



REQUEST FOR PROPOSALS

FOR

Customer Demand Flexibility Services

RFP Release Date: September 11, 2024

RFP Submittal Deadline: October 30, 2024 at 5PM Pacific Time

Request for Proposals

Silicon Valley Clean Energy (SVCE), a public community choice energy agency serving the County of Santa Clara, is seeking proposals from interested vendors for Customer Demand Flexibility Services. Peninsula Clean Energy (PCE), a public community choice energy agency serving the County of San Mateo and the city of Los Banos in Merced County, is collaborating with SVCE in the selection process under this Request for Proposal (RFP). PCE and SVCE may select the same or different vendors out of this process.

Responses are due October 30, 2024 at 5:00pm Pacific Time.

1 Contents

- 2 Overview of the CCAs 4
- 3 RFP Overview 5
- 4 RFP Tentative Timeline 10
- 5 Proposal Submittal 12
- 6 Review and Selection Process 13
- 7 Supplier Diversity 13
- 8 Agreement Terms 14
- 9 Inclusion of Non-Participating Agencies 14
- 10 California Public Records Act 14
- 11 Ex Parte Communication 15
- 12 Insurance Requirements 15
- 13 Conflict of Interest/Statement of Non-Collusion 15
- 14 Addenda 16
- 15 Certifications 16
- 16 Rights of CCAs 16
- 17 Expected Scope of Work 17
- 18 Attachments 22

2 Overview of the CCAs

Silicon Valley Clean Energy (SVCE), a public community choice energy agency, was formed in 2016 to provide residents and businesses with renewable and carbon-free electricity at competitive rates, and innovative programs to reduce fossil fuel use.

SVCE now serves approximately 275,000 residential and commercial electricity customers across a service area comprised of the following thirteen member communities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and Unincorporated Santa Clara County. For more information on SVCE, please visit: <https://www.svcleanenergy.org/>.

Reflective of Silicon Valley's leadership in technology innovation, SVCE's residential and commercial customers are leading adopters of clean energy products and services. 96+% of residential and commercial electricity customers in SVCE's service area receive clean electricity from SVCE – and have saved more than \$100 million on their bills since launch. In addition, SVCE has committed more than \$116 million to customer programs for local electrification and decarbonization. For more information on SVCE's current and planned programs, please visit: <https://www.svcleanenergy.org/programs/>.

SVCE provides approximately 4,000 GWh of electricity annually. Approximately 65% of this volume serves around 25,000 commercial accounts, and approximately 35% serves around 250,000 residential accounts. SVCE's latest fiscal year revenues (year ending September 2023) were \$513M.

Since inception, SVCE has signed more than \$3.7 billion in power purchase agreements for 900 MW of clean energy capacity, including construction of 20 new solar, battery storage, wind, and geothermal facilities. SVCE has a BAA1 rating from Moody's and an A rating from S&P.

Peninsula Clean Energy (PCE) is the not-for-profit, locally-led electricity provider for San Mateo County and Los Banos. PCE's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. PCE serves over 300,000 customers by providing more than 3,500 gigawatt hours annually of electricity that is 100% carbon-free.

Since Peninsula Clean Energy launched in October 2016, customers have saved over \$100 million and over 1 million metric tons CO₂e from our electric service compared to a 2016 baseline, which is equivalent to over 140 million gallons of gasoline use. PCE has earned investment grade credit ratings from Standard & Poor and Moody's. For more information on Peninsula Clean Energy, please go to www.peninsulacleanenergy.com

3 RFP Overview

Purpose

The CCAs are seeking proposals from qualified service providers to help provide and expand demand flexibility services in our service areas over the next five years. The RFP seeks responses on two distinct Parts as described below.

In Part 1, the CCAs are each targeting procurement of 5 MW (10 MW in total) or more of existing capacity from customers' flexible loads in our service areas by 2026 - in the form of market-integrated or load modifying capacity. In Part 2, the CCAs are each seeking service providers(s) with whom to develop an additional 25 MW (up to 50 MW in total) of demand flexibility by 2030. This may be accomplished through a combination of different approaches, including traditional demand response, load-modifying programs, and dynamic pricing.

Respondents may reply to one or ideally both Parts in their submissions. Respondents who are not able to fulfill Part 1 or Part 2 scope are encouraged to team with partners to form a complete proposal.

Background and Challenge

The CCAs are actively investing in electrification of transportation and buildings in their communities and anticipate significant future growth in electricity demand. Electrification is bringing significant new and flexible loads on to the grid, such as electric vehicle charging, battery storage, electric heat pump water heating, smart HVAC and buildings. At the same time, renewable generation continues to expand in California. To maximize reliability and affordability, it will be essential to align flexible loads with hours when electricity is cleanest, most abundant and lowest cost.

The CCAs' long-term demand flexibility goal is to provide and promote services that enable customers to easily, automatically and comfortably shift their electricity use on a daily basis in order to earn direct bill savings, and to reduce future generation and distribution costs, as well as emissions. Our collective vision for the future is that all flexible loads will be connected to services that foster and enable load shifting – reliably during periodic grid emergencies, as well as daily based on dynamic supply conditions.

