



## East Bay Community Energy & San José Clean Energy 2023 Long-Term Resource RFO

Questions and Answers for ALL questions submitted related to the RFO

### **Questions:**

1. “How do the CCAs handle confidential information in offer submittal given that you are subject to Public Records Act requests?”
2. “For projects being submitted to the RFO under Product 2, just confirming that we are, 1) required to submit at least one configuration with a 10-year term, and 2) that configurations with terms up to 20 years will be accepted/considered.
  - a. Question: Is nameplate referring to the amount offered or total size of the facility?
  - b. Question: Are you not accepting bids from resources with a nameplate over 500 MW?”
3. “You are accepting offers of 10-20 years; is there a preferred term of 10 or 20 years?”
4. “How does the Dropbox link work for offer submittals?”
5. “For Stand-Alone Storage projects, are EBCE and SJCE open to other contracting structure, such as RA-only?”
6. “Given that the final IRA energy communities won’t be finalized until after offers are due, will the CCAs accept offers that assume projects are in energy communities and are eligible for 40% ITC and another offer for the same project assuming the project does not qualify in an energy community and will therefore only receive a 30% ITC?”
7. “As an energy storage integrator based in Canada, we are interested to respond on any proposal or proposal including storage but we would need to do so with a local partner developer, EPC, or owner. Is there a platform available to access interested developers to get in touch and explore partnership opportunities?”
8. “Is there any specific interest in 8- to 12-hour duration storage systems with unlimited cycles? This would likely be high capacity payment with very low VOM and is not a lithium-ion technology.”
9. “If EBCE and SJCE are happy with a supplier are they willing to extend the term of a contract past 20 years since the life of the equipment is 40-50 years?”

10. "If we charge from the grid but can't show that the grid power we receive is from a renewable source, do we still qualify under the RFP? In other words, does LDES that is grid charged from sources that may include fossil fuel still meet the requirements of the RFP?"
11. "Does "All resources must indicate if they meet the CPUC's definition of "incremental resources" as described in the Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026) (D.21-06-035)" mean only newly developed projects with independent Deliverability? We are considering installing a new LDES (not new renewable generation projects) near our existing gas-peakers and try to utilize the existing interconnection capacity. This means, when the gas-peakers are not operating, the LDES will charge and discharge using the same interconnection right as the gas-peakers. Does this idea still qualify for this RFP"
12. "Our focus is on Long Duration Energy Storage (8 hours). On the other hand, we do not see a specific preference in RFP to procure LDES. The Standard Offers are required to be 4hrs and LDES (more than 8hrs) as alternative. Does EBCE and/or SJCE have specific preference on LDES, and will LDES offers be evaluated separately from other shorter duration storage projects?"
13. "Although the RFO states that there are 2 patterns of proposals as Required Standard Offers for Stand-Alone Energy Storage, Product 4 (1. only fixed capacity price and 2. fixed capacity price + high variable O&M cost), the Term Sheet seems to state "only fixed capacity price" as minimum requirement and 2. as alternative. Please confirm whether the Respondents must offer at least 2 patterns described in the RFO and make redlined Term Sheet according to those 2 patterns or to propose only 1. only fixed capacity price is the minimum requirement?"
14. "Will Bid Deposit be returned in case EBCE/SJCE and Respondent could not reach an agreement on Contract Terms?"
15. "Line 41 "Energy Delivered", if we propose a LDES with charging cost pass through to the customer, which of Yes and No should we select? What does "Green Attributes" mean?"
16. "Column J, "Energy Deliverability". If we propose a stand-alone LDES with charging cost pass-through to the customer, which of Yes and No should we select?"
17. "Will the participants be required to present any legal evidence to demonstrate that the signer of Required Documents is the "Authorized Officer" of the participants (e.g. Power of Attorney)?"
18. "According to the RFO, EBCE or SJCE will be the CAISO Scheduling Coordinator as base case for Stand-Alone storage. Under this assumption, is the Respondent still required to fill out Storage Toll Power Schedule although the Respondent will not control the dispatch?"

19. ["Assumption related to the scheduling coordinator role: is it enough to describe whether EBCE and/or SJCE or Respondent will be the SC?"](#)
20. ["Is 88.0% the minimum required Guaranteed RTE to qualify? Does "Minimum Round-Trip Efficiency" mean the least level after degradation during the Contract Term? How does this relate to 88.0% Guaranteed RTE?"](#)

**Responses:**

**Q 1:** "How do the CCAs handle confidential information in offer submittal given that you are subject to Public Records Act requests?"

**A 1:** All offer materials will be kept confidential during the RFO and until negotiations are complete and every contract awarded from the RFO, fully executed. After that time, PRA requests for offer materials must be complied with, however materials marked as "confidential" may be removed or redacted. The CCAs advise participants to clearly indicate what information is confidential in your offer submittals and not "over-use" the confidential designation as doing so could result in forfeiture of the privilege.

