



**2026 New Build Carbon Free
Energy & Storage Projects
Request for Offers (RFO)**

Issuance Date: February 5, 2026

Response Deadline: March 4, 2026 at

12 PM PPT

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1. General Information

1.1. Introduction & Purpose

Silicon Valley Clean Energy (SVCE) and its partnered customers through this 2026 Request for Offers for New Build Carbon Free Energy and Storage Projects ("RFO") intend to make progress towards meeting their respective goals related to Renewable Portfolio Standard (RPS), greenhouse gas emission reductions and reliability requirements by contracting with Carbon Free Energy projects, including California Energy Commission (CEC) eligible RPS resources, hydroelectricity, nuclear and paired and/or standalone storage resources. SVCE is seeking offers for resources for a minimum term of ten (10) years and a maximum term of twenty (20) years.

SVCE has a preference for wind or clean firm resources (including geothermal, bioenergy carbon capture, advanced nuclear reactors, linear generators, and other clean internal combustion engine technologies) as well as offers of alternative technologies of energy storage beyond lithium-ion batteries. SVCE encourages offers of at most 75 MW (SVCE's share). However, SVCE welcomes offers of any size and any renewable energy or energy storage technology. SVCE also has a preference for resources within CAISO or that can interconnect to CAISO via Subscriber Participating Transmission Owner (SPTO).

SVCE is accepting proposals for projects in CAISO Queue Clusters up to and including Cluster 16. Any Cluster 16 resources shortlisted in this RFO will be eligible to be considered for SVCE's Commercial Interest points once SVCE holds a competitive solicitation or process for evaluating Cluster 16 offers, pending further guidance from the CAISO.

SVCE is a Community Choice Aggregator (CCA) formed under the authority of a joint powers' agency and subject to legislative and regulatory requirements imposed on a load serving entity within the state of California. Through this RFO, SVCE intends to procure resources to meet the collective needs of its customers or may procure on behalf of specific customers.

1.2. CCA Background Information

[SVCE IRP](#) and [Audited Financials](#)

SVCE, a Community Choice Energy agency, is redefining the local electricity market and providing our residents and businesses with new clean energy choices—renewable and carbon-free electricity at competitive rates. SVCE was formed as a Joint Powers Authority in 2016, and now serves approximately 270,000 residential and commercial electricity customers across a service area comprised of the following thirteen communities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and Unincorporated Santa Clara County. 97% of electricity customers in SVCE's service area receive their electricity from SVCE. For more information on SVCE, please visit: <https://www.svcleanenergy.org/>.

As SVCE was formed to support our communities in reducing their greenhouse gas emissions, we aim to provide our customers with resources that can help them understand their energy use and how it relates to their carbon footprint, discover ways to reduce their carbon footprint and find products and contractors to help them save energy and money. SVCE is also in the process of launching a broad set of programs supporting decarbonization efforts and needs an online resource to enable customers to engage with these programs and related activities. For more information on SVCE's overarching program strategy and planned programs, please visit: <https://www.svcleanenergy.org/programs/>.

SVCE holds two investment grade credit ratings, including an 'A3' from Moody's and an 'A' from Standard and Poors.

1.3. RFO Documents

This RFO consists of this protocol and five appendices. Among other things, the protocol (i) offers general information pertaining to this RFO, (ii) describes the purpose and drivers of this RFO and provides high-level considerations for Respondents, (iii) includes a schedule for this RFO, (iv) sets forth terms governing the preparation and submission of proposals and RFO-related communications with SVCE, and (v) provides a high- level overview of the process for evaluating and selecting proposals submitted in response to this RFO. Entities submitting a proposal to this RFO ("Respondents") are responsible for familiarizing themselves with and being fully aware of the terms of this RFO, including the terms of each Appendix.

The Appendices are as follows:

- **Appendix A** to this RFO is the Offer Form,
- **Appendix B** is the Executive Summary Template,
- **Appendix C** contains Expected contract terms,
- **Appendix D** is an express reservation of the SVCE's rights in connection with this RFO; warranty, liability, and contract acceptance disclaimers; terms addressing the disclosure of RFO- related information by the SVCE's and Respondents in this RFO, Respondent's responsibility for RFO-related costs, and Board approvals; and Respondent's deemed acceptance of the rights and terms contained in Appendix D and the SVCE's reliance upon such acceptance.
- **Appendix E** contains the PPA Project Selection Policy

Respondent must also provide **Interconnection Documentation** in the form of the latest documentation from the CAISO or other governing body detailing the project's timeline and required upgrades for interconnection. Costs may be redacted from the Interconnection Documentation.

