

San Diego Community Power 2024 Request for Proposals (“RFP”) for Cluster 15 Interconnection Process Enhancements Commercial Interest Allocation (“Cluster 15 IPE RFP”)

I. INTRODUCTION

San Diego Community Power (“SD Community Power”) is the default electricity provider for the Cities Chula Vista, Encinitas, Imperial Beach, La Mesa, National City and San Diego as well as the County of San Diego which serves unincorporated areas (the “Member Agencies”). SD Community Power’s Joint Powers Authority (“JPA”) agreement is the first in California with a goal to achieve 100 percent renewable energy availability and usage by no later than 2035, which is in advance of current State targets. For more information, please visit SD Community Power’s website.¹

Through this RFP, SD Community Power is seeking proposals for products from renewable energy and/or energy storage projects seeking to contract with SD Community Power by first securing a Commercial Interest Allocation (“CIP”) from SD Community Power, in alignment with the California Independent System Operator’s (“CAISO”) Interconnection Process Enhancements (“IPE”) initiative for Cluster 15 projects.²

II. PROJECTS REQUESTED

Through this RFP, SD Community Power requests proposals for products from new renewable energy and/or storage projects participating in Cluster 15 that have one or more of the following attributes:

A. Renewable (RPS) Resources

- Long-lead time (“LLT”) zero-emitting, Resource Portfolio Standard (“RPS”)-eligible resources with an 80% capacity factor (“clean firm resources”) as defined by the California Public Utilities Commission (“CPUC”)³, bundled with all Green Attributes/Renewable Energy Credits related thereto, and Capacity Attributes, including Resource Adequacy (“RA”) value, as applicable.
- Other RPS eligible resources providing as-delivered (or shaped to meet SD Community Power’s peak power needs) Power Content Category 1 (“PCC1”) renewable energy, bundled with Capacity Attributes, including RA value, as applicable.

B. Energy Storage Resources

¹ www.sdcommunitypower.org

² CAISO IPE webpage: <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-2023>

³ CPUC Decision 21-06-035: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>

- 4-hour duration or longer, including LLT resources as defined by the CPUC⁴ providing Capacity Attributes, including full RA value.

C. Hybrid or Co-located Projects

- Paired RPS and energy storage resources with preference for AC-coupled co-located resources (two separate CAISO meters).

III. RFP SCHEDULE

This RFP will be administered per the schedule below. SD Community Power reserves the right to change the schedule of these events at any time and for any reason.

RFP Activity	Anticipated Date of Completion
RFP issuance	August 20, 2024
Deadline for electronic question submittal	August 27, 2024 5:00 P.M. Pacific Time (PT)
SD Community Power posts responses to questions	September 6, 2024
RFP Proposal Submittal Deadline	September 24, 2024 5:00 P.M. PT
SD Community Power Short-List and Waitlist Selection Notifications	November 12, 2024
Execution of Exclusivity Agreements between Respondents and SD Community Power	December 3, 2024
SD Community Power Deadline to inform CAISO of Commercial Interest Point Allocation	December 20, 2024

IV. PROJECT ELIGIBILITY

Each respondent should provide information regarding one or more renewable energy, energy storage, or paired project(s) conforming to the following eligibility requirements, as applicable.

- A. Exclusivity Agreement:** Only projects that are committed to SD Community Power under the terms of a fully executed Exclusivity Agreement with SD Community Power are eligible to receive CIPs. See the posted Exclusivity Agreement template for details on the terms and conditions. Proposals should include a markup of proposed modifications to SD Community Power’s Exclusivity Agreement provided on SD Community Power’s solicitation webpage.⁵
- B. Interconnection:** Only projects seeking interconnection under CAISO’s Cluster 15 process will be eligible for a CIP from SD Community Power. Respondents must be able to

⁴ CPUC Decision 21-06-035: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>

⁵ <https://www.sdcommunitypower.org/resources/solicitations>

demonstrate that CAISO has deemed the Interconnection Request complete with the project's inclusion on CAISO's publicly posted list of deemed complete Cluster 15 applications in order to receive CIPs from SD Community Power. Currently, SD Community Power expects CAISO to post the list in early December to allow for SD Community Power to validate the status of Interconnection Requests and submit Commercial Interest Points by December 23, 2024.⁶