**Q 2:** "For projects being submitted to the RFO under Product 2, just confirming that we are, 1) required to submit at least one configuration with a 10-year term, and 2) that configurations with terms up to 20 years will be accepted/considered.

- a. Question: Is nameplate referring to the amount offered or total size of the facility?
- b. Question: Are you not accepting bids from resources with a nameplate over 500 MW?"

**A 2:** The nameplate capacity restrictions are intended only for *offers* made to the CCAs. For example, if a 1000 MW wind farm is planned, you may offer up to 500 MW of offtake to EBCE and SJCE. The CCAs note it is unlikely that either will execute a 500 MW contract but both are interested in evaluating larger contracts/larger offtake to the extent there is improved pricing for larger offtake. If there is no improved pricing, participants are encouraged to assume the CCAs have a preference for contracts up to 250 MW.

In the case of a paired facility (e.g. solar + storage), the maximum offer size is additive (up to 150 MW for storage *plus* 250-500 MW for generation).

**Q 3:** "You are accepting offers of 10-20 years; is there a preferred term of 10 or 20 years?"

**A 3:** Both EBCE and SJCE have historically preferred short term ~10- to ~15 year contracts however both CCAs are developing portfolios of diverse contract tenors. The CCAs would like to see offers for multiple tenors to evaluate the net present value of each. For example, a respondent offering a 100 MW solar project is encouraged to offer a 10-, 15-, and 20-year variants with unique pricing for each variant.

**Q 4:** "How does the Dropbox link work for offer submittals?"

**A 4:** Please submit a Notice of Intent to offer (NOI) to [rfo@ebce.org](mailto:rfo@ebce.org); EBCE will then create a dedicated Dropbox folder for the submitting company and will send the link to the individuals identified in the NOI. Respondents may then submit their offers to the dedicated Dropbox folder at any time but no later than 5pm PT on May 2, 2023.

The CCAs encourage respondents to try uploading a sample document before the May 2 deadline to make sure the Dropbox link is working properly.

**Q 5:** “For Stand-Alone Storage projects, are EBCE and SJCE open to other contracting structure, such as RA-only?”

**A 5:** The CCAs are not considering RA-only structured agreements through this procurement.

**Q 6:** “Given that the final IRA energy communities won’t be finalized until after offers are due, will the CCAs accept offers that assume projects are in energy communities and are eligible for 40% ITC and another offer for the same project assuming the project does not qualify in an energy community and will therefore only receive a 30% ITC?”

**A 6:** Yes. The CCAs will accept this and greatly appreciate this level of detail in offers. Please submit multiple offers variants that reflect different potential ITC benefits then write in the offer supplement what the assumptions are that align to each offer variant.

**Q 7:** “As an energy storage integrator based in Canada, we are interested to respond on any proposal or proposal including storage but we would need to do so with a local partner developer, EPC, or owner. Is there a platform available to access interested developers to get in touch and explore partnership opportunities?”

**A 7:** At the time, the CCAs are unable to provide a “matchmaking” opportunity for developers and partner organizations but encourage outreach to the California Energy Storage Association (CESA) as they may be able to facilitate outreach to potential partners.

**Q 8:** “Is there any specific interest in 8- to 12-hour duration storage systems with unlimited cycles? This would likely be high capacity payment with very low VOM and is not a lithium-ion technology.”

**A 8:** Both EBCE and SJCE have met their long-duration storage mandates but are interested in evaluating other technologies for portfolio fit and if the offer and value proposition are desirable. The CCAs see value in diversity of storage technologies.

**Q 9:** “If EBCE and SJCE are happy with a supplier are they willing to extend the term of a contract past 20 years since the life of the equipment is 40-50 years?”

**A 9:** The CCAs have not executed contracts in excess of 25 years to date but they do have the ability to execute contract extensions in the future. At this time, the CCAs welcome offers for 30 or 40 years and will evaluate them but note there would need to be an extremely compelling reason to execute such a long-term agreement.

SJCE notes that City law limits them to 25-year agreements.

**Q 10:** “If we charge from the grid but can’t show that the grid power we receive is from a renewable source, do we still qualify under the RFP? In other words, does LDES that is grid charged from sources that may include fossil fuel still meet the requirements of the RFP?”

**A 10:** Yes, stand-alone storage is allowed to and expected to charge directly from the grid.

**Q 11:** “Does "All resources must indicate if they meet the CPUC's definition of "incremental resources" as described in the Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026) (D.21-06-035)" mean only newly developed projects with independent Deliverability? We are considering installing a new LDES (not new renewable generation projects) near our existing gas-peakers and try to utilize the existing interconnection capacity. This means, when the gas-peakers are not operating, the LDES will charge and discharge using the same interconnection right as the gas-peakers. Does this idea still qualify for this RFP?”