As referenced in Table ES-2 below, the CCAs' goals are in line with California's statewide objectives under the California Load Management Standards (LMS) program, as well as the state's goal to approximately double load-shift capacity to 7,000 MW by 2030. Much of this new capacity is envisioned to come from load-modifying rates and programs. These will generally require loads that are smart and connected, capable of responding daily to time-variant or dynamic rate schedules, and event-based signals.

Table ES-2 Proposed Statewide Load-Shift Goal by Intervention			
<u>Category</u>	<u>Intervention</u>	<u>2022 Est</u>	<u>2030 Goal</u>
Load Modifying	TOU Rates	620-1,000 MW	3,000 MW
	Dynamic Pricing	30 MW	
	LM Programs	7 MW	
Resource Planning & Procurement	Economic Supply-Side DR	670-825 MW	4,000 MW
	Reliability Supply-Side DR	740 MW	
	POU DR Programs (non-ISO)	210 MW	
Incremental and Emergency (I&E)	I&E Programs	800 MW	
	Emergency Back-Up Generators*	375 MW*	
Total (nearest 100)		3,100 - 3600 MW	7,000 MW
source: LBNL Phase 4 DR Potential Study; see Senate Bill 846 Load Shift Goal Report			

Historically, the value of demand flexibility in California has been realized primarily through market-integrated Demand Response (DR), and procurement of the associated qualifying capacity. DR programs are designed to be called upon in emergency situations (e.g., less than 15 times a year), with incentives paid based on demand reduction.

More recently, load-serving entities (LSEs) have been able to reduce their resource adequacy requirements through load-modifying demand flexibility programs, which are not market integrated, and instead focus on reducing the LSE's peak demand. And soon, dynamic rate programs incentivizing daily load shifting will become available to customers around the state.

In the future, the CCAs believe that the value of demand flexibility must be broadened and further clarified. The value of demand flexibility to customers, LSEs, the grid, and service providers should reward all avoided costs associated with daily load shifting, including the traditional value of load reduction during emergency events, daily energy and emissions savings, and distribution system savings (i.e., grid investment deferral). The CCAs are actively exploring strategies that optimize value capture for distributed energy resources (DERs), and hope to see proposals that offer innovative approaches for enhancing the value stack afforded to DERs, especially through regulatory and operational reform.

Establishing the full market value of demand flexibility will serve to accelerate deployment of enabling devices, programs and services. Critical in this equation will be strong customer value propositions that motivate customer participation, enabling easy and practical ways to connect flexible loads, and earn energy savings.

Opportunity

To meet the challenges outlined above, the CCAs are seeking to partner with service provider(s) to build and provide compelling customer-facing demand flexibility services. These services will grow with expanding adoption of smart electric devices, a changing regulatory climate, the CCAs' goals, and continued investment in local electrification and decarbonization programs.

SVCE's and PCE's communities are leaders in electric vehicle adoption, solar and storage deployment, and building electrification. Table 1 below shows approximate current levels of adoption by device/technology 'vertical' in the CCAs' service areas, and associated potential for load shift (demand flex) measured in terms of capacity and energy. Some of this capacity is already enrolled or engaged in third-party demand flexibility programs, so this represents the total addressable market of equipment, some of which is already deployed.

Table 1a: Currently-Deployed Devices and Demand Flexibility Potential in SVCE Service Area (Estimated)

Device/Technology	Estimated Number of Devices	Low estimate Deployed Demand Flex Potential (demand/MW)	High estimate Deployed demand flex potential (demand/MW)	Low estimate Deployed Demand Flex Potential (energy/MWh)	High estimate Deployed Demand Flex Potential (energy/MWh)
Electric Vehicles (managed charging)	40,000	15	28	30,000	51,000
Battery Storage (residential)	1,600	3	8	4,000	7,000
HPWH (residential)	2,500	0.5	1	550	1,000
HVAC/Tstats (residential)	60,000	5	10	600	1,100
Bldg Mgt Systems (Non-res Load Mgt)	300	5	10	450	1,200
Total		28.5	57	35,600	61,300

Table 1b: Currently-Deployed Devices and Demand Flexibility Potential in PCE Service Area (Estimated)

Device/Technology	Estimated Number of Devices	Low estimate Deployed Demand Flex Potential (demand/MW)	High estimate Deployed demand flex potential (demand/MW)	Low estimate Deployed Demand Flex Potential (energy/MWh)	High estimate Deployed Demand Flex Potential (energy/MWh)
Electric Vehicles (managed charging)	55,000	20	38	41,000	70,000
Battery Storage (residential)	4,700	9	24	12,000	20,000
HPWH (residential)	1,750	0.3	0.5	250	500
HVAC/Tstats (residential)	50,000	4	8	500	1,000
Bldg Mgt Systems (Non-res Load Mgt)	Unknown	N/A	N/A	N/A	N/A
Total		33.3	70.5	53,750	91,500

As electrification of transportation and buildings continues to progress, the number of deployed flexible devices will grow significantly. By 2040, the CCAs expect a roughly 5-fold growth in total demand flexibility potential. While all flexible loads are expected to grow significantly, EV charging will be the primary driver of load growth and flexibility.

