

RFO-24-403

REQUEST FOR OFFERS

FOR

**LOCAL DISTRIBUTED ENERGY STORAGE
RESOURCES**



Redwood Coast Energy Authority

www.RedwoodEnergy.org

Issuance: December 19, 2024

Responses Due: March 28, 2025 by 5:00pm PPT

to

procurement@redwoodenergy.org

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1 BACKGROUND & OBJECTIVE

Redwood Coast Energy Authority (“RCEA”) is a local government Joint Powers Authority founded in 2003 whose members are the Blue Lake Rancheria, the Yurok Tribe, 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, and as such is subject to the legislative, regulatory and market requirements imposed on California load serving entities (“LSE”).

RCEA’s Board of Directors has set a goal to procure 100% carbon-free and renewable energy on an annual basis by 2026. Additionally, RCEA’s RePower Comprehensive Action Plan for Energy¹ (“Strategic Plan”) calls for the development of new power resources within RCEA’s service area to achieve 100% local renewable energy by 2030. Pursuant to its Strategic Plan, RCEA strives to source as much of its power procurement from local projects as possible.

RCEA seeks offers for energy storage resources being developed in Humboldt County that can deliver new, flexible capacity and resource adequacy (RA) in furtherance of RCEA’s Board-adopted goals and California’s clean energy and reliability goals. Respondents are asked to provide complete offers per the guidelines below. RCEA intends to execute one or more energy storage service agreements with qualified offerors whose projects are selected and approved by the RCEA Board of Directors.

2 ELIGIBILITY SPECIFICATIONS

2.1 MANDATORY CRITERIA

To be eligible for consideration under this RFO, offered projects must meet the following requirements.

Technology Type: Must be a chemical, mechanical or thermal energy storage resource that is either standalone or paired with renewable generation.

Size: Project offers must be 20 MW or less.

Location: The project must be in the Humboldt Local Capacity Area, as defined in the California Independent System Operator’s 2024 Local Capacity Technical Report².

2.2 PREFERRED CRITERIA

Deliverability: RCEA prefers projects that are seeking and on track to achieving Full Capacity Deliverability Status in their interconnection process. Energy-only projects are eligible for this RFO but are not preferred.

Term Length: RCEA prefers contract tenors of 20 years or less.

¹ <https://redwoodenergy.org/wp-content/uploads/2020/06/RePower-2019-Update-FINAL-.pdf>

² <https://stakeholdercenter.caiso.com/InitiativeDocuments/Final-2024-Local-Capacity-Technical-Report.pdf>

Development Progress: RCEA prefers projects that have already achieved the following development milestones.

1. **Site control** secured for the duration of the offered term. Respondents will be required to demonstrate site control prior to executing a purchase agreement with RCEA;
2. **Discretionary permits** granted from the governmental authority having jurisdiction, including the local fire authority in instances where thermal storage or chemical storage, such as batteries, is being offered;
3. **Interconnection agreement** fully executed with the transmission and/or distribution operator; and
4. **Financing** secured for the offered project or viable financing plan in place.
5. **Procurement agreements** in place for long lead time equipment, and compatible alternatives identified in the event of supply chain interruptions.

Offtake Structure: RCEA prefers full toll arrangements, while RA-only arrangements are accepted but not preferred.

Community Benefits: RCEA prefers projects that offer additional societal, health, economic, water saving, or environmental benefits to their host communities beyond the climate and greenhouse gas reduction benefits. Some examples of community benefits include:

1. Community Benefit Agreements with local organizations in the host community, which could include allocating funds to be managed by local organizations;
2. Workforce development, education, or other community programs in connection with the project;
3. Commitment to maximizing local hiring during construction, operation, and decommissioning phases.

3 SUBMISSION DETAILS

3.1 OFFER SUBMISSION INSTRUCTIONS

Responses to this RFO are due March 28, 2025 by 5:00 p.m. PPT via email to **procurement@redwoodenergy.org**. The subject line of the email accompanying the response should include the phrase "RCEA 2024 Storage RFO". RCEA encourages respondents to be clear and concise in their offers, while still providing enough detail for the review team to adequately evaluate the offering.

