

ADDENDUM 1

RFP 473-21-00005

REQUEST FOR PROPOSALS FOR EXTERNAL AUDIT OF FEBRUARY 2021 EXTREME WEATHER EVENT

Introductory Note:

The Public Utility Commission of Texas (“PUCT”) is issuing an emergency Request for Proposals (RFP) for gap analysis that specifically addresses the actions taken by ERCOT to process wholesale electricity market transactions related to the February 2021 extreme winter weather event and a fiscal audit of the related settlements.

The Electric Reliability Council of Texas, Inc. (ERCOT) will be a signatory to this contract because they will be required to pay for the gap analysis and audit and it will be necessary for them to provide information to the contractor so that the contractor can perform these duties. However, in all of the work required under this contract the contractor will report to the PUCT and is expected to maintain independence from and impartiality towards ERCOT.

Please note, because this is an emergency Request for Proposals, the time allotted for response is shortened. Deadlines and schedule may be found in Section 5 of this RFP.

Questions and Answers (RED):

Question 1: We would like to inquire if In the performance of this work is the Texas Public Utility Commission (PUC) willing to modify the contract terms to include a strict limit of liability and also strike the unlimited liability for third party claims in the Indemnification clause?

Answer 1: The PUCT would be willing to add the following language to the end of our indemnification clause:

“THIS PARAGRAPH IS NOT INTENDED TO AND MUST NOT BE CONSTRUED TO REQUIRE CONTRACTOR TO INDEMNIFY OR HOLD HARMLESS PUCT, ERCOT, OR THE STATE OF TEXAS, FOR ANY CLAIMS OR LIABILITIES RESULTING FROM THE NEGLIGENT, RECKLESS, OR INTENTIONALLY TORTIOUS ACTS OR OMISSIONS OF PUCT, ERCOT OR EITHER OF THEIR EMPLOYEES.”

Beyond that, if you wish to include a monetary cap on liability in your proposal, we would be willing to consider it.

Question 2: What was the volume of In-scope wholesale electricity market transactions?

Answer 2: We estimate approximately 15,000 documents for review.

- Approx. 7000 statements for Initial settlement activity during the extreme winter weather event.
- Approx. 5800 additional invoices associated with resettlements and miscellaneous items.
- More settlements/invoices are forthcoming as well.