



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Proposals for Renewable Energy and Energy Storage Projects

Issuance Date: February 1, 2014

Amendment Date: March 17, 2014

Response Deadline: December 31, 2014

First Review Date for Energy Storage Proposals: April 1, 2014

Introduction

The Southern California Public Power Authority (SCPPA) is soliciting competitive proposals for renewable energy projects or products consistent with the California Renewable Energy Resources Program (Public Resources Code sec. 25740 et seq.) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 et seq.), including amendments enacted in 2011 by passage of California Senate Bill X1 2 (SBX1 2), and energy storage. RFP responses may propose (i) project ownership by SCPPA, (ii) a power purchase agreement (or, for storage, an equivalent commercial agreement with an ownership option, or (iii) a power purchase agreement (or, for storage, an equivalent commercial agreement without an ownership option. Effective February 1, 2014 this Request for Proposals (RFP) replaces all previous RFPs for renewable energy or energy storage projects posted by SCPPA.

Background

SCPPA, a joint powers authority and a public entity organized under the laws of the State of California, was created pursuant to the Government Code of California and a Joint Powers Agreement for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy as well as procuring or otherwise obtaining associated products and services.

SCPPA is governed by its Board of Directors, which consists of a representative from each of its Member Agencies. The management of SCPPA is under the direction of an Executive Director who is appointed by the Board.

Member Agencies comprise eleven municipalities and one irrigation district which supply electric energy within Southern California, including the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District (Member Agencies). Anaheim, Azusa, Banning, Cerritos, Colton, Pasadena, Riverside and Vernon are in the California Independent System Operator's (CAISO) Balancing Authority; LADWP, Burbank and Glendale are in the Los Angeles Department of Water and Power's (LADWP) Balancing Authority; and Imperial Irrigation District operates its own Balancing Authority.

Member Agencies' electric utilities are governed by their respective city councils or other elected legislative local bodies. Many Members established voluntary renewable targets before SBX1 2 went into effect, including the percentage of renewable energy they wish to obtain within their portfolio. Some have set targets as high as 40% by the year 2020. Many of our Members are approaching, or have already exceeded, their interim targets of 20% renewable energy and are now updating their objectives to meet 33% by 2020 as reflected in SBX1 2.

SCPPA has an active working group focused on renewable energy development. This group, with representation from all twelve of the Member Agencies, meets twice a month and has reviewed over seven hundred (700) individual proposals starting in 2007. Many of these projects have advanced into specific contract negotiations, as a result of which over 1,100 MW of capacity are now being or will be delivered in support of our members' renewable objectives.

Equity Participation

SCPPA is well positioned and experienced in facilitating joint ownership structures for renewable power or other projects for the benefit of its Member Agencies. SCPPA can acquire an equity interest in a project and sell 100% of the output to interested Member Agencies at its cost. SCPPA would also consider power purchase agreements or prepayment structures, either with or without an option to purchase the project during the term of the agreement. There is a strong preference by most of the Member Agencies for optionality to purchase an underlying project during the term of the power purchase agreement.

RPS and EPS Compliance

SCPPA continues to seek cost effective resources to support our members' Renewable Portfolio Standard (RPS) objectives for 2016 and forward. This rolling RFP seeks to find a best combination of projects or products to deliver energy from facilities that will be California RPS Compliant (pursuant to Public Utilities Code Sections 399.16 (b)(1) and (b)(2), i.e., energy and associated RECs in Portfolio Content Category 1, which is strongly preferred, or Portfolio Content Category 2) and EPS Compliant (pursuant to Public Utilities Code sections 8340 and 8341) upon COD and throughout the term of the agreement.

This rolling RFP also seeks to find the best combination of projects or products to store energy, including for the purpose of integrating RPS-compliant intermittent renewable energy into our members' systems.

SCPPA requires that during the term of any agreement, Seller shall assume the risk of maintaining and bringing the facility or project into compliance should there be a change in law that would render the facility non-compliant with either RPS or EPS. Since this is one of the critical elements of a renewable project or product for SCPPA, please describe how this risk would be assumed and addressed by Seller.

