

**KANSAS CITY POWER & LIGHT COMPANY**  
**REQUEST FOR PROPOSAL FOR FIRM POWER AND ENERGY**  
**August 17, 2007**

Kansas City Power & Light Company (“KCPL”) issues this Request for Proposals (“RFP”) to meet the Integrated Resource Planning (“IRP”) requirements of the Missouri Public Service Commission, as specified under Rules of Department of Economic Development, Division 240 – Public Service Commission, Chapter 22 – Electric Utility Resource Planning (4 CSR 240-22). This RFP is being issued to evaluate long-term opportunities for meeting future capacity and energy needs in 2010 and beyond.

To qualify as a capacity resource, proposals must meet the accreditation requirements of Southwest Power Pool (SPP). These requirements include:

- Documented testing of generating capability per the SPP Criteria , and
- Acquisition of or access to Firm transmission path June-September (“Summer Season”).

Proposals meeting these requirements are expected to include both traditional and non-traditional technologies, which meet the definition of accredited capacity. KCPL seeks proposals for:

- Generating facilities including all forms of renewable generation,
- Distributed generating resources including end-use or customer based generation.

**Proposal Eligibility\***

- Acceptable proposals include Capacity and/or Energy sourced from various types of electric generation resources (“Resources”) that meet the Southwest Power Pool’s (“SPP”), or its successor organization’s, minimum criteria for Capacity accreditation. Such Resources include base load, intermediate, peaking, and renewable facilities.
- All proposals must designate the Capacity and/or Energy Resource(s).

- Generating resource proposals possessing an annual Capacity and/or Energy offer of twenty-five (25) megawatts (“MW”) or more shall be eligible for consideration. Proposals sourcing from renewable energy projects or distributed generation shall be eligible for consideration regardless of the 25 MW threshold.
- Proposals may include equity positions in proposed or existing Resources.
- Respondents may submit “Energy Only” proposals that are considered financially firm (relying on market availability to supply). However, such proposals are not acceptable as a source of Capacity. “Energy Only” proposals that are not considered financially firm will not be considered.
- The minimum duration of any offer must be one Summer Season.
- Proposals must explicitly state a date of expiration.
- Proposals must meet the Submission Instructions provided herein.
- Proposals shall include sufficient detail for KCPL to properly evaluate all costs associated with the proposal.
- Proposals must comply with all applicable federal, state and local laws.

\*In the event of extenuating circumstances, KCPL reserves the right to modify eligibility requirements on a case by case basis.

### **Transmission Service**

KCPL is a network transmission customer of the SPP. For all proposals specifying a Capacity Resource(s) located within the SPP transmission footprint, KCPL plans to submit a firm SPP network transmission (“Network Service”) request from the Resource(s) to the KCPL control area. Provided KCPL successfully acquired Network Service for the desired term, the Respondent is not expected to incur any transmission expense to deliver the Capacity from the Resource to the KCPL control area.

Respondents submitting proposals using Capacity Resources located outside the SPP transmission footprint must make all arrangements, and accept financial responsibility, for firm transmission service from the Resource to the SPP footprint. KCPL will attempt

to acquire Network Service from the appropriate SPP interface to the KCPL control area. If either Party is denied firm transmission service, KCPL may refuse the Respondent’s proposal, at which time the Parties will have no financial obligation to the other for any transmission related expense(s).

Respondents submitting “Energy Only” proposals must specify the terms and conditions regarding firm transmission service from the Resource to the KCPL control area. The Respondent shall accept all responsibilities, including financial, for acquiring firm transmission service from the Resource(s) to KCPL.

**Proposal Terms**

Capacity and/or Energy proposals may serve any or all of KCPL’s projected annual capacity requirements as stated in Table 1 below. KCPL may consider proposals extending beyond the 2023 time frame.

<b>Year</b>	<b>Annual Capacity Requirement</b>
2010	50
2011	75
2012	100
2013	125
2014	150
2015	225
2016	300
2017	350
2018	425
2019	500
2020	550
2021	600
2022	650

**Table 1**

Proposals should include the following information:

