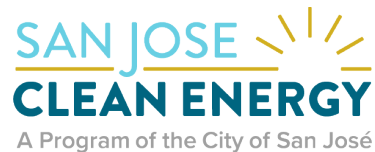


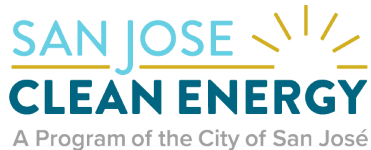
APRIL 12, 2023

**Welcome!**  
**The webinar will begin shortly.**



APRIL 12, 2023

# 2023 EBCE-SJCE Long-Term Resource RFO Respondent Webinar



# Agenda

1. Introduction to East Bay Community Energy & San Jose Clean Energy
2. Overview of 2023 Long-Term Resource RFO
3. RFO Timeline
4. Questions & Answers

*Throughout the presentation, viewers can use the “Q&A” section of the Zoom webinar controls panel on the bottom of their screen to submit questions to East Bay Community Energy. EBCE/SJCE will attempt to answer all questions given time availability, otherwise questions will be answered in the written Q&A document to be posted on the RFO website.*

*Please also note that this webinar is being recorded. The slides and recording will be uploaded to the RFO webpage.*

# Intro to East Bay Community Energy (EBCE)

- Community choice energy provider enabled by CA State Law passed in 2002
- EBCE was formed as a Joint Powers Authority in December 2016 and is governed by a Board of Directors composed of representatives from 15 participating cities and the unincorporated areas in Alameda County. 3 new city members were added in 2021. Current members of EBCE:

*City of Albany*

*City of Fremont*

*City of Oakland*

*City of Tracy*

*City of Berkeley*

*City of Hayward*

*City of Piedmont*

*City of Union City*

*City of Dublin*

*City of Livermore*

*City of Pleasanton*

*County of Alameda*

*City of Emeryville*

*City of Newark*

*City of San Leandro*

- Largest CCA in PG&E territory: 650k customer accounts, ~1.5MM population, ~7TW h annual load
- EBCE is committed to providing our customers with cleaner, greener electricity at lower rates. EBCE reinvests earnings back into the community to create local green energy jobs, local energy programs, and clean power projects.

# East Bay Community Energy

- EBCE is an independent public agency formed as a Joint Powers Authority, which is governed by its 15 participating members.
- EBCE's financial standing is independent of the participating members and its revenues are not part of the county general funds.
- On December 9, 2021, EBCE secured an investment grade credit rating from S&P <https://ebce.org/news-and-events/s-p-global-ratings-releases-a-issuer-credit-rating-to-east-bay-community-energy/>
- Offers should assume no form of credit support provided by EBCE.
- Respondents can find EBCE's audited financials for 2018, 2019, 2020, 2021, and 2022 online <https://ebce.org/key-documents/>
- EBCE has signed long-term agreements on over 810 MW of new renewable energy and 353 MW battery storage capacity in California since our formation.

# Intro to San José Clean Energy (SJCE)

- Single jurisdiction Community Choice Aggregator serving the City of San José, the tenth largest city in the US with a population of over 1 million.
- 350k customer accounts, 4,000 GWh annual load, 1 GW peak demand.
- Since 2019, SJCE has provided clean energy for residents and businesses at competitive rates, while also offering community programs, local control, and more transparency and accessibility.

# San José Clean Energy

- SJCE is a program operated by the Community Energy Department of the City of San José and is governed by San José's City Council.
- SJCE has a designated fund separate from the City's General Fund.
- Offers should assume no form of credit support provided by SJCE.
- Respondents can find SJCE's audited financials at <https://sanjosecleanenergy.org/key-documents/#financeandbudgets>
- SJCE has signed long-term agreements for over 500 MW of new renewables and over 100 MW battery energy storage

# Overview of RFO





# 1. Overview

EBCE & SJCE jointly issued this 2023 Long-Term Resources RFO to procure long-term renewable energy and storage resources, to provide long-term clean energy hedges and Resource Adequacy, and to contribute to the CCAs' Renewable Portfolio Standard (RPS) and Integrated Resource Plan (IRP) obligations under SB 350 and SB 100, and the CPUC's Mid-Term Reliability procurement requirements.