Since launch in 2017, SVCE has committed over \$116M to local customer programs focused on electrification. PCE has invested \$33M on local energy programs since 2018 and is forecasting to spend another \$150M over the next five (5) years. The funding targets incentives and rebates for electric vehicle charging stations, residential and commercial building electrification, solar and storage deployment, and pilot load management programs. The CCAs expect that this level of investment will continue, and potentially increase. A key objective in establishing new demand flexibility services is creating an 'on ramp' for connecting and flexing new loads resulting from the CCAs electrification and decarbonization programs.

The CCAs anticipate that local capacity provided by its demand flexibility partner(s) will be funded initially in the form of traditional capacity payments, with further consideration for other avoided costs. In addition, the CCAs are committed to investing in, and actively co-marketing, new demand flexibility offerings and participating in upcoming dynamic pricing pilots. As LSEs, the CCAs must also meet capacity obligations and the California Energy Commission (CEC) Load Management Standards. The CCAs expect that RFP respondents will include firms serving as aggregators and market participants, that are capable of integrating with device and application service providers (ASPs) under the CEC's Market-Informed Demand Automation Server (MIDAS) to address different technology verticals and market segments. The CCAs will look to their demand flexibility service provider(s) to provide, and help create new, offerings for the end customer. Of longer-term interest will be prospective 'whole home' or 'whole building' offerings that can flex and optimize energy use across a range of devices at the customer premise.

Demand flexibility solutions involve multiple players – including LSEs, aggregators, device and application solution providers. . Figure 1. below provides an overview of the CCAs vision for demand flexibility, the roles we seek to develop and scope out within this RFP, and the key functions we expect to be required.

Figure 1. Demand Flexibility Functions and Capabilities



In summary, the CCAs are looking for service provider(s) who are delivering value in the market today, and are committed to partnering with the CCAs to develop innovative demand flexibility solutions for the future. Results will unlock new value for customers, LSEs, the grid, and solution providers.

4 RFP Timeline

This tentative schedule is provided for the convenience of Respondents but may be subject to change at any time by the CCAs. Any such changes will be stated in an addendum to this RFP or otherwise communicated to Respondents.

Date	Event
Sept 11, 2024	RFP issued
Sept 25, 2024	Pre-proposal teleconference hosted by CCAs
Oct 2, 2024	Deadline for questions from respondents
Oct 9, 2024	Question responses posted online by CCAs
Oct 30, 2024	Deadline for respondents to submit proposals
Oct 30 – Nov 20, 2024	Potential clarification on submitted proposals by CCAs
Nov 20, 2024	Selected respondents notified of interview times, if applicable, by CCAs
Dec 2 – Dec 13, 2024	Possible interviews of top respondents by CCAs
Dec 18, 2024	Anticipated date awardees will be notified by CCAs
Q1 2025	Anticipated date SVCE and PCE finalize contracts (to be sent to Boards for approval).
Q2 2025	Anticipated launch (will vary by CCA)

Notes:

- Pre-Proposal Teleconference: A teleconference will be held on Sept 25 '24 at 2:00 PM Pacific Time. Call in information: [Pre-proposal Zoom link for RFP](#) ; Meeting ID: 893 3299 5402, Passcode: 489615
- Questions: Respondents may submit questions concerning the RFP to solicitations@svcleanenergy.org. Please add "subject "Proposal - <Organization> - Customer Demand Flexibility Services RFP" to your questions. All questions and answers will be shared with all respondents and will be posted in the same location as the RFP, at <https://www.svcleanenergy.org/solicitations/>. Questions must be emailed and received by SVCE no later than October 2, 2024. SVCE shall not be responsible for or nor be bound by any oral instructions, interpretations or explanations issued by SVCE or its representatives.
- Proposal Review: PCE is collaborating with SVCE in the selection process under this RFP and PCE staff will review submitted proposals alongside SVCE staff. Both entities

may request clarifications of submitted proposals by email or phone before November 20, 2024. Prompt responses will be requested.

- Respondents Interviews: SVCE and PCE may choose to conduct in-person/phone interviews of the selected respondents between December 2 through December 13.

5 Proposal Submittal

Proposals must be received on or before the above deadline and submitted by email to solicitations@svcleanenergy.org with the subject "Proposal - <Organization> - Customer Demand Flexibility Services "

Only electronic submittals in PDF format will be accepted.

