

RAILROAD COMMISSION OF TEXAS

OPERATIONS DIVISION

ADDENDUM #1

DATE: 4/05/2024

RFP#: 455-24-1028

TITLE: REPORT ON HYDROGEN DEVELOPMENT IN TEXAS

PROPOSAL DEADLINE: Friday, April 19, 2024, at 2:00 PM Central Standard Time

Item 1:

The purpose of this Addendum is to publicize submitted questions with answers:

NO.	QUESTIONS	ANSWERS
1	What is the suggested total budget estimation for the entire work identified in the RFP?	Undetermined currently.
2	What is the period of performance?	Please see section 1.3 of the solicitation.
3	When is the final decision expected?	Please see Table 1 in section 2.2 of the solicitation.
4	Can multiple partners within and outside Texas participate?	Yes
5	Can industry and education institution collaborate to participate?	Yes
6	What is the timeline for the energy analysis? In other words, how far in the future are we asked to project? 2050 or a different date?	The RRC will work with the selected vendor on projected timelines for the analysis.
7	What hydrogen production methods is the RRC considering? Is offshore wind a production method that may be included in the analysis?	The RRC will not limit production methods included in the analysis.
8	Will the RRC be defining scenarios or is the project team responsible for defining scenarios? Will the RRC want the project team to consider only hydrogen within the state or also hydrogen exports outside the state?	The project team is responsible for providing scenarios. The RRC would like the focus to be within the State of Texas.
9	Does the RRC want the project team to look at impacts on existing energy workforce?	Yes

10	Regarding part d (tariffs model analyses for rate and bill impact in the hydrogen sector), does the RRC want the project team to consider only potential hydrogen tariffs or how hydrogen might affect existing tariffs (i.e., whether hydrogen would affect natural gas sales and associated rates structures)?	The project team is responsible for providing scenarios. The RRC would like the focus to be within the State of Texas.
11	Is the project team correct in assuming this is a time and materials contract?	No, this is a deliverables-based contract.
12	Would the RRC provide a budget range? If an exact number cannot be provided, could the RRC provide an order of magnitude of the potential budget?	Please see the answer to question 1.
13	Can clarify what exactly is meant by c (An assessment of the hydrogen sector model)? It is not clear to the project the RRC team how this specifically differs from a (Energy optimization modeling to provide an analysis on the development of hydrogen and its potential impact for production, transportation, and storage in Texas).	The hydrogen sector model should be considered part of the overall energy optimization modeling.
14	Has the RRC identified a budget to fund the Report on Hydrogen Development which is to be achieved as the result of this RFP? If so, what is the anticipated cost to complete the study?	Please see the answer to question 1.
15	The RFP appears to contain no instructions for presenting “price” information, although it is listed as having a weight of 10% of the evaluation criteria. Please clarify whether “price” should be included in the proposal. If so, please provide more detailed instructions for providing this information.	Price should be included in the response and should be provided for each deliverable listed in the solicitation document.
16	What is the preferred contracting mechanism from the point of view of RRC (i.e., Time and Materials or Fixed Price, etc.)?	Please see the answer to question 11.
17	The RFP does not specify page limits. Please confirm.	RRC has not set a page limit.
18	On page 5 of 54, the RFP lists 5 work categories (a – e). The RFP indicates that multiple contracts could be awarded for this RFP? Does this imply that firms can submit proposals for individual work categories, or all five. Please confirm if this is correct.	RRC may award multiple contracts to different vendors to complete the work. Responses must include all work categories in their response to be considered for award.
19	In the section that describes the required organization of proposals, the RFP identifies sections A, B, C, D and F. Please confirm that there is no section E.	There is no section E.
20	HB 2847 lists four roles for the TxH2 Council in Section (f), subsections 1-4. Section (f), 1 seems to match with the title of the RRC RFP. Will the selected consultant also support the work described in subsections 2-4 under section (f) in HB 2847, which are summarized below:	The vendor is responsible for providing the deliverables and report listed in the solicitation.

