



SAN DIEGO GAS AND ELECTRIC COMPANY
ELECTRIC AND FUEL PROCUREMENT DEPARTMENT
8315 CENTURY PARK COURT, CP21D
SAN DIEGO, CA 92123

**SDG&E's 2017 DISTRIBUTION RESOURCES PLAN
(DRP) DEMONSTRATION PROJECT 'C'
RFO**

2017
DRP DEMONSTRATION PROJECT C
REQUEST FOR OFFERS ("RFO")
Seeking firm distribution capacity
to provide traditional distribution project deferral
in San Marcos, CA

ISSUED
OCTOBER 18, 2017

OFFERS DUE
NOVEMBER 16, 2017

RFO WEBSITE
<http://www.sdge.com/2017DRPDemoProjCRFO>

EMAIL QUESTIONS/COMMENTS TO BOTH
DRPDemoProjCRFO@semprautilities.com
Alan.Taylor@sedwayconsulting.com



Record of Changes

Date	Explanation of Change	Section / Page of Document
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1.0 BACKGROUND AND SCOPE OF THE RFO

In accordance with Decision (“D.”)17-02-007 – Decision on Track 2 Demonstration Projects (the “Distribution Resources Plan (or DRP) Demonstration (or Demo) Project Decision”) issued on February 16, 2017, D.16-12-036 – Decision Addressing Competitive Solicitation Framework and Utility Regulatory Incentive Pilot (the “Integrated Distributed Energy Resources (or IDER) Procurement Pilot Decision”) issued on December 15, 2016, and D.17-06-012 – Decision on Revised Track 2 Demonstration Projects (the “Revised DRP Demo Project Decision”) issued on June 19, 2017 San Diego Gas & Electric Company (“SDG&E”) is issuing its 2017 DRP Demo C Request for Offers (“RFO”) to solicit offers from owners and operators of Energy Efficiency (“EE”) programs or Demand Response (“DR”) programs; owners and operators or equipment suppliers of renewable generation resources, Energy Storage (“ES”) resources or Distributed Generation (“DG”) resources to be installed, implemented and/or located in San Marcos, California¹. These resources are being sought by SDG&E to defer distribution projects that otherwise would have been completed to maintain system safety and reliability (that is, traditional distribution upgrades or build out). Parties responding to this RFO are referred to as “Respondents”.

SDG&E is issuing this 2017 DRP Demo C RFO to contract with third party resources, or acquire non-traditional utility owned resources, to provide distribution capacity year-round as defined later in this document² to enable traditional distribution project displacement or deferral. In addition to soliciting for third party owned and operated resources in all product types, SDG&E is soliciting for utility owned resources in the energy storage, renewables and distributed generation product types. For utility owned resources, SDG&E may consider two types of contracting approaches: Build, Own, Transfer (“BOT”) whereby the respondent is responsible for all aspects of project development, and Engineering, Procurement, and Construction (“EPC”) whereby SDG&E will provide the site and will take on responsibility for certain aspects of project development. For these utility owned approaches, SDG&E’s Cost Development Team (“CDT”) will work with certain pre-qualified equipment suppliers to determine equipment supply costs and then will include the appropriate utility costs and submit the inclusive overall offer on the due date (November 16, 2017)³. Product types included in this solicitation are energy efficiency, demand response, renewables, energy storage and distributed generation.

As authorized in the DRP Demo Project Decision, presented during SDG&E’s webinar on February 28, 2017, detailed in SDG&E comments filed on March 13, 2017, in accordance with guidance in the IDER Procurement Pilot Decision and as approved in the Revised DRP Demo Project Decision, SDG&E is seeking distribution capacity as shown in the tables in Appendix B for circuits 597, 295 and 298; all of which are in San Marcos, California. SDG&E will consider integrated hybrid resource types to meet the total required distribution capacity for each circuit to be considered one project with one counterparty per circuit. The minimum contract delivery term SDG&E is willing to

¹ Specifically, on or near (that is, able to affect loading) on SDG&E distribution circuits 295, 298 and/or 597. See map in Appendix A for more details.

² See section 3.0 (Eligibility Requirements) and section 4.0 (Evaluation Criteria) and the tables in Appendix B for further information.

³ SDG&E will require that equipment suppliers meet substantially similar requirements in terms of equipment performance as those imposed upon third party contract resources. Please see SDG&E’s term sheet issued as part of the RFO package that defines third party performance requirements.

consider is five (5) years and the maximum contract term to be considered is ten (10) years. For circuits 295 and 298, deliveries must begin no later than June 1, 2018. For circuit 597 deliveries, Respondents have two choices: (a) come on-line by June 1, 2018, or (b) come on-line between January 1, 2019 and March 19, 2019⁴. To be conforming, an offer must include sufficient distribution capacity on circuit 597, 295 or 298 to meet the minimum distribution capacity requirements as described in Appendix B. If Respondents choose option (b) for circuit 597, testing of the resource will be conducted beginning no later than March 19, 2019 at the 2020 distribution capacity levels.

If more than one resource / resource type is necessary to meet the minimum distribution capacity amounts shown in Appendix B, they must be integrated. That is, SDG&E is intending to sign a maximum of one contract per circuit. For example, SDG&E will not sign one contract with company X for solar facilities and a separate contract with company Y for an energy storage facility or demand response program both on the same circuit.

The Independent Evaluator (“IE”) for this solicitation is Sedway Consulting: primary contact is Alan Taylor – e-mail: Alan.Taylor@sedwayconsulting.com, phone: (303) 581-4172.

This solicitation sets forth the terms and conditions of SDG&E’s 2017 DRP Demo C RFO. By responding to this RFO, the Respondent agrees to be bound by all the terms, conditions, and other provisions of this RFO and any changes or supplements to it that may be issued by SDG&E at any time.

To be considered in this RFO, an offer must be uploaded to the PowerAdvocate ® Website in accordance with this RFO Protocol no later than 1:00 PM Pacific Prevailing Time (“PPT”), on November 16, 2017. For utility owned offers, the CDT will provide the fully completed offer form(s) on November 16 and will contact certain pre-qualified equipment suppliers in advance of that date to gather equipment supply costs to include in the utility owned offer(s).

After shortlisted Respondents have accepted their shortlisted position with SDG&E and remitted the Shortlist Acceptance Fee⁵, further contract negotiations will commence. Being short listed does not guarantee that a contract will be negotiated or executed with the Respondent.

SDG&E will seek CPUC approval of all executed agreements resulting from this RFO. SDG&E reserves the right to execute agreements with individual Respondents at any time after short listing and to seek CPUC approval for individual agreements to expedite the approval process.

⁴ See page 3 of Appendix A to the DRP Demo Project Decision; “Projects Commence (Data Gathering)” is on month 21 following issuance. OP 4 of the Revised DRP Demo Project Decision clarifies that the required timing is tied to the or no later than October 2018.

⁵ See section 12 of this RFO for further details
(footnote continued)

A. Other Needs and Associated Value

The valuation approach for this RFO is described in detail in section 4.0⁶, but to summarize, SDG&E is seeking distribution capacity, as described in Appendix B, on circuits 597, 298, and 295 in San Marcos, CA. Attributes beyond distribution capacity may receive qualitative consideration as described in Section 4.0, however, SDG&E intends to only procure (and therefore pay for) distribution capacity. Other attributes are not the focus of this procurement effort, but will be included in the evaluation. Respondents can sell these other attributes to other parties if they so choose.