Proposals must include the following sections (to be submitted in this order only):

1. Administrative Information (1 pg. max)
 - Provide administrative information, and include at a minimum: name, mailing address, phone number, and email of designated point of contact. This section may include an executive summary of your organization.
2. Proposal summary (2 pg. max)
 - Discuss the highlights, key features and distinguishing points of the proposal.
3. Organization description and qualifications (6 pg. max)
 - Provide a detailed overview of your organization. Include overall organizational and business model, number of employees, financing structure and names and resumes of relevant executive leadership.
 - Provide brief bios for key staff that will work on this project.
 - Please describe your specific experience and engagement in California and/or the SVCE and PCE service territories.
 - Complete this information for all Respondents (and Sub-Respondents, if applicable) that are included in the proposal.
4. Proposed Solution (30 pg. max)
 - The Scope of Work (see Section 17 of the RFP) is divided into two parts. Part 1 requests existing available capacity that each respondent can provide within SVCE's and PCE's service territories by 2026. Part 2 addresses the growth of demand flexibility that can be attained by 2030.
 - Respond to the prompts provided as enumerated in each Part of Section 17 that applies to your proposal.
 - Include cost proposals for Part 1 using the Pricing Sheet in Attachment A (tabs 1 and 2)
 - Describe the cost structure for your services under Part 2 in the narrative, as well as in Appendix A – Pricing Sheet (tabs 3 and 4). While the CCAs prefer to receive cost information for Part 2 via the pricing sheet, alternative pricing sheets developed by the proposer are acceptable.
 - Suggest any innovations, additions or modifications to the scope that the CCAs prepared.
5. Proposed approach, timeline and key milestones (4 pg. max; table or chart for the schedule)
 - Present a well-conceived approach to bringing capacity online.
 - Include a description of key activities and milestones.
6. Review CCA contract terms
 - <https://svcleanenergy.box.com/s/wy0kn9ly7gsbdagrbw9150jsi5dnzctq>
 - [PCE's Standard Contracts](#)
 - SVCE or PCE may use all or a portion of these contracts, or draft an alternative contract based on the scope and structure of the chosen services
7. Inclusion of non-participating agencies (see Section 9 of this RFP)

- Indicate Respondent's willingness to extend the terms of resulting contracts to other similar entities.

6 Review and Selection Process

In addition to, or in reiteration of, the aforementioned minimum proposal requirements, all of which are mandatory, proposals will be evaluated based on the following non-exclusive list of criteria:

- Qualifications and experience of the Respondent providing similar products and services, including the capability and experience of key personnel as well as experience with other public and/or private agencies in similar capacities
- History of successfully performing services for public and/or private agencies and other Community Choice Energy agencies
- Financial viability of the Respondent
- Cost to SVCE and/or PCE for the products and services identified in this RFP
- Proposed approach, including a clearly demonstrated understanding of the recommended scope of products, services to be provided, and pathways to providing dispatchable capacity
- Confirmed capacity to dispatch claimed asset equipment types and manufacturers (legal authority and technical capability)
- Key features such as integration of customer preferences where appropriate
- Ability to meet any required timelines or other requirements
- Existence of, and circumstances surrounding, any claims or violations of law or governmental regulations against the Respondent, its representatives and/or partners
- Pertinent references
- Acceptance of SVCE's and PCE's contract terms and conditions

The CCAs reserve the right to consider factors other than those specified above and to request additional information from any/all Respondents as a part of the selection process.

7 Supplier Diversity

All qualified organizations are encouraged to respond, including minority-owned and women-owned organizations.

The CCAs are equal opportunity employers. All responses will be evaluated under the same criteria. Pursuant to Proposition 209, a government entity such as the CCAs are prohibited from granting preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment or public contracting.

RFP respondents that execute a contract with SVCE and/or PCE will be asked to complete a supplier diversity questionnaire (see PCE's questionnaire [here](#)). As public agencies and consistent with state law, the CCAs will not use any provided information in any part of its selection process. Rather, the CCAs will use the information to comply with the California Public Utilities Commission (CPUC) reporting requirements. Pursuant to General Order 156 (GO156), the CCAs are required to submit a detailed and verifiable annual plan and report on the utilization of women-owned, minority-owned, disabled veteran-owned and LGBT-

owned business enterprises' procurement. Consistent with the California Public Utilities Code and State policy objectives, the CCAs will collect information regarding supplier diversity and labor practices from project developers and their subcontractors regarding past, current and/or planned efforts and policies.

The CCAs encourages businesses that qualify for diverse business enterprise status to obtain certification through CPUC's [Supplier Diversity Clearinghouse](#). The certification is voluntary and cannot be used as a criterion for bid evaluation. For information on the certification process and requirements, please visit SVCE's [Supplier Diversity page](#).

8 Agreement Terms

Awardees will be required to enter into a contract using SVCE's and PCE's contract terms. Modification of the contract terms may be proposed by the Respondent for consideration by SVCE and PCE but are not guaranteed to be accepted. Rejection of the final terms from SVCE and/or PCE is grounds for disqualification for contracting with the respective entity.

