

# Request for Offers:

**2017 Renewable Energy Supplies**

**Agreement No. PUC.PRO.0077**

**6/22/2017**



San Francisco  
**Water Power Sewer**

Services of the San Francisco Public Utilities Commission

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# 1. INTRODUCTION AND BACKGROUND

The City and County of San Francisco (“City”), acting by and through its Public Utilities Commission, Power Enterprise (SFPUC), launched the first phase of CleanPowerSF, the City’s Community Choice Aggregation Program (CCA Program) in May 2016.

Today, CleanPowerSF is serving approximately 76,000 accounts with an annual energy requirement of approximately 535 gigawatt-hours (GWh). The program has maintained an opt-out rate of about 3.3%, and has attracted more than 1,700 pre-enrollments and 2,350 upgrades to CleanPowerSF’s 100% renewable *SuperGreen* product.

The SFPUC intends to complete citywide enrollment in the CleanPowerSF program by the summer of 2019. Upon full implementation, CleanPowerSF expects to serve approximately 360,000 retail accounts with total annual energy sales of approximately 3,600 GWh.

As described more fully below, this Request for Offers (RFO) for Renewable Energy seeks energy (and Resource Adequacy capacity, if available) from new and existing Eligible Renewable Energy Resources (“ERRs”), as defined in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741. The SFPUC seeks bids for energy, environmental attributes, and capacity that meet the following criteria:

- New or existing ERRs;
- Minimum annual energy delivery of 25,000 megawatt-hours (MWh) per year and a maximum of 500,000 MWh per year
- Initial delivery date ranging from May 2018 – December 2021
- Terms ranging from 1 year to a maximum of 25 years.

The City, acting by and through its Public Utilities Commission, CleanPowerSF, anticipates entering into contracts (Power Purchase Agreements or “PPAs”) with one or more winning Respondents through this RFO. The City’s payment obligations under the contract(s) executed through the RFO will be special limited obligations of the City payable solely from the revenues of CleanPowerSF.

## 1.1 The SFPUC

The SFPUC is a City department that provides drinking water to 2.5 million customers in the four (4) Bay Area counties of Alameda, Santa Clara, San Mateo and San Francisco; greenhouse gas (GHG)-free and renewable electricity in and around San Francisco, and; wastewater services within the City. Headquartered at 525 Golden Gate Avenue in San Francisco, the SFPUC has approximately 2,300 employees with a combined annual budget of approximately \$1 billion. The SFPUC’s mission is to provide our customers with high quality, efficient and reliable water, power, and sewer services in a manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care.

The SFPUC is comprised of three (3) separate enterprises. The SFPUC Water Enterprise is responsible for managing the transmission, treatment, storage and distribution of potable water to San Francisco’s wholesale and retail customers, and the production of hydroelectric power. The SFPUC Wastewater Enterprise is responsible for managing the collection, treatment and disposal of

San Francisco’s wastewater. The SFPUC Power Enterprise (AA-/A+ long-term bond ratings from Fitch/Standard and Poor’s) is responsible for managing retail power sales and service to both its CleanPowerSF and public utility customers, power transmission and scheduling, energy efficiency programs, street lighting services, utilities planning for redevelopment projects, energy resource planning efforts, and various other energy services.

The San Francisco Board of Supervisors adopted Ordinance 86-04 in 2004 authorizing the establishment of a CCA program in San Francisco. Pursuant to the San Francisco Charter, the SFPUC is responsible for the management of CleanPowerSF. As a division of the Power Enterprise, the CleanPowerSF program is under the direct administrative oversight of its Assistant General Manager, who in turn reports to the SFPUC General Manager. The program is funded by CleanPowerSF ratepayers. The goals of CleanPowerSF are to provide (1) affordable and reliable electricity services to San Francisco residents and businesses, (2) cleaner energy alternatives advancing the City’s Greenhouse Gas reduction goals; (3) investment in local renewable energy projects and jobs; and (4) long-term rate and financial stability.

## 2. ATTACHMENTS

The following attachments are included with this RFO:

- Attachment A: Notice of Intent to Bid
- Attachment B: Product Specifications
- Attachment C: Bid Workbook (must be submitted with the bid)
- Attachment D: Summary of PPA Terms and Conditions
- Attachment E: Form PPAs (New ERRs; Existing ERRs)
- Attachment F: Community Benefits
- Attachment G: Generation Profile Template

Electronic versions of Attachments A, B, C, D, E, F, and G are available on SFBid (<https://sfbid.sfwater.org/>)

## 3. PRODUCTS SOUGHT

CleanPowerSF is seeking proposals for the sale and purchase of renewable energy per the following terms:

Requirement	Specifications
Resource Eligibility	All eligible renewable resources must be California Renewable Portfolio Standard (“RPS”) certified, consistent with Public Utilities Code Section 399.12 and Section 25741 of the California Public Resources Code.