B. Agreements

SDG&E has posted a Term Sheet for this RFO. Note that the Term Sheet is available on the RFO website for this RFO and is subject to CPUC requirements and may be subject to change at any time throughout the course of the RFO. As part of any bid submittal, Respondents must provide redlined changes or comments to the Term Sheet.

Given the eligibility requirements described in section 3.0, it is possible that a hybrid resource that includes more than a single technology may be best suited to fulfill these requirements. SDG&E has not attempted to draft and post model agreements that would accommodate various combinations of hybrid technologies, but the following contract priorities will be included:

- Early termination off-ramps for failure to meet development milestones, allowing other solutions to be pursued (contingency plans). SDG&E will include contract milestones and timing so that it becomes clear as early in the development / customer recruitment process as possible if a fatal flaw is present. This is intended to allow SDG&E to pursue other solutions in time to maintain safety and reliability.
- Credit and Insurance requirements. Given that the purpose of these projects is to maintain safety and reliability, SDG&E will require that appropriate enhanced credit support and insurance be maintained.
- Performance and damage considerations. Given that the purpose of these projects is to maintain circuit reliability, SDG&E will include appropriate performance requirements and damages provisions, which may include liquidated damages, indemnification and/or other remedies.

⁶ The IDER Procurement Pilot Decision, Appendix A includes the approved valuation components that SDG&E will consider in this RFO.

C. Reliability

All proposed projects must provide reliable firm distribution capacity. As available, energy or unit contingent capacity is not sufficient. SDG&E will consider creative approaches from the Respondent to maintaining their commitment for reliability if resources within the project or program (which may include multiple integrated resource types) are unavailable for any reason to meet the requirements in Appendix B.

Approaches such as the Respondent having equivalent load on the circuit under the Respondent's direct control that may be dropped immediately in the event of non-performance is one approach, but SDG&E is willing to consider other approaches by the Respondent. Such approaches must be described in the red-lines provided to the Term Sheet, and space for a description of proposed approaches must be included in section D of the project / program description form entitled 'Potential Approaches to Maintaining Circuit Commitment for Reliability in the Event Resources Within the Project or Program Fail to Perform'.

2.0 PROCUREMENT PROCESS

This solicitation sets forth the terms and conditions of SDG&E's 2017 DRP Demo C RFO and the purpose of this document is to provide an overview of the process that SDG&E will use to implement this RFO. It sets forth the obligations of each Respondent with respect to the RFO as well as describes the procedures to which each Respondent must adhere. If there is a conflict or inconsistency between the terms and conditions contained here and the terms and conditions contained within the model agreements available on the RFO website, the terms and conditions in this RFO will prevail. Respondents to this solicitation must comply with the requirements described in this RFO document. By responding to this RFO, a Respondent agrees to be bound by all the terms, conditions, and other provisions of this RFO and any changes or supplements to it that may be issued without notice by SDG&E, prior to submission of the Respondent's proposal.

All proposals must meet the minimum eligibility requirements described in Section 3.0. All conforming proposals will be evaluated in accordance with the evaluation criteria described in Section 4.0 of the RFO. Proposals that are evaluated as most attractive via the quantitative and qualitative methodology may be shortlisted. SDG&E intends for resources selected from this RFO to defer or replace the traditional distribution capital project that otherwise would be necessary to maintain system reliability on circuits 597, 295 and 298. The RFO Schedule outlined in Section 5.0 is subject to change at SDG&E's sole discretion at any time. All changes to the RFO Schedule will be posted to SDG&E's RFO website.

This 2017 DRP Demo C RFO includes only one round of proposals. Proposals received by SDG&E will be considered firm and therefore Respondents should submit their best proposal by the proposal due date.

This RFO Description document and all revisions and other RFO documents are available for download from the RFO Website: (<http://www.sdge.com/2017DRPDemoProjCRFO>). Respondents are responsible for monitoring the RFO Website for subsequent updates, notices and postings. The RFO website contains RFO forms and documents, RFO Schedule, and a Question and Answer file.

3.0 ELIGIBILITY AND OTHER REQUIREMENTS

Respondents must comply with the requirements described herein. SDG&E, may, in its sole discretion, change the terms, requirements and schedule of the solicitation at any time, without notice. Respondents should monitor the RFO Website for announcements regarding changes to this RFO. Respondents may provide offers for projects, including integrated hybrid projects, on one, two or all three circuits listed herein as described in Appendix B. SDG&E may choose to contract with separate Respondents on each circuit.

BID CONFORMANCE EVALUATION

SDG&E may reject an offer if:

1. There is evidence of market manipulation by the Respondent in the bid preparation or offer process;
2. The Respondent does not provide adequate evidence that it meets minimum participation or eligibility criteria;
3. There is doubt the offered project can meet minimum resource criteria or can meet the required on-line or start dates;
4. There is doubt the Respondent or project can satisfy the terms and conditions of the contract; or,
5. The Respondent does not comply with RFO timing or other RFO requirements.

A. Overall Eligibility Criteria

1. Location

To be eligible for this RFO, resources included in the offer must provide distribution capacity on circuit 295, 295 or 597 in San Marcos, CA⁷. For DR or EE program resources, customers to be enrolled in the program must take service from the circuit for which the Respondent is providing the offer. SDG&E will not provide a listing of customers that take service from these circuits. DR or EE program providers must verify the serving circuit as part of the enrollment process (note that SDG&E bills contain the circuit information).

- See Appendix A for a general map of the locations of circuits 295, 298 and 597.
- Customer composition of San Marcos:
 - o Residential: ~28,300 customers or ~90.5% of the customers in San Marcos
 - o Small Commercial (peak load \leq 20kW): ~2,400 customers or ~7.7%
 - o Medium Commercial (peak load 20 – 200 kW): ~450 customers or ~1.4%
 - o Large Commercial (peak load \geq 200 kW): ~35 customers or ~0.1%
 - o Lighting: ~90 customers or ~0.3%
- SDG&E will provide the following post contract customer acquisition support:
 - o Confirmation of this solicitation will be provided on SDG&E's website at <http://www.sdge.com/request-proposals> .

⁷ See Appendix A for a general map of the locations of circuits 295, 298 and 597.

- SDG&E provides customer information to companies under contract with SDG&E as required and in accordance with privacy rules. Companies must request such information through SDG&E's privacy office, must meet SDG&E's business requirements for needing and receiving the data (including system requirements for storing and protecting the data) must have a signed non-disclosure agreement in place with SDG&E for the work the data pertains to (or adequate nondisclosure language in their contract with SDG&E), and must destroy or return the data after a specified period. More information regarding this process can be found at <https://energydata.sdge.com/showAboutProcess>. Additionally, Demand Response Providers who are registered with SDG&E under SDG&E's Electric Rule 32 may have their customers submit Customer Information Service Request (CISR) – DRP forms to SDG&E to receive additional data.

