

Ava Community Energy Authority
RFP for LCFS Program Strategy Development and Credit Management Services

Bidder Questions and Answers
3/1/2024

General

- 1. Which type of Alternate Fuel Pathway has been used to certify the Renewable 100 electricity product as a Zero Carbon Intensity Fuel?**
 - Ava, then East Bay Community Energy Authority (EBCE), certified its Renewable 100 electricity product as a Lookup Table Alternate Fuel Pathway.
- 2. Could Ava confirm the fuel pathway code for its Renewable 100 electricity product that it certified with CARB as a Zero Carbon Intensity fuel?**
 - See App/Pathway # L007501 in the Current Fuel Pathways table listed on the CARB website: <https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities>.
- 3. If the intent is for charging activity to be reported against Ava’s Renewable 100 product, a pathway for that product would need to be registered with CARB. Is Ava aware of this requirement?**
 - Yes. Ava’s Renewable 100 product is currently certified, although under the agency’s former name (East Bay Community Energy Authority). Since neither Ava’s service nor the Renewable 100 product itself have changed, no indication has been made that the pathway needs to be re-registered, though Ava would look for guidance and confirmation of this to ensure its ability to fully participate in the LCFS program.
- 4. Has Ava been submitting annual pathway reports on that pathway?**
 - Yes.
- 5. Is the utilization of Ava’s Renewable 100 product associated with the rationale for opening an AFP account? FSE registration occurs in the LRT.**
 - Ava already has an AFP account established and has used it to submit annual pathway reports to date. With regards to the language in the second point of item 3.3 in the RFP protocol, the AFP reference was general but should have referenced the broader LRT-CBTS & AFP system. Ava is seeking a Bidder who will conduct all necessary initial registrations in the respective places on the CARB system to enable full participation in the LCFS program.
- 6. Could Ava provide a sample FCI application?**
 - The “New FCI Application Template” can be found on this CARB webpage: <https://ww2.arb.ca.gov/resources/documents/lcfs-zev-infrastructure-crediting>.

7. **Could Ava clarify what the form of the required "statement of good standing within the CARB LCFS Program?" Would the LRT account registration letter suffice and/or a screenshot of the LRT and our LCFS FEIN number? Would an attestation suffice? We are not aware of a formal process for CARB to issue such a statement.**
 - An attestation accompanied by LRT account registration documentation (whether letter or screenshot) will suffice. The attestation should communicate whether or not the Bidder company has ever been in violation of any CARB or other regulatory body rules and should be signed by a senior officer of the Bidder company.
8. **What are the criteria Ava is hoping to optimize with the LCFS trading strategy? While revenue takes priority, are there certain sales benchmarks, buyer types, or other items of interest to Ava?**
 - Revenue takes priority. Ava is looking to optimize and de-risk LCFS revenues through its trading strategy and is interested in better understanding the other criteria it might additionally optimize for and reserves the right to change its optimization strategy or priorities over time, coordinating with the selected Bidder.
9. **Are there any KPIs that Ava will be basing their chosen supplier's performance on? If so, can those KPIs be shared?**
 - Performance will be based on proven execution of Ava's optimization strategy, assessed by actual revenues, as well as timely and complete delivery of compliance items. Preceding credit trading and monetization, performance will be based on proactive collaboration and timely development of a specific trading strategy plan, as well as conducting of all necessary initial registrations in the CARB system to enable full participation.
10. **On what cadence would the Bidder be providing Ava with LCFS market reports and updates?**
 - Bidders should expect to provide LCFS market reports and updates on a quarterly cadence, with potential ad hoc requests in the event of likely or realized market-altering events outside of that cadence.
11. **As the engagement progresses, would there be potential to provide similar services to other environmental products and power ancillary services?**
 - The scope of this RFP is limited to services directly related to the LCFS program with environmental products considered herein being limited to LCFS credits (generated through fuel throughput sales and FCI capacity) and Renewable Energy Credits (RECs) directly related to Ava's LCFS program optimization, if required and as directed by Ava. Other products would need to be contracted for in a separate agreement to the one awarded from this RFP.

