Q&A: SDG&E's 2016 Enhanced Community Renewables Solicitation

1. If we have a wind energy facility that would normally respond to a RAM solicitation or a RPS solicitation, would our project be eligible for this solicitation?

RPS-Eligible projects sized between 500kWAC and 20MWAC located in San Diego or the Imperial Valley and either directly connected or dynamically transferred via pseudo-tie into SDG&E's service territory at the Imperial Valley substation by the California Independent System Operator (CAISO) which meet all other eligibility requirements in section 3.0 of the ECR RFO Solicitation Protocol are eligible for the ECR solicitation.

2. When does SDG&E verify the DBE spending?

SDG&E verifies DBE spending annually.

3. Why are RECs considered in the LCBF equation if they are to be retired on behalf of the subscribing customers? Wouldn't the value of these RECs be neutral to the utility?

SDG&E is required to purchase unsubscribed energy from a project, as outlined in the ECR Rider. Therefore, each bid will be evaluated considering this component of the ECR program.

4. If the PPA and/or Rider are unmodifiable what needs to be submitted?

Bidders should submit the PPA and Rider with all requested information completed in each of the documents.

5. Will TOD factors be fixed in advance of or at the time of contract execution?

TOD factors are fixed for the duration of the contract based on the TOD factors contained in Section 5.0 of the ECR RFO Solicitation Protocol.

6. Is the economically curtailed payment based on PPA price of DLAP?

If a developer meets the minimum subscription requirements contained in the ECR Rider, curtailed energy will be compensated at the contract price. If a developer fails to meet the minimum subscription requirements contained in the ECR Rider, curtailed energy will be compensated at the lesser of the PPA price or DLAP+ REC value.

7. Can you clarify the community interest requirements?

The community interest requirements can be viewed at:
http://www.sdge.com/environment/share-sun-for-developers

8. Do marketing materials need to be submitted by the bid deadline, or actually approved by SDG&E prior to the bid deadline?

ECR Developers must have their community interest marketing materials successfully reviewed by SDG&E prior to submitting a bid into the ECR solicitation as stated in section 3.0 of the ECR RFO Solicitation Protocol. An overview of SDG&E's and Green-e Energy's marketing requirements related to gathering community interest can be found at http://www.sdge.com/environment/developer-marketing-requirements-and-review-process.

9. Do developers create a power purchase agreement with the individual customers or is there a form PPA with SDG&E?

The developer will execute an ECR RAM power purchase agreement and ECR Rider with SDG&E. The developer will also execute a Customer Developer Agreement with each subscribing customer outlining the energy price and subscription terms related to purchasing rights to the electricity produced by the renewable generating facility. The Customer Developer Agreement must be created by the developer and meet the minimum requirements for the program which can be viewed at: http://www.sdge.com/environment/share-sun-for-developers

10. Why was there discussion of the Phase I interconnection process in the bidder's conference if a Phase II study is a requirement for submission?

A thorough overview of the complete interconnection process was provided for informational purposes.

11. Are projects that are outside of SDG&E and the Imperial Valley, but within the CAISO and thus able to deliver to SDGE eligible for SDG&E's 2016 ECR RFO?

To be eligible for this solicitation, projects must be located within SDG&E's service territory or in the Imperial Valley. Projects located in the Imperial Valley must be either directly connected or dynamically transferred via pseudo-tie into SDG&E's service territory at the Imperial Valley substation by the California Independent System Operator (CAISO) to be eligible for SDG&E's 2016 ECR RFO, as stated in section 3.0 of the ECR RFO Solicitation Protocol.

12. How is the customer bill credit established for customers participating in the ECR Tariff? Is it completely independent of the PPA Energy Price and TOD Factors set in the PPA?

The Share the Sun Bill Credit line item is based on various components, as set forth in D.15-01-051. ECR customers will receive charges for Renewable Integration, Power Charge

Indifference Adjustment, Grid Services, and Program Administration. ECR customers will also receive credits representing the value of SDG&E's average commodity cost and the value of solar energy and capacity. The value for each of the charges and credits is available in SDG&E's Schedule ECR Tariff < http://regarchive.sdge.com/tm2/pdf/ELEC_ELEC-SCHEDS_ECR.pdf> and is subject to change annually. Regarding the use of the PPA price, D.15-01-051 requires that the customer receive a charge equal to the cost of energy under the PPA and an offsetting credit of the same amount. Because the charge and credit for the cost of energy under the PPA cancel each other out, this value will have no impact on the net ECR credit received by the customer.

13. How will SDG&E calculate the expected project revenue for the purposes of calculating the Delivery Term Security?

For the purposes of calculating delivery term security, SDG&E will estimate the total expected project revenue based on the greater of what SDG&E may expect to pay under minimum customer subscription under the PPA price bid to SDG&E or the DLAP forward curve price plus REC value for the expected output over the term of the contract.