

Joint CCAs Long-Duration Storage RFO

Offerors' Webinar
November 5, 2020
2:00 to 3:00 pm - PDT



Overview

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Objectives



Cost effectively enhance the integration of renewable energy portfolios into the CAISO grid



Assist in meeting California's aggressive GHG targets by 2030



Enhance Grid Reliability



Procure resources through the Super Joint Powers Authority structure

Joint RFO Process

- **RFO Issued / Question & Answer Period:**

- Participants may submit questions concerning the RFO at JointLDSRFO@svcleanenergy.org and may continue to do so until October 30, 2020. All answers to questions will be posted to SVCE's LDS RFO webpage by November 10, 2020.

- **Offers Due:** Offer(s) must be submitted by the **December 1, 2020 5:00 PM PDT** deadline and include the required documents.

- **Evaluation of Offers**

- **Phase 1** – Will score and rank all compliant Offers based on the Scoring Rubric.
- **Phase 2** – Top-scoring Offers will be modeled to assess fit and value. Best fit and highest value Offers will be Shortlisted, and Offerors will be notified of status.

- **Negotiations and Execution:** The Super JPA will negotiate an Energy Storage Services Agreement (“ESSA”) with Shortlisted project(s) with the intention of executing one ESSA per project by July 2021. In the event the Super JPA is not formed, multiple ESSAs per project may need to be executed.



Joint RFO Schedule

Activity	Scheduled Date
Issuance of RFO	October 15, 2020
Offerors' Webinar	November 5, 2020 at 2:00 PM PDT
Deadline to submit questions	November 6, 2020 at 5:00 PM PDT
Responses to questions provided	November 10, 2020 at 5:00 PM PST
Deadline to submit proposals	<u>December 1, 2020 at 5:00 PM PST</u>
Proposal Clarification Contact Period (Tentative)	December 1– February 2, 2021
Notification of final shortlisted Offerors (Tentative)	March 2, 2021
ESSA negotiations	March – July 2021
Final contract approval	July 2021

Product Requirements

NOTE: **Red text** = Required component

Eligible Project	<ul style="list-style-type: none">• Grid-charged long duration storage technology types with a minimum of 8 hours of discharge duration.• Resources must meet minimum California Public Utilities Commission and CAISO requirements for participation in the Resource Adequacy program.
Product & Attributes	<ul style="list-style-type: none">• Full Toll: Energy, Capacity, Ancillary Services and RA counting rights. Buyer will have full rights.• RA Only: RA counting rights
Project Location	<ul style="list-style-type: none">• Resources must interconnect directly to the transmission or distribution system (i.e. “in front of the meter”) and be able to participate directly in CAISO electricity markets or if not directly interconnected to the CAISO must have the ability to provide RA as a dynamic transfer.
Delivery Term	<ul style="list-style-type: none">• <i>Commercial Operation must occur no later than June 1, 2026.*</i>• Minimum delivery term of 10 years. Delivery term lengths longer than 10 years will be considered.

Product Requirements

NOTE: **Red text** = Required component

Scheduling and Dispatch Flexibility


- If a Full Toll, the Super JPA will act as the Scheduling Coordinator with full dispatch and flexibility rights.
- Not applicable if offer is RA only.

Price

- Pricing must be provided as follows:
 - Capacity pricing will be on an \$/kW-month basis, with no escalator.
 - Offeror may submit multiple prices per Project based on varying term, capacity, and discharge duration.
 - Pricing should assume one ESSA per Project. If there are any differences in price based on the Offeror entering multiple ESSAs for a Project, these differences must be noted in the offer.
- Alternative pricing structures may be considered.

Minimum Project Capacity

- 50 MW per Project



Phase 1: Evaluation of Offers – Scoring Rubric

Criteria Component	Points
Expected Value (ESSA Cost minus Project Value)	50
Project Risk	15
Technology/viability	10
Offeror Experience delivering projects of similar scope and magnitude	10
Environmental Impact	5
Delivery Term	10
	Total: 100

Phase 1: Evaluation of Offers – Scoring Rubric

- **Expected Value** – Offers will be scored based on the competitiveness of their total cost relative to the value of the project.
- **Project Risk** – Considerations in this category may include position in an interconnection queue, project feasibility including financing plan, deliverability concerns, concerns about cost structure or contract terms, project susceptibility to changes in legislation, etc.
- **Technology/Viability** – Offerors will need to provide examples of a proof of concept of technology (pilot or commercial project).
- **Offeror Experience** – Assessed on experience as a firm and/or based on the experience of the members of the project team as well as demonstrated experience of delivering projects of similar scope and magnitude.
- **Environmental Impact** – Environmental footprint and impact of the project relative to helping meeting California’s GHG reduction targets by 2030.
- **Delivery Term** – Scored on a scale with projects with shorter terms and COD on or before 2026 scoring higher.

Required Submittal Documents

1. Executive Summary – 2 pages maximum
2. Appendix A - Completed Offer Form (spreadsheet)
3. *Appendix B - Completed/Marked Up Proforma Term Sheet**

Proposals failing to submit these items and/or not meeting the minimum requirements may be deemed Non-Compliant and not considered.

Executive Summary

For the purpose of scoring and ranking, proposals must include a summary of the following:

- ✓ **Expected Value**
- ✓ **Project Risk**
- ✓ **Technology/Viability**
- ✓ **Offeror Experience**
- ✓ **Environmental Impact**
- ✓ **Delivery Term**

Two Pages Maximum in PDF format

Microsoft Word ribbon: Clipboard, Font (Arial, 10), Paragraph (Wrap Text, Merge & Center), Number (General, \$, %, .00, .00), Conditional Formatting, Format as Table (Normal, Good).

