therefore, reviewed and evaluated sections of the bids pertaining to this information.

Prior to completing this stage of the evaluation, Hydro-Quebec Distribution issued several follow-up questions to bidders seeking clarification regarding the information provided to ensure all proposals were evaluated on an equal basis. Questions were submitted to all remaining bidders. Many of the questions focused on the pricing formulae proposed as well as information regarding the bidders' heat balance for the cogeneration plant necessary to support the energy efficiency calculations. The bidders were normally given 48 hours to respond to requests for information, with additional time being granted for complex requests. All bidders met the deadline established. All nine bids met the minimum requirements and were eligible for step 2 of the evaluation.

## Step 2: Ranking of Bids

In Step 2 of the bid evaluation process, all bids that met the minimum requirements criteria were subject to a monetary and non-monetary evaluation. Each of the bids was evaluated relative to the six criteria listed below, which are included in the Call for Tenders document. As previously noted, an additional criterion was added to the evaluation and the point totals were therefore revised from previous Call for Tenders to incorporate the new criterion.

- Cost of Electricity --- **60 points**
- Financial Strength -----**11 points**
- Relevant Experience – **5 points**
- Project Feasibility -----**11 points**
- Flexibility ----- **2 points**
- Regulations -----**11 points**

Total                      **100 points**

The above criteria and the point totals allocated to each criterion were identified in the Call for Tenders document. Furthermore, Appendix 10 (Bid Form) in the Call for Tenders provided a list of questions, information required to be filed by the bidder, and in some cases forms for completing and incorporating such information in the proposal.

The Call for Tenders also described each criterion and the important characteristics of each criterion for consideration by the bidder.

To undertake the bid evaluation, Evaluation Team members were assigned to each of the criteria and were responsible for evaluating all the bids relative to the specific criterion. The monetary and non-monetary evaluation proceeded on a parallel path, with different team members responsible for monetary and non-monetary criteria. Within the non-monetary evaluation categories, individual team members were responsible for conducting the evaluation of all bids within their specific areas of expertise.

The monetary evaluation at this stage in the process was designed to analyze each bid based on the proposed pricing offered by the bidder. Similar to other Call for Tenders, Hydro-Quebec Distribution used a real levelized cost methodology approach for evaluating each bid. This approach therefore took into account the pricing terms (capacity and energy) submitted by the bidders as well as the contract delivery performance in estimating the annual unit cost of electricity and yearly discounted cash flows. Hydro-Quebec Distribution used the forecasts of inflation indices, discount rate, fuel costs, exchange rates, and other inputs prepared by Hydro-Quebec Distribution based on inputs from several forecasting firms to estimate the long-term cost of power for each proposal. In addition, applicable transmission costs estimated by TransEnergie were included in arriving at the final real levelized cost of power for each proposal.

Thus, each proposal was evaluated using the same set of assumptions. Furthermore, since bidders did not have access to the input assumptions, bidders had to present their preferred pricing proposals rather than attempt to "game" their bids relative to the inputs.

The initial monetary evaluation process was conducted by both Hydro-Quebec Distribution and Merrimack Energy based on the base bids only, without including transmission costs and the additional energy offered by some bidders. Transmission costs and additional energy costs were then added for each bid to arrive at a final real levelized cost for each bid. This ensured all bids were compared on an equal basis reflecting the important costs associated with each bid.

The result of this analysis would therefore be a single unit price of power (i.e. the real levelized cost, which is the price in year one, which, if escalated by inflation, provides the same net present value cost stream as the proposed pricing formula). The 60 monetary points were awarded based on the relative price of each bid to the lowest priced bid, with the lowest priced bid receiving 60 points.

The bids were evaluated relative to the monetary and non-monetary weights given in the bid analysis grid. The rankings of each bid at this stage of the evaluation were to be determined based on the total monetary and non-monetary scores.

### **Step 3: Simulation of Bid Combinations**

The next step in the evaluation process is generally the simulation of bid combinations. However, based on the results of the real levelized cost analysis and concern over the volatility of natural gas prices, Hydro-Quebec Distribution elected to select only one bid through this Cogeneration Call for Tenders process.