1.4. RFO Website

This RFO and related material and information are posted on SVCE's website and available for review. The website will be updated from time-to-time with additional information related to this RFO. Interested persons are responsible for monitoring the website to ensure the timely receipt of information about this RFO.

<https://svccleanenergy.org/solicitations/>

1.5. RFO Administrator

The RFO Administrator for this RFO is SVCE. The contact information for the RFO Administrator is:

- SVCE Procurement (procurement@svccleanenergy.org)
- Britta Bradshaw, SVCE Power Resource Manager (britta.bradshaw@svccleanenergy.org)
- Sophia Zhang, Associate Power Analyst (sophia.zhang@svccleanenergy.org)

The RFO Administrator's responsibilities include (i) acting as a liaison between the

participants in this RFO and SVCE on all RFO-related matters, (ii) ensuring that Respondent questions are addressed in an appropriate manner, (iii) receiving, recording, and maintaining Respondent proposals, (iv) and managing other administrative matters relating to this RFO.

As detailed in Section 7.1 below, all questions, requests, and other inquiries or communications from or on behalf of Respondents to SVCE about this RFO must be directed in email to the RFO Administrator.

Email: procurement@svcleanenergy.org

1.6. Disclosure of Project Information to Benefiting Customers

Because SVCE may be procuring on behalf of one or more customers, Respondents must allow for SVCE to share confidential information related to shortlisted proposals with Customer(s). SVCE may disclose to Customer(s) all the information related to shortlisted proposals that is permitted to be disclosed under a non-disclosure agreement executed by Customer(s) and SVCE. SVCE will provide Customer with periodic negotiation updates as permitted under the applicable non-disclosure agreement and will provide Customer(s) with a fully negotiated power purchase agreement prior to its execution.

2. RFO Overview

2.1. RFO Purpose

The purpose of the RFO is to secure Carbon Free Energy resources to meet SVCE's clean energy portfolio goals including for specific custom product offerings. Proposals offered into this RFO will be evaluated for their ability to meet SVCE portfolio targets in accordance with the terms of this RFO as based on a best fit and value and at low cost considering, without limitation, reliability, risk mitigation, and other relevant factors including the ability to provide enhanced grid reliability by providing Resource Adequacy attributes as defined by the California Public Utilities Commission and the California Independent System Operator.

2.2. Eligible Resources, Products Sought and Preferred Terms

Eligible Resources	<p>SVCE is seeking new build Carbon Free Energy and storage resources that meet these criteria.</p> <p>This RFO is for resources with expected COD dates as early as 2026. All other online dates beyond 2026 will be accepted.</p> <ol style="list-style-type: none">1. RPS: The project must meet eligibility criteria for eligible renewable energy resources as defined in PUC Section 399.12 and implemented by the California Energy Commission (CEC) pursuant to its RPS Eligibility Guidebook requirements for Portfolio Content Category One Eligible Renewable Resource (PCC1 ERR)¹, for which generation technologies include: small hydroelectric generation,
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¹ Definition of PCC1 category found in the "Portfolio Content Category Classification Review Process Handbook" located at: <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/energy/rps/pcc-book2020.docx>

	<p>solar photovoltaic, wind resources, biomass, biofuel, and geothermal resources.</p> <ol style="list-style-type: none"> 2. Non-RPS: The project must come from energy from any type of electric generation that does not directly emit carbon dioxide – e.g., hydropower. This may also include the MWh from demand response and the MWh from electric generation facilities that use carbon capture and storage. 3. Paired RPS and Storage – all storage technologies with the ability for SVCE to set charging and discharging requirements that are physically paired with renewable generation such as small hydroelectric generation, solar photovoltaic, wind resources, biomass, biofuel, and geothermal resources. 4. Standalone Storage – all storage technologies with the ability for SVCE to set charging and discharging requirements.
New Build	<p>Projects must be new build resources; SVCE will hold an additional RFO later in 2026 seeking offers for existing resources.</p> <p>In this 2026 New Build RFO, SVCE will accept offers for projects utilizing existing interconnection but converting from gas-fueled power plants to new clean or renewable energy technologies.</p>
Project Location	<p>SVCE prioritizes projects within the CAISO and/or certified deliverability to the CAISO in accordance with the following:</p> <ol style="list-style-type: none"> 1. Projects located within SVCE's service territory 2. Projects that minimize geographic risk 3. Projects interconnected within the CAISO 4. Projects interconnected outside of the CAISO that have been identified to reside within Transmission Planning Regions as identified in the CAISO Transmission Planning Process. 5. Projects that have made significant progress in obtaining local permits <p>http://www.caiso.com/Documents/ISO-Board-Approved-2022-2023-Transmission-Plan.pdf</p>
Product(s)	Depending on the project types solicited and shortlisted, Product(s) may include energy from generation, energy discharged from storage, Green Attributes, storage capacity, Capacity Attributes (either Energy Only or Full Capacity Deliverability Status (FCDS), as elected in the PPA), and Ancillary Services.
Project Size	Projects of any size are eligible for consideration; however, SVCE has a preference for offers between 10-75 MW.
Delivery Term	Minimum term of ten years and Maximum term of twenty years.
Scheduling and Dispatch Flexibility	SVCE is indifferent to who will be the scheduling coordinator (SC). If the Respondent is the SC, then SVCE will require the ability to make schedule changes at any time, consistent with CAISO market scheduling rules.