2. Required Electrical Characteristics / Megawatt Quantities

To be a conforming offer, the resource(s) included in the Respondent's offer must provide the minimum distribution capacity amounts described in Appendix B for circuit 295, 298 and/or 597. For circuit 597 deliveries, Respondents have two choices: (a) come on-line by June 1, 2018 (b) come on-line between January 1, 2019 and March 19, 2019. If Respondents choose option (b), testing of the resource will be conducted beginning no later than March 19, 2019 at the 2020 distribution capacity levels.

Please note that the capacity amounts included in the Appendix B tables are for the June 1 – October 31 period (and for the hours shown) for each year. SDG&E also requires that the maximum MW amount shown for each year be available at any time during the year for two hours to support both planned and unplanned maintenance/emergencies. SDG&E expects to give two weeks notice for planned maintenance, but little to no notice will be given for unplanned emergencies, which will require immediate dispatch. However, if Respondents choose option (b) for circuit 597, during 2019 SDG&E expects to give sufficient notice for testing.

More detailed information on requirements is available in Appendix B and via an interactive map application available through SDG&E's website. Access to this data is available to the public; however, everyone must have a unique logon. The form and process to acquire a user name and password is available here:

<http://www.sdge.com/generation-interconnections/enhanced-integration-capacity-analysis-ica>.

To register as an authorized user of this system, scroll down to the link labeled: "Download Form and Register"; click on the link and follow the instructions. For existing users with a logon, please click the "Instructions to access and use the map" link and follow the instructions. Requests for logon authorization are usually provided within two business days of the submitted request. If you need assistance in viewing/registering for the interactive map, contact us via email at sdgeinterconnectionmap@semprautilities.com or phone (858) 636-5581 during regular business hours (Mon-Fri, 7am-4pm).

3. Required Start Date / Delivery Term Requirements

The minimum delivery term acceptable to SDG&E for this RFO is five (5) years and the maximum delivery term acceptable is ten (10) years; however, evaluation of the resource's deferral value will only be given through the end of 2026. Respondents are encouraged to make multiple offers including different contract term lengths for SDG&E's consideration.

For circuit 597, Respondents have two choices for on-line timing: (a) come on-line by June 1, 2018, or (b) come on-line between January 1, 2019 and March 19, 2019. If Respondents choose option (b), you may submit offer variations that request a later online date (up to February 29, 2020); however, SDG&E makes no guarantees that this later date will be approved by the CPUC and Respondents must be prepared to meet the March 19, 2019 requirement.

For circuits 295 and 298 resources must come on-line no later than June 1, 2018.

4. Incrementality

Resources must be incremental to those resources already expected to support reliability on circuits 597, 295 and 298. The approach to determine incrementality described here is consistent with that discussed at the March 30, 2017 and April 20, 2017 Distribution Planning Advisory Group ("DPAG") meetings conducted in San Francisco as ordered by the IDER Incentive Pilot Decision. Respondents must include their justification for claims that their proposal meets this incrementality rule within the project / program description form.

The primary factor that determines whether a resource offered is incremental or not has to do with sourcing; that is, whether (or to what degree) a mechanism already exists for the utility to acquire such resources. There are three categories of sourcing that determines incrementality, as described below:

- a. **Not already sourced through another channel.** This means the resource is a new technology or service that is not already being sourced or reasonably expected to be sourced through another solicitation, program or tariff. These resources are fully incremental and conforming⁸.
- b. **Partially sourced through another channel.** This means the resource has at least some component of the technology or service that is already being sourced through another solicitation, program or tariff. Only the portion that is not currently or reasonably expected to be procured by the utility through other mechanisms will be considered incremental and will be considered in the valuation.
- c. **Fully sourced through another channel.** This means the resource is already being sourced through another solicitation, program or tariff and is therefore

⁸ Example: Hybrid or all-electric water heater EE program.
(footnote continued)

not incremental. These resources will be considered nonconforming in their entirety⁹.

To assist in understanding what SDG&E is already procuring via various programs, please refer to Appendix E that includes a summary of SDG&E's current DR and EE programs.

5. Safety

SDG&E requires that third party owned and operated facilities or programs will be operated and maintained in accordance with good industry practices, and all applicable requirements of law, the CAISO, NERC and WECC related to the project including those that are related to safety. In the project / program description form that Respondents will provide as part of the offer package, SDG&E asks Respondents to confirm that this requirement will be satisfied by their project or program. The offer will be considered non-conforming if the Respondent is unable to confirm compliance with this requirement.

6. Project Stewardship

Respondent will own and operate the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing and construction for the facility(ies)¹⁰.

7. Interconnection

For projects that require interconnection, SDG&E will accept either a Wholesale Distribution Access Tariff ("WDAT") or a Rule 21 interconnection. Information on SDG&E's interconnection process can be found at: <https://www.sdge.com/generation-interconnections/small-generation-interconnections>

B. Product Type/Firm Deliveries and Cure / Resource Specific Eligibility Criteria

1. Product Type, General / Firm Deliveries and Cure

SDG&E is seeking firm dispatchable distribution capacity, from one resource or hybrid integrated systems. Respondents are responsible for detailing product type in the bid form (i.e. how their project is firm). Respondents are also responsible for detailing any cures (and cure periods) for failing to meet the distribution capacity requirements. For example, if a DR program is unavailable to maintain this distribution capacity requirement for two days due to a software upgrade, the DR program would have to ensure other firm distribution capacity (e.g. DG) is dispatched immediately to make up the shortfall. Another potential approach would be for the Respondent to have under its control equivalent load that could be dropped immediately to maintain reliability. These cures should be immediate and seamless, safe and reliable (e.g. maintain capacity and power quality to all SDG&E customers), and not introduce delays or complexities. SDG&E may reject bids based on these detailed

⁹ Example: Roof-top solar without any differentiating characteristics such as smart inverters, or a behind-the-meter generation resource that would be eligible to receive SGIP funding that do not provide incremental distribution services. Respondents must describe such incremental services provided by NEM or SGIP related projects in the project / program description form submitted as part of the offer package. Since such resources have an existing funding mechanism and can reasonably be expected to be sourced elsewhere, they are considered not incremental in this solicitation and therefore are nonconforming.

¹⁰ A direct contractual relationship with the operator of the facility is sufficient to meet this criterion.

cure proposals if they are not acceptable (e.g. failure to specify a cure or ineffective cure). These cure proposals go hand-in-hand with the ‘potential approaches to maintaining reliability in the event the project or program fails to perform’ requested in item D in the project / program description form.

2. Energy Efficiency

The only EE eligibility criteria beyond the ‘Overall’ eligibility criteria listed above, the ‘Participation Criteria’ listed below, and the Appendix D (the California Energy Efficiency Program) requirements for EE is that a Measurement and Verification (M&V) plan must be submitted as part of the offer package.

3. Demand Response

In addition to the ‘Overall’ eligibility criteria listed above and the ‘Participation Criteria’ listed below, DR resources must satisfy the following eligibility criteria:

- a. Dispatchability. Resources must be dispatchable and be capable of immediately responding to dispatches. Any exceptions must be noted in the Term Sheet.
- b. M&V plan. Offers that include a DR component shall also include, as part of the offer package, an M&V plan.

4. Renewables

In addition to the ‘Overall’ eligibility criteria listed above and the ‘Participation Criteria’ listed below, renewable resources must satisfy the following eligibility criteria to be eligible for consideration as an attribute in the evaluation.

