



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Request for Proposals for Resource Adequacy within the
California Independent System Operator Balancing Authority

Issuance Date: May 1, 2020
Response Deadline: May 29, 2020

I. Introduction

The Southern California Public Power Authority (SCPPA) is soliciting competitive proposals for resource adequacy (RA) products within the California Independent System Operator (CAISO) Balancing Authority. SCPPA is targeting proposals for resource adequacy resources with commercial operation or delivery starting in 2021 and beyond. RFP responses may propose (i) project ownership by SCPPA, (ii) a resource adequacy purchase agreement with an ownership option or (iii) a resource adequacy purchase agreement without an ownership option.

The Southern California Public Power Authority (SCPPA), on behalf of its Member Utilities, is hereby soliciting proposals regarding the capabilities and qualifications of individuals and firms to perform and provide deployment of resource adequacy resources, as described below in Section III.

SCPPA is interested in discovering all Respondent's capabilities related to specified Areas of Interest to make an informed decision and potentially proceed based on the solicitations with one or more qualified Respondents to this Request for Proposals (RFP).

All responses should be concise and focused. SCPPA members will use the information generated as a result of this RFP to determine the solution to fulfill their electric needs regarding resource adequacy.

Responses to this RFP are due on or before May 29, 2020 as described in Sections III and V.

II. Background

SCPPA is a public agency created by agreement of its Member Agencies pursuant to the Joint Exercise of Powers Act (Government Code sec. 6500 *et seq.*) for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy and associated products and services. SCPPA is a "cafeteria style" joint powers authority wherein the Member Agencies can select the projects that they are interested in pursuing. SCPPA can procure resources on behalf of one or more of its Member Agencies.

SCPPA's Member Agencies are eleven cities and one irrigation district that provide retail electric service to customers within their respective jurisdictional boundaries. The Member Agencies are the cities of Anaheim,

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Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Anaheim, Azusa, Banning, Cerritos, Colton, Pasadena, Riverside and Vernon are in the California Independent System Operator's (CAISO) Balancing Authority. The Los Angeles Department of Water and Power (LADWP), Burbank, and Glendale are in the LADWP Balancing Authority. The Imperial Irrigation District, however, operates its own Balancing Authority.

SCPPA is governed by a 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' electric utilities are governed by their respective city councils or other locally elected governing bodies.

SCPPA has active working groups focused on resource planning and project development. These groups, with representation from all twelve of the Member Agencies, meets once a month and has reviewed over eleven hundred individual project proposals since 2007.

III. Areas of Interest

SCPPA continues to seek cost effective resources to support its members' procurement of resource adequacy capacity products: System, Local, and Flex for 2021 and beyond. This RFP seeks to find the best combination of projects and/or products to deliver RA up to 100 MW from facilities that will be compliant to the CPUC RA Policy Framework (pursuant to Public Utilities Code Section 380) upon Commercial Operation Date (COD) or Delivery Commencement Date (DCD) and throughout the term of the agreement.

SCPPA requires that during the term of any agreement, the Seller shall assume the risk of maintaining and bringing the facility or project into compliance should there be a change in law that renders the facility non-compliant with CPUC RA policy framework, PU Code Section 380. Since this is one of the critical elements in regard to resource planning for SCPPA, please describe how this risk would be assumed and addressed by Seller.

Timeline / Schedule*

SCPPA RFP for CAISO Resource Adequacy Selection Process	
Schedule of Requirements	Target Date(s)
Issue RFP	5/01/2020
Questions and Answers Cutoff	05/15/2020
Responses Due	05/29/2020
Review of Responses	06/01/2020 to 06/12/2020
Interviews (if necessary)	TBD
Selection of Respondent(s)	06/26/2020

*Timeline/Schedule is subject to change.

IV. Required Elements of Proposals

- 1. Transmittal Letter:** Provide a brief statement of the Respondent's understanding of the RA product(s) SCPPA seeks as part of this RFP. 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. Resource Adequacy Category:** Clearly identify the proposal as one or more of a combination of the following eligible resource adequacy products for each month and/or year being proposed:

- a. CAISO System Resource Adequacy Capacity
- b. Local Resource Adequacy Capacity (CAISO Los Angeles Basin)
- c. Flex Capacity Resource Adequacy Capacity

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

- a. **Project Description:** Project name, location, resource type, and if applicable, phases of development, CAISO Resource ID, CAISO Scheduling Coordinator ID, Point of Interconnection with the CASIO, Included Import Allocation at the Point of Interconnection with the CAISO, Deliverability Restrictions, Run Hour Restrictions, Local Capacity Area, Effective Flexible Capacity, and Net Qualifying Capacity.
- b. **Contract Quantity:** In MW and by project phase if applicable, including nameplate rating and proposed amount of capacity and energy to be delivered. Energy delivery is not required to support an offer to sell Resource Adequacy Capacity. Please provide all MW increment options available for the project. SCPPA is looking to procure up to 100 MWs of RA Capacity in any particular month or year from one or more sources.
- c. **Pricing:** Please provide all pricing structure options available, Prepayment options will not be considered.
 - i) **Resource Adequacy Capacity Price:** Expressed in nominal value (as of the year of COD or DCD) in \$/kW-month for each category type offered with no escalation thereafter for the value of the capacity. Monthly and annual quantities and pricing will be considered for each period offered.
 - ii) **Energy Price (optional):** An energy offer is not expected or required, and the Resource Adequacy offers shall not include an option premium for such energy; provided, however, if energy is offered separate and apart from the capacity then pricing shall be expressed in nominal dollars (as of the year of COD or DCD) in \$/MWh plus any other itemized cost components in addition to the Energy Price when the resource is called upon will start on the COD or DCD and may include fixed price annual escalation rates or index plus fixed price component. Minimum or maximum take requirement shall also be indicated, if applicable.