3.2 SOLICITATION DOCUMENTS

The documents accompanying this solicitation protocol are as follows and are posted on RCEA's contracting opportunities webpage: <https://redwoodenergy.org/contracting/>. Respondents are responsible for familiarizing themselves with and being fully aware of the terms of this solicitation, including each appendix.

- Appendix A Statement of Qualifications (SOQ) Form
- Appendix B Project Details Form
- Appendix C Offer Form
- Appendix D Proforma ESSA
- Appendix E Exclusivity Agreement

3.3 SUBMISSION MATERIALS

Submissions will be deemed complete if they include the following materials and are responsive to the instructions below. Submissions will be deemed conforming if they adhere to the mandatory criteria described in Section 2.1.

- ✓ SOQ Form in PDF or Word format (Appendix A)
- ✓ Project Details Form in PDF or Word format (Appendix B)
- ✓ Single Offer Form in Excel format (Appendix C)
- ✓ Project map in PDF or shapefile format
- ✓ Financial Statements in PDF format

Statement of Qualifications Form

Respondents are required to submit a statement of qualifications substantially in the form of Appendix A. The respondent must respond to all prompts in the order shown in the SOQ Form. Additional company information provided in other forms will not be considered as part of the offer package. Only submit one SOQ Form even if multiple projects are being offered.

Project Details Form

Respondents are required to submit qualitative information about the offered project(s) substantially in the form of Appendix B. The respondent must respond to all prompts in the order shown in the Project Details Form. Additional project information provided in other forms will not be considered as part of the offer package. Please submit a separate Project Details Form for each offered project. If multiple unique offers are being submitted for the same facility (e.g. different term lengths or different MW capacities), only submit one Project Details Form for that project.

Offer Form

Respondents are required to submit a single Offer Form using the template provided as Appendix C for all the unique offers they are submitting for consideration. The material commercial terms presented in the offer form are not modifiable once the offer is submitted for evaluation. Follow the Instructions Tab of the Offer Form and ensure that all required cells are filled in. If providing multiple offers, do not submit a separate Offer Form for each individual project or unique configuration of terms. The instructions included in the template specify how multiple unique offers are to be submitted within one Offer Form.

Project Map

Respondents are required to submit a map of each project they are submitting for consideration showing the site location and key project facilities. The map should include the project boundary, street names or highway names, latitude/longitude, and the route from the facility to the point of interconnection to the electric grid. The project boundaries should reflect the most recent information available.

Financial Statements

Respondents will provide at least two recent years of financial statements. RCEA prefers audited financials but will accept unaudited financials if the respondent does not have recent audited statements. Unaudited financials may result in a less favorable project risk score for the offer. If the offered project is anticipated to be financed by one or more parent companies or

affiliates of the respondent, please submit financial statements for all such entities in addition to those of the respondent together with an explanation of the relationship between such entities and the respondent.

3.4 SUPPLIER DIVERSITY AND LABOR PRACTICES

Consistent with the California Public Utilities Code and California Public Utilities Commission policy objectives, RCEA collects information regarding supplier diversity and labor practices from project developers and their subcontractors for past, current and/or planned efforts and policies. Pursuant to Public Utilities Code §§ 8281-8286 (through which the CPUC requires RCEA and its commission-regulated subsidiaries and affiliates to submit annual detailed and verifiable plans for increasing women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises' procurement in all categories), respondents that execute a contract with RCEA will be required to complete a supplier diversity questionnaire at the time of execution, and/or periodically at later dates as specified by RCEA.

Respondents that are women, minority, LGBT, and disabled veteran-owned businesses are encouraged to apply for certification by the CPUC's Supplier Diversity Clearinghouse Program³. This certification is voluntary and will not be used as a criterion for evaluation. As required by law in California, RCEA as a public agency does 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.

