



REDWOOD COAST
EnergyAuthority

RCEA 2019 Renewable Energy Request for Proposals

RFP-19-401

Issue Date: February 11, 2019

Response Deadline: March 25, 2019, 4 pm PT

Email questions/comments to: 2019_RPS_RFP_Questions@redwoodenergy.org

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Background and Overview

The Redwood Coast Energy Authority (RCEA) launched its community choice energy program for Humboldt County, California in May of 2017 with the following as one of its core goals:

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

The program has now been serving some 60,000 customers for over a year and a half, with approximately 700,000 MWh of annual load. The program provides approximately \$2 million in annual bill savings relative to the investor-owned utility generation rates customers would otherwise pay.

RCEA is launching this Request for Proposals (RFP) with the goal of entering into long-term Power Purchase Agreement(s) (PPA) with one or more renewable energy facilities. RCEA, like other California load-serving entities, is required by SB 350 (the “Clean Energy and Pollution Reduction Act,” Chapter 547, Statutes of 2015) to procure at least 65% of its required Renewable Portfolio Standard (RPS) energy under long-term contracts starting with California’s fourth RPS compliance period (2021-2024). At the time of releasing this RFP, none of RCEA’s portfolio is under compliant long-term contracts. RCEA will seek to contract with facilities that put our organization on the path to compliance with SB 350 starting as early as 2020. Any PPAs will require approval of RCEA’s Board of Directors.

Table 1 shows how RCEA’s load, its RPS requirement under the SB 100 (the “100 Percent Clean Energy Act of 2018,” Chapter 312, Statutes of 2018), and its RPS power required to be under long-term contracts under SB 350 are expected to change once SB 350 takes effect.

Table 1. Renewable Portfolio Standard Requirements by Year

	2021	2022	2023	2024	2025	2026	2027
RPS Requirement per SB100 as % of total portfolio	35%	38%	40%	42%	45%	49%	52%
Long term RPS contracts required per SB 350 as % of total portfolio	23%	25%	26%	27%	29%	32%	34%
RCEA projected retail sales (GWh)*	713	721	728	739	742	750	758
RPS power required to be under long-term contracts (GWh)	162	178	189	202	217	239	256

*source: RCEA load forecast by The Energy Authority. These projected load values are used here for general indicative purposes.

Eligibility Requirements

Eligible resources under this RFP are limited to wind, solar electric, and hydropower. All proposed resources must be, or expected to be prior to contract execution, certified by the California Energy Commission (“CEC” or “Commission”) as an Eligible Renewable Energy

Resource (ERR). For purposes of this RFP and any final agreement executed pursuant hereto, an ERR is a generating facility that meets all of the criteria set forth in Public Utilities Code Section 399.12, Public Resources Code Section 25741, and the California Energy Commission's "Renewables Portfolio Standard (RPS) Eligibility Guidebook," available at <http://www.energy.ca.gov/portfolio/index.html>. Selected Proposers shall be responsible for maintaining such certification throughout the contract term. Additional eligibility criteria are as follows.

Development Status

Proposers may submit proposals for facilities that have already achieved commercial operation and for facilities under development. For facilities under development, preference will be made for Proposers that certify that the facility under development has received all necessary land use and regulatory approvals.

Financing Status

Proposers must provide a letter or other signed document from the entity financing the facility confirming that the facility is approved for financing. Approval of financing contingent on execution of a power purchase agreement is acceptable. If the developer is self-financing, the letter may be issued by the developer.

Site Control

RCEA has preference for Proposers who demonstrate site control for a facility.

Facility Location

Facilities must be located in California and deliver into the CAISO's Balancing Authority Area, with preference given to facilities located within the area defined under Evaluation Criteria, Facility Location, below.

For facilities located within Humboldt County, development on prime agricultural soils or on productive timber lands is discouraged. Use the following guidance for identifying these lands using the County of Humboldt WebGIS at <http://webgis.co.humboldt.ca.us/HCEGIS2.0/>:

- For prime agricultural soils, select the "Natural Resources" Layer Group and "NRCS 2014 Soils (Proposed)" Layer within that Group. Facilities on "Farmland of statewide importance" or "Prime farmland if irrigated" as identified in this Layer are discouraged.
- For productive timber lands, select the "Jurisdiction Boundaries & Land Use" Layer Group, "Planning Layers" within that group, and the "Zoning" Layer. Productive timber lands are parcels identified as "Zoning Designation TPZ" (Timber Production Zone).