### **C. Implementation of the Bid Evaluation Process**

This section of the report describes the actual implementation of the bid evaluation and selection process, including any changes from the original process identified above. This includes identifying and describing the organization and procedures established, the roles and activities of the Hydro-Quebec Distribution Evaluation Team as well as the role and activities of Merrimack Energy, and an evaluation of the steps of the evaluation and selection process.

As was the case with other Call for Tenders, one of the most important aspects of the solicitation process was that the methodologies and criteria underlying the bid evaluation were developed by Hydro-Quebec Distribution prior to receipt of bids. Project Team members who were responsible for the evaluation of bids were also involved in designing/revising criteria for their specific categories. The criteria underlying the evaluation process were developed to be consistent with the type of resource requested. For one minimum evaluation criterion, energy efficiency, Hydro-Quebec Distribution retained the services of an internationally known engineering firm to review and assess

the bids and ensure the bids conform to the energy efficiency requirements outlined in the Call for Tenders.

A representative of Hydro-Quebec Distribution's Project Team was assigned to each specific criterion. The representative was required to evaluate each bid relative to the same criteria to ensure consistency of the evaluation. Evaluation sheets were developed prior to receipt of bids and served as documentation during the evaluation process.

The team responsible for evaluating the bids was comprised of the Director, Electricity Supply, who was in charge of implementing the bid evaluation process and of assigning personnel for this purpose. He was responsible for ensuring compliance with the process and of supervising communications with consultants, bidders, and other divisions of Hydro-Quebec involved in the process.

The Manager of Energy Supply assisted the Director of Electricity Supply. He was responsible for maintaining the bid evaluation documentation and was the coordinator for the bid evaluation project team. For example, requests for information from bidders had to be approved by the Manager. The Manager was responsible for coordinating with Raymond Chabot Grant Thornton (the Official Representative), who transmitted such requests to the bidders.

The role of Merrimack Energy in the process was defined as reviewing and evaluating the documentation prepared and used by members of the Evaluation Team to complete all steps of the evaluation process to ensure consistency in the results. Merrimack Energy was primarily responsible for the technical issues associated with the evaluation process, including review and assessment of the minimum requirements evaluation, the monetary evaluation, and the non-monetary evaluation. Merrimack Energy conducted an independent monetary evaluation of all the bids prior to inclusion of the final transmission costs prepared by TransEnergie. Merrimack Energy and Hydro-Quebec Distribution staff worked independently using separate models but arrived at results that were virtually identical, proving that the two parties agreed on the interpretation of bid price formulas and conducted consistent analysis.

Also, Hydro-Quebec Distribution organized a Call for Tenders Committee comprised of the President of Hydro-Quebec Distribution, the Director of Electricity Supply, the Manager for Energy Supply, legal staff and other members of the project team, and representatives from the Official Representative and Merrimack Energy. The Committee met twice during the bid evaluation and selection process to discuss the status of the process and address any issues.

As noted, bids were received on May 10, 2005. All bids were accepted at bid opening. One bid was eliminated during the bid conformance process due to inconsistency with the requirements of the Call for Tenders. The remaining nine bids (totaling 551 MW) were eligible for the minimum requirements assessment. Further specific details associated with the Steps involved in the implementation of the bid evaluation and selection process are provided below.

Shortly thereafter, members of Hydro-Quebec Distribution's Evaluation Team reviewed and evaluated the bids to determine whether or not the bids met the established minimum requirements. During this stage of the process, Hydro-Quebec Distribution issued clarifying questions to select bidders. After review and evaluation of the bids and after receiving responses from bidders associated with the clarifying questions sent by Hydro-Quebec Distribution, all remaining bidders were deemed to have met the minimum requirements.

In the second step of the process, Hydro-Quebec Distribution undertook a detailed monetary and non-monetary evaluation of the nine bids that met the minimum requirements. The monetary and non-monetary evaluations proceeded on parallel paths as well, with separate team members responsible for monetary and non-monetary evaluation.

