



ACAN Ref No: 84084-16-0043

Advance Contract Award Notice (ACAN) for providing Energy Futures Report 2016.

The National Energy Board (NEB) has identified a requirement for a macroeconomic forecast provider to provide the economic input to Energy 2020 in the process of undertaking the analysis for Energy Futures 2016: Update report. The Board periodically publishes assessments of Canadian energy supply, demand and markets in support of its ongoing market monitoring. These assessments address various aspects of energy markets in Canada. One such assessment is the Board's Energy Futures (EF) series of long-term projections. The most recent EF report, *Canada's Energy Future 2016: Energy Supply and Demand Projections to 2040* (EF2016) projects Canadian energy supply and demand trends out to 2040. It covers all energy types, for all regions in Canada, by varying sector detail.

In the EF modelling system, the macroeconomic outcomes are integral to the energy projections, particularly on the energy use side. The Board does not, however, maintain in-house macroeconomic forecasting expertise. To obtain a macroeconomic projection for the EF projections, a macroeconomic consultant has been provided with the Board's projections on oil and gas prices, production and investment. With these projections, the consultant develops a macroeconomic forecast, which produces a variety of necessary inputs to the EF modeling system.

Purpose of the ACAN:

The purpose of this ACAN is to provide public notice indicating to the supplier community that NEB intends to award a contract for these services to Center for Spatial Economics, (herein after, C4SE). Before awarding the contract however, the government would like to allow other potential suppliers to signal their interest in bidding and demonstrate they are capable of satisfying the requirements by submitting a Statement of Capabilities within the 15 calendar day posting period.

If no other potential supplier submits a Statement of Capabilities that meets the requirements set out in the ACAN, on or before the closing date stated in the ACAN, the contracting officer may then proceed with the award to the pre-identified supplier.

Definition of the requirement

National Energy Board requires a macroeconomic forecast provider to assist the Board meet the following objective:

Like the previous EF Reports, for EF2016 Update, the Board will require a macroeconomic projection for its Reference Case, as well as the three alternative sensitivity. The Board will provide the macroeconomic forecaster a series of preliminary energy assumptions (benchmark prices, production, and investment) for each of these cases. The macroeconomic forecaster will then provide the Board macroeconomic projections at the necessary detail,



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including all relevant data and descriptions. The macroeconomic forecaster will be expected to incorporate feedback from the Board staff, information gathered from the Board's consultations with stakeholders, as well as incorporate the impacts on the macroeconomic projections of the energy outcomes.

Criteria for assessment of the Statement of Capabilities (Minimum Essential Requirements)

Any interested supplier must demonstrate by way of a statement of capabilities, ability to undertake the following tasks:

1. Provide a fully updated historical dataset
2. Provide a Reference Case macro-economic projection to 2040:
 - a. Developed based on the inputs provided by the NEB (including benchmark prices, energy production and energy/climate policies).
 - b. That includes data on key macro-economic variables by province
 - c. That includes industrial gross outputs (historical and projected) by province consistent with the specific requirements of the NEB's energy demand model
3. Provide three alternative macro-economic projections based on different sets of inputs provided by the NEB.
4. Provide a description of macro-economic projections for the Reference Case and Alternative Sensitivities

Applicability of the trade agreement(s) to the procurement

This procurement is subject to the following trade agreement(s):

- i. NAFTA;
- ii. AIT;

Justification for the Pre-Identified Supplier

The Contractor, C4SE, is suggested because:

- i. As a result of significant effort to modify their provincial macro-economic model, C4SE is believed to be the only macro-economic provider capable of meeting the input requirements (historical and forecast) of the NEB's energy demand model. These specific requirements include:
 - a. Estimates of numerous series of historical gross output data by province for industries where data is not publically available, back to 2001.
 - b. Forecasts of the industrial gross output data by province for which historical data is not available.
- ii. The report will be an "update" to the 2016 Energy Futures Report. Providing an update requires consistency between modelling platforms and between modelling efforts. This ensures differences



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in results are due to variables and assumptions that have changed since the original report, rather than modifications to the modelling structure. C4SE's provincial macro-economic model provides this necessary consistency.

8. Government Contracts Regulations Exception(s)

The following exception(s) to the *Government Contracts Regulations* is invoked for this procurement under subsection 6(d) - "only one person is capable of performing the work".

9. Period of the proposed contract or delivery date

The proposed contract is for the period from award to December 31st, 2016.

10. Cost estimate of the proposed contract

The estimated value of the contract is \$ 106,000.00 (GST/HST extra).

11. Name and address of the pre-identified supplier

The Centre for Spatial Economics
336 Bronte Street South, Unit 221
Milton, Ontario
L9T 7W6

12. Suppliers' right to submit a statement of capabilities

Suppliers who consider themselves fully capable of providing the services described in the ACAN may submit a Statement of Capabilities in writing to the contact person identified in this notice on or before the closing date of this notice. The Statement of Capabilities must clearly demonstrate how the supplier meets the advertised requirements.

13. Closing date for a submission of a statement of capabilities

The closing date and time for accepting statements of capabilities is May 16th, 2016 at 10:00 hrs MST.



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14. Inquiries and submission of statements of capabilities

Inquiries and statements of capabilities are to be directed to:

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Procurement Technical Analyst,
National Energy Board
517 Tenth Avenue, SW
Calgary, AB T2R 0A8
Tel: 403-604-6254
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