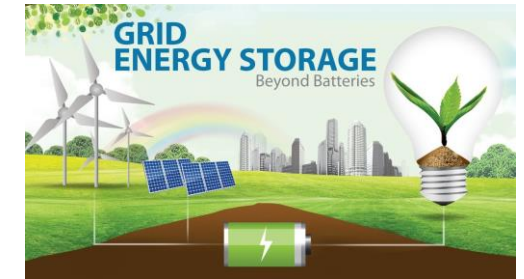




Carbon Free Energy with Storage



2017 JOINT REQUEST FOR OFFERS

September 15, 2017



Joint RFO Overview

In April 2017, Silicon Valley Clean Energy (SVCE) began providing the twelve communities in Santa Clara County with renewable and carbon free electricity.

In Spring 2018, Monterey Bay Community Power (MBCP) will begin providing the 19 jurisdictions throughout Monterey, San Benito and Santa Cruz Counties with clean-sourced power.

The goal of this Joint RFO is for SVCE and MBCP to each enter into one or more long-term Power Purchase and Sale Agreements (PPAs) to secure up to 700 GWh per year of energy, combined, from Carbon Free* generation facilities. For Solar PV generating facilities to bid into this RFO, the offer must contain an Energy Storage Facility.

*Carbon Free means any energy source, except for nuclear-powered generation assets, that is considered by the State of California to have zero Greenhouse Gas emissions in accordance with the Cap and Trade Regulations, AND generation facility must meet the California Energy Commission's definition as a Category 1 Eligible Renewable Resource (PCC1 ERR).

Joint RFO Process

The RFO will consist of the following phases:

- **RFO Issued / Question & Answer:** SVCE & MBCP issues Joint RFO. Participants may submit questions concerning the RFO at SVCEenergyprocurement@svcleanenergy.org and/or participate in the web conference on September 28, 2017. Answers to questions will be posted to SVCE's and MBCP's RFO webpages.
- **Offers Due:** Participant's Offer(s) must be submitted by the October 13, 2017 5:00 PM PPT deadline and include the required documents described below.
- **Offer Review:** SVCE & MBCP will evaluate all Offers according to criteria listed on slide 6. During this phase, SVCE & MBCP will identify submitted Offers for short-listing, seek approval from SVCE's and MBCP's Board of Directors to move short-listed Offers to the negotiation phase, and then notify short-listed Participants.

Offers may be selected for short-listing by either SVCE or MBCP, depending on offered contract quantity. If the contract quantity from a single offer, given size of generating facility, exceeds the needs of either SVCE or MBCP individually, then SVCE and MBCP may select this offer together for short-listing, with subsequent joint negotiations to produce two separate, but substantially similar, PPAs that Seller would execute with each entity.
- **Negotiations and Execution:** SVCE & MBCP will negotiate PPAs with short-listed participants with the intention of executing PPA(s). SVCE & MBCP may execute PPAs with selected participants at any time during the negotiation phase or may choose to execute none at all.

Joint RFO Schedule

DATE	EVENT
September 15, 2017	Issuance Notice of RFO
September 28, 2017	Bidders Web Conference
October 13, 2017 5pm	Deadline to submit Offer(s)
Second half of October, early November 2017	Review Offers, short-list identification, Board Approval, Short-listed Participant Notification
7 days after notification	Offer deposits due from short-listed bidders
November through Late December 2017	Negotiations and Execution of PPA(s)

Products to Buy

Product: Carbon Free* Energy with Energy Storage and all attributes: energy, capacity, energy storage services, and ancillary services.

*Carbon Free means any energy source, except for nuclear-powered generation assets, that is considered by the State of California to have zero Greenhouse Gas emissions in accordance with the Cap and Trade Regulations, AND generation facility must meet the California Energy Commission's definition as a Category 1 Eligible Renewable Resource (PCC1 ERR).

Offer terms:

Facilities:

- Existing *or* New Construction Carbon Free generating facility,
- Existing *or* New Construction Energy Storage System for at least 30% of Carbon Free generating facility capacity,.