For the non-monetary evaluation, project team members were assigned to specific criteria and were required to evaluate all bids relative to the criteria. Project team members completed an initial evaluation based on the established criteria. A representative from Merrimack Energy also read the bids and focused on the information required to evaluate the bids in each criteria.

Subsequent to Merrimack Energy's review, a Merrimack Energy representative and Hydro-Quebec Distribution's project team members discussed the results of the evaluation. Merrimack Energy, in a few cases, questioned the evaluation and requested support for the evaluation. The objective of this process was to ensure that a consistent evaluation of each bid was achieved. The final non-monetary values in Step 2 were completed prior to the selection of the winning bidder.

From the monetary standpoint, all bids were evaluated using the information provided by the bidders in their proposals regarding the cost components, pricing formulas, contract output as well as the forecasts of the various indices prepared by Hydro-Quebec Distribution based on several independent private forecasts. Hydro-Quebec Distribution and Merrimack Energy each conducted a real levelized cost analysis for all the base bids offered and met to compare results. After identifying any differences in assumptions and methodologies, the models produced virtually the same results for all bids prior to inclusion of the applicable transmission costs. Any differences in the real levelized price between the two analyses amounted to very minor and insignificant differences, illustrating that the pricing analysis results could be verified through an independent assessment.

After the monetary and non-monetary scores were compiled and transmission cost impacts included, the bids were ranked on the basis of total score. From a monetary perspective the results of the analysis illustrated real levelized costs that varied significantly. Moreover, Hydro-Quebec Distribution developed a concern over the level and volatility of gas prices and the impact of energy costs of the project. Hydro-Quebec Distribution conducted sensitivity analysis of gas price estimates to assess the potential range of prices.

For example, the NYMEX strip prices available during the evaluation also illustrated prices that were tracking above the industry forecasts relied upon. To test the sensitivity of gas prices to power contract prices, Hydro-Quebec Distribution undertook a snapshot analysis of the estimated 2006 price of power in each contract (assuming the contract was in effect) based on the formula proposed. The 2006 prices were very high and variable and reflected the run-up in gas prices.

To illustrate the uncertainty and volatility of gas prices it is instructive to compare prices at the time of issuance of the Call for Tenders with current prices. By way of comparison, the price at Dawn at the approximate time the Call for Tenders was issued in October 2004 was \$6.15 per GJ, while the AECO price was \$5.72 per GJ. By comparison, the June 15, 2005 price (a market indicator at the time the decision was made to select one bid) was \$7.63 per GJ at Dawn and \$7.06 per GJ at AECO. Furthermore, winter NYMEX prices during the June timeframe in which the bid evaluation occurred exceeded \$8.40 per GJ for the winter of 2006/07 and winter 2007/08.

While the original intent of the Call for Tenders process was to simulate combinations of bids for purposes of developing a preferred portfolio, Hydro-Quebec Distribution selected only one proposal from the list of bids and did not proceed to Step 3 because of the concern of uncertain and volatile gas prices. Furthermore, as noted above, the pricing analysis showed a wide range of prices for the bids, both before and after inclusion of the applicable transmission costs.

#### **D. Evaluation of Hydro-Quebec Distribution's Performance in the Bid Evaluation and Selection Process**

The Cogeneration Call for Tenders is a targeted process limited to specific resources with defined characteristics (i.e. eligible resource types, contract term, energy efficiency levels, etc). Issues associated with fairness and equity, etc. must be considered given the nature of the Call for Tenders.

Based on Merrimack Energy's experience with competitive bidding processes and observations regarding such processes, an effective solicitation process should be designed to achieve the following objectives:

- The solicitation process should be consistent, fair and equitable, comprehensive and unbiased to all bidders.
- The solicitation process should ensure that competitive benefits result from the process.
- The solicitation process should be designed to encourage broad participation from potential bidders.

