

San Diego Community Power (SDCP) Long-Term Renewable Energy Request for Proposals (RFP)

Questions from Prospective Suppliers & SDCP Responses

Note: Similar questions have been consolidated for purposes of efficiency. Questions and responses are not presented in any particular order. Questions submitted after the 5:00 P.M. PPT deadline on July 10, 2020 have not been addressed.

1. **Question:** Does a prospective respondent need to register prior to participating in SDCP's Long-Term Renewable Energy RFP?
Answer: No – a registration platform has not been developed for this RFP and registration is not required.
2. **Question:** Are cover letters required/encouraged with RFP responses?
Answer: Cover letters are not required but are encouraged. Cover letters often provide a helpful introduction to the respondent's organization, particularly if the organization has not conducted any/much business with California CCA organizations like SDCP.
3. **Question:** When will SDCP's intended form Power Purchase Agreement be made available to respondents?
Answer: As noted on page 5 of the RFP document, SDCP will provide each short-listed supplier with a draft PPA. Contract negotiations will proceed thereafter.
4. **Question:** How many days will be given to shortlisted bidders to review the draft PPA and post a bid deposit?
Answer: SDCP will communicate such schedules to all short-listed respondents at the time of short-list notification.
5. **Question:** Will SDCP evaluate proposals for RA-only and/or other products from standalone storage projects?
Answer: No. All proposals must conform with bid requirements described in the RFP document. The primary purpose of this solicitation is identifying cost-effective long-term RPS-eligible supply opportunities.
6. **Question:** Is the required response template (offer form) the excel file named "Final San Diego Community Power 2020 LT Renewable RFP Bid Workbook_6 29 2020"?
Answer: Yes. All requested information in the offer form must be completely and accurately provided, if/as applicable for each proposed offer. As noted in the RFP document, prospective respondents should regularly check SDCP's website to ensure that the most current offer form is being used. Only proposals using the most current offer form will be accepted and evaluated. Other information/documentation may accompany the completed offer form to facilitate/inform SDCP's evaluative process.

7. **Question:** How should respondents submit multiple pricing scenarios in the Offer Form/Bid Workbook? Should we submit multiple Offer Forms/Bid Workbooks?
Answer: SDCP's Offer Form has been formatted to accommodate multiple pricing options/scenarios, but if additional space is needed to effectively communicate additional pricing options, the respondent is encouraged to add such information adjacent to the existing pricing fields or submit a supplemental Offer Form. If multiple Offer Forms are submitted, the respondent shall be responsible for clearly naming and communicating to SDCP the various documents that should be considered during response evaluation. ***Each unique offer should be accompanied by its own Offer Form.***
8. **Question:** Regarding the offer form, in the tab labeled "12 x 24 Profile", can you clarify what "**HE**" means?
Answer: HE = Hour Ending.
9. **Question:** Regarding the offer form, in the tab labeled "12 x 24 Profile" can you clarify what is to be entered and in what units?
Answer: Please enter the expected average hourly production (in MW) associated with your proposal. Each proposed project should have its own 12x24 delivery profile.
10. **Question:** In the offer form, in the tab labeled "8760 Delivery Profile" can you clarify what is to be entered and in what units?
Answer: Please enter the expected hourly production (in MW) associated with your proposal. Each proposed project should have its own 8760 delivery profile.
11. **Question:** Does SDCP prefer to have all files (including attachments) compressed into a zip file?
Answer: If the file sizes of your respective attachments are expected to be large, please feel free to provide such items in zipped format. If not, individual files do not need to be compressed before sending.
12. **Question:** Will projects be accepted that are RPS-eligible but not yet certified?
Answer: As noted on page 2 of the RFP document, "All proposed generating resources must be certified by the California Energy Commission ("CEC" or "Commission") as Eligible Renewable Energy Resources (or must receive CEC certification prior to the commencement of any energy deliveries proposed in the response template), as set forth in applicable sections of the California Public Utilities Code ("Code")[...]".
13. **Question:** The bid document calls for a minimum of 10 MW AC, yet the minimum annual output is 50,000 MWh. Certain generating technologies will not be able to meet the minimum annual delivery requirement at the noted 10 MW AC minimum size. Should the 50,000 MWh threshold be lowered?
Answer: Several RPS-eligible generating resources are capable of producing the minimum 50,000 MWh/year energy quantity (at a nameplate capacity of 10 MW, or less). For example, landfill-gas-to-energy and biomass projects, based on typical capacity factors for such generating technologies, are expected to produce considerably more than 50,000 MWh/year at the noted 10 MW nameplate

minimum project size. Other generating technologies, including solar and wind resources, may require larger nameplate capacities to achieve the noted annual delivery minimums, so SDCP expects respondents to size such projects accordingly.

14. **Question:** Will SDCP accept bids for a project that contains a condition precedent that Clean Energy Alliance (“CEA”), which is concurrently administering its own RFP for long-term RPS supply, jointly participate as an off-taker (in a project that is too large relative to the stated maximum delivery quantities that will be considered by either organization)?

