

**Independent Monitor Services
Statement of Work**

1. General Description and Location of Services

Merrimack Energy Group, Inc, the Consultant, as Independent Monitor ("IM") of EPE's *2025 All-Source Request for Proposals for Capacity and Energy Supply Resources for Texas and New Mexico* shall provide the services described in this Statement of Work. The overriding responsibility of the Consultant is to ensure the competitive bidding process is undertaken in a fair and unbiased manner with the objective of providing the best outcome for EPE's customers.

2. Consultant Requirements

- 2.1. Review and track the utility's implementation of the competitive bidding process from design of the RFP through contract negotiations.
- 2.2. Maintain a review and oversight function over the RFP process including:
 - a) RFP draft review,
 - b) Bidder proposal review,
 - c) Monitor communications with market participants, and
 - d) Monitor contract negotiations if needed.
- 2.3. Report any problems or concerns with the bidding process to EPE to aid in issue resolution if any arise.
- 2.4. Review and comment on the draft RFP documents and supporting documentation with the goal of:
 - a) Ensuring that the RFP documents are clear and concise with regard to the definition of the products sought, information required of bidders, solicitation schedule, and solicitation process,
 - b) Ensuring the RFP processes and procedures will lead to a fair and equitable solicitation process and encourage a robust market response,
 - c) Ensuring consistency between the RFP, Model Contracts or term sheets and information required of the bidders,
 - d) Ensuring that bidders are provided sufficient information to allow bidders to determine how to effectively compete in the process, and
 - e) Reviewing and commenting on the evaluation criteria, evaluation process and methodology, and ranking and selection process.

2.5. Review and comment on the EPE's procedures and policies to ensure that self-build or affiliate options do not have any undue preferential treatment and to ensure the process is fair and transparent.

2.6. Relationship to Bidders

- a) Review and critique EPE's responses to bidders' questions prior to distributing to bidders.
- b) Monitor discussions with shortlisted bidders, if applicable.
- c) Review and monitor communications with shortlisted bidders including requests for additional information to ensure all bidders are treated equitably.

2.7. "Advisory" Function

- a) Identify and resolve any issues as they arise, that could affect the fairness of the process.
- b) Identify industry "best practices" or strategies used by others to address similar issues.

2.8. Bid Evaluation Protocols and Procedures such as:

- a) Review and verify that the bid evaluation was undertaken consistently with the bid evaluation criteria and protocols for non-price and price evaluation,
- b) Review and verify shortlist selection process,
- c) Review economic modeling approach and price evaluation for different resources (i.e. PPA, self-build, acquisition, load management resources, DG resources), and
- d) Review and lock-down input assumptions prior to receipt of bids.

2.9. Receipt of bids

- a) The Consultant is to be present at bid receipt and opening of bids when there is a self-build option. The Consultant along with representatives of EPE will be responsible for receiving bids, securing the bids, and logging of the bids received.
- b) The Consultant is to prepare a high-level summary of the bids received and compare to EPE's list to ensure all bids are accounted for.

2.10. The role of the Consultant in the bid evaluation and selection process is to:

- a) Oversee the evaluation and selection process to ensure that the process is fair and objective to all bidders,
- b) Read and review all bids relative to the established criteria, and
- c) Meet with the bid evaluation team during the bid evaluation process and “challenge” the results of the bid evaluation process.

2.11. Review all modeling results and analysis

- a) Review the modeling inputs, model assumptions and model methodologies prior to receipt of bids.
- b) Thoroughly review and assess all the economic evaluation results, including model outputs.
- c) Request supporting documentation, if necessary.

2.12. Role of the Consultant in Contract Negotiations:

- a) Monitor the contract negotiation process, if required.
- b) Participate in select negotiation sessions if deemed necessary by EPE, including all negotiation sessions with any affiliates, and
- c) Review draft copies of the contracts.

2.13. Reporting Requirements

- a) Identify a “watch list” of issues that need to be closely monitored during the process.
- b) Submit a Final Findings Report to EPE which shall include the following but not limited to:
 - i. Description of the role of the Consultant;
 - ii. Description and review of the competitive bidding process and evaluation of Proposals;
 - iii. Evaluation of the Framework and Principles for proposal bid evaluation and selection process; and
 - iv. Recommendations for improving the RFP process.

2.14. Testify in the contract approval, project approval, and regulatory proceedings if required.

3. EPE Requirements

3.1. EPE will provide the necessary information to the consultant to perform the services as requested.

3.2. Items to be provided to the Consultant include but are not limited to:

- a) *2025 All-Source Request for Proposals for Capacity and Energy Supply Resources for Texas and New Mexico,*
- b) Bidder List,
- c) Proposal evaluation process approach and criteria,
- d) Bidder proposals,
- e) Bidder submitted questions and EPE responses,
- f) Proposal review and evaluation results, and
- g) Contract negotiations.