Proposal Delivery Requirements

One electronic copy of your proposal must be e-mailed to knquyen@scppa.org or delivered on CD or USB flash drive to the address below by no later than 12:00 p.m. on December 31, 2014:

Southern California Public Power Authority

Attention: Kelly Nguyen
1160 Nicole Court
Glendora, California 91740

For general questions, please call the SCPPA offices at (626) 793-9364.

Clarification questions regarding this RFP may be addressed to Kelly Nguyen, Director of Energy Systems, at knguyen@scppa.org.

SCPPA members seek tangible and timely opportunities to add renewable technologies to their generation portfolios and/or add storage facilities to their operations and thus will not entertain research or speculative proposals.

Since this is a “rolling RFP,” proposals may be submitted any time during calendar year 2014. SCPPA reserves the right to review all proposals throughout the process of this rolling RFP, to contact proposers at any time to start negotiations, and to execute one or more agreements before the deadline for delivery of proposals.

Respondents who have previously submitted proposals for consideration and have not received formal regrets notifications from SCPPA may submit updates or revisions to the previous submittals with clearly noted reference to the prior submittal(s) and identify proposed changes, all under a new Transmittal Letter.

Newly submitted proposals by a prior Respondent may make reference to prior submittals for any required elements that have not changed (such as experience) rather than resubmitting boilerplate information.

No contact may be made with the Board of Directors, Committee Members, or SCPPA Member Agencies concerning this Request for Proposals.

All information received by SCPPA in response to this Request for Proposals is subject to the California Public Records Act and all submissions may be subject to review in the event of an audit.

Required Elements of Proposals

- 1. Transmittal Letter:** Provide a brief statement of the Respondent's understanding of the work to be done and commitment to perform the work as scheduled, including a summary of any exceptions taken to the RFP requirements, statement of work, specifications, and reference to any proposed contractual terms and conditions required by the Respondent. An officer authorized to bind must sign the proposal on behalf of the Respondent and must include the following declarations on the Transmittal Letter:

“This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the respondent has not directly or indirectly induced or solicited any other respondent to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the respondent has not in any manner sought by collusion to secure for themselves an advantage over any other respondent.”

- 2. Applicant Information:** Provide the legal name of the company or entity making the proposal, the legal structure or form of the entity (e.g., Corporation, or LLC), physical address, e-mail address, telephone, and names and titles of individuals authorized to represent the Respondent.

3. **Renewable Category:** Clearly identify the proposal as one or more of the following eligible renewable energy resource electricity products:

- a. Wind, including all air-flow technologies involving a turbine of any type
- b. Geothermal, including all temperature gradient technologies
- c. Biomass, including dedicated waste feedstock or energy crops
- d. Biogas, including landfill, digester gases and gas conversion or gasification technologies where the conversion to electricity occurs on the same premises as the source of fuel
- e. Biogas only: refer to SCPPA's RFP on biogas for delivery of pipeline quality fuel through existing infrastructures to be used at SCPPA's conventional thermal generation plants:
<http://www.scppa.org/Downloads/RFP/RFPforBiogas062310.pdf>
- f. Hydro, including all mass-in-motion technologies involving fluids
- g. Solar, including all photo-voltaic and photo-optic technologies where light is directly converted to electricity
- h. Solar Thermal, including all concentration technologies where a heat transfer medium is used to generate electricity
- i. Municipal Solid Waste (MSW) or Waste to Energy technologies that can demonstrate the absence of incineration and are able to obtain certification as a Renewable Resource by the California Energy Commission
- j. Permanent Load Shifting (PLS), including energy storage and permanent load-shifting technologies with a total round-trip efficiency generally greater than eighty percent (80%)
- k. Environmental attributes not bundled with energy

4. **Energy Storage Solutions (ESS):**

Because of the deadline for publicly-owned utilities to submit energy storage procurement targets (if determined to be feasible) to the California Energy Commission by October 1, 2014, SCPPA Members are actively seeking proposals for energy storage system development in their respective systems. SCPPA anticipates its first in-depth analysis and review of energy storage-related proposals provided pursuant to this RFP during April of 2014.