RFO Materials: <https://ebce.org/ebce-sjce-2023-rfo/>

- Protocol
- Attachment A: Notice of Intent to Offer (NOI)
- Attachment B: RFO Participation Agreement
- Attachments C.1: Offer Form
- Attachment D: Offer Supplement Requirements
- Attachments E.1 - E.4: Product Term Sheets
- Attachment F: Exclusivity Agreement

## 2. RFO Goals

EBCE & SJCE seek transactions that will contribute to our greenhouse gas reductions targets and our long-term position hedging. The CCAs are targeting multi-hundred megawatts of cumulative capacity from this RFO.

### Eligible Products:

1. As-Available Product from RPS-eligible resources
2. As-Available RPS Product plus Energy Storage
3. Firm or Shaped RPS Produce
4. Stand-alone Energy Storage Toll

Note: CCAs are interested in incremental resources as defined in the CPUC's Mid-Term Reliability Decision<sup>1</sup> and will consider existing resources as well.

<sup>1</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>

# 3. Eligibility

## Facilities:

- **Location:** Projects may be within or outside of California. All energy must be deliverable to CAISO.
- **Construction Status:** Energy and related products may come from new or existing resources.

## Capacity:

- **Minimum Contract Capacity:** 5 MW
- **Maximum Contract Capacity:** 500 MW\*
  - \*For *As-Available RPS Product Plus Energy Storage*, max. applies to generating asset *per CCA*; not inclusive of storage capacity
  - *Note: 5-500MW is the acceptable capacity range for an offered variation of any product. Acceptable capacity range for required Standard Offers are detailed in Section 5c.*

## Delivery Date:

- Energy and RPS attribute delivery must be within calendar years 2024 - 2030, with a preference for projects that begin delivery earlier within this window.

# 3a. Project Viability Requirements

## Generating Resources:

- All Offers for Products 1, 2, and 3 must be able to demonstrate that project meets the requirements to be defined as an RPS PCC1 resource.

## Site Control:

- Site Control status and details are required in the Offer Form and Offer Supplement
- Additional supporting documentation to validate site control may be required upon request

## Interconnection:

- New Resources: Must have a completed Phase I Impact Study or later at the time of Offer
- Existing Resources: Existing interconnection required, documentation may be requested directly
- Energy-Only: Not required to demonstrate deliverability
- With RA: Must have obtained FCDS, PCDS, or be in process of obtaining deliverability
  - Further detailed next slide.

# Interconnection: Projects with RA

**Respondents submitting product Offers that include RA are required to demonstrate that the project meets one of the conditions below:**

1. A valid interconnection request for Partial or Full Capacity Deliverability Status has been submitted to the CAISO with a deliverability status that matches the Offer.
2. A valid interconnection request for Partial or Full Capacity Deliverability status where a Phase II report has been issued and the project has maintained its request for Partial or Full Capacity Deliverability status.
3. Evidence of allocated or retained deliverability per the CAISO annual post Phase II deliverability allocation (TPD) process that indicates the project will be deliverable pursuant to the CAISO Tariff.
4. An executed Interconnection Agreement or Amendment to an Interconnection Agreement is in place and full effect reflecting, at a minimum, the offered deliverability status and evidence of retained deliverability per the CAISO's deliverability allocation process.
5. Documentation has been obtained that the project has received deliverability through the CAISO's Distributed Generation Deliverability (DGD) assessment process pursuant to the CAISO Tariff.

# 4. Evaluation Criteria

Offers will be evaluated within the following categories:

## EBCE

Category	Details	Weight
Counterparty Execution Risk	Development experience, CCA experience, and term sheet markups	20%
Offer Competitiveness	Economic valuation, project location, labor and workforce development	55%
Development Status Risk	Interconnection, permitting, and environmental project-specific risks	20%
Local Business Enterprise		4%
Small Business Enterprise		1%

## SJCE

Category	Details	Weight
Counterparty Execution Risk	Development experience, CCA experience, and term sheet markups	22.5%
Offer Competitiveness	Economic valuation, project location, labor and workforce development	49.5%
Development Status Risk	Interconnection, permitting, and environmental project-specific risks	18%
Local Business Enterprise		5%
Small Business Enterprise		5%

# 5. Guidelines for Offer Development

For the purposes of this RFO, an “Offer” refers to the submission of all required information and details of any additional variations for one product from one site.