SVCE's standard contract terms for non-confidential, confidential and SaaS Agreements are available at (<https://svcleanenergy.box.com/s/wy0kn9ly7gsbdagrbw9150jsi5dnzctq>). PCE's standard contract terms are available for review [here](#).

9 Inclusion of Non-Participating Agencies

The CCAs are asking all responding Respondents to indicate their willingness to extend the terms of resulting contracts, inclusive of price, to other interested California-based municipalities, municipally-owned utilities and community choice energy programs. While this clause in no way commits these agencies to contract with the CCA's awarded service provider(s), nor does it guarantee any additional orders will result, it does allow other agencies, at their discretion, to make use of the CCAs' competitive process (provided said process satisfies their own procurement guidelines) and enter into a contract directly with the awarded consultant. All contracts executed by other agencies shall be understood to be transactions between that agency and the awarded service provider; SVCE and PCE shall not be responsible or liable in any manner for any such contracts.

10 California Public Records Act

All parties acknowledge that the CCAs are public agencies subject to the requirements of the California Public Records Act, Cal. Gov. Code section 6250 et seq. ("CPRA"). The CCAs will not disclose any part of any proposal before they announce a recommendation for an award, on the ground that there is a substantial public interest in not disclosing proposal during the evaluation process. After the announcement of a recommended award, all proposals received in response to this RFP will be subject to public disclosure, with the exception of those elements in each proposal which are exempt from disclosure pursuant to the CPRA.

If a respondent believes there are portion(s) of the proposal which are exempt from disclosure, the respondent must plainly mark it as "Confidential", "Proprietary", or "Trade

Secret.” The CCAs may also request that the respondent state the specific provision of the CPRA which provides the exemption, and the factual basis for claiming the exemption. Any proposal which contains language purporting to render all or significant portions of the proposal as “Confidential,” “Trade Secret,” or “Propriety,” will be considered non-responsive and a public record in its entirety.

Although the CPRA recognizes that certain confidential trade secret information may be protected from disclosure, the CCAs may not be in a position to establish that the information a respondent submits is a trade secret. If a public records request is made for information marked “Confidential,” “Proprietary,” or “Trade Secret,” the CCAs will provide the respondent(s) who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction. The Respondent shall be solely responsible for taking such legal steps; if the Respondent takes no such action after receiving notice of the public records request, the CCAs will disclose all records it deems subject to disclosure, even if marked “Confidential,” “Trade Secret,” or “Proprietary.”

11 Ex Parte Communication

Please note that to insure the proper and fair evaluation of a proposal, the CCAs prohibit ex-parte (i.e., unsolicited) communication initiated by the Respondent to an SVCE or PCE Official or Employee evaluating or considering the proposals prior to the time a bid decision has been made. Communication between Respondent and the CCAs will be initiated by the appropriate Agency Official or Employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the proposal. Ex-parte communication may be grounds for disqualifying the offending Respondent from consideration or award of this or any future proposal.

12 Insurance Requirements

All insurance shall be secured from, or countersigned by, an agent or surety company recognized in good standing and authorized to do business in the State of California. The Respondent shall, within thirty (30) days of notification of award and prior to commencement of work, take out and maintain in full force an effect minimum insurance coverage as defined in the final agreement. This insurance shall remain in force and effect throughout the duration of the contract.

A certificate of existing insurance coverage should be submitted with the proposal as proof of insurability. If the current coverage does not meet the RFP requirements, then the Respondent should request an affidavit of insurability from the Respondent’s insurance agent that certifies the requirements can and will be met. Failure to provide adequate insurance coverage may be cause for disqualification as non-responsive to the RFP requirements.

13 Conflict of Interest/Statement of Non-Collusion

All respondents must disclose with their proposal the name of any officer, director, or agent who is also an employee of SVCE or PCE. Further, all respondents must disclose the name of any SVCE or PCE employee who owns, directly or indirectly, an interest of five percent (5%) or more of the respondent's firm or any of its branches.

The respondent shall certify that he/she has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the proposal and that the respondent is not financially interested in, or otherwise affiliated in a business way, with any other respondent.

14 Addenda

It is the respondent's responsibility to contact SVCE prior to submitting a proposal to ascertain if any addenda have been issued, to obtain all such addenda and return executed addenda with the proposal.

The failure of a respondent to submit acknowledgement of any addenda that affects the proposal price(s) may be considered an irregularity and may be cause for rejection of the proposal.

15 Certifications

The submission of a proposal shall be deemed a representation and certification by the respondent that it:

- Has read, understands and agrees to the information and requirements set forth in this RFP.
- Has the capability to complete the responsibilities and obligations of the proposal being submitted.
- Represents that all information contained in the proposal is true and correct.
- Acknowledges that the CCAs have the right to make any inquiry they deem appropriate to substantiate or supplement information supplied by respondent, and respondent hereby grants the CCAs permission to make these inquiries.
- Will provide any and all documentation related to the proposal in a timely manner.
- Is eligible to submit a proposal because he/she is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in a transaction by any Federal, State, or local department or agency.

