



# Energy Proposal Evaluation Criteria

Board of Directors

November 16, 2023

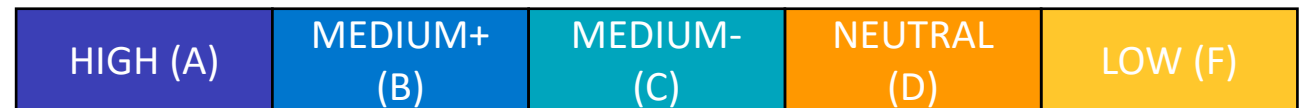


# Evaluation Criteria

- SDCP periodically pursues long-term power contracts via solicitations.
- SDCP Staff and the Energy Contract Working Group (ECWG) use the Energy Proposal Evaluation Criteria (EPEC) for the purposes of evaluating and scoring each potential project or transaction.
- Evaluation Criteria serves as a helpful tool for Staff and ECWG to screen submissions. However, all long-term contracts are subject to review by Board committees and, ultimately, Board approval.
- In February 2026, the Board adopted updates to the EPEC with respect to Workforce Standards.

# Energy Proposal Evaluation Criteria (EPEC)

- The EPEC is used to assess proposals for long-term, wholesale energy contracts,
- Assessments may reflect specific goals of targeted procurement, regulatory or program requirements,
- Evaluation within the following six areas, each of which are rated **high (A)**, **medium+ (B)**, **medium- (C)**, **neutral (D)** or **low (F)** and aggregated for holistic review by Staff before Board review and approval.



# Project Location

HIGH (A)

## Local

- For Renewable Energy: San Diego or Imperial Co. without requiring import rights (or located in CAISO)
- For Energy Storage: SD-IV Local RA

MEDIUM+ (B)

## Southern California

- In Imperial Co., but requires import rights
- In or south of San Luis Obispo/Kern/San Bernadino Co.

MEDIUM- (C)

## In-State

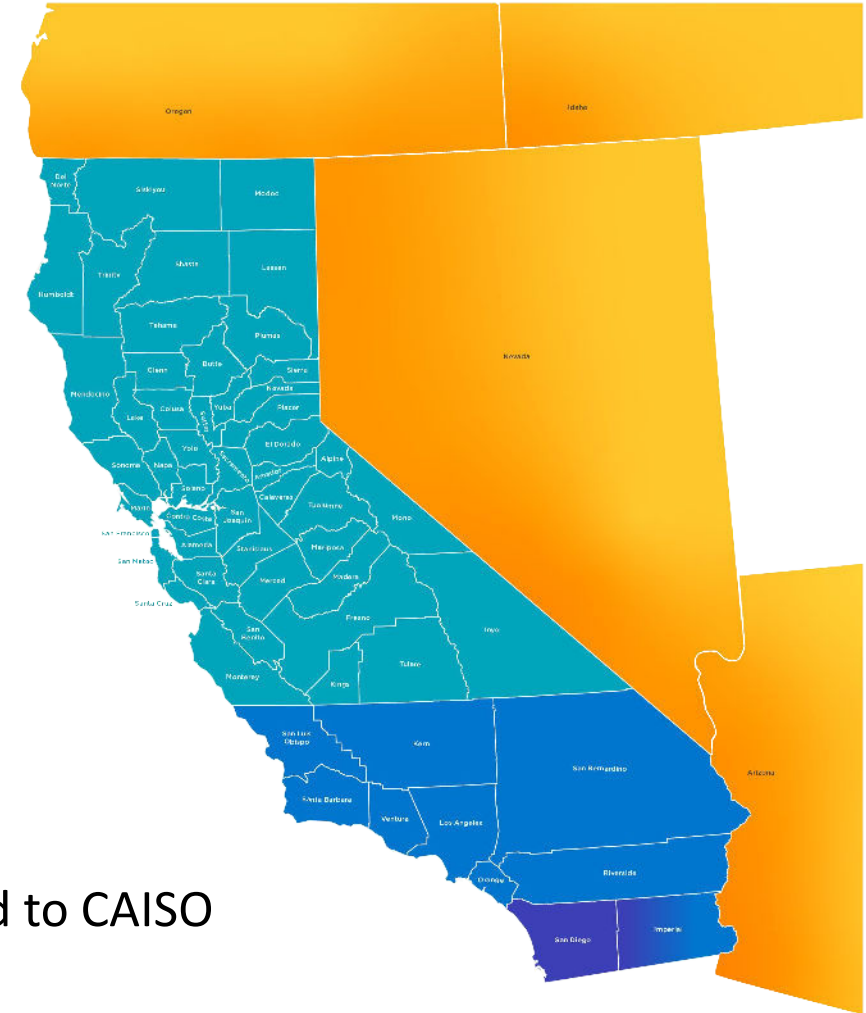
- Located in other counties within CA

NEUTRAL (D)

Out-of-state projects directly interconnected to California Independent System Operator (CAISO)

LOW (F)

Out-of-state projects that are not interconnected to CAISO



# Economic/Portfolio Value

Projects will be categorized as

HIGH (A)

