

REQUEST FOR PROPOSALS

**INCREMENTAL RESOURCE ADEQUACY
CAPACITY**



Redwood Coast Energy Authority

www.RedwoodEnergy.org

&

Valley Clean Energy

www.ValleyCleanEnergy.org

April 2020

Responses to this RFP due by 5:00pm PDT on
Friday, May 15, 2020 via email to

procurement@redwoodenergy.org

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2 BACKGROUND

Redwood Coast Energy Authority (RCEA) is a local government Joint Powers Agency founded in 2003 whose members include the County of Humboldt, the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the Humboldt Bay Municipal Water District. RCEA develops and implements sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources. RCEA has been providing electric power generation service to its member jurisdictions as a community choice aggregator (CCA) since 2017.

Valley Clean Energy Alliance (VCE) established in 2016, with service beginning in June of 2018, to a territory with a population of over 150,000. VCE is a CCA public agency that focuses on providing electricity customers with cost competitive renewable energy and local reinvestment. VCE determines the source and cost of the energy and PG&E continues to manage the transmission and distribution of the energy. VCE is a public, not-for-profit joint powers authority, serving customers in the cities of Woodland, Davis and unincorporated Yolo County. VCE's territory will expand in January 2021 with the addition of the City of Winters.

3 OBJECTIVE

Via this solicitation, RCEA and VCE seek proposals for incremental resource adequacy (RA) to further their contributions to the reliability of the California power grid and to fulfill their procurement obligations pursuant to the California Public Utility Commission's (CPUC) November 2019 Decision Requiring Electric System Reliability Procurement for 2021-2023 (D.19-11-016)¹. Respondents will provide proposals for eligible new or existing RA resources per the guidelines below and requirements of D.19-11-016.

4 ELIGIBILITY

4.1 MANDATORY PROJECT CRITERIA

1. **Ability to Provide Incremental Resource Adequacy:** To be eligible for consideration under this RFP, projects must meet the requirements of CPUC D.19-11-016, including but not limited to:
 - a. located within the CAISO (or dynamically transferred or pseudo tied to CAISO)
 - b. qualified to provide at least System RA, with Local and Flex RA optional
 - c. not included in the Baseline List of Resources associated with Commission Decision Requiring Electric System Reliability Procurement for 2021-2023 available on the CPUC's "IRP Procurement Track" website²
 - d. Available to contract with RCEA and/or VCE for at least 10 years, except for qualifying existing resources (at least 3 years) and energy efficiency resources (at least 5 years)

¹ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M319/K825/319825388.PDF>

² <https://www.cpuc.ca.gov/General.aspx?id=6442463413>

- 2. Eligible Resource Technologies:**
- a. Demand Response
 - b. Energy Efficiency
 - c. Energy Storage
 - d. Existing Natural Gas-Fired Generation
 - e. Renewable Energy

4.2 PREFERRED PROJECT CRITERIA

1. **Location:** In descending order of preference, RCEA and VCE prefer projects that are geographically located:
- a. In Humboldt or Yolo County, the service territories of RCEA and VCE, respectively
 - b. in Northern California
 - c. in California
 - d. Outside of California

In all cases, the project must be located within the CAISO, or dynamically transferred or pseudo tied to CAISO, as noted above.

2. **Technology:** RCEA and VCE prefer renewable, carbon-free and energy storage resources.
3. **RA-Only:** RCEA and VCE prefer offers that provide only capacity products from a resource or set of resources, but are open to offers of bundled energy, environmental attributes, and capacity products from renewable, carbon-free and energy storage resources.

4.3 CAPACITY

RCEA and VCE jointly seek to procure up to 20 MW³ of incremental RA through this solicitation, with at least 11.7 MW online by August 1, 2021 and the remainder online by August 1, 2022. RCEA and VCE are not interested in capacity that becomes available after August 1, 2022. For reference, the compliance obligations for both CCAs are shown in the table below.

Procurement year (online by August 1)	2021	2022	2023
Percent of obligation	50%	75%	100%
RCEA cumulative obligation (MW)	5.4	8.0	10.7
VCE cumulative obligation (MW)	6.3	9.4	12.6

RCEA and VCE request proposals for resources of at least 1 MW and will consider proposals for full or partial capacity from resources that individually meet the 2021 and 2022 capacity targets, as well as those that can provide a subset of these volumes. Where appropriate, RCEA and VCE encourage respondents to include proposals with phase-in schedules that mirror those of the capacity targets above.