16 Rights of the CCAs

The CCAs are not obligated to respond to any proposal submitted as part of the RFP. **The CCAs at their sole discretion reserve the right to waive technicalities or irregularities, to reject any or all proposals, and/or to accept the proposal which is in the best interest of the CCAs.** The award of this proposal, if made, may be based on considerations other than total cost and may be awarded based on various considerations, including without limitation: respondent's experience and/or qualifications, administrative cost, standardization, technical evaluation and oral and/or written presentations as required. The CCAs reserve the right to accept all or part, or to decline the whole proposal. The CCAs may award this RFP to one (1) or more respondents.

17 Expected Scope of Work

The CCAs seek responses to two distinct sections (Part 1 and Part 2) within this solicitation. Respondents may reply to one or ideally both sections in their submissions. Respondents who are not able to independently fulfill Part 1 or Part 2 scope are encouraged to team with partners.

The CCAs are interested in a broad range of device types and strategies for incentivizing demand flexibility and load reduction. Examples of device types include electric vehicles (EVs), battery energy storage systems (BESS), heat pump water heaters (HPWHs), smart control thermostats (SCT), and non-residential building energy management systems (BEMS). All device types are of interest in this initiative.

In Part 1, the CCAs are each targeting procurement of 5 MW (10 MW in total) or more of existing capacity from customers' flexible loads in our service areas by 2026 - in the form of market-integrated or load modifying capacity. In Part 2, the CCAs are each seeking service providers(s) with whom to develop an additional 25 MW (up to 50 MW in total) of demand flexibility by 2030. This may be accomplished through a combination of different approaches, including traditional demand response, load-modifying programs, and dynamic pricing. A key goal for the scope to be developed under Part 2 is unlocking new value streams enabled with demand flexibility solutions. Beyond the limited value of demand response programs today, the CCAs aim to unlock the value of emissions savings, energy savings and T&D benefits.

Part 1: Existing Capacity Resources

SVCE and PCE seek responses from service provider(s) for capacity from behind-the-meter DERs within the CCAs' service areas,¹ which can be dispatched in response to a signal from a service provider using triggers established in coordination with the CCAs, relevant market obligations, or a dynamic price signal. Automated device response to a price signal is desirable, as is behavioral demand flexibility, which may be a better fit for some customers or technologies. The initial target is for respondents to be able to provide 5 MW of capacity per CCA (10 MW total), which can be comprised of aggregated portfolios of projects from various devices and customers. The CCAs may consider aggregations of <5MW, and group them together to reach the capacity target.

The respondent should provide the following detail on the characteristics of the capacity included in the submission:

- A. Market-Integrated or Load-Modifying Capacity
- B. Cost Information
- C. Resource Characteristics

A. Market-integrated or Load-Modifying Capacity

Please describe if the capacity you are offering the CCAs:

- 1) Capacity (MW) that is currently **market-integrated** (dispatched according to a CAISO must-offer obligation) and can be made available to the CCAs to satisfy

¹ Zip code coverage for the CCAs' service areas can be found in Attachment C

resource adequacy (RA) requirements, or is ready to fulfill RA requirements and can successfully comply with CAISO market requirements

- a) Forecast the market-integrated capacity you will offer to the CCAs starting in 2026. Please use Appendix A – Pricing Sheet (tabs 1 and 2, Table 1) to provide more details on your proposal.
 - b) For existing market-integrated capacity that overlaps with the CCAs’ service areas, provide details on historic performance:
 - i) Which hours per year the portfolio was bid into the CAISO market, and the price of accepted bids (\$/MWh)
 - ii) Share Load Impact Protocol (LIP) reports, and other relevant evaluations of performance.
 - iii) Describe anticipated adjustments to performance of aggregations when restricting capacity and energy bids to the CCAs’ service area.
- 2) Capacity that remains “out-of-market” – i.e., unenrolled in any capacity or DR program - and is intended to be leveraged as a **load modifying resource**
- a) Forecast the load-modifying capacity you will offer to the CCAs starting in 2026. Please use Appendix A – Pricing Sheet (tabs 1 and 2, Table 2) to provide more details on your proposal.
 - i) Load modifying capacity must verifiably load shift or shed during peak demand hours, at a minimum from May-September. Please outline any limitations on the number of hours, or months during which the load modifying capacity is available.
 - ii) Load modifying capacity cannot be enrolled in any other Demand Response or reliability program.

B. Cost Information

Respondents may propose their preferred cost structure in response to the RFP. Respondents must include the contract price to the CCA in Attachment A – Pricing Sheet (tab 1 and tab 2). If additional costs incur under the respondent’s proposal, please specify these costs in the narrative. Such costs could include incentives paid (or other rewards) to customers to deliver flexibility, as well as potential set-up or licensing fees. In your cost structure, please also clarify if you expect energy costs to be paid by the CCAs, or earned through successful bids in the energy or capacity market.