- a. RPS Eligibility
 - i. Respondents may choose to include renewables that are RPS eligible, or not.
 - ii. If the project will seek to be RPS Eligible, it must be: (1) CEC-certifiable as an eligible renewable resource (“ERR”), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement; and (2) RPS Product Category: The product must be a Category 1 (bundled products as defined in Public Utilities Code 399.16(b)(1)(A-B)). Please see Appendix C – California RPS Program Information for additional details regarding the RPS program.
- b. Permits. Respondents must include evidence that they have received or have applied for the necessary permits to allow the lawful operation of the renewable facility and that the renewable facility can operate under those permits for the entirety of the proposed contract term.
- c. Site Control. Respondents must have, at time of bidding, site control for the duration of the contract term proposed in their offer. Site control may be evidenced by documentation of:
 - i. direct ownership;
 - ii. a lease; or

- iii. an option to lease or purchase upon contract approval. The option must be an exclusive option to the respondent that is exercisable at least through April 30, 2018.

Site Control is not applicable for aggregated, customer sited resources.

- d. Ownership. SDG&E will consider both utility owned and third party owned, contracted resources. For third party contracted resources, Respondents must own the renewable facilities and have responsibility for development, land acquisition, permitting, financing, construction and operation of the facilities.

5. Energy Storage

In addition to the ‘Overall’ eligibility criteria listed above and the ‘Participation Criteria’ listed below, energy storage resources must satisfy the following eligibility criteria:

- a. Technology. Energy storage facilities must meet the energy storage definition included in PU Code 2835.
- b. Permits. Respondents must include evidence that they have received or have applied for the necessary permits to allow the lawful operation of the Energy Storage facility and that the Energy Storage facility can operate under those permits for the entirety of the proposed contract term.
- c. Site Control. Respondents must have, at time of bidding, site control for the duration of the contract term proposed in their offer. Site control may be evidenced by documentation of:
 - i. direct ownership;
 - ii. a lease; or
 - iii. an option to lease or purchase upon contract approval. The option must be an exclusive option to the respondent that is exercisable at least through April 30, 2018.
- e. Ownership. SDG&E will consider both utility owned and third party owned, contracted resources. For third party contracted resources, Respondents must own the energy storage facilities and have responsibility for development, land acquisition, permitting, financing, construction and operation of the facilities.

For Respondents pursuing a utility owned contract, the following high-level requirements must be met by the energy storage equipment being offered.

- i. Respondents will be required to guarantee/warrant capacity.
- ii. Respondents shall price in Operations and Maintenance (“O&M”) services through the end of the expected useful life of the equipment.
- f. Dispatchability. Resources must be dispatchable and be capable of immediately responding to dispatches. Any exceptions must be noted in the Term Sheet.

SDG&E considers behind-the-meter (“BTM”) energy storage (that is, energy storage installed at an existing customer premise whose charging energy flows through an existing customer meter at retail

rates) to be Demand Response, and therefore BTM energy storage must be offered as DR or it will not be considered.

6. Interconnected Facilities

In addition to the ‘Overall’ eligibility criteria listed above and the ‘Participation Criteria’ listed below, resources must satisfy the following eligibility criteria:

- a. Metering. For customer sited, aggregated resources, the resource must be separately metered.
- b. Permits. Respondents must include evidence that they have received or have applied for the necessary permits to allow the lawful operation of the facility and that the facility can operate under those permits for the entirety of the proposed contract term.
- c. Site Control. Respondents must have, at time of bidding, site control for the duration of the contract term proposed in their offer. Site control may be evidenced by documentation of:
 - i. direct ownership;
 - ii. a lease; or
 - iii. an option to lease or purchase upon contract approval. The option must be an exclusive option to the respondent that is exercisable at least through December April 30, 2018.

Site Control is not applicable for aggregated, customer sited resources.

- d. Ownership. SDG&E will consider both utility owned and third party owned, contracted resources. For third party owned contracted resources, Respondents must own the facilities and have responsibility for development, land acquisition, permitting, financing, construction and operation of the facilities.
- e. The DRP Guidance Ruling¹¹ defines three categories of natural gas fired DG (fuel cells, Combined Heat & Power (“CHP”) and stationary internal combustion engines) as eligible DERs if these resources can show that they are able to “produce greenhouse gas (“GHG”) emissions reductions over its lifecycle.” If Respondents believe this is true of their offer, space is provided in the DG Project Description Form to provide an explanation of how this requirement is met. If the explanation is satisfactory, these resources may be considered.
- f. Dispatchability. Resources must be dispatchable and be capable of immediately responding to dispatches. Any exceptions must be noted in the Term Sheet.

¹¹ Assigned Commissioner’s Ruling on Guidance for Public Utilities Code Section 769 – Distribution Resource Planning (or “DRP Guidance Ruling”) is available here: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M146/K374/146374514.PDF> The definitions discussion begins at page 14.

C. Participation Criteria

1. ASC 810 (FIN46) Requirements

Generally Accepted Accounting Principles and SEC rules require SDG&E to evaluate whether SDG&E must consolidate a Respondent's financial information within SDG&E's financial statements. SDG&E will require access to financial records and personnel to determine if consolidated financial reporting is required. If SDG&E determines at any time that consolidation is required, SDG&E shall require the following during every calendar quarter for the term of any resultant agreement:

- a) Unaudited financial statements with footnotes, within 15 calendar days of the end of each quarter;
- b) Audited financial statements with footnotes within 90 calendar days of the end of the year,
- c) Financial schedules underlying the financial statements, within 15 calendar days of the end of each quarter;
- d) Access to records and personnel, so that SDG&E's internal or independent auditor can conduct financial audits (in accordance with generally accepted auditing standards) and internal control audits (in accordance with Section 404 of the Sarbanes-Oxley Act of 2002)) and so that SDG&E can meet its SEC filing requirements. The rights and obligations under the agreement shall survive the termination of the agreement for a period of two years;
- e) Certifications by duly authorized representatives as may be reasonably requested by SDG&E; and
- f) Such other information as reasonably requested by SDG&E.
- g) If consolidation is required and considered material by SDG&E to SDG&E's financial statements or its parent company's financial statements and SDG&E reasonably determines the Respondent's internal controls over financial reporting are significantly deficient or a have a material weakness, then the Respondent must remediate within 30 calendar days;
- h) The Respondent must provide SDG&E any SEC Form 8K disclosures, or equivalent disclosures, two calendar days after the occurrence of the SEC Form 8K or similar event; and
- i) The Respondent must notify SDG&E at any time during the term of the agreement of any consulting (non-independent) services proposed to be provided to the Respondent. by SDG&E's independent auditor.

Any information provided to SDG&E shall be treated as confidential, except that it may be disclosed for financial statement purposes. Full details of SDG&E's requirements regarding consolidation are set forth in the Term Sheet.

If the Respondent is unable or unwilling to provide the above, the offer may be considered non-conforming.

2. Affiliate Relationship with Sempra Energy

The Respondent must describe any affiliate relationship with SDG&E or Sempra Energy, if one exists.

