

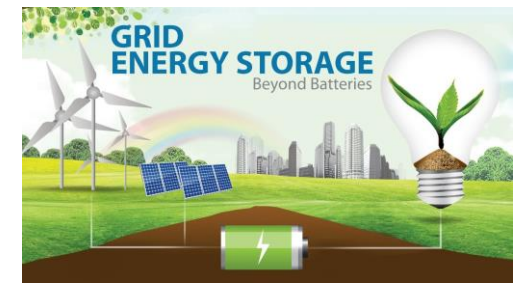


Carbon Free Energy with Storage



2017 JOINT REQUEST FOR OFFERS

Questions & Answers



Questions and Answers

Last Update to this document was made on 10/04/17

Question

Why are SVCE and MBCP conducting this Joint RFO, as opposed to conducting separate RFOs?

Answer

SVCE and MBCP are conducting this Joint RFO to give projects that are too large for either SVCE or MBCP to purchase 100% of the output individually an opportunity to submit offers into this Joint RFO.

Questions and Answers

Question

How will submitted offers be allocated amongst SVCE and MBCP, if not selected jointly by both?

Answer

SVCE and MBCP will review all offers together. The allocation will be determined by each CCA's assessment of the value of the project being offered, subject to the any differences in each CCA's mission statement.

Question

Can I, as the bidder, indicate my offer is only available to SVCE? Or only available to MBCP?

Answer

Yes. Bidders may include any such conditions in their offer packet.

Questions and Answers

Question

How will the procurement process work, and what will be the end result, from a contracting process?

Answer

If a project is short-listed in this RFO by either SVCE or MBCP, negotiations will be conducted only with that CCA to produce a final contract.

If a project is short-listed in this RFO by both CCAs for each to purchase an equal share of the project's total output, negotiations will be conducted with SVCE and MBCP jointly; (i.e., bidders will negotiate with a joint CCA team). Projects that are selected to enter into final agreements will enter into a separate contract with each CCA. It is expected that final contracts will be on substantially similar terms.

Questions and Answers

Question

Why are SVCE and MBCP requiring a Solar PV Generating Facility to offer Energy Storage Services?

Answer

SVCE and MBCP share the CPUC's objective for ensuring that development of renewable resources should maximize reduction of GHG at least cost without harming grid reliability. We believe that storage coupled with Solar PV development should help balance these objectives.

Questions and Answers

Question

Can I offer Energy Storage Services, if the technology of my Generating Facility is not Solar PV?

Answer

Yes, an offer with a non-Solar PV Generating Facility has the option, but not the obligation, to offer Energy Storage Services.

Question

Does the Energy Storage Facility need to be co-located with the Generating Facility?

Answer

No, SVCE and MBCP are not requiring offers to have the Energy Storage Facility co-located with the Generating Facility. However, we encourage bidders that would like to offer a co-located project for consideration to do so. Please see our response to a similar question below.

Questions and Answers

Question

Does the Energy Storage Facility need to be grid-connected or can it be behind-the-meter with Generating Facility?

Answer

Bidders have the option to propose either a grid-connected Energy Storage Facility or a Hybrid Energy Storage Generating Facility (e.g. behind-the-meter storage) with the appropriate metering configuration.

The pro forma PPA that includes Storage was drafted with the assumption the Generating Facility and Energy Storage Facility will be separately metered onto the grid, and charging energy into the Energy Storage Facility would only be from the grid. Bidders should revise/mark-up the form PPA accordingly, if you intend to propose behind-the-meter storage.

Questions and Answers

Question

Can offers have a start date after January 2020?

Answer

You are free to submit an offer with a later date. That is, it will not disqualify your offer from consideration. However, it will be a factor in the evaluation process, and may affect whether it is selected.

Question

What is the required COD for the Energy Storage System? Can the required energy storage lag a year or two for the COD?

Answer

We are looking for the projects to be online on or before January 2020. Yes, an offer may have the energy storage facility can lag behind COD of generating facility. The form PPA would need to be marked up accordingly to reflect this.

Questions and Answers

Question

Does the generating facility have to be in SVCE or MBCP service territory?

Answer

No, a project does not have to be located in SVCE or MBCP territory, but as indicated in the protocol it would be a positive in terms of the qualitative evaluation criteria.

Questions and Answers

Question

Are there minimum or maximum sizes per facility?

Answer

Both SVCE and MBCP are looking to secure long-term PPAs for up to ~10% of our annual load. For SVCE, this annual load is around 3,800 GWh per year, and for MBCP it is around 3,700 GWh per year. Therefore, we each seek to procure up to ~380 and ~370 GWh per year, respectively.

Regarding project sizing, we expect the generating facility to be in the 20 MW to 250 MW range, depending on technology type, capacity factors, and the energy storage system technology type.

The main requirement is a minimum of delivering 50 GWh/year per offer, and the energy storage facility must be sized to at least 30% of generating facility capacity.

Here is an example that might meet this minimum 50 GWh/year with 30% storage:

25 MW Solar PV farm with a 7.5 MW (4Hr discharge cycle) Energy Storage Facility. This sizing can meet the 50 GWh/yr minimum, assuming a 25% generating facility capacity factor and 10% losses due to running the generating facility output into and out of the energy storage facility.

The specific sizing will depend on your design and corresponding assumptions.