A complete Offer must contain at least the required Standard Offers detailed for the product. Required information must be provided in the formats requested, which entails data entry via the relevant Offer Form and written narrative via the Offer Supplement.

Variations are also welcomed and those must also be detailed and explained in the Offer Supplement. All Offer variations should still comply with the parameters outlined in **Section 5b.** of the protocol and detailed on the following slides.

Instructions for required information for each product is covered on Offer Form instructions tabs.

- Products 1-4 → Offer Form 1 (Attachment C.1)

# 5a. Price

Respondents must submit Offers using the respective product tabs in the Offer Forms contained in **Attachments C.1 and C.2.**

The price must be stated using the format applicable to the specific product being offered.

Product	Pricing Format
1. As-Available Product from RPS-eligible resources	\$ / MWh
2. As-Available RPS Product plus Energy Storage	\$ / MWh for RPS + \$ / kW-month (optional VOM) for energy storage
3. Firm or Shaped RPS Product	\$ / MWh for “bundled” energy, RECs, and any associated RA
4. Stand-alone Energy Storage Toll	\$ / kW-month + optional \$ / MWh VOM



# 5b. Compliant Submission Specifications

All Offers must meet the following specifications in order to be considered for

<b>Term</b>	Terms may be offered for 10-20 years as variations in addition to the required Standard Offer(s).
<b>Price</b>	Prices must be offered at the project Pnode (except Indexed Energy plus RPS Attributes). Respondents are encouraged to also submit Offers at the following settlement points: <ul style="list-style-type: none"> <li>• PG&amp;E Default Load Aggregation Point (DLAP)</li> <li>• CAISO liquid trading hub (e.g. SP15, NP15, ZP26, etc.)</li> </ul>
<b>Scheduling Coordinator</b>	<p><u>CCA to be SC</u>: As-Available RPS, As-Available RPS plus Storage, Stand-alone Energy Storage</p> <p><u>Respondent to be SC</u>: Indexed Energy plus RPS Attributes, Shaped RPS, Shaped Clean Energy Hedge</p> <p>EBCE &amp; SJCE are open to alternative proposals on who bears the SC role; please state assumptions where prompted in the Offer Supplement.</p>
<b>Ownership</b>	All projects will be owned by the Respondent.
<b>Number of Offers</b>	An “Offer” refers to the submission of all required information and details of any additional variations for <u>one product from one site</u> . Respondents are not limited in either the number of Offers they may submit or the number of variations they may submit for any one Offer.

# 5c. Required Standard Offers & Variations

All Offers must comply with the Standard Offer requirements outlined in the protocol.

An Offer for any one product must contain all required Standard Offers for that product.

*EBCE & SJCE also encourage variations to be submitted in addition. Specific variation components of interest are noted for each product; variations are optional though encouraged. Variations may include any combination of non-standard components to demonstrate project configurations that the Respondent believes drive particular value.*

# Product 1: As-Available RPS Product

<p><b>Eligible Resources:</b> Stand-alone PCC1-eligible generating resources; this may include: solar, wind, geothermal, small hydro or ocean (thermal, wave, or current)</p>		
<p><b>Required Standard Offers</b></p>	<p><b>1</b></p>	<p><u>Term:</u> 10 years  <u>Pricing Structure:</u> At project Pnode, fixed price  <u>Capacity:</u> 5-500 MW RPS Nameplate</p>
	<p><b>2</b></p>	<p><u>Term:</u> 10 years  <u>Pricing Structure:</u> At project Pnode, 2% annual escalation eligible for EBCE offers only  <u>Capacity:</u> 5-500 MW RPS Nameplate</p>
<p><i>Encouraged Variations</i></p>	<p><b>*</b></p>	<p><u>Term:</u> <i>minimum 10 years</i>  <u>Pricing Structure:</u> <i>Also priced at Hub (NP15 or PG&amp;E DLAP)</i>  <u>Capacity:</u> <i>Varying sizes (Preference for 50-150MW size)</i></p>

# Product 2: As-Available RPS + Energy Storage

**Eligible Resources:** PCC 1-eligible generating resources with co-located energy storage. Storage may be any commercially viable technology with 2-hr, 4-hr, or 4-hr+ duration capabilities.