Form Title: **1. General Information and Questionnaire**

Explanation: Please answer each question accordingly. Some entries may require selecting an option from a drop down menu.

Energy Storage Facility Information:	
Legal Entity Name	
Street Address	
City, State, Zipcode	
Type of Site Control	
Storage Method/Technology Type	
Interconnection Application Status	
Point of Interconnection	
CAISO Non-Generator ResourceID (if known)	
Describe the technology, and please include the following dimensions:	
Energy (Charging / Discharging)	
Capacity (Charging / Discharging)	
Duration (Hours)	
Round-trip efficiency	
Cycling limitations	
List any seasonal or other usage restrictions.	
Expected degradation over the life of the project (if any)	
Front-of-the-Meter design, Grid charging capable? (Yes or No)	
If you selected No above, explain the source of the charging energy and/or planned metering configuration	
Describe environmental considerations regarding the manufacture, installation, operation, maintenance, expected useful life, and decommissioning of the proposed technology.	
Has this technology been deployed at a commercial scale? If so, please indicate current technology deployment and associated warranty information (if available).	
Has this technology been deployed at a non-commercial scale (e.g. pilot project)? If so, please provide examples. Only answer if answer above is blank.	
Project Financing, Development, and Other	

Navigation tabs: Instructions, **1. General Info & Questionnaire**, 2. Facility Info & Offer Terms, 3. Storage Data Template, Notes

Appendix A: Offer Form

Appendix B Proforma Term Sheet

THIS TERM SHEET FOR ENERGY STORAGE SERVICES AGREEMENT (“**Term Sheet**”) is entered into as of [], 2020 (the “**Effective Date**”), between Central Coast Community Energy, CleanPowerSF, Marin Clean Energy, Peninsula Clean Energy, Redwood Coast Energy Authority, San Jose Clean Energy, Silicon Valley Clean Energy and Sonoma Clean Power, (collectively, the “**Joint CCAs**”) and [Respondent] (“**Respondent**”). This Term Sheet includes the key commercial terms and conditions to be included in a proposed energy storage service agreement (“**ESSA**”) to be negotiated between the Joint CCAs (“**Buyer**”) and [e.g., Project Company LLC] (“**Seller**”) (the “**Proposed Transaction**”). As used herein, Buyer and Seller are each a “**Party**” and collectively the “**Parties**.” Notwithstanding anything herein to the contrary, that until a definitive agreement is approved by Buyer’s Joint Procurement Authority and signed and delivered by each Buyer and Seller, no Party shall have any legal obligations, expressed or implied, or arising in any other manner under this Term Sheet to continue negotiations or enter into the Proposed Transaction or the ESSA.

1. ESSA Terms and Conditions.

<p>Storage Product:</p>	<p>Option 1: RA Product – includes Resource Adequacy Benefits only. “Resource Adequacy Benefits” means the rights and privileges attached to the Storage Facility that satisfy any entity’s resource adequacy obligations, and includes any local, zonal or otherwise locational attributes associated with the Storage Facility, in addition to flex attributes. <i>[Please note that, subject to the agreement of Buyer and Seller, the ESSA for an RA Only product may take the form of an EEI confirmation between Buyer and Seller.]</i></p> <p>Option 2: Storage Product – includes all energy, capacity, Resource Adequacy Benefits, and ancillary services produced by or associated with the Storage Facility. Buyer receives full dispatchable rights and energy revenues earned.</p> <p>Option 3: RA Product with Revenue Sharing – includes Resource Adequacy Benefits, and percent sharing of benefits (TBD) of revenues from energy and ancillary services produced by or associated with the Storage Facility. Seller will schedule and dispatch the energy.</p> <p>Option 4: RA Product + Energy Discharge – includes Resource Adequacy Benefits and blocks of 8 hours of discharge at the hours of Buyer’s choosing.</p> <p>Option 5: Unique Offer <i>[Include detail.]</i></p>
<p>Storage Facility:</p>	<p>“Storage Facility” or “Project” means the [] project, located in [County], in the State of [California].</p>

Appendix B: Proforma Term Sheet

Shortlisted Offers & Required Documents

The following items are due within 7 business days of notification that your Offer has been Shortlisted* to move to the Negotiation phase of this Joint RFO:

- 1) An executed Exclusive Negotiating Agreement
- 2) Receipt of the required Offer Deposit (\$3/kW)
- 3) A completed Credit and Finance Information Form

Required Credit/Security Deposits from Shortlisted Offers

- Offer Deposit of **\$3/kW** upon Shortlisting
- Following ESSA execution, Project Development Security of **\$90/kW**
- Upon Commercial Operation, Delivery Term Security of **\$105/kW**
- Payment Types:
 - Offer Deposit and Project Development Security – cash or Letter of Credit
 - Delivery Term Security – cash, Letter of Credit, or acceptable guarantee

Submitting Offers

- Offers must include all Submittal documents in the format requested
- Offers must be received on or before **December 1, 2020 5:00pm PST.**
- Participants may submit multiple offers
- Only electronic copies will be accepted and must be submitted to:
JointLDSRFO@svcleanenergy.org



Questions



All RFO documents are available at:

<https://www.svcleanenergy.org/joint-lds-rfo/>

All announcements, updates and Q&As will also be posted on the website.

All communications should be directed to:

JointLDSRFO@svcleanenergy.org