- C. Resource Location:** The point of physical interconnection ("POI") for any eligible generator must be within the CAISO footprint. To be awarded CIPs from the available Transmission Plan Deliverability ("TPD") or merchant points allocated to SD Community Power by CAISO, the project must be located within a TPD or Merchant Zone as defined by CAISO, as applicable.
- D. CEC Eligibility:** All proposed generating resources must be certified by the California Energy Commission ("CEC") 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"), as such Code may be amended or supplemented from time to time. Each respondent shall be responsible for certification of the proposed resource through the certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract term. All Renewable Energy Certificates must be created by and transferred to SD Community Power via the Western Renewable Energy Generation Information System ("WREGIS"), or its successor, without any additional costs or conditions to SD Community Power. Each respondent shall be independently responsible for registering its generating project(s) with WREGIS and for maintaining an active WREGIS account throughout the proposed term of agreement.
- E. Generating Capacity:** Minimum ten (10) megawatts ("MW") AC.
- F. Commercial Operation Date:** No eligibility deadline for commercial operation for these Cluster 15 resources.
- G. Contract Types:** SD Community Power will consider proposals for fixed price contracts including as-delivered Power Purchase Agreements ("PPAs"), shaped PCC1-eligible PPAs, index+ PPAs, RA-only agreements, Energy Storage Service Agreements ("ESSAs"), top-bottom four ("TB4") hedge agreements or similar.
- H. Term of Agreement:** Not less than ten (10) years (for all except RA-only agreements which may be as short as five (5) years) and not more than twenty (20) years.

⁶ CAISO "Revised Draft Tariff Language Interconnection Process Enhancements 2023 Jul 18, 2024"

- I. **Point of Delivery:** SD Community Power prefers proposals that provide SD Community Power with options to settle at the SP 15 Trading Hub.
- J. **Scheduling Coordinator (“SC”) Responsibilities:** SD Community Power expects Scheduling Coordinator responsibilities to reside with Seller for indexed and TB4 contract structures. Otherwise, SD Community Power does not have a strong preference regarding the assignment of SC responsibilities and will evaluate proposals in which the Buyer or Seller provide such services.

V. PROJECT EVALUATION CRITERIA

SD Community Power will evaluate responses against a common set of criteria including:

A. Quantitative Assessment:

- 1. **Project Nodal Economics:** In light of the pricing uncertainty for these early-stage projects currently applying for interconnection in Cluster 15, SD Community Power will model the project’s performance at a CAISO proxy node representative of the point of interconnection (“POI”) using a single hypothetical technology-specific price (\$/MWh or \$/kW-month, as applicable) for all submitted proposals in that technology category. Prices will be derived using the following methodology:
 - i. Respondents will submit an indicative price range as follows:
 - a. For RPS resources: Respondents provide a low and high price estimate for each MWh of electric energy delivered from the project, presuming a 15-year term PPA settlement at the generator node (\$/MWh) (inclusive of all product: RECS, RA, etc)
 - b. For storage resources: Respondents provide a low and high capacity price estimate in \$/KW-month, presuming a 15-year term full toll ESSA agreement (inclusive of all product: CAISO revenues, RA, etc).

NOTE: Submitted prices are non-binding and serve only to calculate a single price for each technology category for SD Community Power to model. Lithium-ion battery prices of different durations will be considered different technologies for purposes of this calculation.

- ii. SD Community Power will calculate the simple average of all submitted prices within the same technology category.

- iii. The resulting price for each technology category will be applied to all projects submitted in that category.
 - iv. SD Community Power will assess whether the Respondent's submitted proxy node is reasonably representative of historic and forecasted grid conditions to expect at the project's POI and reserves the right to utilize an alternative more representative proxy node if deemed necessary.
 - v. SD Community Power will model the resulting prices against the relevant proxy nodes factoring in historical and forecasted pricing, which informs generation curtailment risk, basis risk against the SP15 trading hub and/or SDG&E's default load aggregation point, and forecasted net revenue potential.
2. Resource Adequacy value: SD Community Power will evaluate the project's expected Qualifying Capacity and Net Qualifying Capacity as well the project's fit in SD Community Power's resource adequacy compliance portfolio. SD Community Power will consider the CAISO's most recent publicly available report on available TPD capacity and constraint mapping results to assess the project's potential for an eventual TPD allocation by CAISO. Evaluative preference will also be given to any resource(s) located directly within or within close proximity to SD Community Power's Member Agencies.
3. Renewable attribute value: SD Community Power will consider the volume of renewable attributes that the project contributes toward SD Community Power's renewable targets.
4. Project Technology and Product Diversity: SD Community Power will consider whether the project's technology will add to the diversity of SD Community Power's portfolio. For example, SD Community Power encourages participation by LLT resources such as long-duration storage and clean firm resources.
- B. Project Development Status**: SD Community Power will consider whether a project has secured site control or options for site control. Prior to shortlisting, SD Community Power will require documentation of site control. Any incremental project development progress will be considered as a measure of viability including site feasibility studies, permitting progress and complexity, and community outreach.