3.5 PUBLIC NATURE OF RESPONSES

All responses to this RFO, as well as records of pre- and post-submission communications with RCEA, will become the exclusive property of RCEA, subject to disclosure in accordance with the California Public Records Act (Cal. Government Code section 6250 et seq.). Respondents should limit submission of information or documents that they consider proprietary and that they would not want publicly disclosed and should clearly mark such information or documents as confidential. RCEA will consider limited requests for confidentiality on a case-by-case basis, provided that such requests are made at the time of offer submission. All responses will be kept confidential until final contracts for shortlisted projects have been approved or all offers have been rejected.

3.6 QUESTIONS ABOUT THIS SOLICITATION

All questions from potential respondents must be emailed to procurement@redwoodenergy.org. The subject line of the email should include the phrase "RCEA 2024 Storage RFO Questions." Q&A responding to the questions received will be posted on the RCEA website by the deadline listed in the schedule. RCEA reserves the right to respond to no questions or only a subset of the questions received, or to provide consolidated responses to duplicative questions. RCEA will not hold a respondents' meeting or webinar so written questions are the only method of obtaining clarifications regarding the RFO. It is incumbent on the respondent to understand how to provide the required information in advance of the offer deadline.

³ <http://www.thesupplierclearinghouse.com/>

4 SCHEDULE

The following schedule is subject to change at any time during the solicitation process at the discretion of RCEA. Communications regarding schedule changes will be posted on RCEA's website.

Step	Date
Issuance of RFO	December 19, 2024
Questions due	January 24, 2025
Q&A posted on RCEA website	January 31, 2025
Offers due	March 28, 2025 5:00pm PPT
Respondents notified of shortlist status	April 25, 2025
Exclusivity Agreement(s) executed and Shortlist Deposit(s) posted	May 2, 2025
Contract negotiations and RCEA Board approval of purchase agreement(s)	May-July 2025

RCEA will post Q&A and any addenda on its website: <https://redwoodenergy.org/contracting/>

5 EVALUATION AND SELECTION PROCESS

An evaluation committee made up of RCEA staff and consultants will review responses to this solicitation, in accordance with the following process.

5.1 CONFORMITY REVIEW

Offers will initially be screened for timely submission, completeness and conformity with the mandatory criteria stated in Section 2.1 and the offer submission requirements in Section 3. This screening will be on a pass/fail basis and incomplete or non-conforming offers may be rejected at RCEA's discretion. Each offer that is deemed complete and conforming will then be provided to the evaluation committee for review.

5.2 OFFER SCORING

Evaluation will be based on, but not limited to, the weighted scoring criteria listed below. Responses will be scored by each member of the evaluation committee on a scale of zero to five in each criterion with a five being the best score. The offer's total points will be calculated according to each criterion's weight below and the average score assigned by the evaluation committee, out of a maximum of 100 points. One or more of the highest scoring offers may be selected to be recommended to an ad hoc offer review committee made up of members of RCEA's Board of Directors for shortlisting, at RCEA's discretion.

Weighted Scoring Criteria

- 30 – Development risk including site control, interconnection, permitting, and financing
- 25 – Overall price, portfolio fit, market value and compliance value
- 20 – Respondent experience, qualifications, creditworthiness, and safety record
- 15 – Site-specific environmental impact and safety considerations
- 10 – Community benefits

5.3 INTERVIEWS

Following initial ranking of offers according to the scoring process above, one or more respondents may be offered an interview with the evaluation committee. The interviews are generally intended to clarify information presented in the offer documentation, to help the evaluation committee members assess the offeror's compatibility with RCEA as a potential business partner, and to confirm the current development status of individual projects. The interviews are not intended to reveal additional or revised information about an offer that would improve the offer's placement in the initial ranking that resulted from the scoring process. If such information is revealed, it will be disregarded from the evaluation process. Interview outcomes may or may not be used as a factor in determining which offers are shortlisted.

5.4 SHORTLISTING

Following the evaluation process, successful offers will be presented to the RCEA Board of Directors ad hoc offer review committee for shortlist approval prior to the parties commencing contract negotiations. All respondent(s) will be notified whether their offer is being proposed to the Board ad hoc committee for shortlisting. Respondents whose offers are approved for shortlisting will be required to sign RCEA's standard Exclusivity Agreement (Appendix E) and within five (5) business days submit a shortlist deposit in the amount of \$5.00 per kilowatt AC of offered capacity. Substantive changes to the Exclusivity Agreement will not be considered by RCEA.

