

Orange County Power Authority 2024 Request for Proposals (“RFP”) for Long-Term RPS-Eligible Renewable Energy & Mid-Term Reliability Capacity

Introduction

The Orange County Power Authority (“OCPA”) is hereby requesting proposals for long-term, California Renewables Portfolio Standard-eligible (“RPS”) renewable energy supply and/or Supplemental Mid-Term Reliability capacity (as well as other incremental capacity resources).¹ OCPA’s future annual retail energy requirements are expected to approximate 2,000 GWh with peak demand around 500 MW.

In consideration of applicable long-term renewable energy contracting requirements and mid-term reliability procurement mandates, OCPA has certain future open positions for California Renewables Portfolio Standard (“RPS”) eligible energy products and resource adequacy capacity (“RA”). With regard to renewable energy, this RFP is intended to support OCPA’s future Portfolio Content Category 1 (“PCC1” or “Bucket 1”) energy requirements through long-term power purchase agreements with one or more qualified suppliers. With regard to RA capacity, OCPA will consider offers for eligible system RA with online dates occurring no later than July 1, 2025, June 1, 2026 or June 1, 2027 – these dates generally align with successive compliance deadlines that were previously ordered by the CPUC. OCPA has an approximate aggregate capacity need of about 80 megawatts.

About OCPA

OCPA commenced CCA service in April 2022, providing a retail electricity alternative to Southern California Edison in the following communities: the cities of Buena Park, Fullerton, Irvine and Huntington Beach. Beginning in mid-2024, CCA service will continue in the cities of Buena Park, Fullerton and Irvine; OCPA is also evaluating membership interest from other Southern California communities and may pursue related expansion activities in the future.

More information about OCPA can be found by accessing the following link: [Renewable Energy Program - Orange County Power Authority \(ocpower.org\)](https://www.ocpower.org/renewable-energy-program). Additional details related to this RFP process can be found by visiting [RFQ/RFP/Solicitations - Orange County Power Authority \(ocpower.org\)](https://www.ocpower.org/rfq/rfp/solicitations) – on this site, OCPA has also posted certain documents that may be incorporated in power purchase agreements originating from this process, including lockbox documents (that relate to OCPA’s preferred form of credit support for long-term RPS and capacity transactions), financial statements/information associated with OCPA operations and the RFP Offer Form. Prospective participants are encouraged to regularly check this website for updates to OCPA’s bid requirements, offer form and accompanying materials – *respondents are responsible for submitting all offers using the most current offer form.*

RFP Instructions

By participating in this RFP, each respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these instructions. 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 respondent. This RFP does not constitute an offer to buy or create an obligation for OCPA to enter into an agreement

¹ Consistent with California Public Utilities Commission Decision 23-02-040, load-serving entities were collectively obligated to procure 4,000 additional megawatts of capacity with initial deliveries/availability occurring in 2026 and 2027. OCPA was assigned capacity obligations totaling 38 MWs in 2026 with an additional 38 MWs required in 2027.

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with any party, and OCPA shall not be bound by the terms of any offer until it has entered into a duly authorized and fully executed agreement.

Standardized Response Template: All respondents must use the standardized response template provided by OCPA. OCPA has posted the template on its website ([RFQ/RFP/Solicitations - Orange County Power Authority \(ocpower.org\)](https://www.ocpower.org)) and will require respondents to independently access and download the template prior to response preparation. An unmodified version of the template must be completed in its entirety, reflecting all applicable details of the proposed project, based on instructions provided in the template. In completing the standardized response template, each respondent must acknowledge that it has read, understands and agrees to the process, guidelines and informational requirements, including pertinent credit expectations (further described below), reflected in this RFP Overview as well as the response template itself – this acknowledgement, as well as certain others that must be completed by each respondent, can be found within the “1.Participant Information” worksheet; failure to complete such acknowledgements shall be grounds for proposal rejection. OCPA may update the RFP template from time to time, so respondents are encouraged to periodically visit OCPA’s 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 project offers conforming with the following eligibility requirements. Failure to meet the project eligibility criteria defined below shall be grounds for proposal rejection.