1. CAISO “Indicators of Readiness” Self-Scoring: SD Community Power will consider the respondent’s planned self-scoring results to the CAISO’s “Indicators of Readiness” self-scoring criteria, which includes:
 - i. Engineering design plan completeness
 - ii. Expansion project status
 - iii. Ability to provide Local RA (LLT and non-LLT resources)

 2. Developer Experience: SD Community Power will evaluate the developer’s direct organizational experience with developing projects of similar scale and technology within CAISO’s footprint. Respondents should also provide sufficient detail on efforts to assess the project POI’s capacity potential as well as the developer’s high-level procurement and deployment strategy to date for major equipment including main power transformers and other high-voltage equipment, photovoltaic panels, wind turbines, generators, and battery modules, as applicable. SD Community Power will also evaluate whether respondents provided details on established partnerships with equipment suppliers for their project pipeline.

 3. Developer/Project Financials: SD Community Power will consider the anticipated financing structure of the project and the primary developer/owner’s current financial standing.
- c. **Community Benefits**: SD Community Power has a preference for projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases. Preference is given to projects located within a Disadvantaged Community (DAC), Community of Concern (COC), a region otherwise designated by local jurisdiction or permitting agency as prioritized for renewable energy development (“Renewable Energy Development Zone” or “REDZ”), or on tribal land with consent.

To assist SD Community Power in assessing such benefits, each respondent should address the following question in its proposal: is the proposed facility located (or will it be located) in a community afflicted with poverty or high unemployment or one that suffers from high emission levels? If so, describe how the facility can provide the following benefits to adjacent communities:

- Emissions reduction – identify existing generation sources by fuel source within 6 miles of proposed facility and indicate whether the proposed facility will replace/supplant the identified generation sources;
 - To the extent that the proposed generating facility is expected to replace/supplant an existing generating facility, the Respondent is asked to quantify the associated emission impacts of this transition.
- D. Environmental Stewardship:** SD Community Power prefers projects that are located on currently or previously developed land (including agricultural land no longer suitable for farming) or brownfield lands. SD Community Power encourages respondents to provide information on organizational initiatives for environmental stewardship, including how it informs project site selection as well as construction and operational activities.
- E. Workforce Development:** SD Community Power considers the project’s expected benefits to the local economy and workforce, including the anticipated number and duration of jobs created. SD Community Power expects projects to pay prevailing wages and utilize apprenticeship programs. Higher value is given to projects that benefit communities with high levels of poverty and unemployment and to projects that will utilize a project labor agreement (“PLA”).

Consistent with its Inclusive and Sustainable Workforce Policy,⁷ SD Community Power encourages submission of information from respondents that use the following hiring practices, as applicable. SD Community Power encourages respondents to describe efforts taken in pursuit of any of the following.

1. Employ workers and use businesses from San Diego and Imperial Counties;
2. Employ properly licensed contractors and California certified electricians;
3. Utilize local apprentices, particularly graduates of San Diego and Imperial County pre-apprenticeship programs;
4. Pay workers the prevailing wage rates for each craft, classification, and type of work performed;
5. Display a poster at jobsites informing workers of prevailing wage requirements;
6. Provide workers compensation coverage to on-site workers; and
7. Support and use of State of California approved apprenticeship programs.

vi. INSTRUCTIONS

A. Questions

Respondents may submit questions regarding this RFP via the question submission form available on SD Community Power’s website specific to this RFP. The question form can be

⁷ https://sdcommunitypower.org/wp-content/uploads/2022/02/SD-Community-Power_ISWF-Policy.pdf

accessed by using the following link:

<https://forms.monday.com/forms/6fa40383270ab6a5f5e43cf721be381d?r=use1>

All must be received by 5:00 P.M. (PT) on August 27, 2024. SD Community Power will post responses to questions by September 6, 2024. SD Community Power reserves the right to group similar questions when providing answers.

