

Orange County Power Authority August 2022 Request for Proposals (“RFP”) for Long-Term California RPS-Eligible Renewable Energy

Introduction

Orange County Power Authority (“OCPA”), a Community Choice Aggregation (“CCA”) program that began serving customers in April 2022, is requesting proposals for long-term, California Renewables Portfolio Standard (“RPS”) eligible renewable energy products with initial deliveries commencing during the 2022, 2023 and/or 2024 calendar years.

In consideration of current long-term renewable energy contracting requirements, as imposed by SB 350, OCPA has certain open positions for such products. This RFP is intended to support future Portfolio Content Category 1 (“PCC1” or “Bucket 1”), Portfolio Content Category 2 (“PCC2” or “Bucket 2”) and/or Portfolio Content Category 3 (“PCC3” or “Bucket 3”) energy requirements through long-term power purchase agreements with one or more qualified counterparties.

By participating in this RFP, each respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in this document. OCPA reserves the right to reject any offer that does not comply with these requirements. Furthermore, OCPA may, in its sole discretion and without notice, modify, extend, suspend, or terminate this RFP without further obligation or liability to any interested party or respondent. This RFP does not constitute an offer to buy or create an obligation for OCPA to enter into an agreement with any party, and OCPA shall not be bound by the terms of any offer until OCPA has entered a duly authorized and fully executed agreement related thereto.

RFP Instructions

Standardized Response Template: All respondents must use the standardized response template provided by OCPA. OCPA has posted the template on its website ([RFPs - Orange County Power Authority \(ocpower.org\)](https://ocpower.org)) and will require respondents to independently access and download the template for response preparation. An unmodified version of the template must be completed in its entirety based on instructions provided in the template. OCPA may update the RFP template from time to time, so respondents are encouraged to periodically visit the OCPA website to determine if any changes have been posted. Only submittals of the currently applicable template will be reviewed.

Project Eligibility: Each respondent may propose one or more offers conforming with the following eligibility requirements. Failure to meet all the following project eligibility criteria shall be grounds for proposal rejection:

Portfolio Content Category 1 Bid Requirements:

i. Resource Location: The point of physical interconnection for any eligible generator must be within the California Independent System Operator (“CAISO”) or directly connected to and delivering into CAISO. OCPA has a strong preference for resource location/physical interconnection within the area generally termed SP15, as defined by the CAISO. Evaluative preference will be given to any resource(s) located directly within or within close proximity to OCPA’s Member Agencies.

ii. Product: Portfolio Content Category 1 Renewable Energy – offers for bundled PCC1 renewable energy should include, at a minimum, electric energy, and Green Attributes/Renewable Energy Credits. Offers may also include Capacity Attributes with such attributes adequately described in related proposal materials (including quantity, pricing, etc.).

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iii. Resource Eligibility: All proposed generating resources must be certified by the California Energy Commission (“CEC” or “Commission”) as Eligible Renewable Energy Resources (or must receive CEC certification prior to the commencement of any energy deliveries proposed in the response template), as set forth in applicable sections of the California Public Utilities Code (“Code”), which may be amended from time to time. Each respondent shall be responsible for certification of the proposed resource through the certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract term.

iv. Generating Capacity: Minimum twenty (20) megawatts (“MW”) AC for intermittent renewable generating technologies (e.g., solar, wind and small hydroelectric technologies); minimum ten (10) MW for baseload generating technologies (e.g., biogas, biomass, and geothermal technologies).

v. Annual Delivery Specifications: Proposed energy volumes must be no less than 40,000 MWh during each year of the proposed delivery term.

vi. Initial Date of Delivery: No sooner than October 1, 2022 and no later than June 30, 2024.

vii. Term of Agreement: Not less than ten (10) years, commencing on the Initial Date of Delivery; not more than twenty (20) years, commencing on the Initial Date of Delivery.

viii. Proposed Pricing: For bundled PCC1 renewable energy, each respondent must propose two distinct pricing options. First, respondents must include a single, flat price for each MWh of electric energy delivered from the proposed resource, priced at the generator node and/or at the SP 15 Trading Hub, as defined by the CAISO [TH_SP15_GEN-APND]. This energy price shall include the energy commodity, all Green Attributes/Renewable Energy Credits related thereto, and (if applicable) Capacity Attributes. If energy storage is included in the proposal, a separate capacity price (\$/KW) for the storage capacity may also be provided. All pricing options shall remain unchanged throughout the entire contract term and shall not be adjusted by periodic escalators or time of deliver multipliers/factors. Second, respondents must also include an index-plus pricing option in which the “plus” component reflects the price to be paid for the Renewable Energy Credit, expressed a flat/fixed price throughout the contract term. ***Alternative pricing options may be proposed so long as the aforementioned pricing requirements have been satisfied.***

ix. Point of Delivery: Per the requirements of the Proposed Pricing section, respondents must provide a proposal for the delivery of all electric energy at the generator node; however, respondents are also strongly encouraged to provide a proposal that includes pricing based on delivery of all electric energy to the SP 15 Trading Hub.

