

Clean Energy Alliance

2020 Request for Proposals (“RFP”) for Long-Term California RPS-Eligible Renewable Energy

Introduction

Clean Energy Alliance (“CEA”), a new Community Choice Aggregation (“CCA”) program that will begin serving customers located within the cities of Carlsbad, Del Mar and Solana Beach (the “Member Agencies”) during the month of May 2021, is requesting proposals for long-term, California Renewables Portfolio Standard (“RPS”) eligible renewable energy products with initial deliveries commencing during the 2021, 2022 and/or 2023 calendar years. CEA anticipates annual retail sales approximating 960 GWh and expects to serve approximately 58,000 service accounts, following the completion of planned phase-in activities.

In consideration of upcoming long-term renewable energy contracting requirements, as imposed by SB 350, CEA anticipates certain open positions as further described herein. In particular, this RFP is primarily intended to support future Portfolio Content Category 1 (“PCC1” or “Bucket 1”) energy requirements through long-term power purchase agreements with one or more qualified counterparties. This noted, CEA will also accept and evaluate long-term procurement opportunities for Portfolio Content Category 2 (“PCC2” or “Bucket 2”) renewable energy products. Long-term offers for Portfolio Content Category 3 (“PCC3” or “Bucket 3”) renewable energy products will not be considered at this time. Based on CEA’s most recent analysis, future long-term renewable energy requirements have been quantified in the following table:

Table 1: CEA’s Estimated Annual Long-Term Renewable Energy Requirements (GWh)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
LT RPS GWh	152	250	269	288	307	326	346	365	385	405

By participating in this RFP, each respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these instructions. CEA reserves the right to reject any offer that does not comply with these requirements. Furthermore, CEA may, in its sole discretion and without notice, modify, extend, suspend, or terminate this RFP without further obligation or liability to any respondent. This RFP does not constitute an offer to buy or create an obligation for CEA to enter into an agreement with any party, and CEA shall not be bound by the terms of any offer until CEA has entered into a duly authorized and fully executed agreement.

RFP Instructions

Standardized Response Template: All respondents must use the standardized response template provided by CEA. CEA has posted the template on its website (www.thecleanenergyalliance.org/rfq) and will require respondents to independently access and download the template for response preparation. An unmodified version of the template must be completed in its entirety based on instructions provided in the template. CEA may update the RFP template from time to time, so respondents are encouraged to periodically visit the CEA website to determine if any changes have been posted. Only submittals of the currently applicable template will be reviewed.

Project Eligibility: Each respondent may propose one or more project offers conforming to the following eligibility requirements. Failure to meet all of the following project eligibility criteria shall be grounds for proposal rejection:

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i. Resource Location: The point of physical interconnection for any eligible generator must be within the California Independent System Operator (“CAISO”) or directly connected to and delivering into CAISO. CEA has a strong preference for physical interconnection within the area generally termed SP15, as defined by the CAISO. Evaluative preference will be given to any resource(s) located directly within or within close proximity to CEA’s Member Agencies.

ii. Product: Offers for bundled PCC1 renewable energy should include electric energy, Green Attributes/Renewable Energy Credits and Capacity Attributes. Even though this RFP is predominantly targeting PCC1 renewable energy supply, CEA will also accept long-term PCC2 renewable energy offers. CEA will accept offers for both new and existing renewable generating resources.

iii. Resource Eligibility: All proposed generating resources must be certified by the California Energy Commission (“CEC” or “Commission”) as Eligible Renewable Energy Resources (or must receive CEC certification prior to the commencement of any energy deliveries proposed in the response template), as set forth in applicable sections of the California Public Utilities Code (“Code”), which may be amended or supplemented from time to time. Each respondent shall be responsible for certification of the proposed resource through the certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract term.

iv. Generating Capacity: Minimum five (5) megawatts (“MW”) AC.

v. Annual Delivery Specifications: Delivered energy volumes reflected in any proposal must be within the following minimum and maximum annual volumes:

Year	Min Deliveries (MWh)	Max Deliveries (MWh)
2021	30,000	100,000
2022	50,000	125,000
2023	50,000	150,000
2024	50,000	150,000
2025	50,000	160,000
2026	50,000	160,000
2027	50,000	170,000
2028	50,000	180,000
2029	50,000	190,000
2030	50,000	200,000

vi. Initial Date of Delivery: No sooner than May 1, 2021 and no later than April 30, 2023.

vii. Term of Agreement: Not less than ten (10) years, commencing on the Initial Date of Delivery; not more than twenty (20) years, commencing on the Initial Date of Delivery.