Therefore, **SCPPA strongly encourages potential Energy Storage Respondents to provide submittals on or before April 1, 2014.** Such submittals should be provided in the form specified in the original RFP. In addition, SCPPA requests that Respondents fill in the attached table for each energy storage system submittal, as completely as possible, to enhance your proposal's competitiveness in the review process.

In addition, energy storage-related proposals will be accepted beyond April 1, 2014 and throughout the term of this RFP. Again, this initial request is intended to encourage proposals that may be immediately evaluated for their near-term cost-effectiveness and viability for Members.

5. **Project Details:** Clearly identify the proposed project, including the following information:

- a. **Project Description:** Project name and location, and phases of development if applicable.
- b. **Contract Quantity:** In MW and GWh/year, and by project phase if applicable, including nameplate rating and proposed amount of energy to be delivered. Please provide all MW increment options available for the project.
- c. **Energy Price (variable):** Expressed in nominal dollars (as of the year of COD) in \$/MWh, and itemized by cost components if applicable; the Energy Price, best and final, will start on the Commercial Operation Date (COD) and may include fixed price annual escalation rates or index

plus fixed price component. Please provide all pricing structure options available, including a prepayment option.

- d. **Energy Price (fixed):** Expressed in nominal dollar value (as of the year of COD) in \$/MWh, with no escalation thereafter.
- e. **Delivery Term:** Minimum term is 1 year with no maximum as the various Member Agencies are seeking both short-term and long-term delivery of energy. Please provide all delivery term options available.
- f. **Energy Availability:** Maximum and minimum monthly capacity factors, seasonal shapes, resource availability profile (i.e., 8760 wind profile of availability), reliability indices (reliability of the distribution system distribution indices to potentially Forced Outage Ratios or Planned Outage Ratios of generators), dispatchability (by unit or phase if applicable) and scheduling requirements/limitations, if any; any rights for SCPPA to perform full or partial dispatch.
- g. **Buyer's Step in Right:** Include SCPPA's requirement in the proposal that the Buyer may assume or cure any default by developer in the land lease.
- h. **Point of Delivery (POD):** Cost of transmission to a delivery point shall be included in the Cost of Energy to one of the following locations where one or more of the SCPPA Members can receive energy:
 - i) Marketplace
 - ii) Westwing
 - iii) NOB
 - iv) Barren Ridge
 - v) Intermountain Power Project Station (IPP) switchyard
 - vi) CAISO Grid (with preference of SP15)
 - vii) Mead 230 kV
 - viii) Mead 500 kV
 - ix) Midpoint Victorville-Lugo
 - x) Blythe-Knob
 - xi) Mirage 230 kV
 - xii) Palo Verde 500 kV switchyard & ISO's Palo Verde/Hassayampa 500 kV tie with SRP BAA
 - xiii) Imperial Valley 230 kV
 - xiv) Perkins 500kV
 - xv) McCullough
 - xvi) North Gila 69 kV (ISO 69 kV tie with APS BAA)

The above listing represents locations where Member Agencies may have existing capacity rights. Other delivery points may be identified by Respondents on the condition that any and all associated costs of transmission ancillary services, and scheduling are included up to the Point of Delivery. Note: Project evaluations will include the full cost of delivery to the customers of SCPPA Members within Southern California.

The point of delivery to the CAISO must indicate whether the project qualifies for Resource Adequacy and/or Local Capacity Requirement capacity benefits.

- i. **Environmental Attributes:** Ensure that SCPPA shall receive any and all environmental attributes associated with the generating facility and the energy output, including but not limited to renewable energy credits and air emission credits or offsets (i.e., Greenhouse Gas Credits, at the location of source and for the gross output of the plant or otherwise credited).
- j. **Combustion:** For any proposals that involve combustion technologies, provide details on the forecasted emissions, emissions controls, and compliance with applicable emissions regulations.