	<p>(f) 2. Monitor regional efforts for the development of a clean hydrogen hub authorized under the Infrastructure Investment and Jobs Act.</p> <p>(f) 3. Coordinate actions with other state agencies.</p> <p>(f) 4. Develop a state plan for hydrogen production oversight by the RRC.</p>	
21	Is it necessary for the prime consultant to have a Texas Vendor ID Number to propose on this project, or will it be sufficient to have a Federal ID Number at the proposal stage?	No, a Federal ID will be sufficient at this point in the RFP stage.
22	Does the vendor have to be a company that is registered as a business in Texas? Although this is not stated explicitly, there are multiple provisions in Part II: Instructions to Respondents that appear to exclude companies that do not have offices in Texas.	No, respondents do not have to be registered as a vendor in Texas to be awarded a contract. Selected vendor(s) must complete an Application for Texas Identification Number .
23	In Section 1.2, page 5, the RFP requests an assessment of the hydrogen sector model in item c. Please clarify if this is intended to be an assessment of the model developed in item a or a different hydrogen sector model.	This is meant to be an assessment of the model developed in item a.
24	What data and access to state level information and resources will RRC provide to the Vendor?	This information will be provided to the vendor(s) who receive contract(s) with the RRC for this effort.
25	Please confirm the geographic boundaries for the energy systems modeling and the macroeconomic impact analysis.	The geographic boundary for the report should be the State of Texas, however, if other factors warrant the inclusion of other states, the RRC is fine with having them included.
26	The RFP outlines seven deliverables and emphasizes the importance of on-time delivery of services (page 2 of 3 in Attachment 1). Are there specific dates by which certain of these seven deliverables must be submitted/completed?	The final delivery date is tentatively planned for August 31, 2024 and the other dates will be collaboratively defined with the selected vendor.
27	When referencing hydrogen's "potential in Texas," what are the potential impacts that RRC intends the study to cover? What decisions will this work help to inform? Section: Attachment 1. Statement of Services Page number: Attachment page 1 (Document page 35)	The potential impacts that the RRC intends to cover are referenced in the project scope.
28	Which rates and bills are being referred to as a subject of the Tariff Model analysis? Sections: Attachment 1. Statement of Services – Report Requirements Page number: Attachment page 1 (Document page 35)	A Tariff Model analysis refers to that bill-level data that is used to calculate the cost of energy under any tariff adjustment or load scenario.
29	We have several questions related to this statement on page 1: “This study may be done using an energy systems model and must provide an assessment of the hydrogen sector model that includes but is not limited to changes in energy systems, prices, energy prices,	Yes, that means the output of the energy optimization model. The assessment should consider all items mentioned in the solicitation.

	<p>greenhouse gas mitigation costs, greenhouse gas mitigation options, and identification of emerging technologies.”</p> <p>This statement references "the hydrogen sector model." Does that mean the output of the energy optimization modeling (first sentence of the Report Requirements) or something else?</p> <p>How would RRC like the hydrogen sector model to differ from the energy systems model?</p> <p>Is the assessment of the hydrogen sector model meant to be an evaluation of various aspects of the hydrogen model, or is it referring to using the hydrogen model to predict the stated changes in prices, GHG mitigation aspects, and emerging technologies?</p> <p>Section: Attachment 1. Statement of Services - Report Requirements</p> <p>Page number: Attachment page 1 (Document page 35)</p>	
30	<p>By "potential impact for production, transportation, and storage," what is being considered to be impacted? Is it the existing hydrogen system, natural gas system, electrical system, or something else?</p> <p>Section: Attachment 1. Statement of Services - Report Requirements</p> <p>Page number: Attachment page 1 (Document page 35).</p>	<p>The RRC would like the vendor to provide a comprehensive report, so the vendor must consider all impacts as mentioned in the solicitation.</p>
31	<p>Almost all existing hydrogen production involves high greenhouse gas (GHG) emissions, and the large merchant hydrogen companies are already deploying some projects to modify their existing production plants to emit less GHG. In addition, almost all new uses of hydrogen that don't involve the chemical or refining industries will require hydrogen that's produced via low-GHG methods because the lower GHG is their motivation to switch fuels. Does RRC approve of the vendor making these assumptions; i.e., that new hydrogen production will be made by these methods and existing hydrogen production will gradually shift to lower GHG emissions via retrofit projects over the next 20 years?</p> <p>Section: Attachment 1. Statement of Services</p> <p>Page number: Attachment page 1 (Document pages 35-36)</p>	<p>The RRC will not limit the vendors assumptions, but all assumptions made must provide comprehensive value to the final report.</p>
32	<p>Does the RRC want a forecast of hydrogen demand based on economic potential or “what-if” scenarios for hydrogen adoption across the state?</p> <p>Section: Attachment 1. Statement of Services - Report Requirements</p> <p>Page number: Attachment page 1 (Document page 35)</p>	<p>Any scenarios represented must be applicable to the solicitations.</p>
33	<p>Can the RRC clarify what is meant by a long-term feasibility study with a spatial grid-based approach?</p> <p>Section: Attachment 1. Statement of Services - Report Requirements</p> <p>Page number: Attachment page 2 (Document page 36)</p>	<p>The RRC is looking for a long-term feasibility study that contains a graphical representation of the potential</p>

		impact of hydrogen production in Texas.
34	We notice the RFP mentions tabs A, B, C, D and F, but doesn't mention Tab E. Was Tab E intentionally omitted from the solicitation? Section: 2.8 Organization of Response Page number: 9-11	Please see the answer to question 19.
35	Do the Respondent's Experience Records serve as separate business references, or serve as the qualifications to be included in Tab C? Section: Respondent's Qualifications Statement Form. Page number: 46	The experience records serve as separate businesses references from the qualifications to be included in Tab C.
36	Are responses due April 19, 2024, or April 26, 2024? The solicitation and postings state April 19, 2024, but the solicitation email states April 26,2024.	Vendor responses are due no later than 2:00 on April 19, 2024.

All other aspects of **RFP# 455-24-1028** remain as is.

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RECEIPT OF ADDENDUM #1 OF RFP# 455-24-1028