Price & Settlement	<p>Respondents must price their proposed project, at a fixed price with no escalation, in the following forms:</p> <ul style="list-style-type: none"> • All-in energy and capacity price [\$/MWh] <ul style="list-style-type: none"> ◦ May only be provided without an escalator. ◦ This price includes Delivered Energy, Green Attributes, Capacity Rights, and Ancillary Services ◦ This can include optional structuring of direct ITC/PTC benefits for SVCE <p>Or</p> <ul style="list-style-type: none"> • Energy Pricing [\$/MWh] <ul style="list-style-type: none"> ◦ Index + Carbon-Free/renewable adder a possibility as well. ◦ For generation resources ◦ May only be provided without an escalator <p>Or</p> <ul style="list-style-type: none"> • Capacity Pricing [\$/kW-month] <ul style="list-style-type: none"> ◦ Full Toll pricing accepted ◦ Respondent(s) are encouraged to provide pricing for at least a 4-hour duration ◦ The offered Price will be assumed to be for non-degrading energy storage capacity over the delivery term
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	<p>Respondents are required to include the price at the Project P-node (i.e., the CAISO pricing node assigned to the generator).</p> <p>It is strongly encouraged for Respondents to provide pricing in at least one of the following Trading Hubs:</p> <ul style="list-style-type: none"> • SP15 • NP15 <p>And the applicable DLAP;</p> <ul style="list-style-type: none"> • SCE DLAP • PG&E DLAP
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The foregoing is not intended, and should not be construed, as an exhaustive listing of important commercial terms for a Power Purchase Agreement ("PPA") resulting from this RFO. Please refer to Appendix C and the sections below for other relevant commercial provisions or considerations.

3. RFO Schedule

The RFO Schedule below sets out important dates for Respondents interested in participating in this RFO. This Schedule is subject to change. Notice of any change to the RFO Schedule will be posted on SVCE's Website.

Activity	Scheduled Date
Issuance of RFO	February 5, 2026

Deadline to submit proposals	March 4, 2026 12:00 PM
Notification of all shortlisted Respondents (Tentative)	April 2026
Execute Exclusivity Agreement and submit shortlist deposit	Within two weeks of shortlist notification
Target contract execution	Q4 2026 (may be expedited for offers with online dates in 2026)

4. RFO Questions

Respondents and other interested persons are encouraged to submit questions about this RFO, to the RFO Administrator (using the contact information provided above in 1.5). All questions regarding this RFO must be submitted by email. Interested persons are requested to submit questions as promptly as possible to ensure the timely receipt of SVCE's response.

Subject to SVCE's consideration of the confidentiality concerns, SVCE intends to post all questions submitted by Respondents, as well as the SVCE's responses to those questions, on SVCE's website. Questions will be posted anonymously, to shield the identity of Respondents who posed the questions. SVCE's objective in posting questions and answers is to afford Respondents equal access to information potentially relevant to their proposals. Respondents are urged to submit RFO questions to SVCE as early as possible, in consideration of the proposal submission deadlines. SVCE expects to provide answers only to questions posed on or before February 20, 2026, and that are specific to an actual proposal submission issue. SVCE may fail to post or answer any questions in their sole discretion.