- k. **Category of Environmental Attributes:** Specify whether the project qualifies for Portfolio Content Categories 1, 2 or 3 (“bucket 1, 2 or 3”) under the California Public Resources Code (CPRC) and how the project would comply with the CPRC and any future interpretations of relevant statutes by the California Energy Commission.
- l. **Capacity Rights:** Ensure that SCPPA shall receive any and all capacity rights associated with the project and/or its produced energy.
 - i) Identify any energy and/or associated project capacity to be provided/committed to parties other than SCPPA.
 - ii) Identify any project supporting/associated facilities that require shared use or third party access rights, such as intermediate distribution infrastructure, control rooms, or other intermingled facilities. Describe any controls or provisions to assure the continuation of the described project capacity, e.g., for wind proposals any adjacent or future proposals encroaching on turbine spacing or airflow; for hydro proposals any limitations or regulations on water flow, diversion or water reservoir level maintenance requirements; and other potential impacts on the proposed project.
- m. **Ownership Options:** If the proposal includes an offer of ownership to SCPPA, describe the proposed ownership, terms and conditions, floors and ceilings for purchase prices at different option dates and operational structures (e.g., 100% SCPPA-owned turn-key, corporation, general partnership, limited partnership).
 - i) In the case of an offer of initial ownership to SCPPA, a purchase price at Commercial Operation Date (COD) shall be specified (and expressed as \$/kW) along with an estimate of all recurring owner costs, including but not limited to operation and maintenance costs, taxes, lease payments, royalties, and insurance.
 - ii) In case of an offer of a Purchase Power Agreement (PPA) with a purchase option, the proposal shall include (a) a delivered energy price, in \$/MWh, for the energy, environmental attributes and capacity (as Cost of Energy within Section 4.c.), (b) a buyout price or detailed formula to calculate such a buyout price for each future date on which a buyout would be offered; and (c) conditions for buyout, such as expiration of tax credits or other project events.
 - iii) For PPAs, terms up to the life of the facility will be considered.
- n. **Project Plan to Commercial Operation Date:** Identify the proposed commercial operation date with a satisfactory major milestone schedule that includes at least the following:
 - i) Proposed schedule for obtaining and developing site access and control through executed leases, fee purchases, approvals, or other means.
 - ii) Details of any prior or existing settlements made for environmental mitigation and clearly identified post-construction or pass-forward mitigation obligations that would be forwarded to SCPPA in the event a contract is executed (e.g., reserve or offset land for environmental habitat or reconstruction).
 - iii) Proposed schedule for obtaining construction and operational permits and licenses, and construction financing.
 - iv) Proposed construction schedule, including major equipment purchasing, anticipated Factory Acceptance Testing of major components, Site Tests, commencement of test-energy and Commercial Operation Date (COD).
 - v) For projects or operations requiring water or make-up water, description of the water supply requirements and provisions for supply.
 - vi) Proposed schedule or application status to acquire necessary transmission and interconnection service.
 - vii) Description of whether and to what extent any environmental studies have been carried out with respect to the proposed project and how compliance with the California Environmental

Quality Act (CEQA), which is a requirement before an agreement can be executed by SCPPA, might be effectuated, including, if the Project is located outside California, how Title 14 Section 15277 of the California Administrative Code is or will be addressed by the project.

- o. **Applicable to Energy Storage Solutions only:** Provide the equivalent information, to the extent possible, for 5(a) through 5(n) above. In addition, please provide as much information as possible in the table in **Appendix A** (posted as a separate document).
- 6. Experience:** Respondent will clearly identify project participants and management team including those responsible for design, construction, permitting, operations and maintenance.
- a. Describe your firm's organizational structure, management qualifications, and other contract related qualifications, including number of years the firm has been in business.
 - b. Specify key employees and describe their experience with the development, construction, finance closing, commercial operation, and maintenance of similar projects as proposed by Respondent in response to this RFP.
 - c. Provide current financial statements of all entities involved as Project participants or as part of management team. This shall include items such as audited financial statements (not more than twelve months old) annual reports, FERC Form 1, and any other applicable financial information. If none of the above are available, Respondent shall provide verifiable financial statements for the past three (3) years if available, and Respondent's Dunn & Bradstreet identification number, where available.
 - d. Provide a commitment statement for the retention and use of key employees as proposed, their availability to initiate and sustain the proposal, as well as planned supplemental employees if key employees are not available to assure project delivery.
 - e. Indicate any and all pending litigation that could affect the viability of Respondent's proposal or Respondent's financial stability.
 - f. Identify existing projects in commercial operation that Respondent has developed and/or operates. Provide a list of references for similar projects completed, including a contact person, phone number and address.
 - g. State whether Respondent will use subcontractors to perform services pursuant to the contract. Should the use of subcontractors be included, Respondent shall provide the same assurances of competence for the subcontractor, plus the demonstrated ability to manage and supervise the subcontracted work. Subcontractors shall not be allowed to further subcontract with others for work on this program. The provisions of this contract shall apply to all subcontractors in the same manner as to the Respondent.
 - h. Describe the project/generation technology and technical resource data, including any studies or reports regarding the resource.

