



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Proposals for Renewable Energy Projects

Response Deadline: March 31, 2009, 5:00 p.m.

The Southern California Public Power Authority (SCPPA) is hereby soliciting competitive proposals for renewable energy generation (as defined within the California Public Resources Code) with supporting infrastructure(s) as structured projects through:

- (i) facility ownership, or
- (ii) power purchase agreement with ownership option(s),

in one or more facilities including consideration for Green House Gas (GHG) reduction applications for existing facilities, and combined use technologies of existing or proposed facilities.

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.

Member Agencies consist of eleven cities 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).

SCPPA is governed by its Board of Directors, which consists of representatives from each of its Member Agencies. 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 Agencies:

- 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
- Barnett Natural Gas Reserves Project
- Pinedale Natural Gas Reserves Project
- Ormat Geothermal Project
- Milford I Wind Project
- Pebble Springs Wind Project
- Tieton Hydro Project

Equity Participation

SCPPA is well positioned to facilitate the joint ownership of renewable power projects for the benefit of its Member Agencies. SCPPA would like to 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 Member Agencies at cost. SCPPA's low cost of capital provides a benefit to its Member Agencies under the equity/ownership scenario; therefore this is the preferred scenario for this RFP. However, SCPPA will also consider power purchase agreements (straight or prepay), which include an option to purchase the project during the term of the agreement.

SCPPA will not entertain speculative or research proposals, but seeks tangible and timely opportunities to increase their generation portfolio with renewable technologies.

SCPPA does not wish to entertain power purchase agreements without ownership options.

Proposal Submission Delivery Requirements

One (1) hard copy of your response, including a letter of authentic offer with wet-ink authority signature, and any supporting documentation should be delivered prior to the end of business day on March 31, 2009 to:

Southern California Public Power Authority
225 S. Lake Avenue, Suite 1250
Pasadena, California 91101

One soft copy of your proposal should also be delivered as above or alternately e-mailed to dwalden@scppa.org. Clarification questions may also be addressed to David Walden at dwalden@scppa.org, (626) 793-9364; Fax 793-9461

No contact should 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 Proposal is subject to the California Public Records Act and all submissions may be subject to review in the event of an Audit.

Proposal Submission Required Elements

- 1) **Category:** Respondent will clearly identify their submission into the following categories:
 - a) Wind, including all air-flow technologies
 - b) Geothermal, including all temperature gradient technologies
 - c) Biomass, including waste or dedicated energy crops
 - d) Biogas, including landfill, digester gases and gas conversion or gasification technologies
 - e) Hydro, including all mass-in-motion technologies involving fluids
 - f) Solar, including all photo-voltaic and photo-optic technologies
 - g) Solar Thermal, including all sunlight concentration technologies
 - h) Municipal Solid Waste (MSW)
 - i) Load-shifting as defined by the California Energy Commission (CEC), including energy storage and permanent load-shifting technologies

- j) Green House Gas (GHG), including reduction or capture and sequestration technologies
- k) Alternative Use, including supplemental processes to existing operations

2) **Project Details:** Respondent will clearly identify the proposed energy delivery including sub-sets or project phasing with the following information:

a) **Project Description:**

i) Project name and location, and phases if applicable

b) **Contract Quantity:** in MW and GWh, and by project phase if applicable

i) Include nameplate rating and proposed amount to be delivered

c) **Cost of Energy:** expressed in present dollar value as \$/MWh, and itemized by cost components if applicable. All Respondents shall establish this Cost of Energy to start on the Commercial Operation Date (COD) with a FIXED escalation of one and one half percent (1.5%).

d) **Energy Availability:** Maximum and minimum monthly capacity factors, load shapes, seasonal shapes, and reliability indices

i) Dispatch-ability/Scheduling: Describe the dispatch-ability of the proposed power (by unit or phase if applicable) and scheduling requirements/limitations. Also outline any rights for SCPPA to perform full or partial dispatch.

e) **Point of Delivery (POD):** The cost of transmission to a delivery point shall be included in the Cost of Energy to one of the following locations:

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|--------------------|---|
| i.) Mead 230 | ix.) Midpoint Victorville-Lugo |
| ii.) Mead 500 | x.) McCullough 500 |
| iii.) Marketplace | xi.) Adelanto 500 |
| iv.) Westwing 500 | xii.) Victorville 500 |
| v.) Mona | xiii.) Barren Ridge 230 |
| vi.) Gonder | xiv.) Intermountain Power Project Station |
| vii.) LADWP-Sylmar | xv.) ISO SP15 |
| viii.) NOB | |