C. Resource Characteristics

Please provide the following additional details about the resources you are offering to the CCAs:

1. Technologies: Describe the customer end-use technologies providing the flexibility, as well as the customer type(s)
2. Dispatch
 - a. Overview of communication to devices resulting in energy dispatch
 - b. If proposal leverages a Distributed Energy Resources Management System (DERMS) platform, outline the use of the platform. Please indicate which devices are managed directly by the DERMS, and which are integrated with service providers who manage end-use loads
3. Customer benefits
 - a. Overview of customer benefits, services and incentives offered
 - b. Describe customer engagement and roles for respondent and the CCAs
4. Other Programs

- a. Known state or utility energy programs that have been or will be leveraged to incentivize installations.
 - b. Note any market-integrated or reliability programs with dual enrollment restrictions
 - c. If market-integrated, describe how the resource will be registered with the Demand Response Registration System
5. Timeline: Timeline for when the capacity could be committed to the CCAs
6. Reporting: Describe reporting capabilities to be made available to the CCAs, for aggregated resources as well as site-level equipment

Part 2 – New Demand Flexibility

In addition to the initial 10 MW of capacity included in Part 1, the CCAs seek to partner with solution provider(s) in Part 2 that support a significant expansion in both residential and non-residential customer demand flexibility via the deployment of a comprehensive DERMS platform that can integrate a variety of customer end uses for integrated dispatch. This effort may be comprised of a project team, with each team member contributing to different aspects of the work (e.g. customer projects, DERMS solution, strategy).

Over the next 5 years, each CCA expects to achieve enrollments of up to 25 MW (50 MW total), from vendor-led programs and aggregations, as well as CCA-administered customer programs. The CCAs envision a minimum 5-year demand flexibility effort, with a centralized DERMS solution to manage a variety of flexible technologies such as battery energy storage systems (BESS), EV managed charging, smart control thermostats (SCT), heat pump water heaters (HPWH) and Building Energy Management Systems (BEMS). The DERMS solution will be able to successfully integrate devices from existing integration partners, new integration partners, as well as customers who participate in CCA programs.

New flexible end-use devices will not produce impacts on their own. Equally as important are the programs and value streams that enable and reward flexibility, which the CCAs seek to develop and scale under this initiative. Today's capacity-focused market opportunities do not adequately capture avoided energy costs, avoided emissions value, or transmission and distribution benefits. Identifying new pathways to quantify and generate value will enable the CCAs to reinvest that value with customers and service providers, creating a business case for scaling demand-management investments.

The CCAs are seeking proposals for both market-integrated and/or load-modifying capacity under Part 2 of the proposal. Proposals are expected to outline the value streams that the resources generate, as well as the associated timeframe. The CCAs are asking vendors to describe the dispatch options they can offer to the CCAs and customers under their DERMS platform (including, but not limited to, daily dispatch, event-based dispatch, dynamic pricing signals as well as locational dispatch). Proposals should describe in detail the relative strengths and weaknesses of market-integrated and load-modifying capacity pathways, noting challenges associated with pathway such as M&V requirements, reporting requirements, value afforded to different resource types, and incrementality.

The CCAs are also interested in a measurement and verification (M&V) tool for forecasting load impacts, as well as tracking, evaluating and reporting on actual load impacts achieved. This tool can be part of a DERMS platform, or a separate, centralized platform. Whereas the key function of the DERMS is dispatching the flexibility of end-use loads, the core function of this tool is impact forecasting, measurement and verification, tracking and reporting. It may

integrate device performance data from a DERMS, but also use interval energy data and analytics to generate site-level and portfolio assessments of savings and demand reduction. M&V and reporting will substantiate the CCAs' capacity and energy claims for both 'in' and 'out' of market demand flexibility. This element of the scope is likely not required for existing, market-integrated capacity (where market obligations and reporting via the LIPs are managed by the aggregator), but is anticipated to be a core element of the Part 2 scope as the CCAs explore their own role as market participant and/or new pathways for establishing value. This M&V platform may also be expected to integrate with each CCAs' internal customer relationship management (CRM) tool for effective and streamlined customer enrollment and management.

Respondents to Part 2 are encouraged to address the following topics in their response (please specify areas that are not applicable, if any):

- A. DERMS Technical Capabilities
- B. Resource Valuation
- C. Performance Pathways
- D. Customer Engagement
- E. M&V
- F. Admin, Integration Support
- G. Cost Proposal

A. DERMS Technical Capabilities

Describe the following:

- 1) Experience offering virtual power plant (VPP) services in California
- 2) The DERMS product and its features
 - a) Use Attachment B – DERMS Integrations to outline current and planned device integrations
 - i) Please specify if integration is completed, nearly completed, or in early exploration (not yet contracted). If in "nearly completed" or "early exploration," do you have an estimated timeline for completion?
 - ii) Do you work with any other "integration partners" outside of your device OEM integrations? Please note devices managed directly by the DERMS versus integrations with service providers who manage end-use loads.
 - b) Are you able to provide a DERMS that integrates resources across the various load flexibility technologies?
 - c) Describe access to dashboards, number of user accounts, and reporting capabilities.
- 3) Primary or preferred communication modes to devices and customers.
- 4) Ability to integrate multiple dispatch signals.
- 5) Support for platform interoperability standards such as IEEE 2030.5
- 6) integration with advanced grid management technologies (such as machine learning-driven forecasting and optimization platforms)

