



Request for Proposals

For an

Energy Prepayment Transaction

Response Deadline: May 12, 2025 by 5:00PM PDT

Silicon Valley Clean Energy

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INTRODUCTION

Silicon Valley Clean Energy (“SVCE”) is the community-owned electricity provider serving 13 Santa Clara County communities, including Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and unincorporated Santa Clara County (collectively, “member agencies”). SVCE provides 280,000 residential and commercial electricity customers with clean electricity at competitive prices, from sources like solar, solar+storage, wind, hydropower and geothermal. Silicon Valley Clean Energy was formed as Joint Powers Agency in March 2016, and launched service in April 2017. 96% of electricity customers in the SVCE service area receive their electricity from SVCE. For more information, please visit: svcleanenergy.org.

SVCE FINANCIAL PERFORMANCE

SVCE recorded \$534.5 million in net operating revenues with net operating income of \$137.3 million in FY 2023-24. As of September 30, 2024, total SVCE cash/investment reserves were \$479.9 million. SVCE has exceeded its operating reserve goal of 350 days cash as identified in their Financial Reserve Policy¹. In addition, SVCE has maintained an issuer credit rating of A (Stable) from S&P and A3 (Stable) from Moody’s.

PURPOSE OF REQUEST

SVCE is interested in exploring its fourth energy prepayment transaction. Through this RFP, SVCE is seeking an underwriter firm to structure an energy prepayment program for the prepayment transaction on existing Power Purchase Agreements (“PPAs”). To help SVCE’s evaluation efforts, please identify how your firm is capable of providing a structure that addresses the primary desire of SVCE to prepay existing PPAs. The response should describe firm qualifications and core terms of the firm’s transaction structure. SVCE intends to use this solicitation to establish a short list of firms to invite for interviews. Proposers are free to respond in the format most convenient (e.g., Word, PowerPoint or a combination thereof), but thoroughly addresses the questions below.

¹ https://svcleanenergy.org/wp-content/uploads/FP-09_Financial_Reserves.pdf

PROPOSAL REQUIREMENTS

A. Firm(s)/Contacts

1. Provide the principal contact or contacts from your firm and any additional firms needed to complete the transaction. List all members of the proposed team (resumes are not necessary). Briefly describe their proposed role in meeting the requirements of this RFP and briefly describe their relevant experience.

B. Underwriting Experience

1. Please describe your organization's underwriting and distribution capabilities.
2. How many CA electricity prepay has your organization structured and closed?

C. Proposed Prepayment Structure

1. Can your organization structure SVCE's prepay based on a forward energy curve? If so, how many prepay have you closed that use this structure and what forward curve would you propose for SVCE's fourth prepay? Please provide a forward curve quote as of May 9, 2025.
2. SVCE may structure the transaction similar to its previous prepay where a short-term bridge product is used. Can your organization provide a short-term energy contract to fulfill capacity needs in the early years of the prepay? Could the prepay transaction use an SVCE short-term bridge product?
3. Is your organization able to structure and close prepay that include the value of Renewable Energy Credits (RECs) and if so, how many prepay have you closed that include the value of RECs? Please provide your REC curve quote as of May 9, 2025.
4. Is your organization able to structure and close prepay that include the value of Resource Adequacy (RA) and if so, how many prepay have you closed that include the value of RA? Please provide your RA curve quote as of May 9, 2025.
5. Is your organization able to structure and close prepay that include the value of energy storage and if so, how many prepay have you closed that include the value of energy storage?
6. Are you able to structure and close prepay using an SPV structure that allows for a different funding recipient? If so, please describe the mechanism, the

number of transactions you have closed with this mechanism, and marketing strategy for prospective funding recipients.

7. If you have closed prepay with a SPV structure, what range in spreads have you seen as part of those prepay? What is your estimate of the improvement in savings that occurred as a result of the SPV structure?
8. Are you able to structure and close prepay that use a mechanism that allows PPAs to be partially assigned to more than one prepay? If so, please describe the mechanism and share how many prepay you have closed that included this?
9. Are you able to structure and close prepay that use a mechanism that allows settlement/remediation to occur annually rather than monthly? If so, please describe the mechanism and share how many prepay you have closed that included this?
10. Does your organization's regulatory capital requirements influence the savings that a participant can receive? If so, please describe.
11. Are there other benefits, not described above, that your organization can bring to SVCE's fourth prepay?