**Required Products:** CCA to receive all project attributes including RA, energy arbitrage, A/S.

<b>Required Standard Offers</b>	<b>1</b>	<p><u>Term:</u> 10 years</p> <p><u>Pricing Structure:</u> At project Pnode, fixed price</p> <p><u>RPS Capacity:</u> 5-500 MW RPS Nameplate</p> <p><u>Storage Capacity:</u> &gt;=40% of RPS, at least 4-hr Duration, AC-Connected</p> <p><u>Storage Parameters:</u> able to perform a minimum of 365 cycles per year</p>
	<b>2</b>	<p><u>Term:</u> 10 years</p> <p><u>Pricing Structure:</u> At project Pnode, 2% annual escalation eligible for EBCE offers only</p> <p><u>RPS Capacity:</u> 5-500 MW RPS Nameplate</p> <p><u>Storage Capacity:</u> &gt;=40% of RPS, at least 4-hr Duration, AC-Connected</p> <p><u>Storage Parameters:</u> able to perform a minimum of 365 cycles per year</p>

# Product 3: Firm or Shaped RPS Product

<p><b>Eligible Resources:</b> PCC1-eligible energy generated by one or more RPS-eligible resources, likely paired with energy-storage.</p>		
<p><b>Required Standard Offers</b></p>	<p><b>1</b></p>	<p><u>Term:</u> 10 years  <u>Pricing Structure:</u> At project Pnode, fixed price  <u>Capacity:</u> n/a  <u>Hourly Delivery:</u> Seller to propose</p>
	<p><b>2</b></p>	<p><u>Term:</u> 10 years  <u>Pricing Structure:</u> At project Pnode, fixed price  <u>Capacity:</u> n/a  <u>Hourly Delivery:</u> please refer to Buyer’s proposals in offer form</p>
<p><i>Encouraged Variations</i></p>	<p><b>*</b></p>	<p><u>Term:</u> 10 years  <u>Pricing Structure:</u> Also priced at Hub (NP15 or PG&amp;E DLAP)  <u>Capacity:</u> n/a</p>

Please note different shapes embedded in offer form

# Product 4: Stand-alone Energy Storage Toll

**Eligible Resources:** Storage may be any commercially viable technology with 2-hr, 4-hr, or 4-hr+ duration capabilities.  
**Required Products:** EBCE/SJCE to control dispatch and receive all project attributes including RA, energy arbitrage, A/S.

<b>Required Standard Offers</b>	<b>1</b>	<p><u>Term:</u> 10 years  <u>Pricing Structure:</u> At Pnode, fixed capacity price with optional variable O&amp;M cost  <u>Capacity:</u> 10 - 200 MW, 4-hr duration. R  <u>Degradation:</u> required offer variant includes capacity degradation along a pre-defined schedule (Seller to specify schedule)  <u>Storage Parameters:</u> 365 cycles per year</p>
	<b>2</b>	<p><u>Term:</u> 10 years  <u>Pricing Structure:</u> At Pnode, low fixed capacity price with <u>high</u> variable O&amp;M cost  <u>Capacity:</u> 10 – 200 MW, 4-hr duration  <u>Storage Parameters:</u> <b>Seller to identify any cycle limitations</b></p>
<i>Encouraged Variations</i>	<b>*</b>	<p><u>Term:</u> <i>Minimum 10 years</i>  <u>Pricing Structure:</u> <i>At Pnode, fixed capacity price with optional variable O&amp;M cost</i>  <u>Capacity:</u> <i>50 – 100 MW Nameplate, any duration</i></p>

# Preview: Offer Form 1

To be completed for Products 1-4.

If submitting for *multiple products* from the *same facility location*, complete ONE Offer Form, filling out tabs required for all products being offered.

If submitting for *multiple facility locations*, a separate Offer Form file is required for each unique facility.