SD Community Power may submit clarifying questions to certain respondents or conduct interviews, as necessary, based on information provided in the response template and/or supporting materials included with each response. SD Community Power shall have the right, at its sole discretion, to request information without notifying other respondents. SD Community Power shall establish due dates for responses at the time of each informational request and will directly notify individual respondents in the event that follow-up and/or interviews are necessary during this process.

B. Proposal Submittals

Only electronic submittals will be accepted; such submittals must be received by SD Community Power no later than 5:00 P.M. PT on September 24, 2024. All responses should be submitted via an online form available on SD Community Power's website, which can be accessed by using the following hyperlink:
<https://forms.monday.com/forms/b12c2cd917ee9d47f4fcdef4786f9065?r=use1>.

It is the sole responsibility of the submitting Respondent to ensure that its proposal is received before the submission deadline. Submitting Respondents shall bear all risks associated with delays in delivery. Any proposals received after the scheduled closing date and time for receipt of proposals may not be accepted.

Standardized Response Template: All respondents must provide a project narrative and complete the standardized proposal form template provided by SD Community Power. SD Community Power has posted the Excel template on its website⁸ and will require respondents to independently access and download the template for response preparation. An unmodified version of the template must be completed in its entirety based on instructions provided in the template. SD Community Power may update the RFP template from time to time, so respondents are encouraged to periodically visit the SD Community Power website to determine if any changes have been posted.

SD Community Power may submit clarifying questions to certain respondents or conduct interviews, as appropriate, based on information provided in the response template or supporting materials. SD Community Power shall have the right, at its sole discretion, to request information without notifying other respondents. SD Community Power shall establish due

⁸ <https://www.sdcommunitypower.org/resources/solicitations>

dates for responses at the time of each informational request and will directly notify individual respondents in the event that follow-up or interviews are appropriate during this process.

VII. RESERVATION OF RIGHTS

This RFP is a solicitation for proposals only and is not intended as an offer to enter into a contract or as a promise to engage in any formal competitive bidding or negotiations. SD Community Power may, at its sole discretion, accept or reject any or all proposals submitted in response to this RFP. In addition, SD Community Power may, at its sole discretion, only elect to proceed with contract negotiations for some of the services included in the proposal. SD Community Power further reserves the right to cancel this RFP at any time prior to contract award without obligation in any manner for proposal preparation, interview, fee negotiation or other marketing costs associated with this RFP. SD Community Power also reserves the right to waive minor errors and omissions or inconsequential disparities in proposals, request additional information or revisions to offers, and to negotiate with any or all Respondents.

SD Community Power shall not be liable for any costs incurred by the Respondent in connection with the preparation and submission of any proposal. SD Community Power has the right to amend the RFP, in whole or in part, by written addendum, at any time. SD Community Power is responsible only for that which is expressly stated in the solicitation document and any authorized written addenda. Such addendum shall be made available to each person or organization which SD Community Power records indicate has received this RFP. Should such addendum require additional information not previously requested, failure to address the requirements of such addendum may result in the proposal being found non-responsive and not being considered, as determined in the sole discretion of SD Community Power. SD Community Power is not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on its behalf prior to an award of contract by SD Community Power. SD Community Power has the right to reissue the RFP at a future date.

VIII. CONFIDENTIALITY AND PUBLIC RECORDS

Proposals submitted in response to this RFP shall become the exclusive property of SD Community Power. SD Community Power is subject to the California Public Records Act (“CPRA”). The proposal will become a matter of public record when contract negotiations are complete and when an agreement is executed by SD Community Power. Exceptions to disclosure may be available to those parts or portions of proposals that are justifiably and reasonably exempted under the CPRA, such as trade secrets. If a Respondent desires to exclude a portion of its proposal from disclosure under the California Public Records Act, the Respondent must prominently mark it “confidential” and state the specific provision in the California Public Records Act that provides the exemption as well as the factual basis for claiming the exemption. A blanket statement of confidentiality or the marking of each page of the proposal as confidential shall not be deemed sufficient notice of a CPRA exemption. A Respondent who indiscriminately and without justification identifies most or all of its proposal as exempt from disclosure or submits a redacted copy may be deemed non-responsive.

Although the CPRA recognizes that certain confidential information or other exempt records may be protected from disclosure, SD Community Power is not in a position to establish that the information that a Respondent submits is exempt. If a request is made for information marked “Confidential,” SD Community Power will provide Respondents who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction.

SD Community Power shall not, in any way, be liable or responsible for any resulting disclosure of any such record or any parts thereof pursuant to the CPRA or otherwise by law.