Project Location	Preference will be given to bids featuring energy from projects located within California and within the nine (9) Bay Area Counties, equivalent to 5% of bid score.
Delivery Point	Respondent shall be financially and operationally responsible for delivery of all electric energy to the delivery point(s), as further described below. Respondent shall serve as its own scheduling coordinator (“SC”) or make arrangements for a third party scheduling coordinator at no cost to SFPUC.
Renewable Energy Product Types	<p>Bids featuring energy from New ERRs must satisfy applicable Product Content Category (“PCC”) 1 delivery requirements for all energy volumes.</p> <p>Bids featuring energy from Existing ERRs must satisfy applicable PCC 1 or PCC 2 delivery requirements for all energy volumes.</p> <p>PCC 2 energy must comply with the requirements set forth in California Public Utilities Commission Decision 11-12-020 and <u><i>Incremental Energy deliveries shall <b>not</b> be sourced from coal or nuclear resources.</i></u></p> <p>See requested renewable energy volumes for Product identified in the attached Bid Workbook (Attachment C).</p>
Capacity	SFPUC will consider proposals from projects offering Energy Only or Resource Adequacy capacity attributes.
Term of Agreement	One (1) to twenty-five (25) years
Delivery Start Date	Proposals must have a delivery start date that is no earlier than May 1, 2018 and no later than December 31, 2021.
Minimum and Maximum Energy Deliveries	Annual energy deliveries shall be no less than 25,000 MWh per year and no more than 500,000 MWh per year

<p>Firmness</p>	<p>The PCC 1 or PCC 2 energy supply may be offered as either:</p> <p><b>Firmed and Shaped Renewable Energy</b> – Firmed and shaped renewable energy (and capacity, if applicable) supplied by the Respondent to the SFPUC at the delivery point. Deliveries shall NOT be firmed and shaped from coal or nuclear resources. Deliveries shall be equivalent to 100% of the volumes specified by the Respondent in its Bid Workbook (Attachment C). Bids shall provide fixed hourly quantities delivered in the form of standard blocks of energy (e.g., 24x7, 6x16) or alternative fixed hourly quantities (e.g., fixed hourly quantities which align more closely with the Respondent’s expected production renewable energy profile) as specified by Respondent in its Bid Workbook.</p> <p>OR</p> <p><b>Unit Contingent, As-Available Renewable Energy</b> – Renewable energy (and capacity, if applicable) supplied by the Respondent to the SFPUC at the delivery point in hourly amounts equal to all or a specified fraction of the facility’s actual energy production. The proposed hourly production forecast and expected total annual deliveries shall be identified in the attached Bid Workbook (Attachment C).</p>
<p>Scheduling</p>	<p>It is the SFPUC’s intent that the scheduling of product deliveries shall be accomplished according to industry practices applied in the Western Electricity Coordinating Council (“WECC”) region. Each Respondent shall be responsible for the scheduling the product as a California Independent System Operating (“CAISO”) Inter-SC trade to match SFPUC’s Inter-SC trade. It will be the Seller’s obligation to deliver all energy quantities identified in the firm schedules from the specified resource(s) to the delivery point. Seller will manage the market exposure and related costs for any energy imbalances as well as any alternative transmission path(s) that may be required to deliver the product to Buyer at the delivery point.</p>
<p>Proposed Pricing</p>	<p>Each PCC 1 product bid must, at a minimum, include the following two pricing alternatives:</p> <ol style="list-style-type: none"> <li>1. A fixed \$/MWh price, for each year of the proposed contract term, for delivery to the generator node;</li> </ol> <p>AND</p> <ol style="list-style-type: none"> <li>2. A fixed \$/MWh price, for each year of the proposed contract term, for delivery to the NP15 trading hub, as defined by the CAISO [TH_NP15_GENAPND].</li> </ol> <p>Responses may also include pricing for the addition of co-located storage as well as pricing at other Delivery Points for the SFPUC’s consideration (in its discretion).</p> <p>Each PCC 2 product bid shall be priced at a fixed \$/MWh price,</p>

	<p>for each year of the proposed contract term, for delivery to the NP15 trading hub [TH_NP15_GENAPND].</p> <p>As specified, each pricing option shall remain unchanged throughout the entire contract term and shall not be adjusted by periodic escalators or time of delivery multipliers/factors. Proposed prices shall also be inclusive of the capacity (resource adequacy) benefit, if applicable.</p>
Green-e Energy Eligibility	<p>CleanPowerSF has a preference for renewable generating resources that are Green-e Energy eligible.</p> <p>New projects must be Green-e Energy eligible resources.</p> <p>A copy of the Green-e Energy National Standard as well as additional information regarding the Green-e Energy program can be accessed via the following web link: <a href="http://www.green-e.org/getcert_re_stan.shtml#standard">http://www.green-e.org/getcert_re_stan.shtml#standard</a>.</p>

## 4. RFO TIMELINE AND INSTRUCTIONS TO RESPONDENTS

### 4.1 RFO Timeline

Event	Date
RFO issued	June 22, 2017
Pre-Bid Conference Call	June 29, 2017 at 11:00 AM
Deadline to submit non-binding Notice of Intent to Bid Form (“NOI”)	June 29, 2017 at 5:00 PM
Deadline to submit questions	July 3, 2017 at 5:00 PM
Responses to questions provided	July 7, 2017
Deadline to submit bids	July 19, 2107 at 5:00 PM
Notification of shortlisted Bidders	August 21, 2017
PPA negotiations and contract approval	August – November 2017 (estimated)
PPA execution	Starting in December 2017

### 4.2 Notice of Intent to Bid

By June 29, 2017 at 5:00 PM, Bidders are encouraged to return a completed Notice of Intent to Bid (“NOI”), as found in Exhibit A via email to [RFP@sfgwater.org](mailto:RFP@sfgwater.org). All NOI submissions should include the number and title of the RFO. The NOI is non-binding and all Bidders will be invited to the Pre-Bid Conference Call.