³ Capacities shown in Section 4.3 are September Net Qualifying Capacities after discounting by current Effective Load Carrying Capability (ELCC) values for proposed technology types. Proposed hybrid resources should use the CPUC's interim "greater of" accounting methodology outlined in Decision 20-01-004.

5 SUBMITTAL REQUIREMENTS

5.1 RESPONSE SUBMITTAL INSTRUCTIONS

Responses to this RFP are due by 5:00pm PDT on Friday, May 15th, 2020 and must be emailed to **procurement@redwoodenergy.org**. Responses should include the phrase “RCEA and VCE Incremental RA RFP Response” clearly indicated in the subject line of the e-mail accompanying the response. RCEA and VCE encourage respondents to be clear and concise in their proposals, while still providing enough detail for the review team to adequately evaluate the offering.

5.2 PROPOSAL NARRATIVE

Respondents must provide a proposal narrative that includes the elements listed below. There is no offer form template for respondents to submit but note that pricing should be included in the narrative.

- 1) Executive summary
- 2) Brief statement of qualifications, both technological and financial
- 3) Resource description, including but not limited to:
 - Location
 - Technology
 - Capacity
 - Expected environmental impacts associated with developing (if new build) and operating the project
 - Indicative pricing for a 10-year contract (or shorter term, if applicable to your technology type as described in section 4.1)
 - Phase-in schedule, if applicable
 - If proposing a new resource or additional capacity on an existing resource:
 - a. Expected commercial operation date
 - b. Interconnection Status and Interconnection Study
 - c. Anticipated development timeline with project milestones
- 4) Completed labor practices questionnaire

5.3 SUPPLIER DIVERSITY AND LABOR PRACTICES

Consistent with the California Public Utilities Code and California Public Utilities Commission policy objectives, RCEA and VCE collect information regarding supplier diversity and labor practices from project developers and their subcontractors regarding past, current and/or planned efforts and policies. Respondents are required to complete a labor practices questionnaire as part of their offer package. Additionally, pursuant to Senate Bill 255, respondents that execute a contract with RCEA or VCE will be required to complete a supplier diversity questionnaire at the time of execution, and/or periodically at later dates as specified by RCEA or VCE.

RCEA and VCE do not give preferential treatment based on race, sex, color, ethnicity, or national origin; providing such information as part of the offer package will not impact the selection process or good standing of executed contracts.

5.4 PUBLIC NATURE OF RESPONSES

RCEA will act as the administrative point of contact during the proposal submission phase of this solicitation. RCEA and/or VCE may communicate with respondents during the evaluation and selection phase. All responses to this RFP, as well as records of pre-submittal and post-submittal communications with RCEA or VCE, will become the exclusive property of RCEA and VCE. Responses and communications with RCEA are subject to disclosure in accordance with the California Public Records Act (Cal. Government Code section 6250 et seq.). Respondents should not submit any information or documents that they consider proprietary and that they would not want publicly disclosed.

If there is information you wish to provide that you believe would be critically important to the evaluation of the offer and that you believe would be exempt from disclosure under the Public Records Act, prior to submitting any such information you should contact RCEA to discuss and evaluate the matter further.

5.5 FAQ FOR THIS RFP

All questions from potential respondents to this RFP may be emailed to procurement@redwoodenergy.org by 5:00pm PDT on Tuesday, May 5th, 2020. Emails should include the phrase “RCEA-VCE Incremental RA RFP Questions” clearly indicated in the subject line. An FAQ responding to the questions received will be posted on the RCEA website⁴ by 5:00pm on Friday, May 8th, 2020. RCEA and VCE reserve the right to respond to no questions or only a subset of the questions received.

6 SCHEDULE

The following schedule is subject to change at the discretion of RCEA and VCE. Communications regarding schedule changes will be posted on the websites listed in this RFP. Requested submittals are to be submitted electronically by 5:00pm PDT on each due date.

Milestone	Date in 2020
Issuance of RFP	April 29
Questions from Potential Respondents Due	May 5
FAQ Posted on RCEA and VCE Websites	May 8
Proposals Due	May 15
Proposal Review and Evaluation	May 18 – May 22
Shortlist Selection and Interviews	May 25 – June 5
Contract Negotiations	Late May – Mid July
Board Approval of Contracts	June 25 (RCEA) and July 9 (VCE)

⁴ <https://redwoodenergy.org/services/contracting-opportunities/>

7 EVALUATION AND SELECTION PROCESS

An evaluation committee made up of RCEA and VCE staff, and their technical consultants, will review responses to this RFP. Each proposal will be screened for completeness and scored on a weighted criteria basis. RCEA and VCE may contact respondents with additional questions and clarifications or to offer to conduct one-on-one meetings with some or all of the respondents. The opportunity to participate in such meetings, if any, will be communicated separately to individual respondents.

