ADDENDUM # 1 TO RFP # 0060169

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (Virginia Tech)
Procurement Department (MC 0333)
North End Center, Suite 2100
300 Turner Street NW
Blacksburg, Virginia 24061

DATE
January 23, 2020

NEW DUE DATE AND HOUR
February 7, 2020 @ 3:00pm

ADDRESS ALL INQUIRIES AND CORRESPONDENCE TO: Reed Nagel
E-MAIL ADDRESS: nagelr@vt.edu TELEPHONE NUMBER (540) 231-5240
FAX NUMBER (540) 231-9628 AFTER HOUR MESSAGES (540) 231-6221

Pipeline Natural Gas Supply and Fuel Management Services

1. The following questions have arisen as a result of this solicitation. Please note that the inquiry period has not closed.

   Is the minimum volume the minimum base load volume that VT will need or consume each day to operate the Power Plant, summer and winter?

   Yes. The minimum volume is the year-round baseload volume that VT will consume each day.

   Will VT have 100% or partial backup fuel; coal/oil to backup all or any part of the stated load above, especially in the winter?

   If VT is unable to secure the additional natural gas volumes as detailed in the RFP, then yes VT will have a backup fuel.

   Questions came in regarding daily usage numbers and historical usage data.

   At this time Virginia Tech is only able to provide the three-year historical monthly average loads during summer and winter. These numbers are 64525.28 MMBTU per month for the summer and 72579.59 MMBTU per month for the winter.

   Does Virginia Tech have a contract for interstate pipeline capacity?

   No, VT does not currently have a contract for interstate pipeline capacity. VT expects the supplier to have all required agreements as part of its delivered supply proposal. However, should pipeline expansion be required to secure the volumes in the RFP, then this would be discussed at that time.

   Are there any projects in works or planned that would significantly increase or decrease usage during the term of the contract?

   Yes. VT would like to reduce its oil and coal consumption. In addition, VT needs to account for campus growth over the next five years. However, the primary focus is to reduce VT’s coal/oil footprint via the securement of additional natural gas supplies. “Virginia Tech is seeking a minimum volume of 6,276 dth/day on a primary firm basis with an option for an additional 3,324 dth/day on a peaking basis.” These requested volumes include VT’s increased gas consumption volumes (not just the current day consumption volumes).

Is this a call that Virginia Tech makes? If so, what is the time cut off to make such a call?
Yes, VT will notify the supplier/fuels manager of the load needs for a given day. Currently, VT has 3-day weather notice for scheduling with day ahead and intraday options. This structure would be preferable, but VT is open to others provided the daily operations for VT do not change.

How is the peaking product priced, is the peaking volume called on at a spot price, and is it an extension of the firm price and merely a call on additional volume??

VT would prefer an extension of the firm price. But would like to understand the supplier’s capabilities and proposed pricing and volumes. If there is a percentage that can be secured under the firm price and a portion left for spot pricing, VT would like to see this proposal as well.

2. The due date and hour has changed from **January 31, 2020 @ 3:00pm** to **February 7, 2020 @ 3:00pm**.

3. All other terms and conditions remain the same.

I acknowledge that I have read and understand this addendum in its entirety.

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Signature   Date