

**SOUTHERN CALIFORNIA
PUBLIC POWER AUTHORITY**



**Request for Qualifications and Proposals
for
Renewable Energy Projects**

RFP Date: February 22, 2002

Response Deadline: March 18, 2002, by 2:00 p.m. PST

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Qualifications and Proposals for Renewable Energy Projects

The Southern California Public Power Authority (SCPPA) is hereby soliciting competitive proposals for 70 to 120 megawatts (MW) of renewable energy, through equity participation in one or more renewable power facilities (preferred) or under a long-term contract (optional).

Introduction

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.

Membership consists of twelve cities and one irrigation district which supply electric energy to Southern California, including the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. In 2001 the cities of Cerritos and San Marcos joined SCPPA.

SCPPA is governed by its Board of Directors, which consists of representatives from each of its members. The management of SCPPA is under the direction of an Executive Director, who is appointed by the Board. SCPPA currently holds capacity entitlements in the following projects and 100% of the output is sold and controlled by its member utilities:

SCPPA Projects

- Palo Verde Power Project
- Hoover Uprating Power Project
- San Juan (Unit 3) Power Project
- Magnolia Power Project
- Southern Transmission System
- Mead-Adelanto Transmission Project
- Mead-Phoenix Transmission Project.

Equity Participation Preferred

SCPPA is well positioned to facilitate the joint ownership of a renewable power project for the benefit of its members. Similar to the above projects, SCPPA would hold an undivided equity interest in all or part of the facility, issue tax-exempt debt financing to pay for the capital buy-in, and sell 100% of the output to the interested members at cost. SCPPA's low cost of capital provides a benefit to its members under the equity/ownership scenario; therefore this is the preferred scenario for this RFP. Also, ownership reduces the credit risk element associated with long-term contracts. In cases where resource leases or rights-of-way do not accommodate subdivision, respondents may designate a clear dividing line between the facility and the resources to accommodate partial ownership by SCPPA. However, long-term contracts will be considered as a secondary option if equity/ownership is not feasible.

Scope of Services

Respondents shall propose to opportunities for SCPPA to purchase renewable energy under long-term contract or through equity participation in one or more renewable energy facilities. The proposals shall address the following terms and conditions:

- 1. Contract Quantity:** 70 to 120 MW total capacity; probably spread among multiple projects
- 2. Energy Availability:** A detailed description of the energy availability shall be provided (i.e., daily load shape and annual capacity factor).
- 3. Fuel:** Any certifiable renewable energy (i.e., solar, geothermal, wind, biomass, small hydro, etc.)
- 4. Point of Delivery (POD):** SCPPA may accept some or all of respondent firm's energy and/or non-firm energy at Mead 230, Mead 500, Marketplace, Westwing 500, Mona, Gonder, LADWP-Sylmar, NOB, McCullough 500, or ISO SP15. Respondent shall designate delivery point(s) in its proposal.
- 5. Capacity Price:** If applicable, a lump sum or periodic capacity price shall be provided for the contract quantity.
- 6. Energy Price:** An energy price, which is in addition to, or in lieu of, the capacity price shall be provided in \$/MWh.
- 7. Firmness:** The firmness of the energy shall be specified (i.e., system firm, unit contingent, liquidated damages, etc.).
- 8. Dispatchability/Scheduling:** The dispatchability of the unit and scheduling requirements/limitations shall be provided.
- 9. Commercial Operation Date:** A proposed commercial operation date with a milestone schedule shall be provided.
- 10. Term:** A proposed term from five years to life-of-facility shall be provided.