### **4.3 Pre-Bid Conference Call**

A pre-bid conference call will be held on June 29, 2017 at 11:00 AM. Questions regarding the RFO will be addressed on this conference call and any new information will be provided at that time. While SFPUC staff may provide oral clarifications, explanations, or responses to any inquiries, the SFPUC is not bound by any oral representation. If any new and/or substantive information is provided in response to questions raised on the pre-bid conference call, such information will be memorialized in a written addendum to this RFO.

All requests for information concerning the RFO, whether submitted before or after the pre-submittal conference, must be in writing and submitted via the [SFBid website \(https://sfbid.sfwater.org/\)](https://sfbid.sfwater.org/). Substantive replies will be memorialized in written addenda to be made part of this RFO. All addenda will be posted on the [SFBid website](https://sfbid.sfwater.org/). No questions or requests for interpretation will be accepted after July 3, 2017 at 5:00 PM.

### **4.4 Bid Documents**

The submission of a bid shall be deemed a representation and certification by the Respondent that:

- Respondent has read and understands the information provided by the SFPUC in this RFO and the information is the basis for the submission of Respondent's bid;
- Respondent has the financial and technical capability to successfully undertake and complete the responsibilities and obligations described in the bid submitted by Respondent;
- The SFPUC has the right to make any inquiry of Respondent or any third party it deems appropriate to substantiate or supplement information supplied by Respondent, and Respondent hereby grants the SFPUC permission to make these inquiries, and Respondent agrees to provide any and all requested documentation or information in a timely manner.

No request for modification of any bid shall be considered by the SFPUC after the submission of a bid on the grounds that the Respondent was not fully informed of any fact or condition stated in this RFO.

### **4.5 Addenda/Clarifications**

Respondents are responsible for reviewing all portions of this RFO. Respondents are to promptly notify the SFPUC, in writing, if the Respondent discovers any ambiguity, discrepancy, omission, or other error in the RFO. Any such notification should be directed to the SFPUC promptly after discovery, but in no event later than five working days prior to the date for receipt of bids. Modifications and clarifications will be made by addenda as provided below.

Any interpretation of, or change in, the RFO will be made by addendum and shall become a part of the RFO and of any Agreement awarded. Addenda will be posted on the [SFBid website \(https://sfbid.sfwater.org/\)](https://sfbid.sfwater.org/).

The SFPUC will make reasonable efforts to post in a timely manner any modifications to the RFO on the [SFBid website \(https://sfbid.sfwater.org/\)](https://sfbid.sfwater.org/). The Respondent shall be responsible for ensuring that its bid reflects any and all addenda posted by the SFPUC prior to the bid due date regardless of



when the bid is submitted. The SFPUC will not be responsible for any other explanation or interpretation.

#### **4.6 Bid Submissions**

All bids must be submitted online via the [SFBid website \(https://sfbid.sfwater.org/\)](https://sfbid.sfwater.org/).

Detailed bid response requirements are listed on the online response form within SFBid (“Proposal Response Form”). Please refer to the SFBid website and click the “Submit Proposal” button to view and complete the full Proposal Response Form.

Attachment C to this RFO must be completed and submitted in Excel spreadsheet format with the bid in order for the bid to be considered.

Bids must be submitted no later than **5:00 p.m. on Wednesday, July 19, 2017**. All bids received after that time will be rejected. Respondents whose bids are selected for the RFO shortlist may be invited to submit optional supplemental materials.

For technical or procedural questions regarding the online submittal, please contact [sfbid@sfwater.org](mailto:sfbid@sfwater.org).

#### **4.7 Amendment or Withdrawal of Bids**

A Respondent may amend or withdraw its bid at any time before the expiration of the time for the submission of bids by (1) delivering a redlined version of the bid submittal in the same manner as specified for the original bid submittal, or (2) delivery of a written request for withdrawal, signed by, or on the behalf of, the Respondent.

#### **4.8 Rights of the SFPUC**

This RFO does not commit the SFPUC to enter into a contract with any Respondent nor does it obligate the SFPUC to pay for any costs incurred in preparation and submission of bids or in anticipation and execution of a contract. The SFPUC reserves the right to:

- Make the selection of bids based on its sole discretion;
- Reject any and all bids;
- Request any and all Respondents to provide additional information under this RFO;
- Prior to the submission deadline for bids, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any supplies to be provided under this RFO, or the requirements for contents or format of the bids;
- In its sole discretion and without notice, suspend, or terminate this RFO without liability to any Respondent;
- Issue subsequent Requests for Offers or Proposals;
- Remedy technical errors in the RFO process or documents;
- Approve or disapprove the use of particular subcontractors;

- Negotiate with any or all of the Respondents;
- Accept a bid or bids that are not the lowest price offer;
- Waive informalities and irregularities in the bids; and/or
- Enter into a contract with another Respondent in the event the originally selected Respondent(s) defaults or fails to execute a contract with the SFPUC.

This RFO does not constitute an offer to buy or create an obligation for the SFPUC, CleanPowerSF, and/or City to enter into an agreement with any entity, and the SFPUC, CleanPowerSF, and City shall not be bound by the terms of any bid until the parties have entered into a fully executed agreement.

