



## **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

### **Request for Proposals (RFP)**

**for**

### **Local Resource Adequacy Resources**

The Southern California Public Power Authority (SCPPA) is hereby soliciting competitive proposals for Local Resource Adequacy (LRA) resources in the California Independent System Operator (CAISO) markets.

#### **A. Introduction**

1. 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 eleven cities and one irrigation district which supply electric energy to 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. 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.
2. SCPPA seeks competitive proposals from sellers whereby a Seller would sell, and SCPPA and/or certain SCPPA members would purchase LRA products described in Section C of this transmittal letter.
3. 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 members. SCPPA will consider both price and non-price factors in evaluating proposals received.

4. SCPPA and/or certain SCPPA members interested in purchasing LRA products pursuant to this RFP may transact collectively or individually.
5. Any SCPPA member that is a respondent to this RFP shall not have access to the proposals received from other respondents and shall not participate in the evaluation process.

## **B. Description of Product Solicited**

### **Minimum Requirement**

1. The product must be countable toward CAISO system Resource Adequacy and Local Resource Adequacy as defined in the applicable CAISO's FERC approved tariff. The product must include the RA attributes for system Resource Adequacy and Local Resource Adequacy as defined in the applicable CAISO's FERC approved tariff, but does not necessarily need to include energy, and ancillary services attributes. Capacity and the associated energy (to the extent energy is offered) of the offered resources must be identified to specific existing or newly constructed generating resources located in the Los Angeles Basin and/or Ventura area of SP26 (South of Path 26 region) as defined by the California Independent System Operator (CAISO) in its 2008 Local Capacity Technical Analysis - Report and Study Results dated March 9, 2007. The report can be found at <http://www.caiso.com/1b9c/1b9cd9a225830.pdf>

## **C. Request for Offers**

Up to 300 MW of RA capacity with system and local capacity attributes in SP26 that can be counted as system and local RA resources for the SP 26 region. RA capacity must be separately priced in \$/MW-month for each month of the term.

The Seller might include other features to the offering, e.g., must-take energy, dispatchable energy, ancillary services etc. Each of the features must be separately priced and selected at SCPPA's discretion if offered.

To expedite SCPPA review process, the Seller is highly encouraged to submit a pro forma Confirmation Agreement under the Western System Power Pool (WSPP) Agreement.

## **D. Term**

1. For power purchase agreements, the term is expected to commence January 1, 2008 and run through December 31, 2009. Seller may specify quarterly (e.g. Q3 2006), seasonal (e.g., summer from May through October), or annual terms.
2. For equity participation, the term may commence on the date the generating unit(s) is commercially operational through the life of the generating unit.

3. SCPPA may consider other terms if they provide superior benefits to SCPPA and its members, e.g., (a) a local generation project that is in the permitting process and may become available in the foreseeable future and require long term contract(s) to obtain financing; (b) an existing local generation project that requires longer term contract(s) to remain viable in the near term.

**E. Proposal Selection Criteria**

1. SCPPA, at its sole discretion, shall evaluate responsive proposals and may select proposals, if any, which provide the most value to SCPPA and its customers. SCPPA members may respond collectively or individually to any proposal.
2. Proposals may be combined with other proposals, at SCPPA's sole discretion.
3. SCPPA shall determine at its sole discretion the value of any and/or all proposals.
4. SCPPA shall evaluate any proposals in terms of price and non-price attributes.
5. 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.
6. 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 abandon the RFP process in its entirety.
7. 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.
8. 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, except as may be explicitly agreed upon in any power purchase contract arising from a proposal.

**F. Resource Adequacy Considerations**

SCPPA shall have rights to all available and foreseeable resource adequacy attributes from resources procured pursuant to this RFP to meet SCPPA members' resource adequacy obligations, including local, zonal (if established by the CAISO), and system resource adequacy requirements under resource adequacy requirements as promulgated by any relevant body, including the California Public Utilities Commission, Federal Energy Regulatory Commission, or the CAISO.

**G. RFP Process and Schedule**

The following schedule is expected to be followed for this RFP:

March 26, 2007	RFP Issued
April 12, 2007	Deadline to submit proposals
April 26, 2007	Selection of winning proposals. SCPPA to notify Seller(s) short listed. Contract negotiation begins (tentative)
Early May, 2007	Conclude negotiations (tentative)
Mid May 2007	Execution of agreement(s) by SCPPA and Seller(s) (tentative)

**H. Submission Requirements**

A hard copy of your response should be delivered on or before Thursday, April 12th, 2007 by 3:00 pm PST to:

Bill D. Carnahan  
Executive Director  
Southern California Public Power Authority  
225 S. Lake Avenue, Suite 1250  
Pasadena, California 91101

The proposal should also be e-mailed by the deadline to the following individuals:

Bob Tang  
Assistant Director of Resource Management  
City of Azusa  
[btang@ci.azusa.ca.us](mailto:btang@ci.azusa.ca.us)

Steve Sciortino  
Integrated Resource Manager  
City of Anaheim

[ssciortino@anaheim.net](mailto:ssciortino@anaheim.net)

Fred Mason  
Power Resource and Revenue Administrator  
City of Banning  
[fmason@ci.banning.ca.us](mailto:fmason@ci.banning.ca.us)

LeeAnne Uhler  
Power Contracts Manager  
City of Riverside  
[LUHLER@riversideca.gov](mailto:LUHLER@riversideca.gov)

Jeanette Olko  
Electric Utility Director  
City of Colton  
[jolko@ci.colton.ca.us](mailto:jolko@ci.colton.ca.us)

Manny Robledo  
Energy Systems Manager  
SCPPA  
[mrobledo@scppa.org](mailto:mrobledo@scppa.org)

Please name you electronic file as follows and zip multiple files into one file, if applicable:

[Short Company Name] SCPPA LRA Proposal.

Late or non-responsive proposals will be rejected

No contact should be made with the Board of Directors, SCPPA members' Boards; Commissions; and City Councils or SCPPA Resource Planning Committee members. Any questions regarding this RFP should be directed to Mr. Bob Tang via e-mail at [btang@ci.azusa.ca.us](mailto:btang@ci.azusa.ca.us) and cc: Manny Robledo at [mrobledo@scppa.org](mailto:mrobledo@scppa.org), Steve Sciortino @ [ssciortino@anaheim.net](mailto:ssciortino@anaheim.net), LeeAnne Uhler @ [LUHLER@riversideca.gov](mailto:LUHLER@riversideca.gov), Fred Mason @ [fmason@ci.banning.ca.us](mailto:fmason@ci.banning.ca.us), and Jeanette Olko at [jolko@ci.colton.ca.us](mailto:jolko@ci.colton.ca.us).