D. Additional Requirements for Shortlisted Offers:

1. For resource types that require an interconnection to the SDG&E or CAISO grid, Respondents shall be financially responsible for the interconnection costs up to the point of interconnection with the distribution network in accordance with applicable laws. Interconnection costs allocated to the project and to be paid by Respondent (i.e. non-reimbursable) should be included in the offer price. Reimbursable network upgrade costs are ultimately borne by ratepayers and therefore should not be included in the offer price, but are collected separately within the offer form. Evaluation of the network upgrades is discussed within Evaluation Criteria in section 4.C.
2. Respondents must obtain final interconnection studies during the development process (i.e. a final interconnection facilities study report (or equivalent)).
3. Respondents will provide personnel required to operate the facility and / or manage and run the program.

4.0 EVALUATION CRITERIA

All incoming offers will be assessed for conformance based on the requirements outlined in Section 3.0. Respondents' offers must conform with minimum participation criteria and eligibility requirements to be considered.

SDG&E will utilize all the information provided in the required forms and narratives to evaluate offers. Respondents are responsible for the accuracy of all descriptions, figures and calculations. Errors in the offers may impact SDG&E's evaluation of the offer.

In accordance with the IDER Incentive Pilot Decision, DRP Demo Project Decision, Revised DRP Demo Project Decision and the DRP Guidance Ruling¹², SDG&E is soliciting a broad range of resources including energy efficiency, demand response, renewables, distributed generation and energy storage. SDG&E's valuation and selection approach is intended to evaluate the different resource types as well as utility owned resources versus third party owned resources on as equal a footing as reasonably possible. All offers will initially be checked for conformance with the eligibility and participation requirements outlined in this RFO. Conforming offers will then go through a Least-Cost / Best-Fit (LCBF).

Attributes beyond distribution capacity will receive quantitative or qualitative consideration as described below; however, SDG&E intends to only procure (and therefore pay for) distribution capacity. Other attributes are not required in this procurement effort, but they will be considered as part of the evaluation. Respondents can sell these other attributes to other parties if they so choose. The values that will determine SDG&E's shortlist will be reflective of the quantitative and qualitative benefits we intend to procure.

QUANTITATIVE EVALUATION

SDG&E evaluates and ranks offers based on Least-Cost/Best-Fit ("LCBF") principles. The LCBF analysis evaluates both quantitative and qualitative aspects of each offer to estimate its value to SDG&E's customers and its relative value in comparison to other offers. Costs include the contract payment costs and interconnection costs (as applicable).

The initial evaluation will be done without regard to credit costs. Once an initial listing of the highest ranked offers is determined, a credit analysis will be conducted and credit costs will be considered. However, credit costs will not be added to the as bid price for the resource, and shortlisted Respondents should expect to pay their own costs for financing. In the case of utility owned offers, SDG&E's Cost Development Team will estimate and include utility related costs. For Engineering Procurement and Construction ("EPC") offers, costs provided by the Respondent must include equipment and installation costs, O&M costs, and other costs as appropriate. SDG&E will include site costs, permitting and interconnection costs (see the appropriate offer form (excel file) for more

¹² See: <http://www.cpuc.ca.gov/General.aspx?id=5071> scroll down to 'Rulemaking' and click on the link titled "Final Guidance Assigned Commissioner Ruling on Distribution Resource plans". This ruling was issued on February 6, 2015 and provides the definition of DERs in this context (see page 14 of the Attachment to the ruling).

detail). For Build-Own-Transfer (“BOT”) offers, the Respondent must include all development costs through commissioning, and SDG&E will include post commissioning utility related costs.

A. NET CAPACITY BENEFITS / DISTRIBUTION DEFERRAL VALUE

Capacity benefits are calculated by comparing the capacity costs in the offer to the distribution capacity deferral value to SDG&E. The distribution capacity deferral value is determined by calculating the difference between SDG&E’s revenue requirement for the ‘status quo’ distribution upgrade (or build out) and the delayed (or deferred) revenue requirement of the status quo upgrade. The deferral period is based on the offer’s contract term, but in no case, will exceed 10 years¹³ nor be calculated beyond year-end, 2026.

B. DISTRIBUTION SYSTEM IMPACTS

For resources that require grid interconnection, upgrade costs that solely benefit the project and that are paid for by the Respondent (Gen-tie Costs) should be reflected in the offer pricing, and reimbursable network upgrade costs that benefit the grid broadly and are ultimately borne by customers will be considered in the economic evaluation of the offer (Network Upgrade Costs).

QUALITATIVE EVALUATION

Qualitative factors and benefits will be used to determine which projects are the “Best Fit” for SDG&E’s portfolio. SDG&E may use these factors to determine advancement onto the short list. Qualitative factors may include, but are not limited to:

A. PROJECT VIABILITY

SDG&E is seeking experienced companies and development teams to develop and operate facilities and programs utilizing commercially available, known and proven technology. SDG&E is also seeking reputable and viable equipment suppliers to provide such equipment for utility ownership. Project or program viability will be evaluated on development progress achieved, team member experience, reasonableness of delivery (start) date, interconnection progress (as applicable), permitting progress, and other relevant factors. Additionally, the project’s viability will be considered in terms of its ability to reliably provide distribution capacity at or above the required amounts and thereby its ability to help ensure safety and reliability.

B. ADHERENCE TO TERM SHEET TERMS AND CONDITIONS

Respondents may modify the term sheet as part of their submittal package to the extent that modifications add value to the offer. SDG&E will review modifications to any terms and conditions proposed in the offer and consider the materiality of these changes.

¹³ The maximum ten year deferral is in accordance with the ten year planning horizon discussed and the non-consensus conclusion drawn for benefits of deferral beyond ten years in the ‘Locational Net Benefit Analysis Working Group Final Report’ available here: <http://drpwg.org/wp-content/uploads/2016/07/R1408013-et-al-SCE-LNBA-Working-Group-Final-Report.pdf>

C. SUPPLIER DIVERSITY

SDG&E strongly encourages Diverse Business Enterprises (“DBEs”), including women-owned, minority-owned, service-disabled veteran owned and LGBT-owned business enterprises as defined in G.O. 156¹⁴, to participate in this RFO. Furthermore, SDG&E strongly encourages developers to utilize DBEs during various stages of project development and construction. As a part of G.O. 156, SDG&E will require developers to identify, verify and report their DBE contractors/subcontractor spending if any. Additional information on SDG&E’s DBE program can be found at:

<http://www.sempra.com/about/supplier-diversity/>
<http://www.cpuc.ca.gov/puc/supplierdiversity/>

SDG&E’s DBE Program representatives will provide a presentation during the pre-bid conference. DBEs can request additional information by contacting SDG&E at vendorrelations@semprautilities.com.

D. LOADING ORDER RANKING

SDG&E seeks resources in accordance with the loading order described in the Energy Action Plan¹⁵. SDG&E will give preference to higher loading order ranked resources.

E. VOLTAGE AND OTHER POWER QUALITY SERVICES

Voltage and other power quality services, beyond requirements in Appendix B, have not been identified as a need for this solicitation. However, to the degree offers include such services that are deemed to provide potential value to the system, such benefits will also be considered during the selection process.

F. EQUIPMENT LIFE EXTENSION

If the resources included in an offer are deemed to have an impact on extending or reducing distribution equipment life, this attribute will be considered during the selection process.

