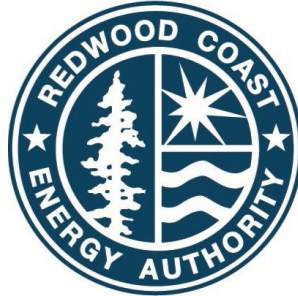


PROCESS GUIDELINES FOR DEVELOPMENT OF A REQUEST FOR OFFERS FOR LOCAL BIOMASS POWER



September 19, 2016

Approach

Issue a Request for Offers (RFO) based on industry best practices; the RFO packet will include:

- RFO Protocol Documents (Objectives, Eligibility, Schedule, Evaluation Criteria, etc.)
 - Existing Humboldt County biomass facilities eligible
 - RCEA not obligated to purchase any amount as a result of this RFO
 - RCEA not required to purchase the entire output from selected plant(s)
- Offer Template (Quantitative and Qualitative Responses)
- Standard Form Power Purchase Agreement (PPA)
- Hold a Bidder's Conference / Webinar to address any questions

Schedule

Event	Date
Proposed RFO posted to RCEA website as part of October Board Meeting packet	October 7, 2016
RFO approved by RCEA Board	October 17, 2016
Issue RFO Documents	October 26, 2016
Bidders Conference	November 3, 2016
Offer Submittals Due	December 2, 2016
Notify Short List	January 4, 2016
RCEA Board Approval of PPA	January 23, 2017
Contract Execution	January 25, 2017

January execution allows RCEA to utilize finalized 2017 PG&E generation and PCIA rates in final procurement decision making.

Evaluation Criteria and Committee

Evaluation Criteria

- Net Market Value (Energy, Capacity, Renewable Energy Credits).
- Portfolio Fit (Generation Profile vs. Load Profile).
- Generation flexibility (minimum/maximum power sales volumes).
- Community/environmental impacts and benefits:
 - Air, water, and other environmental permitting requirements along with 5 years of related monitoring and compliance data.
 - Past and projected fuel supply information.
 - Waste management approach.
 - Additional environmental and/or economic co-benefits and considerations.
- Plant operations team experience.
- Acceptance of standard form PPA included in RFO.

Evaluation Committee

- Members:
 - Yana Valachovic, Forest Advisor and County Director- Humboldt and Del Norte, University of California Cooperative Extension
 - Paul Helliker, General Manager, Humboldt Bay Municipal Water District
 - Mark Andre, Director of Environmental Services and City Forester, City of Arcata
 - Richard Engel, Senior Energy Specialist, RCEA
 - Shehzad Wadalawala, Client Services Specialist, TEA
- Responsibilities:
 - Participate in the development of qualitative questions for Offer Form
 - Prior to receiving bidder responses, determine relative weighting/importance of questions
 - Score bidder qualitative responses independently
- Offer ranking determined by weighting of quantitative and qualitative scores; final procurement will be decided by RCEA and TEA.

In addition to the evaluation committee, RCEA will request review and input on the RFO evaluation criteria from the RCEA Technical Advisory Group and the RCEA Environmental Review Group.

Commercial Terms

- Delivery Term – Minimum 1 year with pricing requested for 3 and 5 year options
- Delivery Start Date – no sooner than June 1 (once all accounts have been transferred) and no later than January 1, 2018
- Allow multiple offers for each facility based on scheduling flexibility and delivery term