

RCEA 2016 Biomass Request for Offers

Issue Date: 10/28/2016

Response Deadline: 12/2/2016

Email questions/comments to: [Biomass RFO Questions@redwoodenergy.org](mailto:Biomass_RFO_Questions@redwoodenergy.org)

Background

The Redwood Coast Energy Authority (RCEA) is proceeding with the launch of a community choice energy program scheduled to commence service to customers in May of 2017. Based on the groundwork established by the RePower Humboldt strategic plan for developing local renewable energy, in June of 2015 the RCEA Board of Directors voted to proceed with developing a community choice energy program for Humboldt County with the following as one of its core goals:

Maximize the use of local renewable energy while providing competitive rates to customers.

Recognizing that Humboldt County is home to several biomass facilities, RCEA is launching this Request for Offers (RFO) to examine the possibility of entering into a Power Purchase Agreement (PPA) with one or more local biomass facilities.

Product Description

Through this solicitation, RCEA is seeking to secure renewable electric supply from existing biomass facilities with minimum contract capacity of 5MW. Deliveries can begin as early as June 1, 2017 and as late as January 1, 2018. Responders are required to include pricing for a 1-year term and may also include pricing for 3 or 5 year terms for RCEA to consider.

Table 1 – Product Description

Technology	Contract Start Date	Contract Capacity	Delivery Term
Biomass	June 2017 – January 2018	Minimum 5MW	1 year ¹

Eligibility Requirements

All proposed resources must meet the following requirements:

- (1) Is an existing (as of date of offer submittal) biomass² facility located in Humboldt County;
- (2) Has nameplate capacity no less than 5MW;
- (3) Is, or is expected to be prior to Contract Execution, certified by the California Energy Commission (“CEC” or “Commission”) as an Eligible Renewable Energy Resource as set forth in applicable sections of the California Public Utilities Code (“Code”). Selected respondents shall be responsible for maintaining such certification throughout the contract term.

¹ Responders may also submit pricing for 3 or 5 year term but it is required that pricing for 1 year is included

² *Biomass* — defined in the California Energy Commission’s “Renewables Portfolio Standard Eligibility Guidebook” as any organic material not derived from fossil fuels, including, but not limited to, agricultural crops, agricultural wastes and residues, waste pallets, crates, dunnage, manufacturing, construction wood wastes, landscape and right-of-way tree trimmings, mill residues that result from milling lumber, rangeland maintenance residues, biosolids, sludge derived from organic matter, wood and wood waste from timbering operations, and any fuel that qualify as “biomass conversion” as defined in Public Resources Code section 40106. Agricultural wastes and residues include, but are not limited to, animal wastes, remains, and tallow; food wastes; recycled cooking oils; and pure vegetable oils.

RFO Schedule

The following schedule applies to this RFO. RCEA in its sole discretion may revise the schedule as deemed necessary. Updates will be provided through its website if such changes occur as well as via email to any eligible Bidders who have expressed an interest in participating in the RFO.

Table 2 – RFO Schedule

Event	Date
Issue RFO Documents	October 28, 2016
Question Submittal Deadline	November 3, 2016 @ 5PM PT
Bidders Conference	November 8, 2016
Offer Submittal	December 2, 2016 @ 4PM PT
Notify Short List	January 4, 2016
RCEA Board Approval of PPA(s)	January 23, 2017
Contract Execution	January 25, 2017

RCEA will host an onsite Bidders Conference on November 8th, 2016 from 2-4PM at its office:

633 3rd St, Eureka, CA 95501

The objectives of the Bidders Conference are to review the RFO process and answer clarifying questions bidders may have. Potential respondents are not required to attend the bidder's conference in order to submit a response. However, any interested bidders unable to attend the Bidders Conference must notify RCEA of their interest by sending an email to Biomass_RFO_Questions@redwoodenergy.org by 5 pm PT on the date of the conference in order to be assured of receiving any addenda or schedule change notifications.

Between offer submittal and short list notification, RCEA staff may request to visit the project site. Respondents are expected to make reasonable efforts to accommodate any such request.

Disclaimers for Rejecting Offers and/or Terminating this RFO

RCEA reserves in its full discretion the right to cancel this solicitation at any time, reject any and all proposals and to waive irregularities, if any. RCEA shall not be responsible for any of the Responder's costs incurred to prepare, submit, negotiate, or to enter into a power purchase agreement (PPA), or for any other activity related to meeting the requirements established in this solicitation. All submittals shall become the property of RCEA and will not be returned.

RFO Response Instructions

Respondents are to deliver offers in a sealed envelope, that contains both printed and electronic versions (CD or USB drive) of the offer package, to the RCEA office by 4pm on December 2nd, 2016. Respondents must complete the following items located on the RCEA website:

- (1) Excel based Offer Form (RCEA_2016_Biomass_RFO_Offer_Form.xlsx)
- (2) Word based Questionnaire (RCEA_2016_Biomass_RFO_Questionnaire.docx)

(3) Standard form PPA, completed per instructions below (RCEA_2016_Biomass_PPA.docx)

(4) Officer Certification Form (RCEA_2016_Biomass_Officer_Certificate.docx)

It is required that respondents will:

- complete each tab in the Excel Offer Form,
- answer all questions in the Word-based Questionnaire along with any supporting documentation as necessary,
- provide a completed PPA Cover Sheet for each offer, along with a redlined (using Track Changes in Microsoft Word) copy of the PPA if any changes to PPA terms are requested; and
- submit a completed Officer Certification Form.