## General Instructions for Completing Offer Form

Offer Form consists of the following tabs, each of which need to be completed in full as listed relative to the product(s) being offered:

--->>> **IF submitting for "As-Available Product" complete the following tabs:**

1. Respondent Information
2. Facility Info
3. Offer Terms
4. As-Available Generation  
or
4. 12x24 Generation
5. Permit, Environ and Compliance

--->>> **IF submitting for "As-Available Product Plus Energy Storage Product" complete the following tabs:**

1. Respondent Information
2. Facility Info
3. Offer Terms
4. Storage Offer Terms
5. Plus Storage Details
6. Plus Storage Power Schedule
7. Permit, Environ and Compliance

--->>> **IF submitting for "Shaped RPS Energy Product" complete the following tabs:**

1. Respondent Information
2. Enter number of desired Shaped RPS Product variations and run the provided macro
3. Fill out Shaped RPS Product #
4. Permitting & Environmental (If Respondent Owns Facility or Facility is a New Build)

--->>> **IF submitting for "Stand-Alone Energy Storage Toll" complete the following tabs:**

1. Respondent Information
2. Storage Toll Info
3. Storage Offer Terms
4. Storage Toll Details
5. Storage Toll Power Schedule
6. Permit, Environ and Compliance





--->>> **IF submitting for multiple products for the SAME FACILITY LOCATION:**

1. Fill out tabs required for all products being offered, as listed above.

--->>> **IF submitting for MULTIPLE FACILITY LOCATIONS:**

1. A separate Offer Form file is required for each unique facility location.

### Submission Overview

- |   |   |
|---|---|
|    | Boxes labeled with this color are titles and information  |
|    | Boxes labeled with this color are provided examples and required offer submissions  |
|   | Boxes labeled with this color are required or optional Respondent inputs  |
|  | Boxes labeled with this color are optional outside of standard conforming offers and may be submitted if Respondent desires |

### File Naming Instructions

1. Offer Form files must be saved as "2023\_RFO\_Offer\_Form\_RespondentCompanyName\_SiteName.xism"

Do not include special characters in names

# Offer Supplement

An Offer Supplement is also required to be submitted detailing the requested information on the Respondent party, and project details for all facilities associated with the Offer(s).

Respondents must submit just one (1) Offer Supplement, regardless of how many projects are being offered. The final PDF should include the following sections:

- **Developer Background** [*Complete only once and include as first section in Offer Supplement PDF*]
- **Project Details** [*Complete responses - in order - for each project offered; Standard Offers and any variations on the product should be detailed appropriately. Repeat process in a following section for each additional project.*]

Instructions and requirements are found in **Attachment D: Offer Supplement Requirements**.



# 6. Required Information

Offers of different products have unique form submittal requirements. The required documents are detailed in **Section 6b** of the protocol and outlined in the matrix below, by product:

Requirement	1. As-Avail. RPS Energy	2. As-Avail. RPS+Storage	3. Shaped RPS Energy	4. Stand-alone Storage
<b>Participation Agreement</b>	✓	✓	✓	✓
<b>Completed Offer Form</b> <i>*(refers to respective Attachment)</i>	✓ (C.1)	✓ (C.1)	✓ (C.1)	✓ (C.1)
<b>Offer Supplement</b>	✓	✓	✓	✓
<b>Redlined Term Sheet</b> <i>*(refers to respective Attachment)</i>	✓ (E.1)	✓ (E.2)	✓ (E.3)	✓ (E.4)
<b>Interconnection Studies</b>	✓	✓	✓	✓
<b>Site Map</b>	✓	✓	✓	✓

*\*Given that products 1-4 all utilize Offer Form 1, Respondents making Offers for various products from the same facility need only submit one Offer Form 1 per facility.*

# Notice of Intent to Offer

All Respondents who wish to submit Offers must complete and submit a Notice of Intent to Offer (“NOI”) via email to [RFO@ebce.org](mailto:RFO@ebce.org) in order to receive a unique submission folder link on Dropbox.

EBCE will provide a submission folder link within two (2) business days of NOI being returned, following this webinar.

Final deadline to submit NOI is no later than 2 pm PT on April 26, 2023.

Final deadline to submit offers is no later than 5 pm PT on May 2, 2023.

Early submission is welcomed and appreciated.

NOI form and instructions can be found in **Attachment A**.

# 7. Communications

RFO Webpage: <https://ebce.org/ebce-sjce-2023-rfo/>

- All RFO materials, information, announcements, and Q&A will be posted here

**Submitting Questions:** To promote efficiency and accuracy in communications, all Respondents must to submit any inquiries via email to [RFO@ebce.org](mailto:RFO@ebce.org). EBCE/SJCE will not respond to any material questions submitted after the final question deadline of April 19, 2023 at 2pm PT.