G. SOCIETAL NET BENEFITS

Where identified, societal benefits and/or costs include public benefits and/or costs that do not have any nexus to utility rates. To the degree that resources included in an offer are deemed to produce either potential societal benefits or costs, this factor will be considered during the selection process.

¹⁴ See <http://www.thesupplierclearinghouse.com/eligibility/default.asp> for the definition of a DBE.

¹⁵ Preferred resources are defined in the Energy Action Plan – as updated in the Energy Action Plan II and 2008 update to the Energy Action Plan II as follows: “The loading order identifies energy efficiency and demand response as the State’s preferred means of meeting growing energy needs. After cost-effective efficiency and demand response, we rely on renewable sources of power and distributed generation, such as combined heat and power applications. To the extent efficiency, demand response, renewable resources, and distributed generation are unable to satisfy increasing energy and capacity needs, we support clean and efficient fossil-fired generation.” – See the Energy Action Plan II, p.2 at: http://www.energy.ca.gov/energy_action_plan/2005-09-21_EAP2_FINAL.PDF

H. PORTFOLIO FIT

Portfolio fit considerations such as contract duration (or delivery term) diversity of the offer / resource will be considered during the selection process.

I. OTHER QUALITATIVE FACTORS THAT MAY BE CONSIDERED

Other qualitative factors may also be considered during the selection process. These factors include, but are not be limited to: counterparty concentration, site diversity, technology / end-use diversity and market transformation and if the resource can help SDG&E achieve multiple mandates.

5.0 RFO SCHEDULE

A. SCHEDULE

The following schedule and deadlines apply to this RFO. SDG&E reserves the right to revise this schedule at any time and in SDG&E's sole discretion. SDG&E will be utilizing a platform designed and maintained by PowerAdvocate® for launching and managing offers received in response to this RFO. To access the RFO event, Respondent must register to create a username and password for PowerAdvocate®. A link and instructions on how to register is provided in Section 6.0, RFO Website and Communications. Respondents are responsible for accessing the RFO Website for updated schedules and possible amendments to the RFO or the solicitation process.

NO.	ITEM	DATE
1.	RFO Issued	October 18, 2017
2.	Pre-Bid Conference / Bidder Outreach Event	October 25, 2017
3.	DEADLINE TO SUBMIT QUESTIONS	November 7, 2017
4.	ANSWERS to all questions will be posted on the website	November 10, 2017
5.	CLOSING DATE: Offers must be uploaded to and received on PowerAdvocate® no later than 1:00 PM Pacific Prevailing Time on November 16, 2017.	November 16, 2017
6.	Deadline for IE to receive physical delivery of offer files on a flash drive – see page 29 (Response Instructions) for further details	November 17, 2017
7.	SHORTLIST NOTIFICATION SDG&E notifies Shortlisted Respondents	December 20, 2017
8.	SHORTLISTED RESPONDENTS ACCEPTANCE/WITHDRAWAL Letter due from Shortlisted Respondents indicating: a. Withdrawal from SDG&E's solicitation; OR b. Acceptance of shortlisted standing and including Shortlist Acceptance Fee	January 3, 2018
9.	SDG&E issues appreciation notices to unsuccessful Respondents	January 31, 2018
10.	Complete contract negotiations*	January 31, 2018
11.	SDG&E Submits Tier 3 Advice Letter with Agreements to CPUC for approval	February 16, 2018
12.	Potential CPUC Approval based on D.17-02-007 2-month timeline	April 30, 2018
	* Negotiation time will vary depending on proposal specifics including proposed contract modifications.	

B. PRE-BID CONFERENCE / BIDDER OUTREACH EVENT

SDG&E will host one Bidder outreach event. The event is scheduled for October 25, 2017 and will be an in-person event for all resource types (with dial-in / webinar available for those who cannot attend in-person). Participation in this event is NOT mandatory to submit an offer.

Please monitor the RFO Website for further details (such as posting of conference presentation materials and final arrangements for the event (time and location)). SDG&E will make efforts to notify Respondents of outreach event details via e-mail as well as provide this information via the RFO Website.

Any party interested in attending these events should email the following information to BOTH DRPDemoProjCRFO@semprautilities.com and Alan.Taylor@sedwayconsulting.com

- Company name, and
- Attendees' names, titles and contact information

6.0 RFO WEBSITE AND COMMUNICATIONS

A. RFO WEBSITE AND POWERADVOCATE®

The RFO Website is a webpage accessible via SDG&E's website. The RFO and all subsequent revisions and documents are available for download at the following link (<http://www.sdge.com/2017DRPDemoProjCRFO>). Respondents are responsible for monitoring the RFO Website for subsequent updates, notices and postings.

Respondents who intend to bid but do not yet have an existing account with PowerAdvocate® must first register to create a username/password to receive access to the event. See below for instructions to log-in/register:

Logging In

You access the PowerAdvocate platform via a web browser.

To log in

1. Open a web browser and go to www.poweradvocate.com.

PowerAdvocate functions in most web browsers; however, using browsers other than Internet Explorer (IE) version 6 or higher may cause certain functionality to work unexpectedly. Should you encounter problems, PowerAdvocate support may be unable to provide assistance until the issue has been replicated in a supported version of Internet Explorer.
2. Click **Login**.

The Login page appears; you may wish to bookmark it for quick access.
3. Enter your account **User Name** and **Password**.

Both are case-sensitive.

If you do not have an account, go to poweradvocate.com and click the **Registration** link at the top of the page. If you have an account but do not remember your user information, click **Forgot User Name** or **Forgot Password** and they will be emailed to you.
4. Click **Login**.

First-time users must register as a Supplier using the instructions above and the Referral information below to access the RFO event:

Referral Information

Are you registering for a specific Event: * Yes
 No, I would simply like to register.

Who referred you to this Event: *

Name of that individual's company: *

Name or description of the Event: *

* Required Field

Users with an existing PowerAdvocate® account may request access to the event using the link below:
<https://www.poweradvocate.com/pR.do?okey=68461&pubEvent=true>

The RFO website contains RFO forms and documents, the RFO schedule, and a Question and Answer forum. All questions or other communications regarding this RFO must be submitted via email to BOTH DRPDemoProjCRFO@semprautilities.com and Alan.Taylor@sedwayconsulting.com by the DEADLINE TO SUBMIT QUESTIONS as specified in Section 5.0 RFO Schedule. SDG&E WILL NOT ACCEPT QUESTIONS OR COMMENTS IN ANY OTHER FORM, EXCEPT AT THE SCHEDULED BIDDER'S CONFERENCE (note that those questions and answers will also be posted to the RFO Website following the event).

7.0 RFO RESPONSE INSTRUCTIONS

Respondents are required to submit the forms from the RFO Website, and additional required documents as applicable, listed below via PowerAdvocate ®. Failure to provide the listed information may result in the proposal being deemed non-conforming and may disqualify the proposal from further consideration.

Offers may include multiple resource types for each circuit, however minimum distribution capacity and locational requirements must be achieved in aggregate for the resources included.

Projects must be integrated. SDG&E will contract with one counterparty, one performance guarantee, one set of defaults, etc. for each circuit. SDG&E will not sign one contract with company X for a solar facilities and totally separate/unlinked contract with company Y for an energy storage facility both on one circuit (SDG&E does not consider such a situation as an ‘integrated project’ for these purposes).