IX. CONFLICTS OF INTEREST

SD Community Power is governed by the Political Reform Act, Government Code Section 1090, Government Code Section 84308, and other requirements governing conflicts of interest, campaign contributions, and gifts. Respondents are required to review all applicable conflict of interest laws. In addition, SD Community Power has adopted policies governing procurement. Respondents are advised to review all policies, including the Procurement Policy, available at: <https://sdcommunitypower.org/resources/key-documents/>.

The Respondent may not contact or receive information outside of this RFP process. If it is discovered that the Respondent contacted and received information from anyone other than the mediums used to share information about this solicitation specified above and under the process specified herein regarding this solicitation, SD Community Power may, in its sole discretion, disqualify the proposal from further consideration.

All contact regarding this RFP or any matter relating thereto must be in writing and submitted using the Questions Submissions Form. The question form can be accessed here: <https://forms.monday.com/forms/95913e844a302f3e68a9140c3845c119?r=use1>.

X. REPORTING OF SUPPLIER DIVERSITY INFORMATION

Public Utilities Code Section 366.2(m) requires certain community choice aggregators, including SD Community Power, to annually submit to the California Public Utility Commission (“CPUC”): (1) a detailed and verifiable plan for increasing procurement from small, local, and diverse business enterprises; and (2) a report regarding its procurement from women, minority, disabled veteran, persons with disabilities, and LGBT business enterprises.

General Order (GO) 156, adopted by the CPUC, requires certain California public utilities to engage in outreach activities and meet specific procurement goals from women, minority, disabled veteran, persons with disabilities, and LGBT business enterprises. Qualified businesses become GO 156 certified through the CPUC and are then added to the GO 156 Supplier Clearinghouse database.⁹

⁹ www.thesupplierclearinghouse.com

To assist SD Community Power with its reporting obligations under Public Utilities Code Section 366.2(m) and with evaluating its supplier outreach and other activities, the successful respondent(s) that is/are awarded the contract(s) will be asked to voluntarily disclose their certification status with the CPUC Clearinghouse, as well as their efforts to work with diverse business enterprises, including women business enterprises (WBEs), minority business enterprises (MBEs), disabled veteran business enterprises (DVBES), and lesbian gay bisexual transgender business enterprises (LGBTBEs).

Except as otherwise expressly provided under SD Community Power's Procurement Policy and/or required by applicable state or federal law or funding requirements (including, without limitation, any grant or loan conditions), SD Community Power shall not use any demographic information received from respondents in any way as part of its decision-making or selection process. Rather, SD Community Power will use such information solely for compliance with its reporting obligations to the CPUC and evaluation of SD Community Power's outreach and other activities consistent with applicable law. Pursuant to Article I, Section 31 of the California Constitution, SD Community Power shall not discriminate against or give preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin except as otherwise allowed therein.

XI. NON-DISCRIMINATION

SD Community Power will not discriminate and will require its contractors to not discriminate on the basis of race, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of contractors, subcontractors, vendors, or suppliers. The successful Respondent shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.

XII. PROTESTS

A. Protest Contents: A Proposer may protest a contract award if the Proposer believes that the award was inconsistent with SD Community Power Procurement Policy or if this RFP is not in compliance with applicable law. A protest may be submitted electronically to cstephens@sdcommunitypower.org within five (5) business days after receipt of notification of the contract award. Any protest submitted after 5:00 PM of the fifth business day after notification of the contract award will be rejected by SD Community Power as invalid and the Proposer's failure to timely file a protest will waive the Proposer's right to protest the contract award. The Proposer's protest must include supporting documentation, legal authorities in support of the grounds for the protest and the name, mailing address and telephone number of the person representing the Proposer for purposes of the protest. Any matters not set forth in the protest shall be deemed waived.

B. SD Community Power Review: SD Community Power will review and evaluate the basis of the protest provided the protest is filed in strict conformity with the foregoing. SD Community Power shall provide the proposer submitting the protest with a written statement concurring with or denying

the protest. Action by SD Community Power relative to the protest will be final and not subject to appeal or reconsideration. The procedure and time limits set forth in this section are mandatory and are the proposer's sole and exclusive remedy in the event of protest. Failure to comply with these procedures will constitute a waiver of any right to further pursue the protest, including filing a government code claim or legal proceedings.

XIII. ATTACHMENTS

- A. Response Template
- B. Exclusivity Agreement Template