

PREPARED BY GDS ASSOCIATES, INC.

# KINDLE ENERGY LLC

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*Request for Proposals:  
MISO South Capacity and Energy  
Magnolia Power Generating Station*

**August 2, 2023**

**ADMINISTRATOR**



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# 1 INTRODUCTION

On behalf of its subsidiary, Magnolia Power LLC (“Magnolia Power”), Kindle Energy LLC (“Kindle”) is issuing this Request for Proposals (“RFP”) to solicit bids for the sale of capacity, energy, or bundled energy and capacity from Magnolia Power Generating Station, which is under construction and scheduled to come online in 2025.

Kindle is a Princeton, New Jersey company that currently manages approximately 11 GW of generations facilities in North America. Upon completion of the project, Kindle will also manage Magnolia Power Generating Station, a 1x1 700 MW combined cycle gas turbine project located outside of Plaquemine, Louisiana.

Kindle originated from the knowledge that many organizations have complicated energy needs that need an experienced partner who can provide sophisticated results. Being dependable is at the heart of our business model – our approach provides a customized range of options while being transparent and honest and keeping promises without last minute surprises.

Our team has proven and diverse experience improving, managing, operating, and developing assets both internationally and domestically. We focus on complex situations in which we can add maximal value. With a sense of urgency, the Kindle Energy team is dedicated to providing solutions that show measurable results and help customers along their own specific path to energy evolution. Kindle has the requisite sophistication needed to originate energy solutions for any and every kind of utility.

Two alternative products, a 6.5 MMBtu/MWh fixed heat-rate strike and a 10.0 MMBtu/MWh fixed heat-rate strike, are described in Section 2 below. Bidders are welcome to submit bids for either or both products. The suggested terms are being provided to facilitate bidder participation and are an invitation to make an offer. They do not contain all material terms and conditions that the final Edison Electric Institute and/or Power Purchase Agreement will contain, which is the only document that will be binding. In its sole and absolute discretion, Kindle reserves the right to reject, for any reason, any and/or all proposals at the conclusion of the RFP process. Bidders submitting responses to this RFP do so with an understanding that Kindle does not guarantee the award of any contract or work.

## 1.1 RFP COMMUNICATIONS

This RFP is being independently administered by GDS Associates, Inc. (“GDS”). All submittals, inquiries, and communications relating in any manner to this RFP should be directed to the following GDS points of contact. Communications, indicative pricing, and final offers must be submitted to: [KindleRFP@gdsassociates.com](mailto:KindleRFP@gdsassociates.com).

The following personnel will serve as the point of contact for the RFP:

Point of Contact		Phone Number
Scott Billiot	Primary Contact	770.685.3541
Chris Dawson	Secondary Contact	770.799.2366