5. Proposal Submission

The Proposal submission process requires each Respondent to submit to SVCE, using the contact information in section 1.5, responses to Appendices A and B, as well as Interconnection Documentation (collectively referred to as the "Proposal Package") to have its proposal(s) evaluated under this RFO. Under the current schedule, Respondents must submit a completed Proposal Package by March 4th, 2026 at 12:00PM PPT.

Respondent will each bear the risk of any failure of Respondent to submit the completed Proposal Package by the required deadline as required by this RFO. Proposals for which Respondent does not submit all agreements, information, and material as required by this RFO may be considered non-responsive and may be eliminated from consideration. Responsive proposals are those which are deemed conforming to all requirements listed in this RFO document. SVCE may waive any irregularities or defects in their sole discretion.

All proposals must be submitted in email form with the appropriate attached documents to the following email address:

procurement@svcleanenergy.org

6. Proposal Package Review and Evaluation

6.1. Proposal Package Requirements

The following is a list of requirements for Proposal Packages to be considered compliant and eligible in this RFO process:

- Proposal Package must be received by March 4, 2026 at noon (12:00 PM) PPT.
- Proposal Package must contain completed Appendices A and B, as well as Interconnection Documentation in the form of the latest documentation from the CAISO or other governing body detailing the project's timeline and required upgrades for interconnection. Costs may be redacted from the Interconnection Documentation.
- All portions of Proposal Package must be received in the appropriate digital formats – pdf for narrative documents and Excel spreadsheets for the associated data templates.
- All associated data templates must be completed satisfactorily and provided with the Proposal Package. It is the duty of the Respondent to contact SVCE for clarification regarding completion of data templates and Executive Summary. Incomplete templates are grounds for non-consideration of a Proposal Package.
- After receipt of Proposal Package, SVCE may contact Respondents to request clarification about unclear portions of proposals. Respondents will have a maximum of 5 days to respond back to SVCE or the Proposal Package will be removed from consideration.

6.2. Review, Evaluation and Shortlisting Process

Proposal Package will be modeled to yield a final, in-depth understanding of expected performance. The resources that effectively meet the standards of SVCE will be shortlisted and contacted for negotiation of contracts. Proposal Packages will be reviewed and evaluated based on the following standards:

- **Value**
 - The value of the proposed resource(s) is a primary concern for ranking proposals. Proposal Packages will be evaluated based on the competitiveness of their total value from expected energy and capacity relative to other projects of a similar type including pricing, pricing structure, and contract term.
- **Project Viability**
 - Proposal Packages will be evaluated based on a qualitative assessment of the risks inherent in the proposed project. Proposed commercial operation date ("COD"), construction timeline, interconnection status, transmission needs and component procurement and financing plan will be evaluated for viability.
- **Portfolio Fit**
 - Resources that align with the SVCE's Board directed goals, legislative and/or regulatory mandates, and/or SVCE's customers' goals, including hourly load matching with carbon-free energy. Offers for resources expected online by 2028 should describe whether they are eligible to provide incremental capacity under the CPUC's [Mid-Term Reliability \(MTR\) requirements](#).
- **Respondent Experience**
 - Respondents will be evaluated for experience as a firm and/or based on the experience of the members of the project team.
- **Respondent Workforce/Labor, Environmental, and Social Justice Considerations**
 - Prevailing wage required with a strong preference for projects that commit to sign project labor agreement.

- Developers of construction projects shall attest that the project developer or equipment supplier complies with State and Federal requirements related to environmental impacts and/or labor requirements.
- Relevant information submitted by Respondents will be used to evaluate potential workforce impacts of proposed projects with the goal of promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing wage base in local communities where contracted projects will be located.

- **Inflation Reduction Act**

- Describe current and anticipated benefits from the IRA that the Respondent is offering to share with SVCE.

For more information, please review SVCE's [Power Purchase Agreement \(PPA\) Project Selection Policy here](#).

6.3. Notification of Results and Commercial Negotiations ("Shortlist")

After the completion of the review and evaluation of the Proposal Packages, the RFO Administrator will communicate to each Respondent the status of its proposal(s) including if the project is Shortlisted SVCE may request additional information from Shortlist projects to determine next steps. It is SVCE's expectation to negotiate the final terms of a PPA with Respondent(s) on the Shortlist however it is not guaranteed. Placement of a proposal on the Shortlist, does not constitute or indicate acceptance by SVCE of any proposal, any term thereof, or any related contract term. Without limiting Appendix C, SVCE (i) has no obligation and makes no commitment of any kind to enter into a transaction with any Respondent, including a Respondent with a proposal on the Shortlist, or to be bound by any term proposed by Respondent, and (ii) have no obligation or liability with respect to a transaction or arising out of this RFO except as may be expressly set forth in a fully executed PPA.