This listing represents locations where SCPPA Members have existing rights. Others delivery points may be identified by the Respondent when associated costs are also identified to achieve delivery to the end use consumers of the Members. If the delivery point is unknown; Respondent should identify the point of delivery as the bus-bar, transformer high-side or other site specific project element such that a transmission cost component may be clearly identified at a later time.

f) **Environmental Attributes:** 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.

i) For combustion technologies detail the forecast emissions, emissions controls, or compliance to applicable area regulations.

g) **Capacity Rights:** SCPPA shall receive any and all capacity rights associated with the energy.

i) Identify any Energy and/or associated capacity to be provided to parties other than SCPPA.

ii) Identify any project dependent facilities that require shared use or third party access rights such as intermediate distribution infrastructure, control rooms, or other intermingled facilities.

iii) Describe any controls or provisions to assure the continuation of the described capacity: i.e.: for wind projects any adjacent or future projects encroaching on turbine spacing or airflow; for hydro projects any limitations or regulations on water flow, diversion or lake level maintenance requirements; and other such controllable measures for the proposed project.

h) **Ownership:** Description of the proposed ownership and operation structure (i.e., 100% SCPPA-owned turnkey, corporation, general partnership, limited partnership, etc.)

- i) In the case of a SCPPA ownership offer, a purchase price at Commercial Operation Date (COD) shall be specified along with an estimate of all recurring owner costs, including but not limited to operation and maintenance costs, taxes, lease payments, royalties, insurance, etc.
 - ii) For purchase power agreements with purchase options, a delivered energy price, in \$/MWh, shall be specified for the energy, environmental attributes and capacity (as Cost of Energy within Section 2.c.); and an early buyout price or detailed formula to calculate the buyout price shall be specified – typically coincident with tax credits or another project horizon where a purchase option would naturally occur.
 - iii) Terms up to the life of the facility will be considered.
 - i) **Project Plan to Commercial Operation Date:** A 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) Detail any prior or existing settlements made for environmental mitigation and clearly identify any post-construction or pass-forward mitigation obligations which would be forwarded in the event a contract was executed (i.e.: 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, describe the supply requirements and provisions for supply.
 - vi) Proposed schedule or application status to acquire necessary transmission and/or interconnection service.
 - vii) Describe 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) might be effectuated, including, if the Project is located outside California, how Title 14 Section 15277 of the California Administrative Code is addressed by the project.
- 3) **Experience:** Respondent will clearly identify project participants and management team including identification of those responsible for design, construction, permitting, operations and maintenance.
- a) 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.
 - b) 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.
 - c) 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 supplement if not available to assure project delivery.
 - d) Respondent shall indicate any and all pending litigation that could affect the viability of respondent's proposal or respondent's financial stability.
 - e) Identify existing projects in commercial operation which respondent developed and/or operates.

- f) Description of the project/generation technology and a description of technical resource data, including any studies or reports regarding the resource.

Proposal Terms and Conditions

- 1) SCPPA desires to enter exclusive negotiations with the proposer once selected as may be defined through a signed letter of intent and defined term.
- 2) SCPPA shall determine at its sole discretion the value of any and/or all proposals including price and non-price attributes.
- 3) Proposals may be sub-divided or combined with other proposals, at SCPPA's sole discretion.
- 4) 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.
- 5) SCPPA may entertain or eliminate proposals immediately upon receipt or at any future time if not clearly defined in the proposal as the end of the period of offer.
- 6) 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.
- 7) SCPPA may decline to enter into a power purchase arrangement or any other agreement or contract with any respondent, terminate negotiations with any respondent, or to abandon the RFP process in its entirety.
- 8) SCPPA reserves the right to make an award to the other than the lowest price offer or the proposal evidencing the greatest technical ability or other measure if SCPPA determines that to do so would result in the greatest value to SCPPA and its customers.
- 9) 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 or act on their proposal for any reason.
- 10) 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.
- 11) 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.
- 12) SCPPA may require certain performance assurances from bidders prior to entering into detailed negotiations for a proposed project. Such assurances may include requiring the bidder to post a performance bond.
- 13) Either SCPPA collectively or Member Agencies individually may respond to, or enter into negotiations for a proposal. SCPPA is not responsible or liable for individual Member Agency interactions with the respondent which are not entirely contained within SCPPA's option or election to engage the respondent as defined within the Terms and Conditions herein.