D. Proposed Fees

1. Include your not-to-exceed proposal for underwriter's discount, specifying takedown, management fee and expenses.
2. Please detail your requested supplier fee, reservation charge or delivery as it may be called.
3. Please detail your requested remarketing fee.
4. Highlight any other areas or forms of compensation/payments relative to this transaction and your proposed structure.
5. SPV Charges: Assume the funding recipient is an A1 rated insurance company. Please detail a sample of the charges associated with the SPV.

SUBMISSION REQUIREMENTS

Proposals should be limited to 20 pages.

Proposals should be emailed on or before May 12, 2025 at 5:00 PDT to:

Mike Berwanger berwangerm@pfm.com

Jim Carbone carbonej@pfm.com

Faisal Alif aliff@pfm.com

SVCE Energy Prepay svce_energyprepay@svcleanenergy.org

REVIEW AND SELECTION PROCESS

SVCE may conduct interviews with a “short list” of Bidders, consisting of those Bidders reasonably likely, in the opinion of SVCE, to be awarded the contract. Any interview may include discussions about services offered, conflicts of interests with other clients, fees/compensation amount or structure. Interviews may take place through telephone, video conference and/or face-to-face interviews, at SVCE’s sole discretion.

REQUEST FOR PROPOSALS TIMELINE

CALENDAR OF EVENTS

	Action	Date
1.	Issuance of RFP	May 2, 2025
2.	Deadline to Submit Proposals	May 12, 2025
3.	Evaluation of Proposals	Week of May 12, 2025
4.	Interviews, if necessary	Week of May 19, 2025
5.	Award of Contract	Week of May 26, 2025

SUPPLIER DIVERSITY

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

SVCE is an equal opportunity employer. All responses will be evaluated under the same criteria. Pursuant to Proposition 209, a government entity such as SVCE is prohibited from 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 or public contracting.

RFP respondents that execute a contract with SVCE will be asked to complete a supplier diversity questionnaire. As a public agency and consistent with state law, SVCE will not use any provided information in any part of its selection process. Rather, SVCE will use the information to comply with the California Public Utilities Commission (CPUC) reporting requirements. Pursuant to General Order 156 (GO156), SVCE is required to submit a

detailed and verifiable annual plan and report on the utilization of women-owned, minority-owned, disabled veteran-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.

SVCE encourages businesses that qualify for diverse business enterprise status to obtain certification through CPUC's [Supplier Diversity Clearinghouse](#). The certification is voluntary and cannot be used as a criterion for bid evaluation. For information on the certification process and requirements, please visit SVCE's [Supplier Diversity page](#).

INCLUSION OF NON-PARTICIPATING AGENCIES

SVCE is asking all responding Bidders to indicate their willingness to extend the terms of resulting contracts, inclusive of price, to other interested California-based municipalities, municipally-owned utilities and community choice energy programs. While this clause in no way commits these agencies to contract with SVCE's awarded consultant, nor does it guarantee any additional orders will result, it does allow other agencies, at their discretion, to make use of SVCE's competitive process (provided said process satisfies their own procurement guidelines) and enter into a contract directly with the awarded consultant. All contracts entered into by other agencies shall be understood to be transactions between that agency and the awarded consultant; SVCE shall not be responsible or liable in any manner for any such contracts.

CALIFORNIA PUBLIC RECORDS ACT

All parties acknowledge that SVCE is a public agency subject to the requirements of the California Public Records Act, Cal. Gov. Code section 6250 et seq. ("CPRA"). SVCE will not disclose any part of any proposal before it announces a recommendation for an award, on the ground that there is a substantial public interest in not disclosing proposal during the evaluation process. After the announcement of a recommended award, all proposals received in response to this RFP will be subject to public disclosure, with the exception of those elements in each proposal which are exempt from disclosure pursuant to the CPRA.

If a Bidder believes there are portion(s) of the proposal which are exempt from disclosure, the Bidder must plainly mark it as "Confidential", "Proprietary", or "Trade Secret." SVCE may also request that the Bidder state the specific provision of the CPRA which provides the exemption, and the factual basis for claiming the exemption. Any proposal which contains language purporting to render all or significant portions of the proposal as "Confidential," "Trade Secret," or "Propriety," will be considered non-responsive and a public record in its entirety.