Upon Respondent(s) being shortlisted, Respondent will be required to execute an agreement of exclusivity ("Exclusivity Agreement") for the project(s), and provide a cash deposit or letter of credit in the amount of \$3/kW. The Shortlist deposit amount is determined by the energy and/or storage capacity. SVCE will return cash deposit or letter of credit of Respondent (i) following execution of the PPA and provision of the required security in accordance with the terms of such PPA, (ii) SVCE's rejection of Respondent's offer following shortlist selection, (iii) failure of both SVCE and Respondent to agree on the terms of a PPA, (iv) SVCE's termination of the RFO process, or (v) termination of exclusivity following occurrence of the exclusivity deadline as provided for in the Exclusivity Agreement. SVCE has the right to retain the cash deposit or letter of credit if the Respondent(s) is negligent or provides falsified information during the PPA negotiation process.

7. Supplier Diversity

All qualified organizations are encouraged to respond, including minority-owned and women-owned business entities.

SVCE is an equal opportunity entity. All responses to this solicitation will be evaluated under the same criteria. No preference will be given to an applicant regardless of the applicant owner's race, gender, ethnicity, or national origin. Pursuant to Proposition 209 (1996)

(Article I, Section 31 of the California Constitution), a government entity such as SVCE is prohibited from discriminating against or granting preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

RFO Respondents that execute a contract with SVCE will be required to complete a supplier diversity questionnaire. SVCE asks that Respondents refrain from directly or indirectly providing supplier diversity information when replying to an RFO. SVCE will send the questionnaire after a contract is executed. As a public agency and consistent with state law, SVCE will not use any such provided information in any part of its decision-making or selection process. Rather, SVCE will use that information solely to comply with California Public Utilities Commission (CPUC) reporting requirements. Pursuant to Public Utilities Code §§ 8281-8286, CPUC requires each of SVCE to submit annual detailed and verifiable plans for increasing women-owned, minority-owned, disabled veteran-owned, persons with disabilities-owned and LGBT-owned business enterprises' procurement. Consistent with the California Public Utilities Code and State policy objectives, SVCE will collect information regarding supplier diversity and labor practices from project developers and their subcontractors regarding past, current and/or planned efforts and policies.

Certification creates an opportunity for businesses to be more visible and easier to communicate contracting opportunities. SVCE encourage all Respondents that are women-owned, minority-owned, disabled veteran-owned, persons with disabilities-owned and LGBT-owned businesses to become certified with the CPUC Supplier Diversity Program. This certification is voluntary and cannot be used as a criterion for solicitation evaluation. For information on the certification process and requirements, please visit CPUC's Supplier Clearinghouse. Alternatively, businesses can certify as a small business or a disabled veteran-owned business through the Department of General Services Certification program.

8. Miscellaneous RFO Matters

Without limiting the generality of Appendix D, SVCE reserves the right to withdraw, suspend, cancel, or terminate this RFO, or to modify any term of this RFO, including, without limitation, any term concerning the RFO schedule (including any date), at any time in its sole discretion. SVCE will endeavor to notify all participants of any such withdrawal, suspension, cancellation, termination, or modification made prior to the submittal deadline and to post notice of any such action on SVCE's website.

Appendix A Offer Form

SVCE have posted the RFO Offer Form on SVCE's Website. If the Respondent(s) has any issues accessing the document or questions, please contact the RFO Administrator.

All offers for resources except those in CAISO Cluster 16 should complete the tabs "General Info," "New Build Offer Sheet," and, if applicable, "New Build Hourly Profiles." All offers for resources in CAISO Cluster 16 should complete the tabs "General Info" and "Cluster 16 Offer Sheet.

[\[Link to Offer Form on SVCE Website\]](#)

Appendix B Executive Summary

As part of the RFO, SVCE have posted this Appendix B, which contains a list of due diligence

requests, which Offeror should respond to and compose as an Executive Summary. The completion of Appendix B is required.

[Executive Summary Template]

Appendix C PPA Terms and Conditions

To expedite the Power Purchase Agreement (PPA) process, SVCE offers the following expected terms to be included in any negotiated PPA. This is not intended to be an exhaustive list of terms and Respondents under an Exclusivity Agreement will be required to include a Term Sheet.