Terms and Conditions

1. If selected, SCPPA desires to enter into exclusive negotiations with respondent as may be facilitated through execution of a Letter of Intent (LOI), Exclusivity Agreement or other agreements.
2. SCPPA reserves the right to cancel this RFP at any time, reject any and all proposals and to waive irregularities if any.
3. SCPPA shall determine at its sole discretion the value of any and/or all proposals including price and non-price attributes.

4. Proposals may be sub-divided or combined with other proposals, at SCPPA's sole discretion.
5. SCPPA shall perform an initial screening evaluation to identify and eliminate any proposals that are, for example, not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are not economically competitive with other proposals, or are submitted by Respondents that lack appropriate creditworthiness, sufficient financial resources, or qualifications to provide dependable and reliable services for this RFP.
6. SCPPA reserves the right to submit follow up questions or inquiries to request clarification of information submitted and to request additional information from any one or more of the Respondents.
7. SCPPA reserves the right, without qualification and in its sole discretion, to accept or reject any or all proposals for any reason without explanation to the Respondent, or to make any award to that Respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its Members.
8. SCPPA may decline to enter into any potential engagement agreement or contract with any Respondent, terminate negotiations with any Respondent, or to abandon the request for proposal process in its entirety.
9. SCPPA reserves the right to make an award, at its sole discretion, irrespective of price or technical ability, if SCPPA determines that to do so would result in the greatest value to SCPPA and its Members.
10. Those Respondents who submit proposals agree to do so without legal recourse against SCPPA, its Members, their directors, officers, employees and agents for rejection of their proposal(s) or for failure to execute or act on their proposal for any reason.
11. SCPPA shall not be liable to any Respondent or party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP.
12. SCPPA shall not be liable for any costs incurred by any Respondents in preparing any information for submission in connection with this RFP process or any and all costs resulting from responding to this RFP. Any and all such costs whatsoever shall remain the sole responsibility of the Respondent.
13. SCPPA may require certain performance assurances from Respondents prior to entering into negotiations for work that may result from this RFP. Such assurances may potentially include a requirement that Respondents provide some form of performance security.
14. Prior to contract award, the successful Respondent shall supply a detailed breakdown of the applicable overheads and fringe benefit costs that are part of the labor rates and other direct costs associated with the services to be performed.
15. SCPPA Members, either collectively or individually may contact Respondents to discuss or enter into negotiations regarding a proposal. SCPPA is not responsible or liable for individual Members interactions with the Respondent which are not entirely conducted through SCPPA or at SCPPA's option or election to engage the Respondent as defined within the RFP.

16. Submission of a Proposal constitutes acknowledgement that the Respondent has read and agrees to be bound by the terms and specifications of this RFP and any addenda subsequently issued by SCPPA.
17. Information in this RFP is accurate to the best of SCPPA's and its Members' knowledge but is not guaranteed to be correct. Respondents are expected to complete all of their due diligence activities prior to entering into any final contract negotiations with SCPPA.
18. SCPPA reserves the right to reject any Proposal for any reason without cause. SCPPA reserves the right to enter into relationships with more than one Respondent, can choose not to proceed with any Respondent with respect to one or more categories of services, and can choose to suspend this RFP or to issue a new RFP that would supersede and replace this RFP.
19. SCPPA reserves the right to negotiate definitive agreements including but not limited to power purchase agreements and other agreements with Respondent with any and all terms and conditions that SCPPA and/or its Members deem appropriate or desirable, whether or not such terms or conditions are specifically set forth in this RFP.

