

# 2019 Carbon-Free Power Supply

Joint Request for Proposals

Questions and Answers

*Last Updated: May 08, 2019*

**Q1: Are SVCE/MBCP looking for bundled PCC1 renewable energy for RPS, or carbon free power, or both?**

A1: Project must be able to deliver PCC1 RPS. Please refer to section 2.2’s eligible resources section.

**Q2: Is there a delivery shape that is preferred?**

A2: Refer to section 6.2.2’s scoring category related to on-peak delivery.

**Q3: Will projects located outside of California, such as in the NVE service territory, be considered?**

A3: Projects must be able to deliver PCC1 RPS energy. Refer to section 2.2’s project location description and section 6.2.2’s scoring category related to location.

**Q4: Will projects with a start date in early to mid-2020 be considered?**

A4: Yes, all projects will be considered with a preference for projects with start dates in January 2021. Projects must be on-line no later than December 31, 2022.

**Q5: Is a Word version of the joint SVCE, MBCP energy RFP term sheet available?**

A5: Yes, a Word version is now available on the websites: [SVCE Solicitations](https://www.svcleanenergy.org/solicitations/) or [MBCP Solicitations](https://www.mbcommunitypower.org/current_requests_for/2019-carbon-free-power-supply-joint-request-for-proposals/)

**Q6: Is there a minimum amount of annual generation that is required? Will an index-based pricing be acceptable?**

A6: Projects must meet the following minimum sizes: 20 MW for variable (no storage) solar and wind projects, 5 MW for non-variable resources (solar/wind+storage, geothermal, etc.), and 50,000 MWh/year for energy-only offers. We are only accepting fixed price offers.

**Q7: Can you elaborate on scoring criteria “On-Peak Delivery” in section 6.2.2, and is this period of 4- 7pm fixed year-round, and is it a hard stop at 7pm?**

A7: Given the movement towards a CNS (Clean Net Short) accounting for LSEs to meet their renewable requirements, the goal of this evaluation category is to encourage bids from projects which can deliver during this peak load period (i.e. evening ramp/duck curve neck). Biomass, geothermal, and wind can usually meet this delivery period. Solar developers are encouraged to add storage to their project in order to get a higher score in this category. Regarding the time period, it is not a hard time block. We will be evaluating the seasonal peak periods (PPT) and each project’s deliveries during it.

**Q8: What is the correct submission deadline, May 13 or May 17, as each date is used. Specifically, in Section 5, May 13 is used.**

A8: The correct submission deadline is 5/17/19 at 5pm. This reference to 5/13 in section 5 was an error (and has since been corrected in protocol currently posted on website).

**Q9: Is the hours of energy storage duration being restricted to any # of hours or do you not care as long as we optimize around the On-Peak Delivery?**

A9: No restrictions, and yes please provide an offer that optimizes around On-Peak Delivery.

**Q10: We recognize that 2022, 24x365 hourly load profiles were provided for each CCA. Can SVCE/MBCP provide its existing portfolio supply (conventional and renewable combined) in the same 24x365 format? This would allow us to better optimize the BESS sizing and energy pricing.**

A10: Given each CCA’s position is quite small as we are new entities, we do not believe providing this information is necessary at this time. We evaluate the economics of batteries in reference to the CAISO prices at the node of interconnection.

**Q11: Would SVCE/MBCP evaluate bids where a proposed project is able to achieve COD and start delivering energy by 12/31/22 but doesn’t achieve FCDS until later?**

A11: Each CCA’s preference is for your project to be eligible to receive FCDS at COD. However, we are willing to consider this, but it may be negatively assessed as part of our scoring process.