[Appendix C will be provided by mid-February]

Appendix D Reservation of Rights, Waivers, and Acceptances

1. Reservation of Rights

Notwithstanding anything to the contrary, SVCE may, and expressly reserve the right to, at any time and from time to time, without prior notice and without assigning or providing any reason therefor:

- cancel, suspend, withdraw, or terminate this RFO (including, without limitation, after the selection under this RFO of one or more Respondents for a PPA) or cancel or suspend its participation in this RFO;
- modify this RFO, including, without limitation, any Appendix to this RFO, or any of the dates, times or places set forth in the RFO or related to the RFO process;
- accept, refuse to accept, consider, not consider, favor, disfavor, recommend, not recommend, pursue or reject any proposal, in its sole and absolute discretion, for any reason;
- without limitation of the generality of any of the other terms herein, reject or eliminate any proposal submitted in response to this RFO that is incomplete, is nonconforming, or contains irregularities (or waive any irregularity in any proposal), or that it determines was made with the intent to create artificial prices, terms, or conditions or would have that effect;
- carry out negotiations with any, some or all Respondents or other persons related to this RFO, and suspend or terminate negotiations with any Respondent or other person at any time, including, without limitation, because of any change in resource needs of SVCE giving rise to this RFO;
- discuss the terms of any proposal or any other material submitted by Respondent with, and obtain clarification or additional information concerning such proposal or such other material from, Respondent or its directors, officers, employees, agents, representatives, and advisors;
- request from Respondent information not detailed in or required by this RFO but that may be necessary or relevant to the evaluation of Respondent's proposal(s) and utilize such information as SVCE deems appropriate in connection with such evaluation of this RFO;
- receive, consider, pursue, or transact on (i) opportunities to acquire other assets or resources offered or that become available outside of the RFO process as such opportunities arise or (ii) proposals offered in response to this RFO that are nonconforming or eliminated from consideration in this RFO;
- invite further proposals in or outside of this RFO or supplemental

- submissions of proposals;
- determine which Respondents or entities to allow, or continue to allow, to participate in the RFO process;
- pursue or transact on proposals offered in response to this RFO regardless of any rank order established in the RFO evaluation process to promote diversity of supply in this RFO, gain experience with different technologies, limit exposure to a counterparty, technology or resource or a particular set of risks, or achieve other commercial goals SVCE deem appropriate;
- sign or not sign PPA(s) with Respondents or other persons relating to the Transactions solicited by this RFO;
- subject to the terms of any applicable confidentiality agreement entered between SVCE and Respondent, retain, archive, or destroy any information or material provided to or for the benefit of SVCE in the proposal submission process; and
- take any and all other actions it deems necessary or appropriate, in its sole and absolute discretion, in connection with this RFO and the RFO process.

Each of the foregoing rights (including any right listed in a series of rights) may be exercised by SVCE or any director, officer, employee, or authorized agent or representative of SVCE or their respective parent. The reservation of rights contained herein is in addition to all other rights reserved or granted to SVCE or any of its Affiliates elsewhere in this RFO or otherwise held by or available to SVCE or any of its Affiliates.

2. No Warranties or Liabilities

BY PARTICIPATING IN THE RFO PROCESS, EACH RESPONDENT AGREES THAT, EXCEPT TO THE EXTENT CONTAINED IN A PPA WITH RESPONDENT:

- (A) ALL MATERIAL AND OTHER INFORMATION FURNISHED BY OR ON BEHALF OF SVCE OR ANY OTHER AFFILIATE OF SVCE, CCCE, PCE & SVCE IN CONNECTION WITH THIS RFO IS PROVIDED WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND
- (B) SVCE, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, PARTNERS, EMPLOYEES, AGENTS, REPRESENTATIVES AND ADVISORS SHALL HAVE NO LIABILITY TO ANY RESPONDENT, ANY OF ITS AFFILIATES, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, PARTNERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ADVISORS, LENDERS, OR INVESTORS RELATING TO OR ARISING FROM THE USE OF OR RELIANCE UPON ANY SUCH INFORMATION, ANY ERROR OR OMISSION THEREIN, OR OTHERWISE IN CONNECTION WITH THIS RFO.