Bidder Requirements

12. **Item 3.5 from the "Statement of Work" mentions "Ava's compliance program standard", is there a document with details? It also asks to "incorporate relevant Ava leaders into review/approval of materials filed for compliance", could you please further elaborate on what is the expectation?**
- There is not a specific document to share with details, rather the Bidder can expect to conduct the LCFS-related compliance items detailed in the RFP protocol, document processes and submissions, and communicate clearly with the Ava team in doing so. As for review/approval, this simply refers to ensuring designated Ava approvals are given appropriate time to review and sign off on any compliance items that require it prior to compliance item submission.
13. **One of the requirements is "Bidder is eligible to trade LCFS credits in the CARB program". We are uncertain if you mean trade as a principal (your counterparty) or facilitate trades as a broker.**
- Ava is looking for a Bidder who will facilitate trades as a broker for Ava's LCFS credits.
14. **How does Ava define "access to adequate resources?"**
- The language in section 3.1 is standard form language for Ava RFPs. This language captures the requirement of Bidders to not only have the know-how to successfully deliver the services sought, but also an appropriate team and financial standing to deliver the services sought.
15. **When Ava asks the bidder to "Define all rules and regulations associated with participation in the LCFS program and document the regulations and/or statutes that govern LCFS", are you referring to a specific LCFS program or LCFS at large?**
- LCFS at large. During the onboarding process, Ava would expect to receive documentation of all rules and regulations in a synthesized and cited report for Ava's records and reference to guide participation and decision-making.
16. **Regarding the first bullet point in Section 3.3, does Ava want bidders to submit the LCFS regulation and all applicable guidance documents?**
- This is a required scope of the selected Bidder once engagement has commenced. Bidders are not expected to submit this deliverable as part of this RFP proposal submission, though should note willingness and ability to do so.
17. **Are there certain qualifications or certifications expected of those working with Ava for this engagement?**
- All required qualifications have been listed in the RFP protocol document.

Program Operations

18. Is it mandatory to manage the program through Ava’s LRT account or can we use our own LRT account?

- Ava does not have a requirement for the Bidder to use Ava’s LRT account. Please make clear in your submission 1) if your group would be willing and able to use Ava’s LRT account, 2) if you recommend using your own LRT account, 3) and the rationale for using own account versus Ava’s account.

19. Is there a need or reason that Ava prefers to have its own account(s)?

- The preference comes from Ava’s desire to retain as much direct control over its credits as possible while still prioritizing optimized revenues. As these processes are new to Ava, please describe preferred processes and best practices to clarify.

20. What network operator would the Bidder be interacting with for collection of charging data on a quarterly basis? Does Ava already have access to data required for quarterly reporting?

- Currently, Ava’s DCFC network will have two operators and its managed charging provider will have one operator. Neither the DCFC network nor the managed charging program are operational today and thus Ava does not already have access to the charging data required for quarterly reporting.

21. Does Ava currently have both an LRT and a WREGIS account?

- Yes, including an existing WREGIS sub-account dedicated to LCFS.

22. In reference to Section 3.3, what is the intent of the “wall” between transactions and analysis performed for Ava and other clients? Does Ava have any specific requirements that pertain to the “wall”? Aggregating credits from all partners and taking them to market at the same time enables greater yield/market prices for all parties. Would a deviation from the stipulation for a “wall” be considered if deemed beneficial for Ava?

- Ava requires the selected Bidder to ensure that they separate all proprietary and/or confidential analytical and transactional work performed for Ava from work performed by other clients; Ava does not consider aggregation of credits to achieve greater yield prices to conflict with the intent of the wall. Please describe your company’s process for doing so.

23. Is Ava open to a principal trading structure with the awarded Brokerage vendor? Or is this RFP focused specifically on an agency Brokerage service?

- Ava could be open to either structure. Please state the differences and any preferences for one over the other.

24. What are Ava’s estimated volumes for their LCFS credits to be sold under this agreement?

- Specific volumes are difficult to estimate at this juncture, but credits will be generated from the Transportation Electrification (TE) initiatives detailed in

section 1 of the RFP protocol document, predominantly from the DCFC network and residential managed charging program.