x. Scheduling Coordinator (“SC”) Responsibilities: OCPA does not have a strong preference regarding the assignment of SC responsibilities and will evaluate proposals in which the Buyer or Seller provide such services.

xi. Minimum Development Progress: To the extent that a proposed generating resource is not yet commercially operational, documentation substantiating achievement of the following development milestones must be provided by the respondent for each eligible generator, including: 1) evidence of site control; and 2) evidence that respondent has submitted a generator

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interconnection application to the appropriate jurisdictional entity; provided, however, that if respondent has completed interconnection studies or executed an interconnection agreement, as applicable, respondent should provide copies of such materials, including applicable appendices. Such documentation must be provided to OCPA at the time of response submittal. *Respondents indicating advanced stage development or construction progress will be given evaluative preference during OCPA’s review.*

xii. Project Financing Plan: For any outstanding financing needs, the respondent shall describe its intended financing plan for each proposed project in sufficient detail for OCPA to effectively evaluate the viability of such arrangements. To the extent that a respondent anticipates a joint project ownership structure, this structure shall be clearly articulated along with applicable ownership percentages attributable to each partner. Supporting documentation and discussion shall be provided by each respondent, consistent with the informational requirements specified in the RFP response template.

Portfolio Content Category 2 Bid Requirements:

i. Resource Location: Anywhere within the Western Electricity Coordinating Council (“Western Interconnect” or “WECC”).

ii. Product: Portfolio Content Category 2 Renewable Energy – offers for PCC2 renewable energy should include electric energy (via substitute energy) and Green Attributes/Renewable Energy Credits.

iii. Resource Eligibility: All proposed generating resources supplying PCC2 volumes must be certified by the CEC as Eligible Renewable Energy Resources (or must receive CEC certification prior to the commencement of any energy deliveries proposed in the response template), as set forth in applicable sections of the Code, which may be amended from time to time. Each respondent shall be responsible for certification of the proposed resource through the certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract term.

v. Annual Delivery Specifications: Proposed energy volumes must be no less than 50,000 MWh but not more than 250,000 MWh during each year of the proposed delivery term.

vi. Substitute Energy: Respondent shall deliver all required substitute energy volumes to fulfill PCC2 product eligibility specifications. Substitute energy shall be delivered to a California Balancing Authority. Respondent shall identify the substitute energy source(s).

vii. Initial Date of Delivery: No sooner than October 1, 2022 and no later than June 30, 2024.

viii. Term of Agreement: Ten (10) years, commencing on the Initial Date of Delivery.

ix. Proposed Pricing: For PCC2 volumes, each respondent must propose a single fixed price (expressed as \$/REC) that will apply throughout the entire delivery term.

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Portfolio Content Category 3 Bid Requirements:

- i. Resource Location:** Anywhere within the Western Interconnect.

- ii. Product:** Portfolio Content Category 3 Renewable Energy (PCC3-eligible unbundled renewable energy certificates).

- iii. Resource Eligibility:** All proposed generating resources supplying PCC3 volumes must be certified by the CEC as Eligible Renewable Energy Resources (or must receive CEC certification prior to the commencement of any energy deliveries proposed in the response template), as set forth in applicable sections of the Code, which may be amended from time to time. Each respondent shall be responsible for certification of the proposed resource through the certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract term.

- v. Annual Delivery Specifications:** Proposed REC volumes must be no less than 20,000 MWh but not more than 100,000 MWh during each year of the proposed delivery term.

- vi. Initial Date of Delivery:** No sooner than October 1, 2022.

- vii. Term of Agreement:** Ten (10) years, commencing on the Initial Date of Delivery.

- viii. Proposed Pricing:** For PCC3 volumes, each respondent must propose a single fixed REC price (expressed as \$/REC) that will apply throughout the delivery term.

Transfer of Environmental Attributes/Renewable Energy Certificates

As part of the proposed transaction associated with any renewable energy product, all Environmental Attributes/Renewable Energy Certificates must be created by and transferred to OCPA via the Western Renewable Energy Generation Information System (“WREGIS”), or its successor, without any additional costs or conditions to OCPA. Each respondent shall be independently responsible for registering its generating project(s) with WREGIS and for maintaining an active WREGIS account throughout the proposed term of agreement.

RFP Schedule*

This RFP will be administered in consideration of the following schedule:

RFP Activity	Anticipated Date of Completion
RFP Issuance	August 3, 2022
Deadline for Electronic Question Submittal	August 17 th no later than 5:00 P.M. PPT
RFP Response Deadline	August 26 th no later than 2:00 P.M. PPT
Follow-up with RFP Respondents, as necessary	To occur during the week of September 5 th
Supplier Notifications (Short-List Selection)	To occur during the week of September 12 th
Contract Negotiations	To commence the week of September 19 th

*OCA reserves the right to change the schedule of these events at any time for any reason.