Respondents must fill out separate offer forms for each offer variation.

Required Documents:

- 1) **Offer Form** – Respondents may provide offers for circuit 295, 298 and / or 597. Respondents should structure their offer and pricing such that SDG&E may choose to contract for deliveries on one, two or all three circuits. Respondents should fill out the offer form associated with their product / resource type (EE, DR, Energy Storage, Renewables, or DG). If a Respondent is providing an offer for multiple product types (e.g.: Renewables and Energy Storage), both offer forms should be completed with sufficient comments provided in the narrative spaces provided to allow SDG&E to understand the nature of the offer.
- 2) **Credit Application** – The Respondent is required to complete, execute and submit the RFO credit application as part of its offer. The application requests financial and other relevant information needed to demonstrate creditworthiness. If audited financial statements are not available then unsecured credit will not be granted and collateral will be required as described in Section 12.0.
- 3) **Redline of Term Sheet** – Respondents must download, populate, and redline the Term Sheet
- 4) **Electric Interconnection Information¹⁶ (as applicable)** – For offers that require an electrical interconnection, Respondents must provide an electronic copy of the proposed project’s completed CAISO/WDAT or Rule 21 Interconnection Study if one exists.

¹⁶ Note that interconnection documents should be in the name of the entity that will sign the PPA. If not, Respondent must assign such documents to the entity that will sign the PPA by the time that Respondent accepts its position on the shortlist.

- 5) **Resource Report (as applicable)** – Respondents that are providing renewable resources for valuation must submit a verifiable fuel resource plan (“solar resource” or “wind resource” etc.) for the duration of the contract based on historical actuals taken at the site with equipment maintenance and cleaning records, correlated to long term satellite data, with probabilities of different weather and productions scenarios for the site, range of equipment outputs, range of plant downtime and curtailments. For wind bids, you must submit the full AWS/GLGH or similar wind resource report.
- 6) **PVSyst Files (as applicable)** - For Solar bids, the full PVSyst file must be submitted by exporting the entire project that contains the prj, met, inv, pan, etc. files into a zip file and submitting that zip file through PowerAdvocate. The contract DC must match the PVSyst file and the output of the file must match the 8760 in the Offer Form. All future discussions about plant production will refer to this prj file, where this future prj file will govern. No changes to plant design that changes the PVSyst model will be allowed unless written approval is given by SDG&E.
- 7) **Measurement & Verification (M&V) plan (as applicable)** – For EE and DR offers, Respondents must provide a proposed M&V plan including a description of the calculation methodology.
- 8) **Workpaper(s) Associated with the Energy Savings per EE unit (as applicable)** – for EE offers, Respondents must provide workpaper(s) showing the energy savings associated with each proposed measure including MWh reduction per EE unit and the unit’s load profile. The workpapers must include details of the energy savings calculations. There is not a ‘standard’ workpaper, and Respondents may provide any excel file(s) necessary to allow SDG&E to understand the calculations included in the offer and may reference the DEER database of EE resources.

The Credit Application and redlines to the Model agreement must be in Word or Word-compatible format (not in PDF). The Offer Form must be in Excel (not in PDF) and must not be altered in any way except for the designated field entries otherwise your offer may be non-conforming.

Submissions containing bid documents in file formats other than the formats of the original bid forms may be rejected. This RFO is an electronic only solicitation; Respondents need not submit paper documents or e-binders.

Any party interested in submitting an offer must register to receive access to the 2017 DRP DEMO PROJECT C RFO event on PowerAdvocate® to submit an offer. To register, Respondents must follow the instructions outlined in Section 6.0, RFO Website and Communications. All offers must be uploaded to the PowerAdvocate® no later than **1:00 p.m.**, Pacific Prevailing Time, on the CLOSING DATE (see RFO Schedule). If Respondents encounter technical difficulties with the uploading process, they should provide evidence of such difficulties (e.g. a screen shot of the error message) and email the bid to:

The RFO mailbox: DRPDemoProjCRFO@semprautilities.com
Carbon Copy (CC) to: Alan.Taylor@sedwayconsulting.com

Emails shall be received by 1:00 p.m., Pacific Prevailing Time, on the Closing Date.

In addition to submitting their offer via PowerAdvocate®, Respondents must simultaneously submit their offers to the IE on a USB thumb drive for physical delivery no later than one day following the offer submission deadline. The Respondent's thumb drive must be sent to the following address:

Alan Taylor
Sedway Consulting
821 15th Street
Boulder CO 80302

Respondents will be sent an email confirmation from the IE of the receipt of their thumb drive package when the IE receives them. If a Respondent does not receive a confirmation email, please email the IE at Alan.Taylor@sedwayconsulting.com.

All offer materials submitted in accordance with these instructions will be subject to the confidentiality provisions of Section 9.0 (Confidentiality) of this RFO.

SDG&E will review and may utilize all information, if any, submitted by a Respondent that is not specifically requested as a part of any forms. During all stages of the RFO process, SDG&E reserves the right to request additional information from individual Respondents or to request any Respondent to submit supplemental materials in fulfillment of the content requirements of this RFO or to meet additional information needs. SDG&E also reserves the unilateral right to waive any technical or format requirements contained in the RFO.

8.0 REJECTION OF OFFERS

ALTHOUGH SDG&E IS VIGOROUSLY PURSUING THE GOALS OF THE INTEGRATED DISTRIBUTED ENERGY RESOURCES AND DISTRIBUTION RESOURCES PLAN PROCEEDING, IT MAKES NO GUARANTEE THAT A CONTRACT AWARD SHALL RESULT FROM THIS RFO EVEN AFTER AN OFFER HAS BEEN SHORTLISTED. IN ADDITION, SDG&E NOTES THAT SHORTLISTING AN OFFER DOES NOT CONSTITUTE SDG&E ACCEPTANCE OF ALL REDLINED CHANGES TO THE MODEL AGREEMENT. SDG&E RESERVES THE RIGHT AT ANY TIME, AT ITS SOLE DISCRETION, TO ABANDON THIS RFO PROCESS, TO CHANGE THE BASIS FOR EVALUATION OF OFFERS, TO TERMINATE FURTHER PARTICIPATION IN THIS PROCESS BY ANY PARTY, TO ACCEPT ANY OFFER OR TO ENTER INTO ANY DEFINITIVE AGREEMENT, TO EVALUATE THE QUALIFICATIONS OF ANY RESPONDENT OR THE TERMS AND CONDITIONS OF ANY OFFER, OR TO REJECT ANY OR ALL OFFERS, ALL WITHOUT NOTICE AND WITHOUT ASSIGNING ANY REASONS AND WITHOUT LIABILITY OF SEMPra ENERGY, SDG&E, OR ANY OF THEIR SUBSIDIARIES, AFFILIATES, OR REPRESENTATIVES TO ANY RESPONDENT. SDG&E SHALL HAVE NO OBLIGATION TO CONSIDER ANY OFFER.