Answer: Proposals that reflect delivery quantities in excess of SDCP’s stated annual maximums will not be considered. Related, proposals that are contingent upon participation by other buyers will be evaluated in consideration of the composite attributes/merits of such proposals, including the increased administrative complexity required to coordinate joint procurement efforts with other buyers as well as related risks associated with such contracting efforts.

15. **Question:** Related to SDCP’s annual delivery specifications, would minimum volumes be considered firm and all other volumes be considered non-firm? Or are all volumes considered firm?

Answer: Volumes may be sold as “firm” or “as-available”. Proposed firm and as-available volumes should meet or exceed SDCP’s stated annual minimum delivery requirements (while remaining at or below stated maximum delivery requirements). In the case of as-available volumes, projected annual deliveries should be estimated in a responsible manner with the seller prepared to compensate buyer (via performance-related damages) in the event that actual deliveries fall meaningfully below such projections.

16. **Question:** Will SDCP consider local RA eligibility/value in reviewing proposed projects?

Answer: Yes, so long as the proposal meets stated eligibility criteria and is accompanied by a complete/conforming response. All project attributes, including local RA eligibility, will be considered during response evaluation.

17. **Question:** If project economics and financial backing won’t support a reasonable index-plus offer, would SDCP consider a fixed price offer only or would you want us to provide an index-plus offer that would likely be above market?

Answer: To ensure the administration of a consistent, unbiased process, each respondent should address all requirements, including the presentation of requested pricing alternatives.

18. **Question:** As reflected in the RFP document, minimum development progress requires the project to provide evidence that respondent has submitted a generator interconnection application to the appropriate jurisdictional entity. To clarify, do you require active queue position or if a respondent provides documentation that an interconnection request application has been submitted, and it is currently being reviewed by the Utility, would this satisfy the noted requirement?

Answer: Consistent with the RFP’s stated requirement, minimally conforming responses (for new-build projects) must include evidence documenting the respondent’s submittal of a generator interconnection application to the appropriate jurisdictional entity. A queue position is not required at the time of proposal submittal.

19. **Question:** Please describe the intended buyer credit posting for a long-term renewable energy PPA.

Answer: For some time, California CCAs have not been required to post collateral/credit related to long-term renewable energy transactions. The CCA business model, including a CCA's ability to independently set retail generation rates, is now widely understood. Furthermore, the ongoing operational and financial success of CCA organizations is well documented. As such, SDCP, as buyer, does not intend to post collateral/credit for prospective long-term renewable energy transactions. Short-listed respondents will be provided with additional information regarding SDCP's projected operations, including pro forma financial projections, to assist in supplier determinations regarding SDCP's creditworthiness.

20. **Question:** Other than the one-page financial forecast in the December 2019 implementation plan (page 27), could you please point us to where we can find updated budget/forecasted financials for SDCP?

Answer: Prospective respondents are encouraged to review publicly available information presented at SDCP's duly noticed Board Meetings and Finance & Risk Management Committee Meetings. Additional information regarding SDCP's financial projections will be provided to short-listed respondents.

21. **Question:** It is not clear from the proposal how local development is "scored". For example, if the development were local but the overall and cumulative price was 5% more than a project in the desert would it score equally, less or more?

Answer: While SDCP has identified specific evaluative criteria in its RFP document (that will be considered during proposal evaluation), pertinent weighting/scoring factors have yet to be developed – such details will be discussed and developed in concert with SDCP's Ad Hoc Contracts Committee at an upcoming meeting. Related to this inquiry, it is important to note that proposal attributes will be evaluated in aggregate – while proposed pricing will inevitably be an important consideration during proposal review, there will be many other criteria considered.

22. **Question:** It looks like SDCP's annual long-term renewable energy requirements are 2,000 GWh in 2023, but the annual delivery volumes are capped at 200,000 MWh for 2023. This is 1/10 of the total annual energy requirement or about ~65 MW for a PV Project. What was the reasoning behind capping the project's max deliveries below the annual long-term energy requirement?

Answer: SDCP intends to assemble a diverse portfolio of renewable energy products/projects to support its ongoing compliance with California's RPS Program and internally established renewable energy procurement goals (which are expected to exceed statewide mandates). As such, SDCP has imposed limitations on maximum annual product deliveries under this RFP process to promote such interest while avoiding risks associated with overreliance on any single renewable energy supplier.

23. **Question:** The RFP refers to providing a capacity price if we want to include storage. While we have such a price and can provide, there is additional information associated with a storage scenario. Would it be OK if we provided a separate Workbook for the PV plus storage option?

Answer: Yes. Respondents may include supplemental information to facilitate the understanding/evaluation of RFP responses by SDCP.