- The Call for Tenders (i.e. Call for Tenders document, the Bid Form, and Standard Contract) should describe the bidding guidelines, the bidding requirements to guide bidders in preparing and submitting their proposals, and the bid evaluation and selection criteria.
- The solicitation process should include thorough, consistent and accurate information on which to evaluate bids, a consistent and equitable evaluation process, documentation of decisions, and guidelines for undertaking the solicitation process.
- The solicitation process should ensure that the Power Purchase Agreement is designed to minimize risk to the utility customers while ensuring that projects selected can be reasonably financed.

The implementation of the Call for Tenders process relative to the first five characteristics is described below. Merrimack Energy was not involved in contract negotiations.

**The solicitation process should be consistent, fair and equitable, unbiased, and comprehensive**

The first objective focuses on Hydro-Quebec Distribution's Call for Tenders process and performance in carrying out the evaluation and selection process. The key criteria (fair, equitable, consistent and unbiased) are applied to Hydro-Quebec's implementation of the evaluation and selection process as well as Hydro-Quebec's ability to adhere to the requirements outlined in the Call for Tenders document. Therefore, the critique will focus on the implementation of the process rather than specific issues regarding the process.

In our view, Hydro-Quebec Distribution's evaluation and selection process was consistent throughout. From a non-monetary perspective, the approach of requiring individual team members to evaluate specific criterion for all bids ensures that bids should be consistently evaluated since the evaluator has the opportunity to not only evaluate one specific criterion in conjunction with their expertise but to review the relative scoring of each bid within the established criterion. Merrimack Energy's independent review of the evaluation confirms that the bids were consistently evaluated.

The monetary evaluation methodologies were designed to evaluate bids using the same or consistent set of input parameters. In addition, the real levelized cost analysis applied in Step 2 is an excellent methodology for comparing bids of this nature on a consistent basis.

With regard to bias, the most obvious consideration is whether the process favors one type of bidder over another. Since all bids were for a similar type resource (and technology) any presence of bias would likely be in the implementation of the process itself, rather than the criteria or other information that could affect different bidders. Based on our direct involvement in the process, we could find no examples where one bid

was more favorably treated than another. First, the presence of the Official Representative and its role as link between Hydro-Quebec Distribution and the bidder ensures that all bidders have access to the same information at the same time. In addition, the process was a fairly open process with information pertinent to all bids provided on the Website for review. The Call for Tenders was also designed to explain in detail the evaluation process, the requirements of Hydro-Quebec Distribution, and the information that all bidders were required to submit.

As noted before, we do not believe any bid had an inherent competitive advantage within the parameters of the Call for Tenders. The Non-Compliance assessment and follow-up information requirements affected all bidders and ensured all bidders provided the same information for evaluation purposes. Also, Hydro-Quebec Distribution was focused on ensuring that all bidders competed on an equal footing.

The Call for Tenders process was well structured to ensure that the information required in the Call for Tenders document was linked to the evaluation criteria. Hydro-Quebec Distribution requested a considerable amount of information from the bidder to gain an in-depth assessment of the proposed project and utilized all the relevant information to evaluate and score the bid.

The thoroughness of the evaluation criteria also enhanced the ability of Hydro-Quebec Distribution to develop a comprehensive database and information support to back-up the non-monetary and monetary evaluation. Merrimack Energy reviewed all the non-monetary and monetary evaluation documentation and recognizes the thoroughness of the documentation process.

**The solicitation process should be designed to ensure that competitive benefits result from the process**

The results of the process illustrate a wide range of price bids. While the number of proposals offered and the amount of megawatts offered exceeded the amount solicited in the Call for Tenders, one bid represented nearly one-third of the total capacity offered. Furthermore, as previously noted, the prices bid were at the high end of recent Call for Tenders, raising the issue of whether competitive benefits will result from the process in the context of high gas price volatility. Hydro-Quebec Distribution judged that the level and volatility of gas prices created conditions where competitive options would not have resulted from the process. In Merrimack Energy's view, the volatility of gas prices created price uncertainty which would not result in competitive benefits under certain gas price scenarios.