EBCE & SJCE reserve the right to combine, rephrase, or not respond to some questions.

# 8. Approach to Negotiations

Preference for standardized agreements

Terms will be reviewed across counterparties; one-off edits must be justified

Negotiations for resources with 2024 CODs may be expedited

Final agreements will be executed between developer and EBCE, or between developer and SJCE. No tripartite agreements.

# Supplier Diversity



# CPUC Supplier Diversity Program

## Overview of General Order 156 (GO 156):

- History: compliance requirement, first adopted April 1988; extended to CCAs in 2019 via SB255
- Purpose: increasing procurements *by* utilities, *from* diverse suppliers in all categories
- Diverse Suppliers: woman, minority, persons with disabilities, disabled veteran, and/or LGBT-owned business entities that are certified in the Supplier Clearinghouse
- Requirement:
  - Backward-looking annual report regarding procurement from Diverse Suppliers
  - Forward-looking annual plan to achieve program purpose

## Certification:

- Getting Certified: If your company classifies as a Diverse Supplier, you can pursue a *free* certification with the State's Supplier Clearinghouse.
- Benefits of Certification: With certification comes increased visibility which may lead to increased opportunities with private sector companies and utilities seeking to do business with WMDVLGBTBEs.

# EBCE Supplier Diversity Program

## Questionnaire

In order to collect the data required to report to the CPUC, EBCE will issue an annual data request/questionnaire in January to all businesses to whom contract payments were made in the prior year. The questions are quite standard across the utilities and CCAs and pertain to GO 156 certification status, subcontracting, and the vendor's own supplier diversity practices.

## Technical Assistance

EBCE proudly offers Technical Assistance to companies wishing to pursue certification and/or looking to source potential subs from the Supplier Clearinghouse. Simply email [supplier-diversity@ebce.org](mailto:supplier-diversity@ebce.org) to make a request.

## Program & Certification Resources

EBCE has also created and compiled useful resources on our website ([www.ebce.org/supplier-diversity](http://www.ebce.org/supplier-diversity)), which includes a downloadable PDF detailing the processes and benefits around certification.

# Prop 209 Disclaimer

***As a California local government entity bound by California Prop 209, EBCE & SJCE are prohibited from considering race, sex, color, ethnicity, or national origin in its contracting and procurement decisions; providing information on certification status and/or use of certified subcontractors will not impact the selection process or good standing of prospective or contracted vendors. Accordingly, in contrast to California's electrical corporations, EBCE & SJCE also do not set Supplier Diversity targets or goals.***



# RFO Timeline



# Schedule

Date / Time	Event
Ongoing	Respondents may register online to receive notices regarding the RFO.
March 22, 2023	EBCE/SJCE issue RFO.
April 5, 2023 (No later than 2pm)	Deadline to submit questions for Respondent Webinar.
April 12, 2023, 11am	Respondent Webinar for RFO.
April 19, 2023 (No later than 2pm)	Final deadline to submit questions.
April 24, 2023	EBCE/SJCE to post Q&A document, inclusive of <u>all</u> questions in by April 19
April 26, 2023 (No later than 2pm)	Final deadline to submit Notice of Intent to Offer.
May 2, 2023 (No later than 5pm)	Offers due. Offers must be submitted via Dropbox, including all required files and related information.
June 5, 2023	EBCE/SJCE identify shortlisted Respondents and Offers.
June 19, 2023	Shortlisted Respondents required to sign exclusivity agreement and post shortlist deposit.
June 30, 2023	Comprehensive redlines of term sheet; review of PPA due for shortlisted Respondents.
July - October 2023	Negotiations
November - December 2023	Contract approvals by EBCE & SJCE Board of Directors.

# Next Steps

1. **Submit Notice of Intent to Offer (Attachment A) to [rfo@ebce.org](mailto:rfo@ebce.org)**
  - Submit NOI to receive Dropbox folder link
  - Final Deadline: April 26, 2023, at 2PM PT
2. **Submit final questions to [rfo@ebce.org](mailto:rfo@ebce.org) by April 19, 2023, at 2PM PT**
3. **Submit Offers via Dropbox by:**
  - Final Deadline: May 2, 2023, at 5PM PT

# Questions & Answers



# Submitted Questions

## *Question 1:*

“How do the CCAs handle confidential information in offer submittals given you are subject to Public Records Act requests?”