- 25. Will the sales portion of the scope also include the sales of Ava’s RECs? If so, what is the estimated volume Ava is expecting to sell? Attachment A indicates that Ava has RECs to retire - what volume of RECs does Ava hold, and is anticipated to be enough to support Ava’s LCFS activity for the 5 years? Additionally, are there excess RECs that the chosen vendor could assist Ava in selling into the wider market for extra revenue?**
- Sale of Ava’s RECs is not anticipated. As a Load Serving Entity, Ava has a dedicated procurement team that will manage Ava’s REC procurements, sales, and position. While Ava will not share its current REC positions for the coming years in this public forum, staff have been coordinating on projected REC retirement needs to evaluate REC procurement requirements to ensure continued compliance with other policies including the Renewable Portfolio Standard (RPS) and Ava Board-set procurement policies. While Ava is not looking for REC sales through this scope, it retains the right to direct the Bidder to procure and retire RECs (per section 3.7 in RFP protocol) and is requesting the selected Bidder review Ava’s existing REC needs analysis referenced here and in section 3.2 of the RFP protocol.
- 26. What team would we interface with at Ava for the duration of the engagement?**
- The Bidder will primarily interface with Ava’s Local Development team.
- 27. How frequently would Ava want to receive updates on sales progress and strategy? What would the meeting and communication structure ideally look like?**
- Ava would expect a transaction confirm for each executed sale. As for regular updates and meetings, Ava is open to the Bidders’ proposed work plans to ensure regular and clear communication relative to the anticipated cadence of sales and updates, with meeting frequency no less than quarterly.
- 28. How does Ava plan to handle the potential change in monetization structure if FCI credits cease to be awarded before all of Ava’s FCI stations are enrolled in the LCFS program?**
- Ava is aware of planned changes to the light-duty FCI capacity credits component of the LCFS rulemaking. It is Ava’s intention to maximize enrollments in FCI while it is available and will look to the selected Bidder to advise us through changes to maintain revenue optimization under the available avenues.
- 29. What will the transactional and strategic approval process look like with Ava?**
- Ava expects strategic approval to be achieved before transactions begin, with iterative updates occurring as needed. Ava expects to require transactional sign off for contracts of a determined minimum notional value. The details will be confirmed during the contracting process, though please detail any requirements or best practices in your submission.

RFP Process & Details

- 30. Item 5 from the "Statement of Work" mentions the intent to award ONE consultant, but also mentions there will be a shortlist for available consultants. Would you please clarify?**
- Bidders that meet the qualifications and have a high-quality response will be shortlisted for potential further evaluation and interviews. Ava will only award one (1) Bidder through this RFP.
- 31. No budget is specified in the RFP. Is there a budget range for the suite of tasks included in the RFP that Ava is considering for this scope of work?**
- Ava is not providing budget guidance for this scope. Bidders should list costs in the format requested in section 5 of Required Documentation and Submittals, including any other key components required by the Bidder.
- 32. Is there a certain payment structure ideal for Ava to work within?**
- Bidders should list costs in the format requested in section 5 of Required Documentation and Submittals, including any other key components required by the Bidder.
- 33. Ava's schedule notes that the contract award is 4/17/2024. What is Ava's timeline - and additional steps - from contract award to the commencement of work? If selected to provide services, when would the official engagement kick off?**
- Ava is aiming to bring a contract forward to the April 17, 2024 Board of Directors meeting for approval. The timeline from contract award to commencement of work will be focused on finalizing and executing the Consulting Services Agreement. Ava hopes to commence work as soon as the contract is executed to ensure strategy development and facility enrollments are completed in a timely manner ahead of DCFC projects coming online and managed charging program commencement.

Sample LCFS Strategy Exercise (Attachment A: Section F)

- 34. What is Ava's FCI nameplate power rating used to calculate the daily charging capacity for FCI credits?**
- For the purposes of the exercise, please use the assumptions listed in Attachment A: F.b.
- 35. Does Ava have estimates of station usage / anticipated kWh dispense rate for the charging systems? This will be integral in determining the number of RECs to be procured, in addition to the quantity of FCI and LCFS credits generated. If there is not an initial estimate we should use in our proposed trade strategy, will an assumption for its role in the calculations be acceptable?**
- For the purposes of the exercise, please use the assumptions listed in Attachment A: F.b. Any further assumptions you deem necessary should be shown in the Excel formulas and detailed in the accompanying narrative.

36. Is the expectation that our proposed strategy assumes a flat \$60 LCFS credit price?

- For the purposes of the exercise, please use the assumptions listed in Attachment A: F.b., including a flat \$60 LCFS credit price. If the Bidder wishes to flex the credit price to illustrate different strategies, please do so in a duplicated sheet. Be sure to document and explain all approaches in the accompanying narrative.