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viii. Proposed Pricing: For bundled PCC1 renewable energy, each respondent must propose two distinct pricing options. First, respondents must include a single, flat price for each MWh of electric energy delivered from the proposed resource, priced at the generator node and/or at the SP 15 Trading Hub, as defined by the CAISO [TH_SP15_GEN-APND]. This energy price shall include the energy commodity, all Green Attributes/Renewable Energy Credits related thereto, and (if applicable) Capacity Attributes. If energy storage is included in the proposal, a separate capacity price (\$/KW) for the storage capacity should be provided. All pricing options shall remain unchanged throughout the entire contract term and shall not be adjusted by periodic escalators or time of deliver multipliers/factors. Second, respondents must also include an index-plus pricing option in which the “plus” component reflects the price to be paid for the Renewable Energy Credit, expressed a flat/fixed price throughout the contract term. ***Alternative pricing options may be proposed so long as the aforementioned pricing requirements have been satisfied.***

ix. Point of Delivery: Per the requirements of the Proposed Pricing section, respondents must provide a proposal for the delivery of all electric energy at the generator node; however, respondents are also strongly encouraged to provide a proposal that includes pricing based on delivery of all electric energy to the SP 15 Trading Hub.

x. Scheduling Coordinator (“SC”) Responsibilities: CEA does not have a strong preference regarding the assignment of SC responsibilities and will evaluate proposals in which the Buyer or Seller provide such services.

xi. Minimum Development Progress: To the extent that a proposed generating resource is not yet commercially operational, documentation substantiating achievement of the following development milestones must be provided by the respondent for each eligible generator, including: 1) evidence of site control; and 2) evidence that respondent has submitted a generator interconnection application to the appropriate jurisdictional entity; provided, however, that if respondent has completed interconnection studies or executed an interconnection agreement, as applicable, respondent should provide copies of such materials, including applicable appendices. Such documentation must be provided to CEA at the time of response submittal.

xii. Project Financing Plan: Respondent shall describe its intended financing plan for each proposed project in sufficient detail for CEA to effectively evaluate the viability of such arrangements. To the extent that a respondent anticipates a joint project ownership structure, this structure shall be clearly articulated along with applicable ownership percentages attributable to each partner. Supporting documentation and discussion shall be provided by each respondent, consistent with the informational requirements specified in the RFP response template.

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Transfer of Environmental Attributes/Renewable Energy Certificates

As part of the proposed transaction associated with any renewable energy product, all Environmental Attributes/Renewable Energy Certificates must be created by and transferred to CEA via the Western Renewable Energy Generation Information System (“WREGIS”), or its successor, without any additional costs or conditions to CEA. Each respondent shall be independently responsible for registering its generating project(s) with WREGIS and for maintaining an active WREGIS account throughout the proposed term of agreement.

RFP Schedule*

This RFP will be administered in consideration of the following schedule:

RFP Activity	Anticipated Date of Completion
RFP Issuance	July 1 st
Deadline for Electronic Question Submittal	July 13 th no later than 5:00 P.M. PPT
RFP Response Deadline	July 27 th no later than 5:00 P.M. PPT
Follow-up with RFP Respondents, as necessary	To occur between July 27 th and August 10 th
Supplier Notifications (Short-List Selection)	August 14 th
Contract Negotiations	August 17 th through November 30 th
CEA Board to Award Contract(s)	December 2020/January 2021 – to occur at duly noticed CEA Board Meetings
Execution of Contract(s)	December 2020/January 2021 – to occur after CEA’s Board approves the final contract(s)

*CEA reserves the right to change the schedule of these events at any time for any reason

Respondents may submit questions to CEA regarding this RFP process and associated materials no later than 5:00 P.M. PPT on July 13, 2020. All questions and final proposals should be submitted electronically to CEO@thecleanenergyalliance.org and must include the following subject line: “Questions for CEA’s 2020 RFP for Long-Term California RPS-Eligible Renewable Energy”. CEA will post responses to all questions on its website after responses have been prepared – CEA anticipates posting such responses by July 17, 2020. Responses to similar questions may be consolidated within CEA’s list of posted responses.