**Q12: In the Offer Form, Tab 4 (Renewable Data Template), the explanation in light blue indicates you would like 3+ years of estimated hourly production but the Instructions Tab clearly indicate: “Each template has a pink line showing correctly entered example data. Please use this as a reference and begin entering proposal data in the yellow field below.” If the latter is accurate, then we would only need to enter monthly production over the next 3 years, NOT the hourly production. The instructions vs explanation seems to be contradictory. Please elaborate or clarify.**

A12: There are two distinct data portions of this data template: historical and forecast. Every project needs to supply both historical and forecast data separately. This always includes 3+ years of hourly historical data. If there is no “real” hourly historical data available, then the historical data may be completed by submitting 3+ years of estimated **hourly** production in the historical section, and then providing an additional (separate) **monthly** energy forecast for future generation. Basically, if no hourly historical data exists you may provide “approximate or modeled” hourly historical data that matches the expected hourly production shape of the resource, and then still provide monthly forecasted future production values.

**Q13: Can the delivery term of the PPA be different for the renewable resource and BESS (i.e. 15 years for PV and 10 years BESS)? Or does the Delivery Term have to align for both the renewable resource and BESS?**

A13: Each CCA is willing to consider this.

**Q14: If we would like to submit different pricing options in terms of years and with or without battery storage, should we submit entirely separate Excel documents, or should we recreate certain tabs within the same workbook?  Please advise on the preferred delivery method.**

A14: In order to ensure clarity and understanding of your various offers, it is suggested to provide separate Excel files.

**Q15: Is the recorded webinar available online?  If not, will it be made available for viewing or will the Q&A be made available to all bidders?**

A15: The webinar was not recorded, but the presentation document and all Q&A’s are available at each CCA’s website, links provided above.

**Q16: Please consider allowing for 2-3 weeks (instead of one) to provide additional information (Appendix C) upon shortlist notification, given that such date is somewhat of a moving target (“tentative”) and it lies in the middle of the summer (when many participants may have conflicting vacation plans).**

A16: The information provided for in the RFP Protocol related to Shortlisted candidates is intended to be indicative of the requirements needed to advance to negotiations. SVCE and MBCP will work to accommodate Shortlisted candidates concerns and/or time requirements at such stage.

**Q17: Please confirm that an LMP + fixed REC Price structure is eligible to bid. SVCE/MBCP will evaluate and rank offers based on fixed-price ($/MWh) within a standard pool of proposals.**

A17: Offers with alternative pricing structures including LMP + fixed REC, will also be considered separately.

**Q18: Our project is planned as a DC coupled PV - Storage project. We are planning on delivering energy during your projected peak hour with the energy charged during mid-day. Does this qualify for the On-Peak Delivery criteria?**

A18: Yes

**Q19: Is there a form (in Words or Excel) available to fill out for the Specifications mentioned in Appendix C?**

A19: Appendix C does NOT need to be submitted with your offer, but only if shortlisted. No form exists, but we will provide a MS Word version to shortlisted projects.

**Q20: Is SVCE and MBCP considering both AC and DC coupled PV+ESS projects? Please, let us know if there's any preference as to the type.**

A20: The rules for recognizing energy storage paired with a renewable generator on the grid are still being developed and finalized, but early indications are that AC-coupling is more likely to have favorable treatment when it comes to metering and RA counting rules. However, we will leave it to you to decide on how to optimize your offered project.

**Q21: Would SVCE and MBCP provide their credit rating information to the bidders? If required, would there be any credit enhancement provided?**

A21: As SVCE and MBCP are new entities, neither has obtained a credit rating yet. However, each CCA is working on getting one, but it takes several years of operation before you can even apply. If shortlisted, we will provide our preferred credit terms.

**Q22: What is the expected timeline to providing a cash deposit of letter of credit after being Shortlisted?**

A22: Deposit is due within 7 days of notification, but we are willing to consider an extension if shortlisted entity were to request more time.

**Q23: If the Buyer or its agent act as schedule coordinator, would they participate both in Day Ahead and Real Time Market? And will all the revenue and cost from the Day Ahead Market or Real Time Market be borne by the** **Buyer? That said, will the settlement between the Buyer and the Seller be made based on the monthly metering data while considering the price difference between Pnode and Trading Hub?**

A23: Yes, to participating in the DA and RT markets and Buyers bearing the costs and revenues. Seller will be paid a fixed contract price, and thus indifferent to the market activities, subject to certain performance requirements.