B. Resource Valuation

- 1) Propose creative pathways for expanding load-shifting impacts, in addition to must-offer-obligations for market-integrated DR
 - a) Describe strategies to encourage regular load shifting with customers

- b) Describe achievable potential capacity and energy within the CCAs' service areas over a 5-year timeframe, and provide an estimate for the price of that capacity and energy. Provide pricing based on:
 - i) Technology type
 - ii) Demand flexibility capacity brought online by a CCA programmatic on-ramp
 - iii) Demand flexibility capacity brought online independently by a vendor
 - iv) The ability to creatively monetize avoided costs such as energy, carbon impacts, and other value streams
- 2) Refer, where relevant, to publicly funded programmatic opportunities, especially those available to community choice aggregators (CCAs) (e.g. Demand Side Grid Support (DSGS) program) but also other utility programs (e.g. PG&E's dynamic pricing pilots, energy efficiency programs, Emergency Load Reduction Program)
- 3) Describe how your proposal interacts with regulatory and compliance requirements (CEC Load Management Standards, CPUC Slice-of-day etc.) and how the proposal interacts with, or is isolated from, a fast-evolving regulatory environment
- 4) Describe perspectives on the role of dynamic pricing in demand flexibility, and/or your experience in dynamic pricing programs.

C. Performance Pathways

Confirm in your response that you have read and received version 2.0 of this RFP – Part 2, C is new content as of 10/10/2024.

Please describe which performance pathways or dispatch signals your solution can provide, including, but not limited to, the following:

- 1) Event-based dispatch
- 2) Daily or regular load shifting
- 3) Dispatch based on market prices ("market aware" performance pathway)
- 4) Hourly dynamic pricing
- 5) Locational signals (optional)
- 6) Please describe dispatch triggers and system processes for each of the proposed solutions, including the role of the CCAs

D. Customer Engagement

Describe the following:

- 1) Experience in customer-facing programs offered to both residential and non-residential customers, and recommendations for advancing non-residential demand flexibility and demand response
- 2) Vision for 'whole home' energy management, and how customers with multiple flexible technologies should be engaged in a coordinated manner. Describe integration requirements for customers who participate in CCA-administered programs, and how they could become part of a "whole home" solution
- 3) Tools or dashboards made available to customers
- 4) Role of incentives, automation and behavioral approaches in dispatching devices and customers to deliver load shift or load reduction
- 5) Roles of your organization or project team and the CCAs in customer engagement
- 6) How you ensure that customers are not dually enrolled in other load flexibility programs

E. M&V Tool

- 1) Describe your experience in M&V, relevant methodologies, and address needs for different device types, program designs and data flows
- 2) Propose how you would measure and aggregate data from a variety of programs and device types
- 3) Describe your experience with market-integrated capacity products, the Avoided Cost Calculator, the CPUC's Load Impact Protocols, as well as general resource adequacy (RA) requirements, including hourly accounting and Slice-of-Day
- 4) Describe the forecasting capabilities of the tool

F. Admin & Integration Support

- 1) Do your services include providing dispatch and admin support for CCAs outside of the provision of the DERMS platform itself? If yes, what do these services entail?
- 2) What do you need from the CCA to successfully implement the project?
- 3) How can your platform integrate with each CCAs' internal CRM?
- 4) Data Security and Data Provisioning
 - a) What data can be made available and through what transfer mechanism?
 - b) What security standards and features are implemented to ensure system integrity?

G. Cost proposal (2 pg. max)

- 1) Describe the cost structure for your services under Part 2 in narrative, as well as in Appendix A – Pricing Sheet (tabs 3 and 4). While the CCAs prefer to receive cost information for Part 2 via the pricing sheet, alternative pricing sheets developed by the proposer will be accepted as well.
- 2) In your cost proposal, outline
 - a) Costs for the DERMS platform and the M&V tool (if M&V services are provided under the DERMS platform, please explain in the narrative and leave the table for the M&V platform empty)
 - b) All direct costs as well as labor costs (if applicable)
 - c) Labor rates for relevant staffing roles in tab 4
- 3) In the narrative, describe all known benefits and their financial value, as well as benefits to be pursued. Include any revenue share or mechanisms for innovatively reducing net costs.
- 4) The CCAs are partnering on this RFP in part to help achieve economies of scale. Outline your costs and pricing structure for being awarded a contract with just one of the CCAs, as well as the costs and pricing structure if you were to be awarded contracts with both CCAs.

18 Attachments

- Attachment A – Pricing Sheet
- Attachment B – DERMS Integrations

- Attachment C – Zip Codes