- Capacity Charge (if applicable): Expressed in dollars per kW-month (\$/kw-mo) at the Resource's physical location, or the SPP interface if located outside the SPP footprint.
- Energy Charge: Expressed in dollars per megawatt-hour ("\$/MWH"), at the Resource's physical location, or the SPP interface if located outside the SPP footprint. Respondent shall describe the specific methodology of calculating such Energy Charge if it is based on a formula or an index.
- Operation and Maintenance (Fixed and Variable): Specify methodology for calculating such prices.
- Scheduling and Dispatch: List all terms and conditions that may apply, including dispatch, delivery or scheduling limitations, energy minimums or maximums, and other pertinent terms. Any *force majeure, uncontrollable forces* or other provision that could excuse delivery must be stated.
- Transmission: Provide description of the proposed transmission service arrangements dependent upon whether the Resource(s) is located within or outside the SPP transmission footprint. List all applicable transmission charges, if any, that Respondent expects KCPL to pay.
- Ancillary Services: Respondent shall list and price separately any ancillary services included in the proposal.
- Losses: Respondent shall provide a statement regarding the treatment of losses and whether or not the Respondent will provide physical losses and whether or not the supply of such losses is an additional cost to be incurred by KCPL.
- Environmental Expenses: In the event that any component(s) of the Respondent's proposal possesses pricing characteristics that could change based upon the environmental impact of the Resource, the Respondent shall provide a statement that sufficiently describes the financial impact that KCPL could incur.

- Site/Facility Requirements for Proposed Generating Facilities: Provided the Respondent proposes participation or ownership in a new or existing Resource, the Respondent shall provide performance information which shall include at least the following attributes and forecast information where applicable:
  - a. Fuel type(s);
  - b. Practical size range;
  - c. Maturity of technology;
  - d. Lead time for permitting, design, construction, testing and startup;
  - e. Capital cost per kilowatt;
  - f. Annual operation and maintenance costs (fixed and variable);
  - g. Scheduled routine maintenance outage requirements;
  - h. Equivalent forced-outage rates or full-and-partial-forced-outage rates;
  - i. Operational characteristics and constraints of significance in the screening process;
  - j. Environmental impacts, including:
    - i. Air emissions (primary acid gases, greenhouse gases, ozone precursors, particulates, air toxics, etc.)
    - ii. Waste generation including at least the primary forms of solid, liquid, radioactive and hazardous wastes;
    - iii. Water impacts including direct usage and at least the primary pollutant discharges, thermal discharges and groundwater effects; and
    - iv. Siting impacts and constraints of sufficient importance to affect the screening process.

### **Respondent's Qualifications**

Credit quality of each Respondent is a significant factor in KCPL's decision to execute a written, mutually agreeable, sales agreement ("Definitive Agreement") with such Respondent. Prior to executing a Definitive Agreement, KCPL will require each Respondent to provide financial documentation sufficient to evaluate the Respondent's

credit quality and/or investment credit rating. Most likely, this will include a review of the Respondent's latest annual report and the most recent 10-Q report.

Respondent should provide general organizational information, including a list of all corporate and ownership relationships associated with the proposal and a statement as to the creditworthiness of the organization and, if an affiliate, whether or not the parent will guarantee the Respondent's obligation under a contract based on its proposal.

### **Confidentiality**

Neither Party shall disclose the terms and provisions of the Respondent's proposal(s), except to its representatives who have a need to know and who execute an agreement agreeing to be bound by these Confidentiality provisions; provided, that if a Party is required by law to make such a disclosure, it shall first notify the other Party, and shall use commercially reasonable efforts to attempt, at its own expense, to restrict or prevent such disclosure, and shall allow the other Party to participate in such attempt, should it choose to do so. The Parties shall be allowed to disclose the terms and provisions of the proposal(s) in federal and state regulatory proceedings to parties that have executed confidentiality agreements. KCPL reserves the right to release such information to its agents or contractors for the purpose of evaluating proposals, but the same care with respect to disclosure will be used by our agents and/or contractors.

### **Liability**

KCPL reserves the right to reject any and all Proposals, for any reason whatsoever or for no reason, and to enter into separate negotiations with another party. This request does not commit KCPL to pay any costs incurred for preparation of proposals or any subsequent cost of negotiation.

This request, and subsequent offer and/or acceptance is expressly conditioned upon KCPL and Supplier executing a written, mutually agreeable, sales agreement. Any

transaction is expressly conditioned upon the receipt of all necessary regulatory approvals.

### **Submission Instructions**

Completed Proposals, including all exhibits, must be received by 5:00 pm CST on September 28, 2007 at the address provided below. Respondent shall submit one (1) electronic copy and two hard copies (2) of each Proposal. Each Proposal shall remain valid until March 31, 2008, unless otherwise noted in the Proposal.

Questions regarding this RFP should also be directed to the contact shown below.

### **CONTACT INFORMATION**

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