Although the CPRA recognizes that certain confidential trade secret information may be protected from disclosure, SVCE may not be in a position to establish that the information a Bidder submits is a trade secret. If a public records request is made for information marked "Confidential," "Proprietary," or "Trade Secret," SVCE will provide the Bidder(s) who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction. The Bidder shall be solely responsible for taking such legal steps; if the Bidder takes no such action after receiving notice of the public records request, SVCE will disclose all records it deems subject to disclosure, even if marked "Confidential," "Trade Secret," or "Proprietary."

EX PARTE COMMUNICATION

Please note that to insure the proper and fair evaluation of a proposal, SVCE prohibits ex parte communication (i.e., unsolicited) initiated by the Bidder to an SVCE or PFM Financial Advisors LLC ("PFM") Official or Employee evaluating or considering the proposals prior to the time a bid decision has been made. Communication between Bidder and SVCE or PFM will be initiated by the appropriate Agency or PFM Official or Employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the proposal. Ex parte communication may be grounds for disqualifying the offending Bidder from consideration or award of the proposal, then in evaluation, or any future proposal.

INSURANCE REQUIREMENTS

All insurance shall be secured from or countersigned by an agent or surety company recognized in good standing and authorized to do business in the State of California.

The Bidder shall, within thirty (30) days of notification of award and prior to commencement of work, take out and maintain in full force and effect minimum insurance coverage as specified in the attached requirements. This insurance shall remain in force and effect throughout the duration of the contract.

A certificate of existing insurance coverage should be submitted with the proposal as proof of insurability. If the current coverage does not meet the RFP requirements, then the Bidder should request an affidavit of insurability from the Bidder's insurance agent that certifies the requirements can and will be met. Failure to provide adequate insurance coverage may be cause for disqualification as non-responsive to the RFP requirements.

CONFLICT OF INTEREST / STATEMENT OF NON-COLLUSION

All bidders must disclose with their proposal the name of any officer, director, or agent who is also an employee of SVCE. Further, all bidders must disclose the name of any SVCE employee who owns, directly or indirectly, an interest of five percent (5%) or more of the bidder's firm or any of its branches.

The Bidder shall certify that he/she has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the proposal and that the bidder is not financially interested in, or otherwise affiliated in a business way with any other bidder on the same land or improvements.

ADDENDA

It is the Bidder's responsibility to contact SVCE prior to submitting a proposal to ascertain if any addenda have been issued, to obtain all such addenda and return executed addenda with the proposal.

The failure of a Bidder to submit acknowledgement of any addenda that affects the proposal price(s) may be considered an irregularity and may be cause for rejection of the proposal.

CERTIFICATIONS

The submission of a proposal shall be deemed a representation and certification by the Bidder that it:

- Has read, understands and agrees to the information and requirements set forth in this RFP.
- Has the capability to complete the responsibilities and obligations of the proposal being submitted
- Represents that all information contained in the proposal is true and correct
- Acknowledge that SVCE has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Bidder, and Bidder hereby grants SVCE permission to make these inquiries
- Will provide any and all documentation related to the proposal in a timely manner
- Is eligible to submit a proposal because he/she is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in a transaction by any Federal, State, or local department or agency

RIGHTS OF SVCE

SVCE is not obligated to respond to any proposal submitted as part of the RFP. **SVCE at its sole discretion reserves the right to waive technicalities or irregularities, to reject any or all proposals, and/or to accept that proposal which is in the best interest of SVCE.** The award of this proposal, if made, may be based on considerations other than total cost and may be awarded based on various considerations, including without limitation; Bidder's experience and/or qualifications, past experience, administrative cost, standardization, technical evaluation and oral and/or written presentations as required. SVCE reserves the right to accept all or part, or to decline the whole, and to award this RFP to one (1) or more Bidders. There is no obligation to buy.

The RFP, if awarded, will be in the judgement of SVCE the most responsive to the agency's needs.

ATTACHMENT 1: INSURANCE REQUIREMENTS

[Review insurance coverage and amounts to confirm they are appropriate for each scope of service]

Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

(1) **Workers' Compensation:**

Statutory coverage as required by the State of California.

(2) **Liability:**

Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.

(3) **Automotive:**

Comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.

(4) **Professional Liability**

Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

(5) **Privacy and Cybersecurity Liability [May be reduced or eliminated based on scope of services]**

Privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs of at least \$5,000,000 US per occurrence.