Additional Requirements for Proposal

1. **Consideration of Responses:** Submitted proposals should be prepared simply and economically, without the inclusion of unnecessary promotional materials. Proposals should be submitted on recycled paper that has a minimum of thirty percent (30%) post-consumer recycled content and duplex copied (double-sided pages) where possible. (Applicable when LADWP is a contract participant)
2. **Insurance, Licensing, or other Certification:** If selected, the Respondent will be required to maintain sufficient insurance, licenses, or other required certifications for the type of work being performed. SCPPA or its Members may require specific insurance coverage to be established and maintained during the course of work and as a condition of award or continuation of contract.
3. **Non-Discrimination/Equal Employment Practices/Affirmative Action Plan:** If selected, the Respondent and each of its known subcontractors may be required to complete and file an acceptable Affirmative Action Plan. The Affirmative Action Plan may be set forth in the form required as a business practice by the Department of Water and Power of the City of Los Angeles which is SCPPA's largest Member. (Applicable when LADWP is a contract participant)
4. **Living Wage Ordinance:** If selected, the Respondent may be required to comply with the applicable provisions of the City of Los Angeles Living Wage Ordinance and the City of Los Angeles Service Contract Workers Retention Ordinance. The Living Wage Ordinance provisions are found in Section 10.36 of the Los Angeles City Administrative Code; and the Service Contract Workers Retention Ordinance are found in Section 10.37 of the Los Angeles Administrative Code (SCWRO/LW0). (Applicable when LADWP is a contract participant)
5. **Prevailing Wage Rates:** If selected, the Respondent will be required to conform to prevailing wage rates applicable to the location(s) where any work is being performed. Workers shall be paid not less than prevailing wages pursuant to determinations of the Director of Industrial Relations as applicable

in accordance with the California Labor Code. To access the most current information on effective determination rates, Respondent shall contact:

Department of Industrial Relations
 Division of Labor Statistics and Research
 PO Box 420603, San Francisco, CA 94142-0603
 Division Office Telephone: (415) 703-4780
 Prevailing Wage Unit Telephone: (415) 703-4774
 Web: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

6. **Child Support Policy:** If selected, Respondent may be required to comply with the City of Los Angeles Ordinance No. 172401, which requires all contractors and subcontractors performing work to comply with all reporting requirements and wage earning assignments and wage earning assignments relative to court ordered child support. (Applicable when LADWP is a contract participant)
7. **Supplier Diversity:** Respondents shall take reasonable steps to ensure that all available business enterprises, including Small Business Enterprises (SBEs) and Disabled Veteran Business Enterprises (DVBES) have an equal opportunity to compete for and participate in the work being requested by this RFP. Efforts to obtain participation of SBEs, DVBES, and other business enterprises may reasonably be expected to produce a twenty percent (20%) participation goal for SBEs and a three percent (3%) participation goal for DVBES. For the purpose of this RFP, SCPPA's Supplier Diversity program is modeled after that of the Los Angeles Department of Water and Power. Further information concerning the Supplier Diversity Program may be obtained from the Supply Chain Services Division of the Los Angeles Department of Water and Power. (Applicable when LADWP is a contract participant)
8. **SCPPA-Furnished Property:** SCPPA or a Member's utility drawings, specifications, and other media furnished for the Respondent's use shall not be furnished to others without written authorization from SCPPA or the applicable Member(s).
9. **Contractor-Furnished Property:** Upon completion of all work under any agreement developed as a result of this RFP, ownership and title to reports, documents, drawings, specifications, estimates, and any other document produced as a result of the agreement shall automatically be vested to SCPPA and no further agreement will be necessary for the transfer of ownership to SCPPA. SCPPA has the sole right to distribute, reproduce, publish, license, or grant permission to use all or a portion of the deliverable documentation, work product or presentations as it determines in its sole discretion.

History

Date	Action	Change Tracking
02-01-14	RFP issuance	New
03-17-14	Amendment 1	Added #4 to the Required Elements of Proposals; added section (o) to #5 Project Details section and new excel table as Appendix A