Development on prime agricultural soils and productive timber lands elsewhere in RCEA's Preferred Area is likewise discouraged. Proposers should communicate with planning authorities in these counties to identify such lands. Development on existing brownfield or grayfield lands, such as old mill sites, is encouraged.

Facility Technology

Proposers can submit proposals for any renewable wind, solar, or hydroelectric technology and equipment that is a mature technology with appropriate nationally recognized testing laboratory certification for use in the intended application. Proposer must submit supporting third-party bankability documentation for the equipment proposed.

Generating Capacity

See Table 2 under Product Description below.

Initial Date of Delivery

Deliveries can begin as early as January 1, 2020 and as late as January 1, 2023. Preference will be given to facilities with commercial operation dates during or prior to 2021.

Product

Facility must provide PCC1 renewable energy, as described in California Public Utilities Code § 399.16, California Public Utilities Commission Decision 11-12-052, and other applicable statutes, regulations, and regulatory orders.

Interconnection

Preference will be given to facilities that have been submitted into an interconnection queue.

Product Description

Through this solicitation, RCEA is seeking to secure renewable electric supply from new or existing facilities. Deliveries can begin as early as January 1, 2020 and as late as January 1, 2023. Contract term length can be any whole-year length between ten (10) and twenty (20) years, inclusive. Responders may propose differentiated pricing options corresponding to different term lengths.

Table 2. Product Description

Eligible Resource	Minimum Contract Capacity	Facility Location	New vs Existing Facility
Wind	20 MW	Preference for Humboldt County	Strong preference for new facilities
Solar	1 MW	Preference for Humboldt County	Strong preference for new facilities
Hydropower	1 MW	Strong preference for Preferred Area	Existing facilities acceptable

RCEA is not seeking contracts with energy storage components or Renewable Portfolio Standard-eligible technologies other than those listed above through this solicitation.

RFP Schedule

The schedule in Table 3 applies to this RFP. RCEA in its sole discretion may revise the schedule. Updates will be provided through RCEA’s website if such changes occur as well as via email to any eligible Proposers who register for the Proposers’ conference or submit a notice of intent to propose.

Table 3. RFP Schedule

Event	Date
RCEA issues RFP documents	February 11, 2019
Deadline to register for Proposers’ conference and to submit questions to be addressed at conference	February 19, 2019 @ 4 PM PT
Proposers’ conference	February 25, 2019
Deadline to submit Notice of Intent to Propose	February 28, 2019 @ 4 PM PT
Deadline to submit additional questions	March 4, 2019 @ 4 PM PT
RCEA publishes answers to additional questions	March 11, 2019 @ 4 PM PT
Deadline to submit proposals	March 25, 2019 @ 4 PM PT
RCEA publishes short list and begins PPA negotiations	April 25, 2019
RCEA Board approves PPA(s)	July 25, 2019
Contract execution	July 29 - August 30, 2019

RCEA will host an online/telephone Proposers’ conference at the date and time shown in Table 3. Instructions for registering for the conference will be posted on RCEA’s website prior to the conference date at: <https://redwoodenergy.org/services/contracting-opportunities/>.

The objectives of the Proposers’ conference are to review the RFP process and answer clarifying questions bidders may have. All questions to be addressed in the conference must be submitted to [2019 RPS RFP Questions@redwoodenergy.org](mailto:2019_RPS_RFP_Questions@redwoodenergy.org) by the deadline shown in Table 3 above. Please use the subject line “2019 RPS RFP Questions.” Questions submitted after the deadline or asked at the conference may not be addressed until the “RCEA publishes answers to additional questions” date shown in Table 3. The Proposers’ conference is optional; participation is recommended, but Proposers are not required to participate in the Proposers’ conference in order to submit a proposal.

Following the Proposers’ conference, any interested Proposers must submit a Notice of Intent to Propose by the deadline shown in Table 3 above. Please use the “Notice of Intent to Propose” form, completed and sent as an attachment to [2019 RPS RFP Questions@redwoodenergy.org](mailto:2019_RPS_RFP_Questions@redwoodenergy.org) with the subject line “2019 RPS RFP Notice of Intent to Propose.”

After the Notice of Intent deadline, there will be an additional opportunity to submit questions. See the timeline in Table 3 above for the submittal deadline. Answers to these additional questions will be posted by the date shown in Table 3.

Between proposal submittal and short list notification, RCEA staff may request to visit the facility site(s). Proposers are expected to make reasonable efforts to accommodate any such request.