Bidders are encouraged to submit multiple offers for different contract lengths³, and modes of operation that are represented by alternative generation profiles. To the extent the facility can also offer scheduling flexibility, Bidders should provide as much information as possible about the flexibility offered and any relevant operational constraints for RCEA to understand and evaluate the economic benefit. Bidders are limited to three offers per contract length.

The standard form PPA is intended to assist bidders in understanding their obligations under the PPA so as to inform their pricing. RCEA discourages bidders from responding to the RFO with a redline PPA that materially alters the commercial terms. Furthermore, the successful offeror will be expected to sign the PPA substantially in its existing form as attached. The Officer Certification Form is to ensure the accuracy of the information provided and acknowledge the binding nature of the submitted pricing.

Evaluation Criteria

In evaluating offers from eligible facilities, RCEA will consider both quantitative and qualitative factors, weighted as shown below. This list is intended to be illustrative and is not an exhaustive list of what RCEA may consider in its evaluation of responses.

Quantitative Factors – 50%

Net Market Value (NMV)

The net market value of the offer will consider the value of the energy that the facility produces, the renewable attributes (Renewable Energy Credits) as well as capacity value as it pertains to the CPUC's Resource Adequacy Program net of expected contract payments. To the extent a facility indicates that it has operating flexibility, the additional benefits will be reflected in the energy value and potentially in the capacity value (if the resource has an Effective Flexible Capacity or "EFC"). Offers will be normalized to NMV per MWh for scoring purposes.

³ It is mandatory that a Bidder include at least one offer that has a 1-year contract length

Qualitative Factors – 50%

Project Viability

RCEA will consider qualitative factors related to the viability of its counterparty as described in the RFO questionnaire and offer form that include but are not limited to the track record of meeting all permitting, reporting and compliance requirements; the experience of the project team to successfully and sustainably operate the facility; responder's history of investment in maintaining and improving the facility; worker safety record; the responder's historical and projected financial position; and any other factors that may influence its ability to deliver energy products under an executed agreement with RCEA. RCEA specifically prefers responses from bidders who have not been identified as an EPA High Priority Violator.

Portfolio Fit

RCEA may show a preference for offers that have lower volume requirements, contract lengths and/or provide generation in hours that reduce RCEA's wholesale market risk.

Acceptance of Standard Form PPA

RCEA prefers responses that accept the standard form PPA as provided.

Proprietary & Confidential Information

Submitted offers may include proprietary and/or confidential information. Responders are advised that Section 6253 of the California Public Records Act provides that any person may receive a copy of any identifiable public record that is not exempt from disclosure under other provisions of the Act. Responders must stamp or mark all data that qualifies for an exemption under the California Public Records Act as "Proprietary/Confidential Materials." RCEA will use reasonable efforts to protect against disclosure of propriety and/or confidential information to the extent permissible under applicable exemptions to the California Public Records Act. RCEA reserves the right to release such information to its advisers for purposes of evaluating the Responder's offer. In the event that such release to advisers is made, advisers will be bound to the same standard of care with respect to disclosure as RCEA. Neither RCEA nor its advisers will be liable for any damages resulting from any accidental disclosure before, during, or after this solicitation process, even if the documents are marked as Proprietary/Confidential Materials.

Bid Protests

Grounds for Protest

A responsive Bidder alleging that it would have been awarded the contract but for RCEA's failure to evaluate its offer in accordance with applicable law, evaluation criteria, and/or award procedures specified in this solicitation may file a protest. The protest must allege: 1) that the protesting party should have been awarded the contract; and 2) with reasonable specificity

how RCEA's failure to comply with applicable law or to apply the evaluation criteria and/or award procedures specified in this solicitation harmed the protesting party.

A responsive Bidder who fails to comply with these procedures, waives its right to protest.

No Basis for Protest

There is no basis for a protest and RCEA will not consider a protest under any of the following circumstances:

1. The protesting party did not participate as a bidder in this solicitation.
2. The protesting party fails to allege it would have been awarded the contract if RCEA had complied with applicable law, the evaluation criteria and/or award procedures specified in this solicitation.
3. The protesting party fails to adequately support, through documentation or otherwise, that it would have been awarded the contract if RCEA had complied with applicable law, the evaluation criteria and/or award procedures specified in this solicitation.
4. The protest was not submitted within the timelines specified herein or otherwise fails to comply with these procedures.

Filing a Protest

1. Protests must be received by the Executive Director, within three (3) business days from receipt of notice of intent to award contract ("Bid Protest Deadline"). Failure to file a protest as set forth above will result in the protest being deemed untimely and the protest will not be considered.
2. All protests must be submitted to the Executive Director at the following address:

Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501
3. The protest may be submitted by overnight courier, certified mail, or personal Delivery.
4. The protest must allege: 1) that the protesting party should have been awarded the contract; and 2) with reasonable specificity how RCEA's failure to comply with applicable law or to apply the evaluation criteria and/or award procedures specified in this solicitation harmed the protesting party.
5. The protest must include a detailed written statement of the protest grounds and provide any documents or other information the protesting party believes is relevant to the protest.

6. A copy of the protest and all supporting documents must also be transmitted by fax or by e-mail, by or before the Bid Protest Deadline, to the protested bidder and any other bidder who has a reasonable prospect of receiving an award depending upon the outcome of the protest.

Bid Protest Review Process

Upon receipt of a protest the Executive Director will:

1. Notify RCEA's General Counsel of the protest.
2. Send the protesting party an acknowledgment letter within two (2) business of the date the protest was received.

Questions

Please email any questions or comments to Biomass_RFO_Questions@redwoodenergy.org.