**A 11:** The CCAs will consider new **and** existing resources in this RFO. For any new resource, please indicate if the resource is “incremental” as defined by the CPUC.

**Q 12:** “Our focus is on Long Duration Energy Storage (8 hours). On the other hand, we do not see a specific preference in RFP to procure LDES. The Standard Offers are required to be 4hrs and LDES (more than 8hrs) as alternative. Does EBCE and/or SJCE have specific preference on LDES, and will LDES offers be evaluated separately from other shorter duration storage projects?”

**A12:** EBCE and SJCE are technology and duration agnostic. All resources will be evaluated using the defined qualitative and quantitative method described in the solicitation protocol. There are no carve-outs for certain resource types; the CCAs will evaluate offer competitiveness based on the factors defined in the protocol, including but not limited to calculated net present value of the offer.

**Q 13:** “Although the RFO states that there are 2 patterns of proposals as Required Standard Offers for Stand-Alone Energy Storage, Product 4 (1. only fixed capacity price and 2. fixed capacity price + high variable O&M cost), the Term Sheet seems to state "only fixed capacity price" as minimum requirement and 2. as alternative. Please confirm whether the Respondents must offer at least 2 patterns described in the RFO and make redlined Term Sheet according to those 2 patterns or to propose only 1. only fixed capacity price is the minimum requirement?”

**A 13:** Stand-Alone Storage offers are required to submit both offer variants 1 & 2. You are correct that the Term Sheet and Proforma Energy Storage Agreement are designed for a fixed price contract structure. If the CCAs shortlist and negotiate offers for the “low fixed price, high VOM” variant we recognize changes will be required in the Term Sheet and proforma contract. At this time, full term sheet mark-up for the “low fixed price, high VOM” is not required.

**Q 14:** “Will Bid Deposit be returned in case EBCE/SJCE and Respondent could not reach an agreement on Contract Terms?”

**A 14:** While the CCAs intend to shortlist only projects for which they intend to execute a commercial agreement EBCE & SJCE recognize that on limited occasions, commercial agreement may not be possible and a negotiation may be terminated. If that happens the CCAs will refund shortlist deposits of any project that engaged in constructive negotiations in keeping with the guidelines laid out in the protocol and shortlist agreement.

**Q 15:** “Line 41 "Energy Delivered", if we propose a LDES with charging cost pass through to the customer, which of Yes and No should we select? What does "Green Attributes" mean?”

**A 15:** The Energy Delivered is relevant to Energy Storage tolling structures. If respondent is offering a storage toll, then energy will be delivered (yes). Since the CCAs are not accepting RA-only storage offers the “no” option is not relevant here.

Green Attributes is a general term for Renewable Energy Certificates; this applies to projects offering renewable energy only and should be responded to including reference to the applicable Portfolio Content Category (PCC) 1, 2, or 3.

**Q 16:** “Column J, "Energy Deliverability". If we propose a stand-alone LDES with charging cost pass-through to the customer, which of Yes and No should we select?”

**A 16:** The Deliverability question related to the interconnection agreement a developer will have executed. Developers will either offer a deliverable project (FCDS or PCDS) that is capable of providing Resource Adequacy or an energy-only project that is not eligible to participate in the Resource Adequacy program.

**Q 17:** “Will the participants be required to present any legal evidence to demonstrate that the signer of Required Documents is the "Authorized Officer" of the participants (e.g. Power of Attorney)?”

**A 17:** At this time the CCAs do not anticipate a need for such documentation, however the CCAs reserve the right to request evidence should veracity or legitimacy of a signatory be in doubt.

**Q 18:** “According to the RFO, EBCE or SJCE will be the CAISO Scheduling Coordinator as base case for Stand-Alone storage. Under this assumption, is the Respondent still required to fill out Storage Toll Power Schedule although the Respondent will not control the dispatch?”

**A 18:** Yes. This is meant to capture any limitations that may have come about during the interconnection study process. For example, SCE’s study process sometimes shows that during certain hours or certain months charge/discharge amounts may be limited. The CCAs need details on any such operational limitations as it will affect the offer’s valuation.

**Q 19:** “Assumption related to the scheduling coordinator role: is it enough to describe whether EBCE and/or SJCE or Respondent will be the SC?”

**A 19:** Yes, this is sufficient.

**Q 20:** “Is 88.0% the minimum required Guaranteed RTE to qualify? Does "Minimum Round-Trip Efficiency" mean the least level after degradation during the Contract Term? How does this relate to 88.0% Guaranteed RTE?”

**A 20:** The CCAs include an 88% RTE as the starting point/assumption. If the offered project has a lower RTE that must be identified