**Q24: Please, let us know how the "Replacement Price" would be calculated. Will it be based on the Day Ahead Market price?**

A24: This will be determined during negotiations with shortlisted projects.

**Q25: How much is the Termination Payment?**

A25: This will be determined during negotiations with shortlisted projects.

**Q26: How will the Deemed Delivered Energy be calculated?**

A26: DDE is usually calculated by an equation that can estimate the potential energy, using ambient conditions at time of the curtailment. However, this will be determined during negotiations with shortlisted projects.

**Q27: Could you provide us some examples of the Buyer Directed Curtailment?**

A27: One example might be during periods of negative LMPs, to avoid being charged by the CAISO for putting the energy onto the grid.

**Q28: Is there a cap amount to Development Delay Damages?**

A28: This will be determined during negotiations with shortlisted projects.

**Q29: Define Outage Mean Days**

**A29:** When there is an outage, this is the mean number of days that the resource will be out. For example, if a resource has an EFOR of 10% then (on average) the unit will be out of service for 36.5 days each year. If the “Outage Mean Days” is set at 12, then to meet the EFOR one would expect the resource to undergo ~3 outages in a given year, each one approximately 12 days long (36/12=3). However, if the “Outage Mean Days” is set at 30 days, then one would expect approximately 36.5/30= 1.2 outages per year (with each one approximately 30 days long).

**Q30: Define Outage Std Deviation**

**A30:**  This is the standard deviation expected in the duration (in days) of an outage. For example, if the “Outage Mean Days” value is 10 and the “Outage Std Dev” is 0, then every time there is an outage it will be exactly 10 days long. However, if the “Outage Std Dev” is 5 days, then one outage might be 8 days long, the next might be 15 days long, the next 7 days long, and across all outages the average duration will be 10 days with a standard deviation from that duration of +/- 5 days.

**Questions and Answers**

**Associated with**

**Bidders Webinar – May 3, 2019 1:00 to 2:00 pm**

***Clarification 1A****. There were several questions related to limitations for offering proposals. The RFP Protocol does not include a limit, however in the Webinar we indicated that Proposers may only submit 8 unique offers. After deliberating on this issue, SVCE and MBCP would like to clarify that there are no limitations on the number of Offers which can be made into this RFP. SVCE and MBCP highly encourage that Proposers limit the number of Offers per project to 10- 15- and 20-year tenors.*

***Clarification 2.*** *The following table shall guide the template submission requirements:*

|  |  |  |  |
| --- | --- | --- | --- |
|  | 4. Renewable Data Template | 5. Storage Data Template | 6. PPA-Firm Template |
| Solar | *Checkmark* |  |  |
| Solar + Battery | *Checkmark* | *Checkmark* |  |
| Wind | *Checkmark* |  |  |
| Wind + Battery | *Checkmark* | *Checkmark* |  |
| Geothermal |  |  | *Checkmark* |
| Dispatchable hydro |  |  | *Checkmark* |
| Contract  |  |  | *Checkmark* |

*Please note that form 5 (for storage) has a field at the top for noting whether the resource can be charged from the grid or not. This should be “True” if the storage component is AC-connected to the grid and “False” if the battery is DC connected to the generation resource and may only be charged from that source.*

*If unsure about which category your project falls into, please contact us for clarification.*

**Q: Is there any PLA (union labor) or DB (prevailing wage) requirement for construction?**

A: A prevailing wages provision is required. Developers often demonstrate they have met this provision by securing a PLA, but a PLA is not explicitly required. Offers that do intend to have a PLA will score higher. ***NOTE-During the webinar is was stated that a PLA was required, but that was incorrect.***

**Q: One workbook per project?**

A: Yes, please complete one Offer Form (Excel worksheet) per project.