For Long-Term RPS-Eligible Renewable Energy Projects:

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 physical interconnection within the area generally termed SP15, as defined by the CAISO. Evaluative preference will be given to any resource(s) located within close proximity to the communities served by OCPA.

ii. Product: Offers for bundled PCC1 renewable energy should include electric energy, Green Attributes/Renewable Energy Credits and Capacity Attributes, if such capacity attributes are available. *To the extent any Net Qualifying Capacity (“NQC”) provided by the proposed project will be eligible to support OCPA’s mid-term reliability requirements, the respondent should indicate this in its response.* OCPA will accept offers for both new and existing renewable generating resources.

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 RPS Eligibility Guidebook, the California Public Utilities Code (“Code”) or other applicable documentation, all of which may be amended or supplemented from time to time. Each respondent shall be responsible for certification of the proposed resource through the

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certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract delivery term.

iv. Generating Capacity: Minimum ten (10) megawatts (“MW”) AC.

v. Annual Delivery Specifications: Annually delivered energy volumes reflected in any proposal shall be no less than 50,000 MWh but no greater than 400,000 MWh.

vi. Initial Date of Delivery: No sooner than August 1, 2024 and no later than June 1, 2027.

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 response must propose 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, and (if applicable) Capacity Attributes. All pricing shall remain unchanged throughout the delivery term and shall not be adjusted by periodic escalators or time of delivery multipliers/factors. ***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 SC responsibilities and will evaluate proposals in which the Buyer or Seller provide the SC function.

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 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 the OCPA at the time of response submittal.

xii. Project Financing Plan: 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

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be provided by each respondent, consistent with the informational requirements specified in the RFP response template.

For Supplemental Mid-Term Reliability & Other Incremental Capacity Projects:

Through this RFP, OCPA is also requesting proposals to meet the requirements of California Public Utilities Commission Decision 23-02-040, which ordered supplemental mid-term reliability procurement in 2026 and 2027.

For a resource to be eligible for participation under this element of the RFP, it must:

- Achieve commercial operation by 7/1/2025, 6/1/2026 or 6/1/2027 – note that online status must include achieving full operation, receiving NQC, and retaining eligibility for inclusion on an NQC supply plan;
- Provide incremental RA, exclusive of the Baseline List of Resources;
- Remain available for a contract term of at least 10 years; and
- Utilize a non-fossil fuel source.

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’s designated account 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.

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RFP Schedule*

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

RFP Activity	Anticipated Date of Completion
RFP Issuance	March 4, 2024
Deadline for Electronic Question Submittal	March 18, 2024 no later than 5:00 P.M. PPT
RFP Response Deadline	April 3, 2024 no later than 5:00 P.M. PPT
Follow-up with RFP Respondents, as necessary	To occur between April 4, 2024 and April 19, 2024
Supplier Notifications (Short-List Selection)	April 25, 2024
Contract Negotiations	April 26 – June 28, 2024
OCPA Governing Board Issues Approval to Award Contract(s)	July 2024
Contract Execution	July 2024 – to occur after OCPA’s Governing Board approves final contract(s)

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

Respondents may submit questions to OCPA regarding this RFP process and associated materials no later than 5:00 P.M. PPT on March 18, 2024. All questions should be submitted electronically to ocpa.procurement@pacificea.com and must include the following subject line: “Question for OCPA 2024 RFP for Long-Term RPS and Incremental Capacity”. OCPA will post responses to all questions on its website after responses have been prepared – OCPA anticipates posting such responses by March 22, 2024.

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 regarding the submittal of RFP responses: only electronic submittals will be accepted; such submittals must be received by OCPA no later than 5:00 P.M. PPT on April 3, 2024. All responses should be submitted to ocpa.procurement@pacificea.com and must include the following subject line: “Response to OCPA 2024 RFP for Long-Term RPS and Incremental Capacity”.