Failure by the SFPUC to object to an error, omission, or deviation in the bid will in no way modify the RFO or excuse the Respondent from full compliance with the specifications of the RFO or any contract awarded pursuant to this RFO. No waiver by the City of any provision of this RFO shall be implied from any failure by the City to recognize or take action in response to a failure by a Respondent to observe any provision of this RFO. No Respondent responding to this RFO shall obtain any claim or right of action against the SFPUC by reason of any aspect of the RFO, and defects or abnormalities contained herein, and defects or abnormalities in the selection process, the rejection of any bid, the acceptance of any bid, any statements, representation, acts or omissions of the SFPUC, the exercise of any SFPUC discretion set forth in or with respect to any of the foregoing, and any and all other matters arising out of all or any of the foregoing.

## **5. BID REQUIREMENTS AND MINIMUM QUALIFICATIONS**

This section sets forth the guidelines for the content and format of bids. Each Respondent may submit one or more bids in response to this RFO. Each bid may include several different pricing structures and project terms as provided for in the Bid Workbook (Attachment C). Respondents should review the instructions provided in the Bid Workbook (Attachment C) for additional information regarding the organization and submittal of the bid variations. The SFPUC anticipates entering into contracts with one or more winning Respondents through this RFO.

Respondents may submit bids for generating facilities that have not achieved commercial operation. For such facilities, Respondents must provide requested information regarding the project development status of the facility, as further described below.

### **5.1 Minimum Qualifications**

The City is seeking bids from entities sufficiently qualified, experienced and capable of providing the desired product. The following is a list of the City’s minimum requirements for Respondent qualifications. Respondents that do not possess the required minimum qualifications shall be deemed not qualified, and shall not be scored. Bids must provide documentation sufficient to demonstrate that Minimum Qualifications described below have been met.

- If Respondent is bidding energy from a new ERR,
  - Senior Staff of Firm hold at least five (5) years of experience in the development of utility-scale renewable energy projects within the last ten (10) years. Please

- submit a summary of relevant work experience (ie. resume, CV, etc.) through SFBid.
  - Firm has developed or installed, or is currently operating at least 50 MW of project capacity. Please submit a summary of relevant projects (including size, location, COD, role of the Firm, etc.) through SFBid.
  - Firm has demonstrated financial viability by providing at least one (1) financial institution letter of reference, or by providing access to latest financial statements (most recent two years plus a recent quarterly financial statement). Please submit the appropriate documentation through SFBid.
- If Respondent is bidding energy from an operating ERR,
  - Senior Staff of Firm hold at least five (5) years of experience operating utility-scale renewable energy projects and/or remarketing renewable energy within the CAISO Balancing Authority Area within the last ten (10) years. Please submit a summary of relevant work experience (ie. resume, CV, etc.) through SFBid.
  - Firm has developed or installed, or is currently operating at least 50 MW of project capacity. Please submit a summary of relevant projects (including size, location, COD, role of the Firm, etc.) through SFBid.
  - Firm has demonstrated financial viability by providing at least one (1) financial institution letter of reference, or by providing access to latest financial statements (most recent two years plus a recent quarterly financial statement). Please submit the appropriate documentation through SFBid.

## 5.2 Mandatory Bid Criteria

Failure to meet all of the following criteria shall be grounds for bid rejection. The selected Respondent(s) will be responsible for transferring the specified energy quantities to CleanPowerSF at the designated delivery point through the CAISO inter-scheduling coordinator trading process. Respondents shall serve as their own SC or make arrangements for a third party SC at no cost to CleanPowerSF.

### 5.2.1 The following mandatory bid criteria apply:

- Bids may be for firmed and shaped product or unit contingent, as-available product.
  - For firmed and shaped product, deliveries shall be equivalent to 100% of the volumes specified by the Respondent in its Bid Workbook (Attachment C) and may be from multiple generating facilities so long as each facility meets the qualifying criteria set forth in this RFO. Bids shall provide fixed hourly quantities delivered in the form of standard blocks of energy (e.g., 24x7, 6x16) or hourly quantities delivered in accordance with an alternative delivery shape (e.g., a prototypical solar profile) specified by Respondent. The proposed hourly block sizes shall be specified in Attachment C. *Deliveries shall NOT be shaped or firmed with coal or nuclear resources.*

- Bids for unit contingent, as-available renewable energy must specify hourly amounts equal to all or a specified fraction of a specific facility's energy production with minimum and maximum energy delivery requirements. The proposed hourly production forecast and annual volumes delivered shall be identified in the attached Bid Workbook (Attachment C).
- All renewable energy deliveries from new projects must meet the eligibility criteria for PCC 1 and be Green-e Energy eligible.
- All renewable energy deliveries from existing projects must meet the eligibility criteria for either PCC 1 or PCC 2. *Incremental Energy associated with PCC 2 deliveries shall not be sourced from coal or nuclear resources.*
- Both energy-only and fully deliverable products will be considered with the expected value of any RA capacity accounted for in the evaluative process.
- Bids may be for all or part of a generating facility's output.
- All generating facilities that will be used to supply power to CleanPowerSF must be identified by the Respondent in its bid (Attachment C), including generator name, fuel source, location, and RPS ID Number (if available).
- Bids of PCC 1 product shall include at least two pricing options:
  - A fixed \$/MWh price, for each year of the proposed contract term, for delivery to the generator node; and
  - A fixed \$/MWh price, for each year of the proposed contract term, for delivery to the NP 15 trading hub, as defined by the CAISO.
  - The fixed prices shall remain unchanged throughout the contract term and shall not be adjusted by period escalators or time of delivery multipliers/factors.
- Bids of PCC 2 product shall include a fixed \$/MWh price, for each year of the proposed contract term, for delivery to the NP 15 trading hub.