It is not uncommon for utilities to terminate a Call for Tenders or RFP process or select less capacity than requested depending on market conditions. The long lead-time nature of the process could coincide with significant market changes (i.e. revision in the amount of power required based on load uncertainty, changes in interest rates, changes in fuel costs, or changes in economic conditions)

### **The solicitation process should be designed to encourage broad participation from potential bidders**

Given that the solicitation was a targeted solicitation for one type of resource, the number of bids and options submitted illustrates a fairly robust process. Ten proposals were originally submitted representing capacity in excess of that required. In addition, Hydro-Quebec Distribution delayed the due date for bid submission twice at the request of bidders to encourage more participation in the process.

### **The Call for Tenders Documents should describe the process clearly and provide adequate information on which bidders could complete their proposals**

This objective deals with the quality of the documents contained in the Call for Tenders package (i.e. Call for Tenders, Standard Contract, and Bid Form) and the integration among the documents. Hydro-Quebec Distribution's Call for Tenders provided considerable detail regarding the information required of bidders, the basis for evaluation and selection, and the criteria of importance. The Call for Tenders process clearly provides a direct link between the Call for Tenders document, bid form and standard contract.

Moreover, Section 4.18 (Non-competitive bids) of the Call for Tenders document provides Hydro-Quebec Distribution the right to not accept bids where the prices are deemed to be non-competitive.

### **Information Required of Bidders**

The bid form requires a significant amount of information from the bidders to be included in their proposal. Under Hydro-Quebec's evaluation process, the vast majority of this information is used in the analysis and is consistent with the evaluation criteria developed. The level of information provided ensured that Hydro-Quebec Distribution could undertake a consistent and comprehensive analysis of each proposal and reflect the individual attributes of each proposal in the evaluation.

### **E. Conclusions**

The Call for Tenders procedures followed by Hydro-Quebec Distribution and the subsequent bid evaluation and selection processes and methodologies are, in substance, consistent with industry standards. While the selection of only one bid from the Call for Tenders may raise concerns from bidders about future competitive processes, this outcome must be weighed against the risk of higher costs to consumers. The following summarize some of the major considerations relative to the consistency of the Call for Tenders with industry standards.

- All bids received fair and equitable treatment throughout the process. All bids had access to the same information and were evaluated based on a consistent set of input assumptions after Hydro-Quebec Distribution solicited follow-up

information and data requests to ensure all bids were placed on a level playing field for the evaluation.

- The three-step evaluation process followed by Hydro-Quebec Distribution is consistent with the approaches followed by other utilities. In particular, the use of monetary or price values or total cost as the final determinant for bid selection is common practice in the industry. This approach minimizes evaluation bias and represents the most objective approach for bid selection.
- The price analysis undertaken was based on assessing each proposal using the same consistent set of economic assumptions, thus ensuring that all bids were fairly and consistently evaluated. All bids were ranked using a typical price evaluation methodology (i.e. real levelized cost analysis) that is standard in the electric utility industry. Hydro-Quebec Distribution and Merrimack Energy arrived at the same results using different models but based on the same methodology and input assumptions based on the proposals submitted.
- All proposals that passed the Minimum Requirements step were thoroughly and consistently evaluated and ranked based on a detailed monetary and non-monetary assessment with all evaluation scores thoroughly scrutinized both internally and externally.
- Hydro-Quebec Distribution included all direct project costs as well as system transmission and interconnection costs associated with each bid in the evaluation process, in conformance with the Call for Tenders procedures. This is consistent with the approach undertaken by most utilities in the bid evaluation process, which is designed to include all costs in the analysis.
- Hydro-Quebec Distribution developed the evaluation guidelines, evaluation criteria and scoring system, and forecasts of the allowable indices prior to receipt of bids. As a result, the evaluation parameters were pre-established prior to bid receipt, therefore eliminating evaluation bias.
- Hydro-Quebec Distribution has developed a detailed documentation process designed to support the evaluation and selection decision for both the non-monetary and monetary criteria.

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