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Evaluation of Responses

OCPA will evaluate responses against a common set of criteria that will include various factors. A non-exhaustive list of factors to be considered during OCPA’s evaluative process is included below. This list may be revised at OCPA’s sole discretion.

- Overall quality of response, inclusive of completeness, timeliness, and conformity;
- Price and relative value within OCPA’s supply portfolio;
- Project location and local benefits;
- Project development status, including but not limited to progress toward interconnection, deliverability, siting, zoning, permitting, and financing requirements/plan;
- Qualifications, experience, financial stability, and structure of the prospective project team (including its ownership);
- Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet;
- Potential impacts to grid reliability;
- Potential economic benefits created within communities with high levels of poverty and unemployment;
- Acceptance of OCPA’s contract terms;
- Workforce benefits, including projected hires (number and type of jobs), duration of work (during construction and operation phases); and
- To the extent that the proposed generating facility is expected to replace/supplant an existing generating facility, the respondent should quantify the associated emission impacts of this transition.

Contracting and Credit

OCPA plans to negotiate a single form of Power Purchase Agreement (“PPA”) 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.

With respect to buyer credit, OCPA has established a “lockbox structure” that allows for the collateralization of power supply contracts through the grant of a secured interest in the deposit account in which customer revenue is deposited by SCE on behalf of each program.² OCPA prefers to utilize the lockbox structure for purposes of collateralizing PPA’s related to this RFP. A sample set of lockbox credit documents can be found here: [RFQ/RFP/Solicitations - Orange County Power Authority \(ocpower.org\)](https://www.ocpower.org/RFQ/RFP/Solicitations). OCPA also intends to post its recent financial statements to assist interested respondents in completing an informed credit assessment before submitting a response – OCPA expects to make such information available in early April 2024, so prospective respondents are encouraged to revisit the provided link at that time. ***Any additional credit requirements or alternatives to the preferred lockbox structure must be fully described in the respondent’s offer. Respondent’s failure to acknowledge acceptance of the lockbox structure or disclose its alternative credit requirements will be grounds for proposal rejection.***

² SCE is the billing agent for OCPA pursuant to its CCA-SF tariff and Rule 23.

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Confidentiality

All correspondence with OCPA, including responses to this RFP, will become the exclusive property of OCPA and will become public records under the California Public Records Act (Cal. Government Code section 6250 et seq.) All documents sent by respondents to OCPA may be subject to disclosure, unless exempt due to one of the narrow exceptions to the disclosure requirements.

In order to designate information as confidential, the respondents must clearly stamp and identify the specific portion of the material designated with the word “Confidential” and provide a citation to the California Public Records Act that supports keeping the information confidential. Respondents 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.

Therefore, any proposal which contains language purporting to render all or significant portions of their proposal “Confidential”, “Trade Secret” or “Proprietary”, or which fails to provide the exemption information required as described below may be considered a public record in its entirety subject to the procedures described below. A respondent should not mark its entire proposal as “Confidential”.

If required by any law, statute, ordinance, a court, governmental authority or agency having jurisdiction over OCPA, including the California Public Records Act, OCPA may release confidential information, or a portion thereof, as required by the applicable law, statute, ordinance, decision, order or regulation. In the event OCPA is required to release confidential information, 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 becoming part of the public domain.

OCPA does not intend to disclose any part of any proposal before it announces a recommendation for award, on the ground that there is a substantial public interest in not disclosing proposals during the evaluation and contract negotiation processes.

Exclusivity Agreement and Bid Deposit

As part of the short-listing process, OCPA will require all short-listed bidders to execute a term sheet, enter into an exclusivity agreement, and post a bid deposit in the amount of \$5,000/MW times 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 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. All costs of the Letter of Credit shall be borne by Offeror.