### **5.2.2 Additional, mandatory criteria are as follows:**

- The term shall be no more than twenty-five (25) years (not including optional extension terms).
- A delivery commencement date no sooner than May 1, 2018 and no later than December 31, 2021.
- A minimum hourly quantity of no less than 1 MW.
- Total annual deliveries shall be at least 25,000 MWh and no more than 500,000 MWh.
- Bids may be for new or existing generating facilities.

### **5.2.3 Optional Bid Components**

- CleanPowerSF encourages Respondents to present additional services or product offerings to enhance the standard Product, including co-location with storage and/or the potential for

the project site to accommodate additional renewable capacity. Respondents may propose unique contract provisions and pricing that apply to these enhanced proposals.

- Respondents may, in addition to the two pricing options required above, propose alternative pricing structures by providing a detailed narrative description of the pricing structure and additional pricing tables in the Bid Worksheet, Attachment C. For example, alternative pricing options may include alternative proposals for Respondent Development/Performance Assurance and/or CleanPowerSF collateral or credit support.
- For Bids with deliveries in excess of 5 years, Bidders are encouraged to propose mechanisms such as pricing structures, insurance products, or storage to manage curtailment risk over the term of the contract.
- A Community Benefits Plan, as described in Section 5.5, below.

### **5.3 Operating Track Record and Projects Under Development**

In addition to the Mandatory Bid Criteria set forth in Section 5.2 above, Respondents proposing to supply unit contingent, as-available energy from generating facilities that are currently operating shall provide:

- Historical 8760 generation for the last two years of plant operation (if applicable) and capacity factor (expressed as a percentage, based on monthly generation in MWh and rated capacity in MW). The information should be annotated to explain any below/above-average or atypical generation figures (noting any significant issues or extended unexpected outages). This information should be provided in the format specified in the Historical Generation tab of the Generation Profile Template (Attachment G).

Respondents proposing to supply energy from projects that have not yet achieved commercial operation shall provide documentation with the bid submittal demonstrating:

- If the facility is bid as fully/partially deliverable or as energy-only.
- If the facility is bid as fully or partially deliverable, the Respondent shall also indicate:
  - The date by which the project will have full or partial deliverability status (“FCDS/PCDS”).
  - The project has received FCDS/PCDS or is in the Phase II process of the deliverability study; and
  - Evidence that all required Interconnection Financial Security has been posted for the project (Initial, Second, or Final) as required by the applicable Interconnection Process.
- The anticipated commercial operation date (COD).
- The facility’s anticipated 8760 annual hourly generating profile. This information should be provided in the format specified in the Expected Generation tab of the Generation Profile Template (Attachment G).

Depending on the anticipated COD, the following Mandatory Bid Criteria apply. Respondents shall provide additional documentation to demonstrate the status of project site control, interconnection, permits, financing and project labor agreements.

For projects with anticipated CODs prior to July 2019, Respondents should provide the information requested in the table below.

<b>For projects with anticipated CODs May 2018 - July 2019</b>	
<b>Site Control</b>	100% site control for the project site and generator interconnection path for the entire proposed delivery term.
<b>Interconnection</b>	Progress in transmission or distribution interconnection for the facility that is equivalent to a completed System Impact Study, Phase I Study, or passed Wholesale Distribution Tariff/CAISO Fast Track screen, including, if available the anticipated interconnection completion date.
<b>Permits</b>	The status of all required governmental approvals, permits and environmental reviews, including the applicable agency, the type of approval requested, and the anticipated date of approval or permit issuance. Projects must complete all required environmental review prior to December 31, 2017.
<b>Financing</b>	The financing plan for the project in sufficient detail for the SFPUC to effectively evaluate the viability of such arrangements.
<b>Project Labor Agreement (PLA)</b>	Progress in executing a Project Labor Agreement (PLA) by December 31, 2017. PLA must be in place prior to commencement of construction activity.

For projects with anticipated CODs after July 2019, Respondents should provide as much information requested in the table below as possible.

<b>For projects with anticipated CODs Jul. 2019 - Dec. 2021</b>	
<b>Site Control</b>	100% site control for the project site and interconnection path 18 months prior to the proposed commercial operation date (COD) of the project.
<b>Interconnection</b>	Submission of an application with the applicable entity for the interconnection agreement for the specific project.

<b>Permits</b>	Commencement of the process to obtain key discretionary development permits and approvals for the project, including completion of all applicable environmental studies and reviews, 18 months prior to the proposed COD of the project.
<b>Financing</b>	The financing plan for the project in sufficient detail for the SFPUC to effectively evaluate the viability of such arrangements.
<b>Project Labor Agreement (PLA)</b>	Respondent will have a Project Labor Agreement (PLA) in place 18 months prior to the proposed COD of the project. PLA must be in place prior to commencement of construction activity.

#### **5.4 Locational Preference**

CleanPowerSF has a preference for renewable generating resources located within California and within the nine (9) San Francisco Bay Area Counties.<sup>1</sup> California-based resources and resources located within the nine (9) San Francisco Bay Area Counties will receive higher evaluative value at five (5) points (equivalent to 5% of the bid score) when the SFPUC reviews responses to this RFO.