## *Response:*

All offer materials will be kept confidential during the RFO process 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.

# Submitted Questions

## *Question 2:*

“Page 11 of the RFP states - “Nameplate capacity no less than 5 MW and no greater than 500 MW. Paired/hybrid resources may have a total nameplate capacity in excess of 500 MW.”

- 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 MWs?

## *Response:*

The nameplate capacity restrictions are intended only for *offers* made to the CCAs. For example, if a 1000MW wind farm is intended, you may offer up to 500MW of offtake to EBCE & SJCE. The CCAs note it is unlikely that either will execute a 500MW contract but 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 250MW.

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

# Submitted Questions

## *Question 3:*

“You are accepting offers of 10-20 years, is there a preferred term of 10 or 20 years?”

## *Response:*

Both EBCE and SJCE have historically preferred shorter term ~10- to 15-year contracts however both CCAs are developing portfolios of diverse contract tenors. The CCAs would like to see offer 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 variant with unique pricing for each variant.

# Submitted Questions

## *Question 4:*

“How does the Dropbox link work for offer submittals?”

## *Response:*

Please submit an NOI to [rfo@ebce.org](mailto:rfo@ebce.org), EBCE will then create a 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 it working properly.



# Submitted Questions

## *Question 5:*

“For Stand-Alone Energy Storage projects, are EBCE and SJCE open to other contracting structures such as RA-only?”

## *Response:*

The CCAs are not considering RA-only structured agreements through this procurement.

# Thank You!



Questions? Give us a call:  
1-833-699-EBCE (3223)



@PoweredbyEBCE



customer-support@ebce.org

Español  
[ebce.org/es](https://ebce.org/es)

中文  
[ebce.org/cn](https://ebce.org/cn)

# EBCCE's Energy Prepay Transaction



# Prepay Overview

## Overview of Energy Prepayment Transactions:

- An energy prepayment is a long-term non-recourse financial transaction between a tax-exempt Load Serving Entity (LSE) and a taxable financial counterparty (bank, called “Prepay Supplier”) utilizing the municipal bond market.
  - Typically 30-year term, LSE committing ~\$350-850MM of energy supply contracts (combined contract notional values)
  - LSE utilizes in order to lower customer energy costs
- Prepay Supplier is assigned an existing energy supply contract, pays the contract price to PPA Seller and immediately transfers all electricity and attributes to LSE. LSE pays the Prepay Supplier.
- Municipal utilities (and tax-exempt entities such as CCAs) in the US can prepay for a supply of electricity or natural gas from a taxable entity and fund that prepayment with tax-exempt municipal bonds. The LSE must sell the commodity to their retail end-users residing within their traditional service area.
  - This structure is well known and regularly used for gas and is not being applied towards renewables PPAs
  - Codified in US Tax Law. Since first prepayments of natural gas were done in the early 1990’s, the IRS issued rules allowing tax-exempt prepayments and Congress enacted legislation specifically allowing the transactions (National Energy Policy Act of 2005; Section 1327)

# Key Elements of a Prepay Transaction

## Power Contract Assignment:

- Existing renewable PPAs are assigned to the taxable Prepay Supplier. The LSE continues to take and pay for energy and attributes delivered through the contract.
- All other terms of the PPA are unchanged.
- If the prepay program terminates early, prepaid supplier fails to perform, or LSE fails to perform, the LSE forgoes the future savings and the assigned PPA contract is put back to the original LSE.
- Active Suppliers: Goldman Sachs, Morgan Stanley, Royal Bank of Canada, Citi, Bank of America are all investment grade rated financial institutions.

## Debt:

- Non-Recourse: Prepays utilize non-recourse municipal bonds and are *not* secured or guaranteed by the referenced entity (i.e. the CCA). Rather the debt is recourse to the Prepay Supplier (i.e. the bank receiving the prepayment). This significantly protects the CCA and mitigates risk related to the payment of power contracts novated through the prepay.
- Off Balance sheet for LSE: Bonds are issued by a municipal bond conduit and arranged by the Prepay Supplier.

# Pre-Payment Structure