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(Typically, the energy from the RA resource is purchased and settled with the CAISO by Seller when called upon.)

- d. **Delivery Term:** Minimum term is one month with no maximum as the various Member Agencies are seeking both short-term, mid-term, and long-term delivery of resource adequacy. Please provide all delivery term options available, including seasonal and/or intra-day delivery profile options. Terms of 10-years or longer will be considered to facilitate attractive project financing and reduce the Resource Adequacy Capacity Price offered.
- e. **Point of Delivery (POD):** If energy is offered with the capacity then the cost of transmission to a delivery point shall be included in the pricing proposed in Section 4(c)(ii) to the CAISO Grid (with preference for SP15) for the RA Capacity.
Note: Offer 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 resource qualifies for Resource Adequacy and/or Local Capacity Requirement capacity benefits. If out-of-state resource, respondent must demonstrate that it has import capacity rights.
- f. **Capacity Rights/Shared Facilities:** Ensure that SCPPA shall receive the proposed capacity rights associated with the RA project and/or its produced energy.
 - i) Identify any energy and/or associated project capacity to be provided/committed to parties other than SCPPA is not confidential.
 - 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.
- g. **Project Plan to Commercial Operation Date (if new facility):** 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

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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.

viii) Note that any Test Energy delivered before the COD shall be curtailable at any time by SCPPA without compensation.

- h. Financing and Tax Equity Investor:** Describe how the project will be financed such as; by parent company, backflip leverage, or some sort of Yieldco Structure.
- i. Credit Support and Security:** Express in nominal dollars the amount of Performance Assurance provided from execution of the Power Purchase Agreement through COD and the amount of Performance Assurance provided after Commercial Operation Date as a letter of credit, cash, or guaranty.
- j. Net Qualifying Capacity:** Describe the facilities' most current (specify year) net qualifying capacity as posted by the CAISO.
- k. Flexible Capacity:** Describe the facilities' most current (specify year) flexible capacity category as posted by the CAISO

6. Experience: Clearly identify the respondent's management team and other key personnel 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 in the project or as part of the 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 is 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.

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V. Proposal Delivery Requirements

One electronic copy of your proposal must be e-mailed to ResourceAdequacyRFP@scppa.org or delivered on CD or USB flash drive to the address below by no later than 4:00 p.m. PST on May 29, 2020:

Southern California Public Power Authority
Attention: 2020 CAISO RA RFP
1160 Nicole Court
Glendora, California 91740

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

Clarification questions regarding this RFP must be in writing, submitted to the following email address: ResourceAdequacyRFP@scppa.org.

SCPPA members seek tangible and timely opportunities to add RA products to their generation portfolios and thus will not entertain experimental or speculative proposals.

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 RFP is subject to the California Public Records Act and may be subject to the California Brown Act and all submissions may be subject to review in the event of an audit.

VI. Terms and Conditions

1. If selected, SCPPA desires to enter into exclusive negotiations with respondent as may be facilitated through an 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 Respondent.

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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. 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.
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. 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.
12. 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. Performance security shall be in the form of a Letter of Credit or Cash.
13. 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.
14. 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.
15. 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.
16. SCPPA reserves the right to enter into an agreement with more than one Respondent, to choose not to contract with any Respondent with respect to one or more categories of services, and to choose to suspend this RFP or to issue a new RFP that would supersede and replace this RFP.
17. SCPPA reserves the right to negotiate definitive agreements including but not limited to power purchase agreements and other agreements with a 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.

SCPPA reserves the right to propose that other publicly-owned utilities that are not SCPPA Member Agencies be included in certain contracts.

Additional Requirements for Proposal

1. **Consideration of Responses:** Submitted proposals should be prepared simply and economically, without the inclusion of unnecessary promotional materials. Proposals submitted in hardcopy form should be submitted on recycled paper and duplex copied (double-sided pages) where possible.
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. **Prevailing Wage Rates:** If selected, the Respondent will be required to conform to prevailing wage rates when applicable to the work being performed. Workers in California 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>

5. **Iran Contracting Act of 2010:** If selected, the Respondent may be required to comply with California Public Contract Code Sections 2200-2208, wherein all bidders submitting proposals for, entering into, or renewing contracts with Buyer for goods and services estimated at one million dollars (\$1,000,000) or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit".
6. **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).
7. **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.