MEDIUM+ (B)

MEDIUM- (C)

NEUTRAL (D)

LOW (F)

- The Quantitative score will be based on several project development-related factors, including:
  - Contract price
  - Products offered/included for purchase
  - Value to SDCP customers
  - Impact to SDCP portfolio risk
  - Cost effectiveness of project-related GHG emission reductions
  - Timeline and expectations of ability to achieve FCDS

# Project Development

Projects will be categorized as

HIGH (A)

MEDIUM+ (B)

MEDIUM- (C)

NEUTRAL (D)

LOW (F)

- The development score will be based on several project development-related factors, including:
  - Site control
  - Interconnection status & Deliverability
  - Environmental screens
  - Land use and permits
  - Project financing
  - Developer experience

# Community Benefits

HIGH (A)

- Project is 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;
  - Has completed Community Outreach;
  - Has set up, or committed to, a community benefit fund that benefits SDCP customers
  - Demonstrates compelling Community Benefits

MEDIUM+ (B)

- Project is located within a DAC, COC, REDZ or tribal land, and has committed to Community Outreach to demonstrate Community Benefits

MEDIUM- (C)

- Project is not located within a DAC, COC, or REDZ but has completed Community Outreach and can demonstrate Community Benefits

NEUTRAL (D)

- Project does not demonstrate community benefits

LOW (F)

- Project is inconsistent with community priorities, or the project (a) utilizes solar/wind technologies, (b) is over 10MW, and (c) is located within 1,500 ft. of a residential property

# Workforce Development

LEVEL	UTILITY-SCALE (10MW +)	COMMUNITY-SCALE (<10 MW)
HIGH (A)	The proposal will meet key objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commit to executing a <b>Project Labor Agreement (PLA)</b> . Proposals that additionally commit to the use of <b>union maintenance agreements</b> during operations will rank highest. <b>Note: a PLA is a requirement for Utility-Scale solar, wind and battery storage facilities.</b> <sup>1</sup>	The proposal will meet key objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commits to either <b>a) executing a PLA</b> or <b>b) prevailing wages and hiring a skilled and trained workforce<sup>2</sup> and at least 2 of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.</b>
MEDIUM + (B)	The proposal does not commit to a PLA, but will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy, including, <b>prevailing wages, hiring a skilled and trained workforce<sup>2</sup> and at least 2 of the following: i) hiring at least 80% local labor and ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.</b>	The proposal does not meet the criteria for A, but will meet other objectives of SDCP's Inclusive and Sustainable Workforce Policy including commitments to prevailing wage, hiring a skilled and trained workforce and <b>at least 1</b> of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.
MEDIUM- (C)	The proposal does not meet the criteria for A or B above, but the proposal will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy, including prevailing wages, hiring a skilled and trained workforce and <b>at least 1</b> of the following: i) hiring at least 80% local labor and ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.	The proposal does not meet the criteria for A or B, but will meet other objectives of SDCP's Inclusive and Sustainable Workforce Policy <sup>3</sup> including commitments to prevailing wage and apprenticeship programs.
NEUTRAL (D)	The proposal does not meet the criteria for A, B or C above, but will meet many objectives of SDCP's Inclusive and Sustainable Workforce Policy <sup>3</sup> including commitments to prevailing wage and apprenticeship programs.	The proposal does not make any of the above commitments, however the offeror is a company with an office sited in San Diego County.
LOW (F)	The proposal does not make any of the above commitments.	The proposal does not make any of the above commitments, and the offeror is a company with no staff presence in San Diego County.

# Workforce Development Footnotes

<sup>1</sup> For the purposes of this provision, “Utility-Scale” means a facility having a maximum nameplate output at the point of interconnection of no less than 10 MWac.

<sup>2</sup> Prevailing wage commitments means paying workers the prevailing wage rates for each craft, classification and type of work performed, or the federal Davis-Bacon wage in states without a prevailing wage law. A skilled and trained workforce means a skilled and trained workforce under California Law, specifically California Public Contract Code Section 2601(d).

<sup>3</sup> Community Power’s Inclusive and Sustainable Workforce Policy is posted with all long-term power procurement solicitation materials.

# Environmental Stewardship

HIGH (A)

- Project is located on currently or previously developed land (including agricultural land no longer suitable for farming) or brownfield land and project beneficially impacts and reduces air pollution within communities that have been disproportionately impacted by the existing generating fleet

MEDIUM+ (B)

- Project is located on currently or previously developed land (including agricultural land no longer suitable for farming) or brownfield land and demonstrates additional societal, economic, water-saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy, or
- Project beneficially impacts and reduces air pollution within communities that have been disproportionately impacted by the existing generating fleet

MEDIUM- (C)

- Project is not located on currently or previously developed land (including agricultural land no longer suitable for farming) or brownfield land, but demonstrates additional societal, economic, water-saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy

NEUTRAL (D)

- Project does not demonstrate significant positive or negative environmental impact

LOW (F)

- Project has not conducted feasibility study of the project's environmental impacts