3. Acceptance of Proposals

Without prejudice to the SVCE's rights at law or in equity, no proposal submitted by any Respondent shall be deemed accepted by, or otherwise binding upon, SVCE or any of their Affiliates and SVCE, their affiliates and their respective directors, officers, members, employees, agents and representatives shall have no obligation or liability of any kind with respect to any such proposal or otherwise in connection with this RFO, unless and until a PPA has been mutually executed and delivered by SVCE or any of their Affiliates and seller, and then such obligation or liability shall exist only if and to the extent expressly set forth or provided for therein or in another signed, binding written agreement entered into by SVCE or any of their affiliates and seller. Notwithstanding anything to the contrary in this RFO, all proposals delivered to SVCE shall become the sole and exclusive property of SVCE upon receipt, and SVCE shall have all rights and privileges of ownership of such property, subject to any provision of this RFO relating to confidentiality and any applicable confidentiality or other signed, binding written agreement between SVCE and Respondent or seller executed in connection with this RFO process.

4. Respondent Costs and Expenses

Each Respondent is solely responsible for all costs and expenses it incurs in connection with this RFO. Through its participation in this RFO, each Respondent agrees that under no circumstance, including, without limitation, SVCE withdrawal from or suspension, cancellation, or termination of the RFO process, will SVCE, any of their affiliates or any of their respective directors, officers, members, partners, employees, agents, representatives or advisors have any responsibility or liability of any kind to Respondent, its affiliates or any of their respective directors, officers, members, partners, trustees, employees, agents, representatives, advisors or lenders for any cost or expense directly or indirectly incurred by Respondent (no matter how incurred) in connection with the RFO process. Nothing in this Section 4 shall be construed to limit the generality of Section 2 above.

5. Respondent Disclosure of RFO Information

No Respondent may, without the prior consent of SVCE, disclose to any other person (except CCA staff) its participation in the RFO process (other than by attendance at any meeting to which more than one participant is invited by SVCE, which attendance in and of itself will not violate this provision of this RFO).

Further, no Respondent may disclose, collaborate on or discuss with any other person (except CCA staff) bidding strategies or the substance of proposals, including, without limitation, the price or any other terms or conditions of any contemplated, indicative or final proposal. Any such disclosure, collaboration or discussion would violate this RFO and may result in the rejection of Respondent's proposal or elimination of Respondent from further participation in this RFO.

6. Respondent Acceptance of this Appendix D

By participating in the RFO process, each Respondent agrees that it will be deemed to have accepted all the rights and terms included in this Appendix D and to have agreed that its participation in the RFO is subject to such rights and terms. SVCE is conducting this RFO and participating in the RFO process in reliance upon the foregoing agreement.

Appendix E Power Purchase Agreement (PPA) Project Selection Policy

I. Power Purchase Agreement (PPA) Project Selection Policy

The PPA Project Selection Policy ("Policy") shall be applied as part of the process of acquiring energy and capacity resources for new build, or substantial repower projects involving construction labor, in front of the meter electricity generation, or storage resources where SVCE does not own, develop or construct the generation or storage facility. Projects considered for PPAs will be evaluated based on best portfolio fit and value while considering regulatory mandates, reliability, risk mitigation, and other relevant factors including the following all else being equal goals:

A. Contributions to SVCE's Mission

1. Assessment and evaluation of proposed projects to ensure SVCE is able to meet its mission of providing clean, reliable and affordable energy.
2. Assessment and evaluation of proposed projects' operational performance and market economics to ensure selected projects maximize Regulatory and Market Value to SVCE and its customers.
3. Assessment and evaluation of projects to minimize risk to SVCE and its customers through effective location, Counterparty and technology diversification and management of Development Risk

B. Workforce Development

SVCE is committed to stimulating its local economy through, among other measures, supporting projects committing to applying prevailing wage rates as required by law, and supporting a local Skilled and Trained Workforce with construction work performed by appropriate Journeypersons and Apprentices from a state-approved apprenticeship training program.

1. SVCE will prioritize Power Purchase Agreements where:
 - a. Highest priority projects will commit to a multi-trade project labor agreement with additional preference given to projects committing to a target of 30% local hire and a target of 5% hiring from workforce pipeline programs.
 - b. Medium priority projects will commit to:
 1. Using prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations for California projects and state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects.
 2. Additional preference will be given to projects that use apprentices at the same ratio of apprentice hours to journeyperson hours as required for public works projects under Section 1777.5 of the California Labor Code.
 - c. Low priority projects may demonstrate other commitments to local workforce development.

C. Technology Diversity

SVCE recognizes the importance of diversifying technology in its portfolio to minimize risk.