Proposal Selection Criteria

- SCPPA, at its sole discretion, shall evaluate responsive proposals and select proposals, if any, which provide the most value to SCPPA and its customers.
- Proposals may be combined with other proposals, at SCPPA's sole discretion.
- SCPPA shall determine at its sole discretion the value of any and/or all proposals.
- SCPPA shall evaluate any proposals in terms of price and non-price attributes.
- SCPPA shall perform an initial screening evaluation to identify and eliminate any proposals that are not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are clearly 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.
- 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 the award to that respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its customers. SCPPA also reserves the right to make an award to the other than the lowest price offer or the proposal evidencing the greatest technical ability if SCPPA determines that to do so would result in the greatest value to SCPPA and its customers.
- SCPPA reserves the right to reject any, all, or portions of the proposals received for failure to meet any criteria set forth in this RFP. SCPPA also may decline to enter into a power purchase arrangement with any respondent, terminate negotiations with any respondent, or to abandon the RFP process in its entirety.
- Those respondents who submit proposals agree to do so without legal recourse against SCPPA, its members, and their directors, officers, employees and agents for rejection of their proposal(s) or for failure to execute a power purchase agreement for any reason. 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.
- Respondent shall be liable for all its costs and SCPPA shall not be responsible for any respondent's costs incurred to prepare, submit, or negotiate its proposal, a contract or for any other activity related thereto.

Site/Facility Requirements for Proposed New Generating Facilities

Respondent shall provide the following information in its proposal, where applicable:

- A Project Facility Plan that identifies all major permits, licenses, and approvals, which are required and a schedule for their completion
- Identification of Project participants and management team; identification of those responsible for design, construction, permitting, operations and maintenance
- Description of Project/generation technology and a description of technical resource data, including any studies or reports regarding the resource
- Description of the fuel supply contracts and status, if applicable
- Conceptual design, major equipment list
- Description of the proposed ownership and operation structure (i.e., 100% SCPPA-owned turnkey, corporation, general partnership, limited partnership, etc.).

Milestone Schedule

Respondent shall provide the following information in its proposal, where applicable:

A satisfactory major milestone schedule that includes at least the following:

- Proposed schedule for obtaining site control through executed leases, fee purchases, or other means
- Projected schedule for obtaining permits and licenses, major equipment purchasing and construction financing
- Expected construction schedule including anticipated commencement of testing and commercial operation
- Projected schedule to acquire necessary transmission/interconnection service.

Further Required Information

Unless required elsewhere in this RFP, respondent shall provide the following information, where applicable, in its proposal:

- Project name and location
- Maximum and minimum monthly capacity factors
- Summer and winter maximum net capacity
- Expected annual availability factor based on summer capacity proposed
- Energy and/or associated capacity to be provided to parties other than SCPPA
- Proposed power factor (i.e., 95% leading or lagging)
- Projected environmental emissions from proposed project
- Rights for SCPPA to perform full or partial dispatch
- Status for obtainment of water rights
- Identify projects utilizing the same resources type in commercial operation which respondent developed and/or operates.
- Specify lead 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.
- Specify whether proposal is unit contingent or another firmness level.
- Specify whether proposal has any ancillary service capability or requirement.
- Indicate any proposed subordination of SCPPA's rights in the event of default by respondent to lenders.
- 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 over twelve months old, annual reports, FERC Form 1, and any other applicable financial information. If none of the above are available, respondent shall be expected to provide verifiable financial statements for the past three (3) years if available, and respondent's Dunn & Bradstreet identification number, where available. Respondent shall indicate any and all pending litigation that could affect the viability of respondent's proposal or respondent's financial stability.

Submission Requirements

Two hard copies of your response should be delivered on or before March 18, 2002, by 2:00 p.m. PST to:

Bill D. Carnahan
Executive Director
Southern California Public Power Authority
225 S. Lake Avenue, Suite 1410
Pasadena, California 91101

(626) 793-9364; Fax 793-9461

The proposal should also be e-mailed to Bill D. Carnahan at bcarnahan@scppa.org and Manuel A. Robledo at mrobledo@scppa.org. Identify your proposal for electronic filing purposes as: 2002 Renewable Proposal [Firm Name].

Late or non-responsive proposals will be rejected.

No contact should be made with the Board of Directors or Resource Planning Committee members concerning this request for proposals.