The shortlist deposit is intended to secure the shortlisted project through the contract negotiation period. The shortlist deposit must be in the form of cash. The respondent is solely responsible for the cost of providing and maintaining such deposit until the Exclusivity Deadline, as defined in Appendix E. The circumstances under which the shortlist deposit will be returned to the respondent or forfeited to RCEA are set forth in Appendix E. Instructions for submitting the shortlist deposit will be provided upon notification of placement on the proposed shortlist.

5.5 CONTRACT NEGOTIATIONS

RCEA has issued its Proforma Energy Storage Service Agreement ("ESSA") as Appendix D for use under this RFO. Certain transactions may necessitate use of a different agreement, in which case RCEA will issue such proforma contract to shortlisted respondents upon commencement of negotiations. RCEA reserves the right to negotiate modifications to purchase agreements with shortlisted parties to include additional power products not originally offered.

Respondents shall not submit redlines to the Proforma ESSA as part of their RFO submission. Upon approval of the shortlist by the Board ad hoc offer review committee, shortlisted respondents will be expected to timely submit proposed redlines to the Proforma ESSA, indicating what provisions they wish to negotiate. A regular negotiation meeting schedule will be established between RCEA and the shortlisted counterparties. While RCEA will consider limited requests for adjustments and edits to its form agreements, material changes to RCEA's standard contract terms may result in rejection of the offer.

Upon completion of negotiations, final agreements will be presented to the RCEA Board of Directors for approval. It is expected that agreements will be executed by both parties within one week of approval by the RCEA Board of Directors and before the Exclusivity Deadline (as

defined in Appendix E). Respondents will then be expected to timely post development security in accordance with the terms in the agreement.

The RFO will close once purchase agreements for all shortlisted offers are approved by the RCEA Board of Directors and/or all offers are rejected by RCEA.

5.6 RESPONDENT COMMUNICATIONS

Questions, comments or feedback associated with this RFO must be sent electronically to procurement@redwoodenergy.org by the deadline listed in Section 4. The subject line of the email should include the phrase "RCEA 2024 Storage RFO Questions." RCEA will not respond by other means to questions from respondents or prospective respondents on or before the submission due date.

5.7 DISCLAIMERS

By participating in RCEA's RFO process, a respondent acknowledges the following:

- 1) Respondent has read, understands, and agrees to the terms and conditions set forth in the RFO instructions contained herein.
- 2) RCEA reserves the right to reject any respondent or offer that does not comply with the requirements identified herein, or to waive irregularities, if any in deciding to shortlist a non-conforming offer.
- 3) RCEA reserves the right to communicate with individual respondents to ask clarifying questions about their offers prior to determining whether to shortlist an offer.
- 4) RCEA has no obligation and makes no commitment to (i) enter into a transaction with any respondent, including a respondent with a shortlisted offer, or (ii) be bound by any term proposed by the respondent.
- 5) RCEA may, at its sole discretion and without notice, modify, suspend, or terminate the RFO without liability to any organization or individual. Such modification or termination shall be made in the form of addenda to this solicitation posted on RCEA's website.
- 6) This RFO does not constitute an offer to buy any products or create an obligation for RCEA to enter into an agreement with any party.
- 7) RCEA shall not be responsible for any of the respondent's costs incurred to prepare or submit a response, to negotiate or enter into an agreement, or for any other activity related to meeting the requirements established in this solicitation.
- 8) Respondents are required to follow the supplier ethics standards set forth in Section 2.4 of RCEA's Procurement Policy⁴.
- 9) The results of this RFO and the information provided therein may be shared by RCEA with other LSEs with prior written approval from respondents whose offers RCEA wishes to share.

⁴ <https://redwoodenergy.org/wp-content/uploads/2024/10/RCEA-Purchasing-and-Procurement-Policy-1.pdf>