## 2 POWER SUPPLY PRODUCTS

### 2.1 BUNDLED CAPACITY & ENERGY – COMBINED CYCLE CALL OPTION

Proposed Term:	Description of Proposed Commercial Terms
Facility:	Magnolia Power Generating Station (“MPGS”)
Technology:	GE 7HA.03 CCGT with up to 50% hydrogen blend capability
Delivery Location:	Delivery and transfer of capacity and energy from the Facility will occur at the Commercial Pricing (“CP”) Node to be known as the “Magnolia Power Plant CP Node” as defined by MISO in its commercial model and MISO Zone 9 as currently defined by MISO.
Anticipated Start Date:	June 1, 2025
Desired Delivery Term:	3 – 20 Years
MW Volume:	Up to 290 MW, MISO Zone 9 Zonal Resource Credits (“ZRCs”) and 290 MW Firm LD Heat Rate Call Option
Transaction Structure:	Fixed heat-rate daily call option
Heat Rate Strike:	6.5 MMBtu/MWh
Firmness:	Energy will be Firm/LD as defined by the EEI Master Contract, and subject to annual maintenance requirements as detailed below. Subject to Planned Maintenance Schedule.
Fuel Pricing Index:	For PPAs, the Henry Hub Gas Daily Index as provided by Platts or its successor + \$0.15/MMBtu transportation adder, the transportation adder escalates at 3% annually. For hydrogen blending, all costs associated with fuel, transportation, and other costs necessary to deliver hydrogen to MPGS will be on a pass-through basis to the buyer. To the extent Magnolia Power is required to invest in infrastructure, such as to reduce carbon emissions or incorporate hydrogen into its fuel mix, Buyer will have the option to participate on a pro-rata basis in this investment and receive the benefits under amended contract terms.
Variable O&M Rate:	\$2.60/MWh escalating at 2.5% per MISO planning year
Start-Fee Maintenance:	\$1800/start
Start-Up Fuel:	Cold Start: 750 MMBtu Warm Start: 650 MMBtu Hot Start: 350 MMBtu
Scheduling:	Buyer may schedule energy delivery for a minimum of 6 consecutive hours per day and a maximum of 24 hours per day, and may schedule a maximum of 2 minimum 6-hour blocks per day that are not consecutive and must have a minimum of 3 hours of downtime between schedules. On a MISO planning year basis (June-May), the total number of starts (individual non-consecutive energy schedules) may not exceed 250.  <b>Option Strike Deadline:</b> By 9 AM CPT, day-ahead for weekdays and non-NERC holidays. For weekends and holidays, 9 AM CPT day-ahead on the last business day prior to a weekend day or NERC holiday.
Fuel Supply and Transportation:	Seller will be responsible for buying, scheduling, and delivering fuel to the Facility consistent with the stated Fuel Pricing Index terms above.
Market Participant:	Magnolia Power LLC will be market participant.

**2.2 BUNDLED CAPACITY & ENERGY – COMBUSTION TURBINE CALL OPTION**

Proposed Term:	Description of Proposed Commercial Terms
Facility:	Same as above
Technology:	Same as above
Delivery Location:	Same as above
Anticipated Start Date:	Same as above
Desired Delivery Term:	Same as above
Capacity Credits:	Same as above
Transaction Structure:	Same as above
Heat Rate Strike:	10.0 MMBtu/MWh
Firmness:	Same as above
Fuel Pricing Index:	Same as above
Variable O&M Rate:	Same as above
Start-Fee Maintenance:	Same as above
Start-Up Fuel:	No start-up fuel
Scheduling:	4-hour minimum run time all other terms the same as above
Fuel Supply and Transportation:	Same as above
Market Participant:	Same as above

**2.3 ENERGY ONLY CALL OPTION**

In addition to the bundled capacity and energy products described above, bidders are welcome to submit bids for energy only products mirroring the terms above minus the capacity credit rights. Bidders may submit energy only bids for either or both of the combined cycle or combustion turbine products.

**2.4 CAPACITY ONLY PRODUCT**

Additionally, bidders are welcome to submit capacity only bids for up to 290 MW of MISO Zone 9 Zonal Resource Credits (“ZRCs”).

Note: Bidders may submit bids for any or all of the individual products above.

### 3 RFP SCHEDULE

The following schedule and deadlines apply to this RFP.

RFP Issued	August 2, 2023
Submission of RFP Questions Due	August 18, 2023
Notice of Intent to Bid and NDA Execution	September 1, 2023
<b>Respondents Bids Due</b>	September 15, 2023 5:00 PM ET
Notification of Awards	No earlier than September 29, 2023

Kindle reserves the right to modify, cancel, or withdraw this RFP and/or revise the above schedule at any time, in its sole and absolute discretion. As soon as reasonably possible, GDS will inform all prospective bidders that have received or requested this RFP of any schedule changes that may affect their submittal.

#### 3.1 RFP ISSUANCE AND EXECUTION OF NON-DISCLOSURE AGREEMENTS

GDS has posted this RFP with all necessary documents and data on its website at: (<https://www.gdsassociates.com/requests-for-proposals/>). With submittal of bidder's "Notice of Intent to Bid," interested bidders will be required to execute Kindle's form of Non-Disclosure Agreement.

#### 3.2 FINAL SUBMISSION OF RFP QUESTIONS

All final questions related to this RFP must be submitted in writing via e-mail as per the requirements of Section 1.1 RFP Communications.