Proposals must be submitted by the date shown in Table 3 above.

After evaluating the proposals, RCEA will publish a list of short-listed proposals by the date shown in Table 3 above and communicate directly with each Proposer to advise them whether their proposal has been short-listed. RCEA will negotiate with some or all of the short-listed Proposers with the intention of awarding PPA(s). Selected proposals will be presented at a public meeting to RCEA's Board of Directors for approval.

RFP Response Instructions

Proposers are to deliver proposals in a sealed package, that contains both electronic versions (USB drive) and six (6) print copies of the proposal package, to the RCEA office by the deadline shown in Table 3 above. **Submit the completed Offer Form in electronic format only.** Electronic versions of completed forms must be submitted in each form's native format (MS Excel or MS Word); do not convert these files into PDF or other file format. Emailed proposals or incomplete proposal packages will not be accepted. Proposers must complete the following items located on the RCEA website:

- (1) Excel based Offer Form (RCEA_2019_RPS_RFP_Offer_Form.xlsx) (no hard copy required)
- (2) Word based Questionnaire (RCEA_2019_RPS_RFP_Questionnaire.docx)
- (3) Standard form PPA, completed per instructions below (RCEA_2019_RPS_PPA.docx)
- (4) Officer Certification Form (RCEA_2019_RPS_Officer_Certificate.docx)

Proposals may be mailed or hand-delivered to:

Redwood Coast Energy Authority
ATTN: 2019 Renewable Energy RFP
633 Third Street
Eureka, CA 95501

Proposers must:

- complete each tab in the Excel Offer Form,
- answer all questions in the 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.

Response to the Questionnaire should be limited to 20 pages, using 1” margins and a minimum font size of 11 points. Requested supporting documentation such as audited financial statements does not count toward the page limit.

Proposers are encouraged to submit multiple offers for different contract lengths (minimum 10-year) and modes of operation that are represented by alternative generation profiles. To the extent the facility can also offer scheduling flexibility, Proposers 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. Proposers are limited to three offers per proposed contract term (e.g., no more than three offers of 15 years’ duration from one Proposer).

The attached standard form PPA is intended to assist bidders in understanding their obligations under the PPA so as to inform their pricing. The successful Proposer 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, RCEA will consider both quantitative and qualitative factors in identifying the facilities that deliver best value to RCEA. 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

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.

Qualitative Factors

Offer Viability

RCEA will consider qualitative factors related to the viability of its counterparty as described in the RFP 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 development 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.

Facility Location

Facilities must be located in California and deliver into the CAISO's Balancing Authority Area. RCEA will give preference to facilities located in Humboldt County, with secondary preference for projects in the following northern California counties in the region surrounding RCEA's service area (together with Humboldt County constituting the Preferred Area):

- Del Norte
- Mendocino
- Trinity
- Siskiyou
- Lake
- Sonoma
- Glenn
- Tehama
- Shasta
- Modoc

See Figure 1. For wind and solar resources, RCEA strongly prefers facilities sited within its service area of Humboldt County, CA, recognizing there are ample wind and solar resources in the county and development of new projects is generally straightforward. For hydropower resources, RCEA prefers Humboldt County facilities but will consider facilities elsewhere in the Preferred Area.

New vs Existing Facilities

For wind and solar, RCEA strongly prefers new facilities. For hydropower, existing facilities are acceptable, given the regulatory complexity of developing new ones.

Portfolio Fit

RCEA may show a preference for offers that have lower volume requirements, shorter contract lengths (subject to the 10-year minimum term) 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 or with minimal modification.

Project Development Considerations

Proposers who are in project development stages are encouraged to utilize local area residents who possess the requisite labor skills and qualifications.

Figure 1 – Preferred Area



Seller Credit Requirements

Shortlist Deposit

Following Proposer notification (i.e., shortlist selection), the selected Proposer(s) will be required to submit a Shortlist Deposit of \$3.00/kWAC times the sum of Contract Capacity for each shortlisted generating project(s) within two weeks of such notification. The Shortlist Deposit is generally intended to secure the obligations of any shortlisted Proposer(s) during the negotiating period and to ensure that each offer has been carefully considered. Proposer is solely responsible for the cost of providing the Shortlist Deposit and this should be considered in the price offered to RCEA. Instructions for submitting the Shortlist Deposit will be provided upon notification of shortlist selection.