Questions and Answers

Question

In the offer form on the “gen profile” tab, you are requesting a 12x24 energy profile which includes energy storage services. Can you provide more guidance on exactly how you would like the energy storage to operate?

Answer

You, as the bidder, would be the one to provide the gen profile that optimizes a gen + storage configuration, based on the operational characteristics and limitations of both the generating and energy storage facility. Design will be left to bidders.

SVCE & MBCP will apply their quantitative and qualitative evaluation criteria to determine if your offer will be selected for short-listing.

Questions and Answers

Question

Will you consider terms shorter than 10 years?

Answer

No, not as part of this RFO.

Question

Would you entertain solar proposals without storage?

Answer

No, not as part of this RFO.

Question

Is there a minimum percentage of output that you would need to be PCC1 (Bucket 1) vs. PCC2 (Bucket 2)?

Answer

We are only willing to consider PCC1 (Bucket 1) as part of this RFO.

Questions and Answers

Question

In your Pricing Structure options on slide 5 of the protocol, both Options 1 and 2 look like they require an energy storage component (i.e. “plus Energy Storage and “+ Energy Storage”). My understanding is that Solar PV requires energy storage but other types like Wind do not. Can you clarify?

Answer

If you plan to submit an offer without storage, given your generating facility is not Solar, then

- a) Option 1 Pricing --you would NOT have to include in your offer the energy storage component pricing, as you are offering none.
- b) Option 2 Pricing—As it would be clear in other parts of your offer that you are not including an energy storage facility or services, then we would assume that your offered all-in price would only be for Energy + REC + RA.

Questions and Answers

Question

Can an offer be submitted for a non-Solar generating facility with an energy storage facility? If so, what is the minimum sizing of the energy storage facility? Is it the same 30% minimum, as required for a Solar generating facility?

Answer

A non-Solar generating facility can submit an offer with an energy storage facility. Given it is not required, there is no minimum size requirement for the energy storage facility.

Questions and Answers

Question

Is it a requirement that the project provide RA(Resource Adequacy, i.e. Full Deliverability)?

Answer

While SVCE and MBCP are seeking projects that can provide RA, it is not required. We would expect the offered price from an Energy Only project to reflect the absence of RA.

Question

Does SVCE/MBCP have a preference for the pricing expressed in \$/kW-year or as an all in price for the \$/MWh?

Answer

We do not have any preference.

Questions and Answers

Question

Does SVCE & MBCP have a preference for project node (busbar) or hub delivery?

Answer

We do not have a preference for any specific busbar/pnode. Both SVCE and MBCP will give some consideration to location proximity to our service territories as part of the qualitative evaluation criteria.

Question

What value measure will be used to evaluate the provision of ancillary services (A/S)?

Answer

We will be using CAISO market prices for the various A/S products to evaluate the specific A/S that your offered project is capable of providing.

Questions and Answers

Question

Are there any requirements as to incorporating escalators in the PPA price?

Answer

SVCE and MBCP are asking for flat pricing across the delivery term, but you are free to offer escalating prices if you desire. You can reflect this in the Offer form spreadsheet.

Question

What are the peak hours the project should be configured to serve?

Answer

We are assuming most projects will be as-available resources, delivering whenever they are capable, i.e. Solar PV delivers when the sun is shining. If you have a dispatchable carbon free project you wish to offer, you can indicate the project's optimal schedule, based on operating characteristics, in the Offer form spreadsheet generation profile tab.

Questions and Answers

Question

Can you please let me know if the deposits requested (\$3/kw) is referring to AC or DC size?

Answer

AC

Question

Will you be accepting non-conforming bids?

Answer

Yes

Question

Will an Offerors community benefits, public outreach and educational or employment programs be considered in the evaluation and selection of Offers?

Answer

These aspects will be considered as part of the qualitative criteria, assuming you put these things into the required MS Word document, that will be submitted as part of your offer packet.

Questions and Answers

Question

In the ‘Note from Buyers’ at the top of the form PPA with Storage, it mentions that the PPA was drafted under the assumption that “Energy Storage Facility will be separately metered onto the grid, and charging energy into the Energy Storage Facility would only be from the grid.” Can you confirm that SVCE/MBCP will be willing to consider a PPA whereby the Buyer must charge the battery with a certain percentage of renewable energy in order to qualify for the ITC?

Answer

SVCE and MBCP are definitely willing to consider a PPA for Solar with behind-the-meter (BTM) storage so you can qualify for the ITC. This note was to let you know that you need to mark up the form PPA to better address a BTM storage configuration. Such issues that need to be addressed pertain to curtailments of generating facility, storage availability when generating facility is down, adjustments to how compensation is measured, etc. We figured you, the developer, can better address those issues by marking up the PPA.

Questions and Answers

Question

In the bids, will SVCE or MBCP require the bidders to address what affect the potential import tariff outcome of the ITC 201 solar panel tariff case will have on the price of the bid to the SVCE RFP?

Answer

If your offered prices are contingent on the outcome of this tariff case and the outcome will still be unknown at time of PPA execution (expected in December 2017), then that would need to be reflected in the form PPA mark up you submit as part of the bid, and will be part of the qualitative evaluation criteria.



All remaining questions should be directed to:

SVCEenergyprocurement@svcleanenergy.org

This document will be updated with all new questions as they are received along with our answers, and maintained at:

SVCE: www.svcleanenergy.org/energy-procurement

MBCP: www.mbcommunitypower.org/energyprocurement