#### 3.3 RESPONSE TO RFP QUESTIONS

To the extent practical, GDS will post questions and answers to its RFP website to facilitate bidder participation.

#### 3.4 BID DUE DATE

Bids for any and all products **MUST** be received electronically at the specified GDS e-mail **by** 5:00 pm Eastern Standard Time on September 15, 2023. Bidders are to submit proposals using the Exhibit A bid form.

#### 3.5 EVALUATION CRITERIA AND NOTIFICATION OF AWARD

As mentioned above, GDS is serving as an independent RFP administrator and will not be evaluating the merits of the bids. Kindle retains sole and absolute discretion over evaluation of bids. Once all proposed bids have been received, Kindle will evaluate all proposals, accounting for any alternative

proposed product structures and credit requirements. Kindle reserves the right to seek clarification of proposal information provided or to seek additional proposal information to allow for proper review of any proposal submitted by a bidder. In its sole and absolute discretion, Kindle may elect not to move forward with any bidder, or it may select one or multiple bidders with which it will negotiate a definitive binding agreement encompassing all necessary terms and conditions.

## 4 CREDIT SUPPORT REQUIREMENTS

### 4.1 BIDDER CREDIT SUPPORT REQUIREMENTS

Bidders are required to supply credit support requirements with submission of bids, if any. If credit support is required, then such is to be indicated in the Exhibit A bid submission form, and any associated supplemental documentation shall be identified and appended. Magnolia Power may also have credit requirements of the buyer(s) which will be detailed during negotiations.

## 5 DISCLAIMER

### 5.1 NOTICE OF DISCLAIMER

This RFP has been prepared and provided to assist interested persons and entities in deciding whether to respond with a proposal. Kindle reserves the right to modify, change, supplement, or withdraw the RFP in its sole and absolute discretion. No part of this document or any other correspondence from Kindle, its employees, officers, or consultants shall be taken as legal, financial, or other advice, nor as establishing a contract or any contractual obligations.

Kindle makes no representations, warranties or guarantees regarding the accuracy and completeness of the information contained within the RFP and does not purport that this RFP contains all the information needed for bidders to determine whether to submit a proposal. Neither Kindle nor its employees, directors, officers, agents, representatives or consultants will make, or will be deemed to have made, any current or future representation, guarantee, promise, or warranty, expressed or implied, as to the accuracy, reliability, or completeness of the information contained with the RFP or any other information provided to bidders.

Bidders who submit proposals do so without legal recourse against Kindle, or any of Kindle's employees, directors, officers, agents, representatives or consultants, due to Kindle's rejection, in whole or in part, of their proposal or for failure to execute any agreement or contract with Kindle. Kindle shall not be liable to any bidder or to any other party, in law or equity, for any reason whatsoever related to Kindle's acts or omissions arising out of or in connection with this RFP or the RFP process.

Kindle reserves the right to reject, for any reason whatsoever, any and/or all proposals. Kindle also reserves the right to re-issue this RFP, in the event that all proposals are rejected, or Kindle deems it otherwise necessary. Kindle further reserves the right to waive any irregularity or technicality in proposals received. In addition, Kindle reserves the right, in its sole and absolute discretion, to modify or waive any of the criteria contained herein and/or the process described herein.

No bidder will have any claim whatsoever against Kindle, its employees, officers, or consultants arising from, in connection with, or in any way relating to this RFP or the RFP process. The furnishing of any information by Kindle in this RFP or during the RFP process shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each bidder, by submitting its bid, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold Kindle, nor its employees, directors, officers, agents, representatives or consultants, liable or responsible in any manner whatsoever. Further, each bidder agrees, by and through its submission of a proposal, that rejection of a proposal will be without liability on the part of Kindle, its employees, directors, officers, agents, representatives or consultants, nor shall a bidder seek recourse of any kind against any of the foregoing on account of such rejection. The filing of a proposal shall constitute an agreement of the bidder to each and all these conditions. Each bidder and recipient of this RFP is responsible for all costs incurred in evaluating, preparing, and responding to this RFP. Any other costs or assistance incurred by any bidder during Kindle's review and approval process are also the responsibility of the bidder.