The Shortlist Deposit will be returned to Proposer under one or more of the following conditions:

1. Following execution of a PPA and posting of required collateral;
2. RCEA's rejection of the Proposer's offer;
3. Failure of RCEA and the shortlisted Proposer to agree on terms of the offer or PPA; or
4. RCEA's termination of the RFP process, or by September 30, 2019, whichever comes first.

Proposer will forfeit its deposit if:

1. Material misrepresentations of information related to Proposer's offer are identified;
2. Proposer fails to comply with the terms and conditions of this RFP process;
3. Proposer unilaterally withdraws the offer or attempts to materially modify the terms of its offer following Proposer's acceptance of shortlist status.

PPA Deposits

The following security deposits will be required following PPA execution. Proposer is solely responsible for the cost of providing these securities and this should be considered in the price offered to RCEA.

Development Security

For a facility that is in development and has not achieved Commercial Operation, a Development Security Deposit of \$60/kW for As-Available resources or \$90/kW for Baseload resources (using the definitions for As-Available and Baseload provided in the standard PPA) multiplied by the capacity of the facility is required from PPA execution until Commercial Operation is attained. Security shall be in the form of cash or Letter of Credit.

Delivery Term Security

Delivery Term Security deposit as follows:

- For ten- to fifteen-year PPA term, nine months' minimum expected revenue;
- For sixteen- to twenty-year PPA term, twelve months' minimum expected revenue;

where expected revenue is based on Contract Price and Guaranteed Energy Production as defined in the standard PPA.

Security shall be in the form of cash or Letter of Credit.

Letter of Credit

"Letter of Credit" means an irrevocable standby letter of credit, in a form reasonably acceptable to RCEA, issued either by (i) a U.S. commercial bank, or (ii) a U.S. branch of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by RCEA, and (B) it is acceptable to RCEA in its sole discretion. The issuing bank must have a Credit Rating of at least A- from S&P or A3 from Moody's, with a stable outlook designation. In the event the issuer is rated by both rating agencies and the ratings are not equivalent, then the lower rating will apply. All costs of the Letter of Credit shall be borne by Proposer.

Proprietary & Confidential Information

Submitted proposals may include proprietary and/or confidential information. Proposers 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. Proposers must stamp or mark all data that Proposer believes qualifies for an exemption under the California Public Records Act as "Proprietary/Confidential Materials." Proposer should not over-designate material as confidential. Over-designation would include stamping entire pages or series of pages as confidential that clearly contain information that is not confidential. RCEA reserves the right to independently determine in its discretion whether material marked by a Proposer as Proprietary/Confidential satisfies the Public Records Act exemption for public disclosure

RCEA will use reasonable efforts to protect against disclosure of proprietary 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 Proposer'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.

All provisions of all proposals will be held as confidential until the conclusion of this RFP process at which time, non-exempt provisions of proposals are subject to public review and/or disclosure pursuant to the requirements of the Public Records Act.

Disclaimers for Rejecting or Accepting Offers and/or Terminating this RFP

By participating in RCEA's RFP process, a Proposer acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these RFP Instructions. RCEA reserves the right to reject any proposal that does not comply with the requirements identified herein, or to waive irregularities, if any. RCEA further reserves the right to communicate with individual Proposers to ask clarifying questions about their proposals prior to making a short-listing decision. Furthermore, RCEA may, at its sole discretion and without notice, modify, suspend, or terminate the RFP without liability to any organization or individual. This RFP does not constitute an offer to buy or create an obligation for RCEA to enter into an agreement with any party, and RCEA shall not be bound by the terms of any offer until RCEA has entered into a fully executed agreement. RCEA may negotiate and execute PPAs with different Proposers on differing timelines. Where negotiations do not result in mutually agreeable terms, RCEA may choose not to enter into a PPA with the Proposer. RCEA shall not be responsible for any of the Proposer'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.

Protest of Award

If an unsuccessful Proposer wants to dispute an award or award recommendation, a protest must be submitted in writing to RCEA's Executive Director no later than ten (10) calendar days after announcement of the short-list of successful proposer(s), detailing the grounds, factual basis and providing all supporting information. Protests will not be considered for disputes on the grounds that material provision in this RFP is ambiguous. Failure to submit a timely written protest to the contact listed below will bar consideration of the protest.

The address for submitting protests is:

Redwood Coast Energy Authority
ATTN: Executive Director
633 Third Street
Eureka, CA 95501

Questions

Please email any questions or comments to [2019 RPS RFP Questions@redwoodenergy.org](mailto:2019_RPS_RFP_Questions@redwoodenergy.org).