1. All else being equal, SVCE will prioritize projects that will diversify technologies in its current portfolio, provide local reliability, provide SVCE a competitive advantage, and/or reduce costs for SVCE customers while remaining cost competitive with established market alternatives.

D. Location

SVCE prioritizes projects within the California Independent System Operator (CAISO) and/or certified deliverability to the CAISO in accordance with the following:

1. Projects within SVCE's service territory.
2. Projects within the CAISO balancing authority.
3. Projects with the ability to interconnect with the CAISO balancing authority.
4. All other projects.

E. Environmental Stewardship

SVCE is committed to leading by providing customers with energy that delivers benefits for air, water, and the natural environment while avoiding impacts to important lands, species, and waters. Without diminishing or interfering with permitting, land use or development requirements of any authority with jurisdiction including local, state, and federal agencies, SVCE prioritizes projects:

1. That are proposed on urban or previously disturbed sites; and
2. Where the developer and local land use authority have established an enforceable development agreement which, in part, sets forth measures to mitigate impacts to sensitive habitats or environmentally sensitive areas.

F. Community Engagement

SVCE will prioritize projects that:

1. Demonstrate contact and collaboration with the local community organizations and stakeholder groups representing a broad diversity of demographics and interests,

particularly low income and environmental justice communities, to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.

2. Commit to meaningful engagement with local communities throughout the entitlement and construction processes to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.

G. Greenhouse Gas Emissions Impact

SVCE will evaluate greenhouse gas emissions of project proposals and prioritize projects that minimize emissions on the grid and SVCE's portfolio.

II. Reporting AND CALIFORNIA COMMUNITY POWER

A. Reporting

SVCE will assess project proposals in accordance with this Project Selection Policy and report to the SVCE Board of Directors the results of such assessment at the time of the project approval. SVCE will compile and report data and metrics, as appropriate, through the annual GO 156 Supplier Diversity report.

B. California Community Power

SVCE will consider the Power Purchase Agreement Project Selection Policy when it is determining whether to participate in joint procurement at California Community Power.

III. Definitions

- A. **Regulatory Value:** The value of project's anticipated ability to satisfy SVCE's regulatory compliance requirements such as Resource Adequacy, Renewable Portfolio Standard, integrated resource planning, and other binding orders or directives received from regulatory bodies.
- B. **Market Value:** The project's projected revenues across all relevant day-ahead real-time, ancillary, and other markets. Market Value shall also assess a project's ability to manage, shift, or arbitrage existing SVCE generation to maximize revenue and renewable energy generation on behalf of SVCE and its customers.
- C. **Counterparty Risk:** The risk that a counterparty will fail to perform, or adequately remedy, its obligations. Counterparty Risk is inclusive of Development Risk.
- D. **Development Risk:** The risk that the project is unable to obtain interconnection, deliverability, site control, entitlements, financing, or other necessary development milestones required to deliver the project on or ahead of the anticipated online date.
- E. **Power Purchase Agreements:** An agreement that provides for new build or substantial repower projects but wherein SVCE's participation in the project is limited to receiving energy and any applicable attribute at a set price and term. This includes power purchase agreements, energy storage agreements, resource adequacy only agreements, or other energy product agreements.
- F. **Journeyperson:** Is a worker who either:
 1. Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, approved for federal

purposes pursuant to apprenticeship regulations adopted by the Secretary of Labor, or

2. Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.

G. **Skilled and Trained Workforce:** means a workforce in which:

1. All workers performing work in apprentice-able occupations in the building and construction trades are either skilled Journeypersons or Apprentices registered in an apprentice program approved by the Chief of the Division of Apprenticeship Standards, as defined in Chapter 2.9 of Part 1 of Division 2 of the California Public Contracts Code.

H. **Local Hire:** A qualified worker that meets one of the following criteria in descending priority:

1. A resident within the nearest communities in proximity to the project, by a radius as reasonably determined on a project-by-project basis. Such radius will target a distance that is within reasonable daily commuting distance.
2. A resident within the county where the project is constructed.

I. **Workforce Pipeline Program Hires:** means an individual who is a participant in a workforce pipeline program which:

1. Partners with a structured, Multi-Craft Core Curriculum (MC3)-certified construction careers training and placement program or programs that recruits, supports, and places targeted workers in skilled construction trades; and
2. Creates opportunities for certified MC3 graduates to enter Registered Apprenticeship Programs and/or obtain work hours needed to successfully complete their apprenticeship.