CEA may submit clarifying questions to certain respondents or conduct interviews, as necessary, based on information provided in the response template and/or supporting materials included with each response. CEA shall have the right, at its sole discretion, to request information without notifying other respondents. CEA shall establish due dates for responses at the time of each informational request and will directly notify individual respondents in the event that follow-up and/or interviews are necessary during this process.

Note: only electronic submittals will be accepted; such submittals must be received by CEA no later than 5:00 P.M. PPT on Friday, July 27, 2020. All responses should be submitted to CEO@thecleanenergyalliance.org and must include the following subject line: “Response to CEA’s 2020 RFP for Long-Term California RPS-Eligible Renewable Energy”.

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Evaluation of Responses

CEA will evaluate responses against a common set of criteria that will include various factors. A partial list of factors to be considered during CEA’s evaluative process is provided below. This list may be revised at CEA’s sole discretion.

- a. Price
- b. Overall quality of response, including general completeness and conformance with RFP instructions/requirements
- c. Project location
- d. Benefits to the local economy
- e. Benefits to the local workforce
- f. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
- g. Siting, zoning and permitting status, if applicable
- h. Qualifications of project team
- i. Proposed financing plan and ownership structure
- j. Environmental impacts and related mitigation requirements
- k. Financing plan & financial stability of project owner/developer
- l. Proposed security obligations
- m. Development milestone schedule, if applicable
- n. Supplier diversity
- o. Experience developing and operating renewable energy projects in California
- p. Experience selling renewable energy to CCAs

Contracting

CEA plans to negotiate a single form of Power Purchase Agreement (“PPA”) with each of the short-listed suppliers. As part of the short-list notification process, CEA will provide each of the short-listed suppliers with a draft PPA. Contract negotiations will proceed thereafter.

Confidentiality

All correspondence with CEA, including responses to this RFP, will become the exclusive property of the CEA and will become public record under the California Public Records Act (Cal. Government Code section 6250, et seq.). All documents sent by respondents to CEA may be subject to disclosure, unless exempt under the California Public Records Act.

In order to designate information as confidential, the respondent must clearly stamp and identify any designated portion(s) of the response material with the word “Confidential” and provide a citation to the California Public Records Act supporting confidential treatment of such information. Respondents should be judicious in designating material as confidential. Over-designation would include stamping/designating entire pages, series of pages and/or entire sections as confidential when such material does not require confidential treatment.

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Therefore, any proposal which contains language purporting to render all or significant portions of the proposal as “Confidential”, “Trade Secret” or “Proprietary”, or which fails to provide the noted exemption citation (related to the California Public Records Act) may be considered a public record in its entirety subject to the procedures described below. Do not mark your entire proposal as “Confidential”.

If required by any law, statute, ordinance, a court, governmental authority or agency having jurisdiction over CEA, including the California Public Records Act, CEA may release confidential information, or a portion thereof, as required by applicable law, statute, ordinance, decision, order or regulation. In the event CEA is required to release confidential information, it shall notify the respondent of the required disclosure, such that the respondent may attempt (if it so chooses), at its sole cost, to cause the recipient of the confidential information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise become part of the public domain.

CEA does not intend to disclose any part of any proposal before it announces a recommendation for award, based on the understanding that there is a substantial public interest in not disclosing proposals during the evaluation or negotiation process.

Exclusivity Agreement and Bid Deposit

As part of the short-listing process, CEA will require all short-listed bidders to execute a term sheet, enter into an exclusivity agreement (of no less than 90 days in duration), and post a bid deposit in the amount of \$3,000/MW multiplied by the project’s guaranteed capacity. CEA will accept bid deposits in the form of cash or an agreed upon form of a Letter of Credit. Letter of Credit means an irrevocable standby letter of credit, in a form reasonably acceptable to CEA, issued either by (i) a U.S. commercial bank, or (ii) a U.S. branch of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by CEA, and (B) it is acceptable to CEA in its sole discretion. The issuing bank must have a credit rating of at least A- from S&P or A3 from Moody’s, with a stable outlook designation. All costs of the Letter of Credit shall be borne by the short-listed respondent.