**Q: The links in the RFP do not work, can you send out the links in a word document?**

A: Yes, a Word version of the RFP Protocol will be included on the website.

**Q: Just to confirm, each project submitted - we are only allowed 8 unique offers. What if we offer multiple tenors (10-year, 15-year, 20-year)?**

A: See Clarification 1A.

**Q: Can you tell us where appendix d is**

A: Appendix D is included in the RFP Protocol as informational only. No submittal is associated with Appendix D.

**Q: Please define what you mean by firm on page 6?**

A: Firm resources are those which are not considered intermittent such as wind and solar. Generally, this sheet will be used for geothermal resources, energy forward contracts (with or without dispatchability), and any other dispatchable resources. If there are any further questions about whether your project falls into a certain category, please contact us directly.

**Q: Can you please further elaborate on difference between variable and non-variable projects?**

A: Variable resources include intermittent resources such as solar and wind where the quantity of energy produced in a given hour is intermittent and cannot be known accurately ahead of time. Non-variable projects are those are not intermittent and stay relatively close to forecasted generation amounts – solar/wind with storage, geothermal, forward contracts with fixed delivery amounts, etc.

**Q: What are the site control requirements?**

A: As the developer, site control can be demonstrated by providing documentation showing: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the generating facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

**Q: Is there a limit of the number of projects we are allowed to submit?**

A: See Clarification 1A.

**Q: On page 6 it says alternate proposals which are to meet load for each of the entities. But the WebEx document says preferred to meet the load shape. Can you clarify?**

A: SVCE and MBCP have provided their hourly load profiles and encourage proposals which offer solutions to meet hourly load requirements. Any proposal to meet load requirements will be considered in this RFP, but proposals that are able to meet energy needs specifically during peak hours of the Load Profile are preferred and will be given higher consideration. For example, while a solar project (without storage) may provide energy during the afternoon but not during evening peak load hours, a solar+storage project that can provide energy during the evening peak hours will be scored higher.

**Q: Does a solar+ storage project fill out spreadsheet number 6 on the offer form?**

A: See Clarification 2

**Q: Does a solar+storage project fill out spreadsheet 4 and 5 too? Do you want to see the storage impact on the renewable data template? Please clarify.**

A: See Clarification 2

**Q: How do we model the energy storage application during the 3-year record?**

A: If there is no actual historical data, please provide an hourly estimate for the typical generation from this resource over a 3-year time period. The estimate should be dated with historical dates and should take into account seasonal and daily variations.

**Q: Should the storage be designed to provide any ancillary services or is it OK to focus on time shifting application?**

A: Time shifting is preferred for the purposes of this RFP. If you can show the general market value of selling ancillary services in CAISO and how this can reduce the price of your project, that will be of value in affecting pricing considerations. However, SVCE/MBCP are not consumers of ancillary services and hence do not directly value them in this RFP.

**Q: Just to confirm, each company is only allowed to submit 8 offers only. We can't offer 3 projects and 8 offers for each project?**

A: See Clarification 1A above.

**Q: You just mentioned bidding storage as a standalone resource. how can one bid a standalone storage resource if the RFP requires a renewable resource per 399.12?**

A: Stand-alone storage resources are not being considered in this RFP. However, grid-connected storage that is associated with a renewable project (as opposed to behind-the-meter storage (BTM) that is solely connected to a single resource) is modeled differently than BTM storage and hence has distinct data entry requirements. We provided both data entry templates to allow for all forms of storage-related projects to be submitted and accurately modeled.

**Q: Will this RFP satisfy carbon-free power supply needs in the near-term, or do you anticipate additional RFP opportunities issued within the next ~12 months for similar resources?**

A: SVCE and MBCP hope to acquire all their long-term RPS requirements for Compliance Period 4. Both entities are procuring additional RPS and carbon-free resources to meet their respective RPS requirements and carbon-free goals.

**Q: Will you accept operating projects or only new projects?**

A: New and existing projects may be offered into the RFP so long as the project meets the minimum ten-year requirement.