7.1 COMPLETENESS

The evaluation committee will screen all RFPs for completeness of response and responsiveness to the eligibility requirements stated above. This screening will be on a Pass/Fail basis. Each proposal that is deemed complete and responsive will then be scored using a weighted scoring criteria process.

7.2 WEIGHTED SCORING CRITERIA

Criteria for selection of proposals will include, but not be limited to, the items listed below. The evaluation committee will evaluate each proposal on a weighted criteria basis to determine the highest scoring proposals. One or more of the highest scoring proposals may be forwarded to RCEA and/or VCE's governing board for approval. The following criteria will be scored on a scale of 0 to 5 with a five being the highest score for each service category. The weight that will be applied to each criterion is noted before the criteria below. There is a maximum of 100 points.

Weight and Scoring Criteria:

- 1) 40 — Overall price and customer value
- 2) 30 — Respondent experience, qualifications, creditworthiness
- 3) 20 — Environmental impact of proposed capacity resource
- 4) 10 — Location and community economic benefit of proposed capacity products

Total Points Possible: 100

7.3 SHORTLISTING

Shortlisted respondent(s) will be required to submit a shortlist deposit of \$3.00/kW of total proposed RA capacity within two weeks of notification. The deposit is generally intended to secure the obligations of any shortlisted respondent(s) during the negotiating period and to ensure that each offer has been carefully considered. The respondent is solely responsible for the cost of providing the shortlist deposit and this should be considered in the price offered. Instructions for submitting the deposit will be provided upon notification of shortlist selection.

The shortlist deposit will be returned to the respondent under one or more of the following conditions:

- 1) Following execution of the RA contract,
- 2) Rejection of the respondent's proposal,

- 3) Upon mutual written understanding that successful conclusion of contract negotiation is not achievable, or
- 4) RCEA's termination of the RFP process.

Respondent will forfeit its deposit if:

- 1) Material misrepresentations of information related to the respondent's proposal are identified,
- 2) Respondent fails to comply with the terms and conditions of this RFP process, or
- 3) Respondent unilaterally withdraws the offer or attempts to materially modify the terms of its offer following the respondent's acceptance of shortlist status and submittal of deposit.

7.4 CONTRACT NEGOTIATIONS

Due to the joint nature of this RFP and to the various potential configurations of products solicited, RCEA and VCE will not issue full contract templates until the proposal selection process. During the shortlisting process, RCEA and VCE will issue RA contracts to respondents whose proposals are advancing to the negotiation phase and will provide the respondent an opportunity to indicate what provisions they wish to negotiate, if any.

7.5 RESPONDENT COMMUNICATIONS

Questions, comments or feedback associated with this RFP must be sent electronically to procurement@redwoodenergy.org. RCEA and VCE will not respond by other means to questions from respondents or prospective respondents on or before the proposal due date.

7.6 DISCLAIMER FOR ACCEPTANCE OR REJECTION OF OFFERS AND RFP TERMINATION

By participating in RCEA and VCE's RFP process, a respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these RFP Instructions. RCEA and VCE reserve the right to reject any proposal that does not comply with the requirements identified herein, or to waive irregularities, if any. RCEA and VCE further reserve the right to communicate with individual respondents to ask clarifying questions about their proposals prior to making a short-listing decision. Furthermore, RCEA and VCE may, at their 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 or VCE to enter into an agreement with any party, and neither RCEA nor VCE shall be bound by the terms of any offer or proposal until RCEA or VCE has entered into a fully executed agreement. RCEA and VCE may negotiate and execute contracts with different respondents on differing timelines. A respondent may be invited to enter into a contract with RCEA alone, VCE alone, both agencies, or neither agency. RCEA and VCE may elect to negotiate and contract for separate capacity portions of a single offer from a respondent. Where negotiations do not result in mutually agreeable terms, RCEA and VCE may choose not to execute a contract with the respondent. RCEA and VCE shall not be responsible for any of the respondent'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 VCE and will not be returned.

The results of this RFP and the information provided therein may be shared with other Community Choice Aggregators, but only with prior written approval from proposers whose offers RCEA or VCE wishes to share.