#### **5.5 Community Benefits**

The RFO includes an optional Community Benefits component. Community Benefits *are firm commitments on the part of the bidder* to be delivered to the community in accordance with the SFPUC’s 2011 Community Benefits Policy and 2009 Environmental Justice Policy, which directs the SFPUC and its partner firms to be a good neighbor to all who are directly affected by its activities and investments. Respondents may, but are not required to, submit a Community Benefits proposal (“Community Benefits Submittal,” or “CB Submittal”) that identifies projects and/or activities that will promote the social and economic outcomes described in the SFPUC Community Benefits Policy. The CB Submittal is valued at five (5) points under the Evaluation Process located in Section 7 of this RFO. The CB Submittal will be submitted as an attachment in SFBid. The CB submittal will be reviewed and scored by a separate panel of community benefits specialists who will only see the CB submittal. For instructions on the Community Benefits Submittal and additional Community Benefits information see Attachment F. For a sample list of participating firms, examples of community benefits commitments, and templates of the final agreement language and reporting requirements, refer to Attachment F.

#### **5.6 Green-e Energy Eligibility**

CleanPowerSF has a preference for renewable generating resources that are Green-e Energy eligible to meet its needs for customers that choose CleanPowerSF’s Premium Product. New ERRs shall be Green-e Energy eligible. Respondents should review the currently effective Green-e Energy National Standard for information regarding the eligibility criteria for such resources. A copy of the Green-e Energy National Standard as well as additional information regarding the Green-e Energy program can be accessed via the following web link:

[http://www.green-e.org/getcert\\_re\\_stan.shtml#standard](http://www.green-e.org/getcert_re_stan.shtml#standard).

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<sup>1</sup> San Francisco, Alameda, Contra Costa, Marin, Napa, Sonoma, Solano, San Mateo, and Santa Clara.

## 6. CONTRACT FORM

The SFPUC intends to execute power purchase agreements with one or more selected respondents using the SFPUC’s Form PPAs (New ERRs; Existing ERRs) included as Attachment E. Term Sheets included as Attachment D indicate which contract terms are negotiable; all other sections of the PPAs are non-negotiable. However, the Form PPAs will be amended as necessary to reflect the elements of the selected bids, for example, additional language for PPC 2 energy deliveries, optional bid components, new or different Milestones to reflect the status of project development, or necessary changes required for project financing. The SFPUC may elect to use a Western System Power Pool (“WSPP”) Confirmation for shorter term contracts. The PPAs are subject to review and approval by the San Francisco Public Utilities Commission and the Board of Supervisors.

## 7. EVALUATION PROCESS

Bids that do not meet the mandatory bid criteria and information requirements in Section 5 of this RFO will be rejected.

For proposals featuring **New Eligible Renewable Energy Resources** the SFPUC will evaluate the bids based on the following criteria:

QUALIFICATIONS AND EXPERIENCE OF RESPONDENT	Max. 20 points
<p><b>Qualifications and Experience</b></p> <ul style="list-style-type: none"> <li>• Experience and track record of the Respondent and key personnel</li> <li>• Volume of energy supplied in the most recent calendar year</li> </ul>	10
<p><b>Financial Viability</b></p> <ul style="list-style-type: none"> <li>• Financial strength and viability of Respondent as exhibited by previous two years of financial statements</li> <li>• Credit support to be provided, if credit rating is below investment grade</li> </ul>	10
TOTAL COST OF BID AND VALUE TO CLEANPOWERSF	Max. 40 points
<p><b>Cost and Bid Value to CleanPowerSF</b></p> <ul style="list-style-type: none"> <li>• Impact of the proposed pricing in relation to the target CleanPowerSF rates (provides lowest net cost)</li> <li>• Contribution to CleanPowerSF long-term pricing stability and competitiveness (price and term of bid)</li> <li>• Value of energy and non-energy attributes (e.g., Resource Adequacy capacity; Storage; time of delivery value of energy)</li> <li>• Impact of the bid on CleanPowerSF’s operational costs, residual market exposure, financial risk and collateral requirements</li> </ul>	40



<b>PROJECT VIABILITY</b>	<b>Max. 20 points</b>
<b>Project / Proposal Viability</b> <ul style="list-style-type: none"> <li>• Likelihood that a project will meet the proposed COD <ul style="list-style-type: none"> <li>• Site Control</li> <li>• Interconnection</li> <li>• Permits</li> <li>• Financing</li> </ul> </li> <li>• Likelihood that a Project Labor Agreement (PLA) will be executed in the time frames described in the Mandatory Bid Criteria</li> </ul>	20
<b>GENERATING RESOURCE LOCATION &amp; PORTFOLIO COMPATIBILITY</b>	<b>Max. 15 points</b>
<b>Contribution to a Diversified CleanPowerSF Portfolio</b> <ul style="list-style-type: none"> <li>• The compatibility of the bid’s proposed monthly energy deliveries and capacity attributes with CleanPowerSF’s near-term needs</li> <li>• The bid’s contribution to the development of a diverse portfolio (technologies; fuel types; resource locations; operating profiles)</li> </ul>	10
<b>Generating Resource Location</b> <ul style="list-style-type: none"> <li>• In-state resources preferred</li> <li>• Resources located within the 9 Bay Area Counties receive highest preference</li> </ul>	5
<b>COMMUNITY BENEFITS</b>	<b>Max. 5 points</b>
<ul style="list-style-type: none"> <li>• Community Benefits Proposal</li> </ul>	5

For proposals featuring **Existing Eligible Renewable Energy Resources** the SFPUC will evaluate the bids based on the following criteria:

<b>QUALIFICATIONS AND EXPERIENCE OF RESPONDENT</b>	<b>Max. 30 points</b>
<b>Qualifications and Experience</b> <ul style="list-style-type: none"> <li>• Experience and track record of the Respondent and key personnel</li> <li>• Volume of energy supplied in the most recent calendar year</li> </ul>	10
<b>Financial Viability</b> <ul style="list-style-type: none"> <li>• Financial strength and viability of Respondent as exhibited by previous two years of financial statements</li> <li>• Credit support to be provided, if credit rating is below investment grade</li> </ul>	20

<b>TOTAL COST OF BID AND VALUE TO CLEANPOWERSF</b>	<b>Max. 50 points</b>
<b>Cost and Bid Value to CleanPowerSF</b> <ul style="list-style-type: none"> <li>• Impact of the proposed pricing in relation to the target CleanPowerSF rates (provides lowest total cost)</li> <li>• Contribution to CleanPowerSF long-term pricing stability and competitiveness (price and term of bid)</li> <li>• Value of energy and non-energy attributes (Resource Adequacy capacity; Storage; time of delivery value of energy)</li> <li>• Impact of the bid on CleanPowerSF’s operational costs, residual market exposure, financial risk and collateral requirements</li> </ul>	50
<b>GENERATING RESOURCE LOCATION &amp; PORTFOLIO COMPATIBILITY</b>	<b>Max. 15 points</b>
<b>Contribution to a Diversified CleanPowerSF Portfolio</b> <ul style="list-style-type: none"> <li>• The compatibility of the bid’s proposed monthly energy deliveries and capacity attributes with CleanPowerSF’s near-term needs</li> <li>• The bid’s contribution to the development of a diverse portfolio (technologies; fuel types; resource locations; operating profiles)</li> </ul>	10
<b>Generating Resource Location</b> <ul style="list-style-type: none"> <li>• California-based resources preferred</li> <li>• Resources located within the 9 Bay Area Counties receive highest preference</li> </ul>	5
<b>COMMUNITY BENEFITS</b>	<b>Max. 5 points</b>
<ul style="list-style-type: none"> <li>• Community Benefits Proposal</li> </ul>	5

The SFPUC reserves the right to consider other factors in addition to those specified above and to request additional information from Respondents as needed to assist in selecting the proposal(s) for further consideration.

The SFPUC does not anticipate conducting oral interviews for this RFO. However, the SFPUC reserves the right to contact any Respondent for additional information or clarification of the terms of the bid.

## 8. PROTEST PROCEDURES

### 8.1 Protest of Non-Responsiveness Determination

After receipt of proposals, the SFPUC will conduct an Initial Screening of submitted proposals as set forth in Section 3 of this RFO. If staff determines that a proposal should be rejected because it is either non-responsive to RFO requirements or is otherwise unacceptable (i.e., fails to meet the

minimum qualification requirements set forth in the RFO), then the City will issue a Preliminary Notice of Proposal Rejection to the applicable Respondent(s).

If a Respondent believes that the City has incorrectly determined that its proposal should be rejected, Respondent may submit a written notice of protest within five (5) working days of the SFPUC's issuance of a Preliminary Notice of Proposal Rejection. Such notice of protest must be received by the SFPUC on or before the fifth (5th) working day following the SFPUC's issuance of the Preliminary Notice of Proposal Rejection. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Respondent, and must cite the law, rule, local ordinance, procedure or RFO provision on which the protest is based. In addition, the Respondent must specify facts and evidence sufficient for the SFPUC to determine the validity of the protest. The City, at its discretion, may make a determination regarding a protest without requesting further documents or information from the Respondent who submitted the protest. Accordingly, the initial protest must include all grounds of protest and all supporting documentation or evidence reasonably available to the prospective Respondent at the time the protest is submitted. If the Respondent later raises new grounds or evidence that were not included in the initial protest, but which could have been raised at that time, then the City may not consider such new grounds or new evidence.

Upon receipt of a timely and proper protest, the City will review the protest and conduct an investigation as it deems appropriate. As part of its investigation, the City may consider information provided by sources other than Respondent. The City may also consider supplemental correspondence or other information relating to the original ground(s) of Protest submitted by a protesting Respondent to the extent the City determines that such information will assist it in resolving the Protest. At the completion of its investigation, the City will provide a written determination to the Respondent who submitted the protest.

Protests not received within the time and manner specified will not be considered.

If a Respondent does not protest a Preliminary Notice of Proposal Rejection within the time and in the manner specified, above, then the City's determination set forth in the Preliminary Notice will become final. A Respondent's failure to protest as specified above on or before the time specified above shall constitute a complete and irrevocable waiver of the ground(s) of protest and forfeit the Respondent's right to raise such ground(s) of protest later in the procurement process, in a Government Code Claim, or in other legal proceedings.

## **8.2 Protest of Agreement Award**

As soon as the PPAs with the selected Respondent(s) are finalized, the SFPUC will post notice of the award on the [SFBid website \(https://sfbid.sfwater.org/\)](https://sfbid.sfwater.org/). Within five (5) working days of the posting of the notice, any Respondent that has submitted a responsive proposal and believes that the City has unfairly selected another Respondent may submit a written notice of protest.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Respondent, and must cite the law, rule, local ordinance, procedure or RFO provision

on which the protest is based. In addition, the Respondent must specify facts and evidence sufficient for the City to determine the validity of the protest. All protests must be received by the SFPUC on or before the fifth (5th) working day following the SFPUC's posting of the notice of award.