24. **Question:** Is SDCP willing to consider proposals with “early” commercial operation dates that fall within the specified first-delivery window (March 1, 2020 through June 30, 2023) even though actual/expected COD will likely occur after June 30, 2023?
Answer: No. SDCP intends to contract with suppliers that will commence initial deliveries within the specified window. SDCP expects that initial deliveries occurring after June 30, 2020 would trigger financial penalties (delay damages), payable by the supplier/seller to SDCP. Specific details related to this approach will be further discussed with short-listed respondents.
25. **Question:** Does SDCP have a preference on delivery term length and, if so, what factors will impact preference?
Answer: No. SDCP has no preference for delivery term length, so long as the proposed term conforms with stated requirements.
26. **Question:** Can the delivery term of the PPA be different for the Renewable Energy product and BESS (i.e. 15 years for PV and 10 years BESS)?
Answer: Yes, but the respondent should satisfactorily describe its intended arrangement. Also note that the renewable energy delivery term must conform with pertinent requirements reflected in the RFP document.
27. **Question:** Is inclusion of storage a requirement for RFP participation?
Answer: No and bidders will not necessarily be disadvantaged for omitting storage infrastructure/capabilities from RFP responses.
28. **Question:** Will the benefits of shifting generation or load matching be considered in evaluating the pricing/proposal? For example, if the solar shape is shifted with a battery to better match load etc. (into peak) the cost per kWh will be higher vs. solar only.
Answer: Yes. SDCP will consider any clearly and concisely provided detail when evaluating each response. If additional information/documentation is necessary to convey pertinent details regarding a proposal, such information/documentation should be provided at the time of response submittal.
29. **Question:** What is SDCP’s preferred duration of battery storage? We typically see 4-hour durations in most RFP’s because of the RA needs, but wanted to see if you would also be interested in 2-hour or 1-hour duration solution as it would be more economical when it comes to pricing.
Answer: SDCP would prefer battery storage options that are eligible for use in California’s RA program but will consider other options/configurations, if the respondent is able to provide sufficient information/documentation justifying the alternative configuration and its value to SDCP.
30. **Question:** What is SDCP’s sizing ratio preference of Solar PV to BESS? For example, are you looking for a 1 to 1 sizing ratio (50MW AC PV and 50MW AC battery) or is there another ratio that would be preferred?
Answer: SDCP does not have a specific preference related to the noted ratio. Respondents should propose a configuration that will provide the highest value/lowest cost to SDCP.

31. **Question:** Is a flat capacity price per kW acceptable when addressing storage capacity?
Answer: Page 3 of the RFP document explicitly requests a separate capacity price, expressed on a \$/kW basis, for any storage attributes. Such pricing should be expressed on a \$/kW-month or \$/kW-year basis to facilitate price evaluation.
32. **Question:** Where should respondents reflect energy storage assumptions in the Offer Form/Bid Workbook?
Answer: To the extent that the existing Offer Form will not accommodate the inclusion of assumptions related to energy storage infrastructure, the respondent may: 1) elaborate regarding the use/operation of the storage infrastructure elsewhere in the Offer Form or in accompanying material/documentation to the proposal; and/or 2) add supplemental worksheets in the Offer Form to characterize assumptions related to operation of the storage infrastructure. Any additional information provided by the respondent should be easily identifiable by SDCP to ensure consideration during proposal evaluation.
33. **Question:** Related to the energy shape of PV+ESS, should the respondent assume shifting of deliveries to the highest priced energy hours?
Answer: Each respondent should clearly and concisely articulate pertinent operational considerations related to its proposed project. To the extent that SDCP will have options/flexibility in dispatching the proposed facilities, respondent shall describe such options so that SDCP can complete an independent assessment of the project's anticipated value. Respondents may suggest its own interpretation of the project's value (based on its recommended operation of the proposed facility), but SDCP anticipates completing its own analysis as well.
34. **Question:** With regard to energy storage attributes, what products should the related capacity price reflect: should it reflect a tolling rate, whereby SDCP will determine the charge/discharge of the battery, or is SDCP looking for shaped delivery? If pricing is to reflect a tolling rate, is SDCP assuming nodal or hub settlement? If hub settlement, should Seller assume that Buyer will bear basis risk?
Answer: SDCP expects that respondents will propose the highest value/lowest cost offer for SDCP's consideration. Alternatively, prospective respondents proposing energy storage capabilities may consider providing multiple options related to the operation/disposition of such storage infrastructure as well as sufficient detail for SDCP to effectively evaluate the respondent's intended proposal. SDCP does not have preferences regarding the use/deployment of storage infrastructure at this time, so SDCP is relying on respondents to effectively communicate the highest value/lowest cost approach for SDCP's consideration.
35. **Question:** Would it be appropriate to submit a proposal for technologies that are still in the proof-of-concept phase?
Answer: Because SDCP requires the delivery of certain renewable energy volumes to fulfill its statutory and voluntary procurement obligations, new/newer generation technologies/processes should be aware that SDCP will require the posting of certain performance guarantees to protect against the financial consequences of substantive delivery shortfalls. As such, SDCP encourages prospective respondents to consider the commercial viability of any proposed generating technology/process before submitting related proposals under this RFP.

36. **Question:** Does SDCP intend to issue a similar RFP next year?

Answer: Likely, yes. During its first few years of program operation, SDCP anticipates the administration of numerous solicitations for requisite renewable energy supply (for both short- and long-term delivery periods).