Delivery Point: Point of Interconnection (POI)

Pricing Structure(Offered Prices should be flat across the Delivery Term):

Option 1

Carbon Free generating facility: All-in Price (\$/MWh) for Energy + REC (Renewable Energy Credit) + RA (Resource Adequacy)
plus

Energy Storage facility: Fixed Pricing (\$/kW-year) plus optional variable component.

Option 2

All-in Price (\$/MWh) for Energy + REC (Renewable Energy Credit) + RA (Resource Adequacy) + Energy Storage Services

Delivery Term: 10 years, 15 years, or 20 years.

Contract Quantity per Offer: Minimum of 50 GWh per year, up to a maximum of 700 GWh per year

Scheduling Coordinator: Buyer (or Buyer's Third-Party SC)

Delivery Term Start Date: On or before January 2020

If the technology of the Carbon Free generating facility is Solar PV, then Offer is REQUIRED to contain an Existing or New Construction Energy Storage System.

Evaluation of Offers

- Evaluation will be based on combination of Quantitative and Qualitative criteria
 - Quantitative Evaluation criteria
 - Contract benefit is evaluated based on market forward prices, various quantity scenarios, the value of capacity, and the value of energy storage. Contract cost is calculated as expected energy generation profile with and without energy storage times offered prices.
 - Qualitative Evaluation criteria
 - Project Viability
 - Project Status regarding Permits, Site Control, and Equipment
 - Technology Viability
 - Participant Experience
 - Modifications to Form Agreement
 - Project location, i.e. proximity to SVCE or MBCP service territory
 - Consistency with either SVCE's or MBCP's mission statement

SVCE & MBCP will evaluate each Offer against these criteria and select a subset of Offers to move to the negotiation phase.

Offers may be selected for short-listing by either SVCE or MBCP, depending on offered contract quantity, after applying evaluation criteria above.

If the contract quantity from a single offer, given size of generating facility, exceeds the needs of either SVCE or MBCP individually, then SVCE and MBCP may select this offer together for short-listing, followed by joint negotiations to produce two separate, but nearly identical, PPAs that Seller would execute with each entity.

Credit Requirements

- Offer Deposit of: \$3/kW upon Short-listing
- Following PPA execution:
 - Project Development Security of \$60/kW for the Generating Facility and \$90/kW for the Energy Storage Facility
- Upon Commercial Operation:
 - Delivery Term Security-To be determined by Buyers, but likely to be as follows:

Term	10 years	15 years	20 years
Months Revenue	6	9	12

- Offer Deposit and Project Development Security – cash or Letter of Credit
- Delivery Term Security – cash, Letter of Credit, or acceptable guaranty

While participants can propose modifications to the collateral requirements as part of their mark-up of the Form Agreement, reaching agreement on any changes during the negotiation phase is a requirement for proceeding to execution.

Offer Submittal

- Offers must be received on or before October 13, 2017 5:00pm PPT.
- Participants may submit multiple Offers, limited to 8 unique Offers.
- Only electronic copies will be accepted and must be submitted to mailbox: SVCEenergyprocurement@svcleanenergy.org

Note—This is the only email address to use for submission of offers. That is, you do NOT need to submit the same offer to SVCE and then to MBCP. Both parties will receive the offers.

Required information due by

October 13, 2017 5:00 pm PPT

- 1) A completed Joint RFO Offer Form
- 2) A redline mark-up of the appropriate PPA Form Agreement
- 3) A document (MS Word format) which describes the following;

Project Description (includes, but is not limited to):

Technology and equipment type

Environmental issues and permit status

Site Control

Milestone Schedule

Transmission/Interconnection Status

Experience and Qualifications

Short-listed Offer Required Documents

Within 7 business days of receipt of being notified that your Offer has been selected (short-listed) to move to the negotiation phase of this Joint RFO, the following items or documents are due:

- 1) Receipt by SVCE or MBCP of the required Offer Deposit
- 2) An executed Confidentiality Agreement
- 3) A completed Credit and Finance Information Form

Communications and Website

All RFO documents are available on SVCE's website at:

www.svcleanenergy.org/energyprocurement

URL https://www.svcleanenergy.org/app_pages/view/943

All announcements, updates and Q&As will also be posted on the website.

All communications should be directed to:

SVCEenergyprocurement@svcleanenergy.org