### **8.3 Delivery of Protests**

If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) will not be considered. Protests must be delivered to:

San Francisco Public Utilities Commission  
Contract Administration Bureau  
RE: Community Choice Aggregation Power Supplies (PRO.0077)  
525 Golden Gate Avenue, 8th Floor  
San Francisco, CA 94102

## **9. ADDITIONAL SFPUC REQUIREMENTS**

### **9.1 Respondent Proprietary Information**

In accordance with San Francisco Administrative Code Section 67.24(e), bids, responses to RFOs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or entity's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

Proprietary data shall be specifically identified on every applicable page of the Respondent's proposal; Respondents should mark or stamp applicable sections and information as "Confidential" or "Proprietary". The City does not acknowledge, warrant, represent, or guarantee that any information so designated will be treated as confidential or proprietary information if disclosure is required under any applicable state, federal, or City law or regulation.

### **9.2 The Campaign Reform Ordinance**

Respondents must comply with Section 1.126 of the San Francisco Campaign and Governmental Code, which states:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations for such contract until (1) the termination of negotiations for such contract; or (2) three months have elapsed

from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

If a Respondent is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the Respondent is prohibited from making contributions to:

- The officer's re-election campaign;
- A candidate for that officer's office; and
- A committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a Respondent approaches any city officer or employee about a particular contract, or a city officer or employee initiates communication with a potential Respondent about a contract. The negotiation period ends when a contract is awarded or not awarded to the Respondent. Examples of initial contacts include: (i) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (ii) a city officer or employee contacts a Respondent to propose that the Respondent relating to a RFO, and requests to be placed on a mailing list do not constitute negotiations. Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

1. Criminal: Any person who knowingly or willfully violates Section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
2. Civil: Any person who intentionally or negligently violates Section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
3. Administrative: Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

## **10. DEFINITIONS**

**"Applicable Law"** means any statute, law, treaty, rule, tariff, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties or the terms of the Agreement.

**"Buyer"** means City and County of San Francisco, acting by and through its Public Utilities Commission, CleanPowerSF.

**"CAISO"** means the California Independent System Operator Corporation or the successor organization to the functions thereof.

**"CAISO Tariff"** means the California Independent System Operator Corporation, Fifth Replacement Federal ERC Electric Tariff as it may be amended, supplemented or replaced (in whole or in part) from time to time.

**“CEC”** means the California Energy Commission.

**“City”** means the City and County of San Francisco.

**“CleanPowerSF”** means the community choice aggregation program operated by City.

**“CPUC”** means the California Public Utilities Commission.

**“ERR”** shall mean an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16.

**“Full Capacity Deliverability Status”** or **“FCDS”** has the meaning set forth in the CAISO Tariff.

**“Green Attributes”** means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from a Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from a project, (ii) production tax credits associated with the construction or operation of a project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by a project for compliance with local, state, or federal operating and/or air quality permits. If a Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

**“GWh”** means gigawatt-hour.

**“Interconnection Financial Security”** has the meaning set forth in the CAISO Tariff.

**“Inter-Scheduling Coordinator”** or **“Inter-SC Trades”** has the meaning set forth in the CAISO Tariff.

**“MW”** means megawatt.

**“MWh”** means megawatt-hour.

**“Partial Capacity Deliverability Status”** or **“PCDS”** has the meaning set forth in the CAISO Tariff.

**“Portfolio Content Category 1”** or **“PCC 1”** means Renewable Energy that satisfies the requirements of Section 399.16(b)(1) of the California Public Utilities Code.

**“Portfolio Content Category 2”** or **“PCC 2”** means Renewable Energy that satisfies the requirements of Section 399.16(b)(1) of the California Public Utilities Code.

**“PPA”** means Power Purchase Agreement.

**“Renewable Energy”** means Energy and Green Attributes generated from an ERR that: (1) meets the requirements of Portfolio Content Category 1 or 2 as set forth in the California Public Utilities Code Section 399.16(b)(1), and (2) is generated in the same calendar year that it is delivered to City.

**“Renewable Energy Certificates”** or **“RECs”** has the meaning set forth in California Public Utilities Code Section 399.12(f) and CPUC decision 08-08-028 as may be amended from time to time or as further defined or supplemented by Applicable Law.

**“Renewables Portfolio Standard”** or **“RPS”** means the California renewables portfolio standard, as set forth in California Public Utilities Code §§ 399.11 et seq. and California Public Resources Code §§ 25740-25751, and as administered by the CEC as set forth in the CEC RPS Eligibility Guidebook (7th Ed.), as may be subsequently modified by the CEC, and the California Public Utilities Commission (“CPUC”) and as may be modified by subsequent decision of the CPUC or by subsequent legislation, and regulations promulgated with respect thereto.

**“Resource Adequacy”** or **“RA”** means the local and system resource adequacy capacity requirements established for load serving entities by the CPUC pursuant to the CPUC Decisions, the flexible capacity standards under the CAISO Tariff or by any other Governmental Authority having jurisdiction.

**“Scheduling Coordinator”** or **“SC”** means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator” as set forth in the CAISO Tariff.

**“Seller”** or **“Supplier”** means the owner and operator of a power generating facility who will sell the product of the facility to the Buyer.

**“System Impact Study”** has the meaning set forth in the CAISO Tariff.

**“WECC”** means the Western Electricity Coordinating Council.

**“WREGIS”** means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

**“WSPP Confirmation”** means Western System Power Pool Confirmation.