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Respondents may submit questions to OCPA regarding this RFP process and associated materials no later than 5:00 P.M. PPT on August 17, 2022. All questions and final proposals should be submitted electronically to OCA.procurement@pacificea.com and must include the following subject line: “Questions for OCPA’s August 2022 RFP for Long-Term California RPS-Eligible Renewable Energy”. OCPA will post responses to all questions on its website after responses have been prepared. Responses to similar questions may be consolidated within OCPA’s list of posted responses.

OCPA may submit clarifying questions to certain respondents or conduct interviews, as necessary, based on information provided in the response template and/or supporting materials included with each response. OCPA shall have the right, at its sole discretion, to request information without notifying other respondents. OCPA shall establish due dates for responses at the time of each informational request and will directly notify individual respondents in the event that follow-up and/or interviews are necessary during this process.

Note: only electronic submittals will be accepted; such submittals must be received by OCPA no later than **2:00 P.M. PPT on Friday, August 26, 2022**. All responses should be submitted to OCA.procurement@pacificea.com and must include the following subject line: “Response to OCPA’s August 2022 RFP for Long-Term California RPS-Eligible Renewable Energy”.

Evaluation of Responses

OCPA will evaluate responses against a common set of criteria that will include various factors. A partial list of factors to be considered during OCPA’s evaluative process is provided below. A limited subset of such criteria may be applied in evaluating proposals for proposed PCC2 and PCC3 supply. This list may be revised at OCPA’s sole discretion.

- a. Price
- b. Overall quality of response, including general completeness and conformance with RFP instructions/requirements
- c. Project location
- d. Benefits to the local economy
- e. Benefits to the local workforce
- f. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
- g. Siting, zoning, and permitting status, if applicable
- h. Qualifications of project team
- i. Proposed financing plan and ownership structure
- j. Environmental impacts and related mitigation requirements
- k. Financing plan & financial stability of project owner/developer
- l. Proposed security obligations
- m. Development milestone schedule, if applicable
- n. Supplier diversity
- o. Experience developing and operating renewable energy projects in California
- p. Experience selling renewable energy to CCAs

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- q. Prospective benefits accruing to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases
- r. Impacts to disadvantaged communities

For PCC1 product proposals, if the proposed generating facility is located within a community afflicted with poverty or high unemployment or a community that suffers from high emission levels, the respondent should be prepared to describe: 1) prospective hires within such community and/or adjacent communities; 2) duration of work associated with such employment opportunities; 3) anticipated direct and indirect impacts associated with the proposed project; and 4) projected emission reductions associated with the proposed project and whether such project is expected to replace/supplant an existing generating facility.

Contracting

OCPA plans to negotiate a single form of Power Purchase Agreement (“PPA”) for each product type (PCC1, PCC2 and PCC3) with each of the short-listed suppliers. As part of the short-list notification process, OCPA will provide each of the short-listed suppliers with a draft PPA. Contract negotiations will proceed thereafter.

Confidentiality

All correspondence with OCPA, including responses to this RFP, will become the exclusive property of OCPA and will become public record under the California Public Records Act (Cal. Gov. Code § 6250 *et seq.*). All documents sent by respondents to OCPA may be subject to disclosure, unless exempt under the California Public Records Act.

In order to designate information as confidential, the respondent must clearly stamp and identify any designated portion(s) of the response material with the word “Confidential.” If required by the California Public Records Act, OCPA may release the response, or a portion thereof, or as required by applicable law, statute, ordinance, decision, order, or regulation. In the event OCPA is required to release the response, or some portion thereof, it shall notify the respondent of the required disclosure, such that the respondent may attempt (if it so chooses), at its sole cost, to cause the recipient of the confidential information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise become part of the public domain.

OCPA does not intend to disclose any part of any proposal before it awards a contract based on the understanding that there is a substantial public interest in not disclosing proposals during the evaluation and negotiation process.

Exclusivity Agreement and Bid Deposit for PCC1 Product Proposals

As part of the short-listing process, OCPA will require all short-listed bidders to execute a term sheet, enter into an exclusivity agreement (of no less than 90 days in duration), and post a bid deposit in the amount of \$4,000/MW multiplied by the project’s guaranteed capacity. OCPA will accept bid deposits in the form of cash or an agreed upon form of a Letter of Credit. Letter of Credit means an irrevocable standby letter of

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credit, in a form reasonably acceptable to OCPA, 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 OCPA, and (B) it is acceptable to OCPA 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. The short-listed respondent shall bear all costs of the Letter of Credit.