9.0 CONFIDENTIALITY

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF SDG&E, RESPONDENTS MAY NOT DISCLOSE (OTHER THAN BY ATTENDANCE ALONE AT ANY MEETING TO WHICH MORE THAN ONE RESPONDENT IS INVITED BY SDG&E) TO ANY OTHER RESPONDENT OR POTENTIAL RESPONDENT THEIR PARTICIPATION IN THIS RFO, AND RESPONDENTS MAY NOT DISCLOSE, COLLABORATE ON, OR DISCUSS WITH ANY OTHER RESPONDENT, OFFER STRATEGIES OR THE SUBSTANCE OF OFFERS, INCLUDING WITHOUT LIMITATION THE PRICE OR ANY OTHER TERMS OR CONDITIONS OF ANY INDICATIVE OR FINAL OFFER.

SDG&E WILL USE THE HIGHER OF THE SAME STANDARD OF CARE IT USES WITH RESPECT TO ITS OWN PROPRIETARY OR CONFIDENTIAL INFORMATION OR A REASONABLE STANDARD OF CARE TO PREVENT DISCLOSURE OR UNAUTHORIZED USE OF RESPONDENT'S CONFIDENTIAL AND PROPRIETARY INFORMATION THAT IS LABELED AS "PROPRIETARY AND CONFIDENTIAL" ON THE OFFER PAGE ON WHICH THE PROPRIETARY INFORMATION APPEARS ("CONFIDENTIAL INFORMATION"). RESPONDENT SHALL SUMMARIZE ELEMENTS OF THE OFFER(S) IT DEEMS CONFIDENTIAL. THE SUMMARY MUST CLEARLY IDENTIFY WHETHER OR NOT PRICE, PROJECT NAME, LOCATION, SIZE, TERM OF DELIVERY AND TECHNOLOGY TYPE (EITHER COLLECTIVELY OR INDIVIDUALLY) ARE TO BE CONSIDERED CONFIDENTIAL INFORMATION. CONFIDENTIAL INFORMATION MAY BE MADE AVAILABLE ON A "NEED TO KNOW" BASIS TO SDG&E'S DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, CONSULTANTS, THE INDEPENDENT EVALUATOR, AGENTS AND ADVISORS ("REPRESENTATIVES"), BUT SUCH REPRESENTATIVES SHALL BE REQUIRED TO OBSERVE THE SAME CARE WITH RESPECT TO DISCLOSURE AS SDG&E.

NOTWITHSTANDING THE FOREGOING, SDG&E MAY DISCLOSE ANY OF THE CONFIDENTIAL INFORMATION TO COMPLY WITH ANY LAW, RULE, OR REGULATION OR ANY ORDER, DECREE, SUBPOENA OR RULING OR OTHER SIMILAR PROCESS OF ANY COURT, SECURITIES EXCHANGE, CONTROL AREA OPERATOR, GOVERNMENTAL AGENCY OR GOVERNMENTAL OR REGULATORY AUTHORITY AT ANY TIME EVEN IN THE ABSENCE OF A PROTECTIVE ORDER, CONFIDENTIALITY AGREEMENT OR NON-DISCLOSURE AGREEMENT, AS THE CASE MAY BE, WITHOUT NOTIFICATION TO THE RESPONDENT AND WITHOUT LIABILITY OR ANY RESPONSIBILITY OF SDG&E TO THE RESPONDENT.

IT IS EXPRESSLY CONTEMPLATED THAT MATERIALS SUBMITTED BY A RESPONDENT IN CONNECTION WITH THIS RFO WILL BE PROVIDED TO THE CPUC, ITS STAFF, THE CEC, ITS STAFF, SDG&E'S INDEPENDENT EVALUATOR, SDG&E'S PROCUREMENT REVIEW GROUP ("PRG"), AND THE COST ALLOCATION METHODOLOGY ("CAM") PRG GROUP. ADDITIONALLY, SDG&E MAY PROVIDE LIMITED INFORMATION SUCH AS (BUT NOT LIMITED TO) ON-LINE DATE, INTERCONNECTION POINT, TECHNOLOGY AND OTHER OPERATIONAL CHARACTERISTICS TO THE CAISO FOR MODELING PURPOSES. SDG&E WILL SEEK

CONFIDENTIAL TREATMENT PURSUANT TO PUBLIC UTILITIES CODE SECTION 583 AND GENERAL ORDER 66-C OF THE CPUC, WITH RESPECT TO ANY RESPONDENT CONFIDENTIAL INFORMATION SUBMITTED BY SDG&E TO THE CPUC. SDG&E WILL ALSO SEEK CONFIDENTIALITY PROTECTION FROM THE CALIFORNIA ENERGY COMMISSION (“CEC”) FOR RESPONDENT’S CONFIDENTIAL INFORMATION AND WILL SEEK CONFIDENTIALITY AND/OR NON-DISCLOSURE AGREEMENTS WITH THE PRG. SDG&E CANNOT, HOWEVER, ENSURE THAT THE CPUC OR CEC WILL AFFORD CONFIDENTIAL TREATMENT TO A RESPONDENT’S CONFIDENTIAL INFORMATION OR THAT CONFIDENTIALITY AGREEMENTS OR ORDERS WILL BE OBTAINED FROM AND/OR HONORED BY THE PRG, CAM, CEC, OR CPUC.

SDG&E, ITS REPRESENTATIVES, SEMPRA ENERGY, AND ANY OF THEIR SUBSIDIARIES DISCLAIM ANY AND ALL LIABILITY TO A RESPONDENT FOR DAMAGES OF ANY KIND RESULTING FROM DISCLOSURE OF ANY OF RESPONDENT’S INFORMATION.

10.0 ROLE OF THE PRG AND THE INDEPENDENT EVALUATOR

A. PROCUREMENT REVIEW GROUP (“PRG”)

The Procurement Review Group (PRG) and Cost Allocation Mechanism (CAM) PRG are CPUC-endorsed entities and are composed of non-market participants such as ratepayers’ advocacy groups, state energy and water commissions, power authorities, utility-related labor unions, environmental advocacy groups and other non-commercial, energy-related special interest groups. Each IOU has its own PRG and CAM PRG. The PRG and CAM PRG are charged with overseeing the IOU’s procurement process, reviewing procedural fairness, examining overall procurement prudence and providing feedback during all stages. From RFO language development to offer evaluation to contract negotiation, IOU’s brief the PRG and/ or the CAM PRG on a periodic basis during the entire process.

Respondents are hereby notified that revealing confidential offer information to the PRG and/or CAM PRG is required during briefings in accordance with Section 9.0 (Confidentiality). Each Respondent must clearly identify, as part of its offer, what information it considers to be confidential.

B. INDEPENDENT EVALUATOR

The CPUC requires each IOU to use an Independent Evaluator (“IE”) to separately evaluate and report on the IOU’s entire solicitation, evaluation, and selection process. The IE will review SDG&E’s implementation of the RFO process and final selections. The IE also makes periodic presentations regarding its findings to the IOU, and the IOU’s PRG and/or CAM PRG including the CPUC Energy Division staff. The intent of these IE presentations is to preserve the independence of the IE by ensuring free and unfettered communication between the IE and the CPUC, as well as an open, fair, and transparent process that the IE can affirm.

SDG&E is committed to ensuring an open and transparent solicitation, and to providing a fair, reasonable and competitive process.

The Independent Evaluator (“IE”) for this solicitation is Sedway Consulting (Alan Taylor - Alan.Taylor@sedwayconsulting.com).

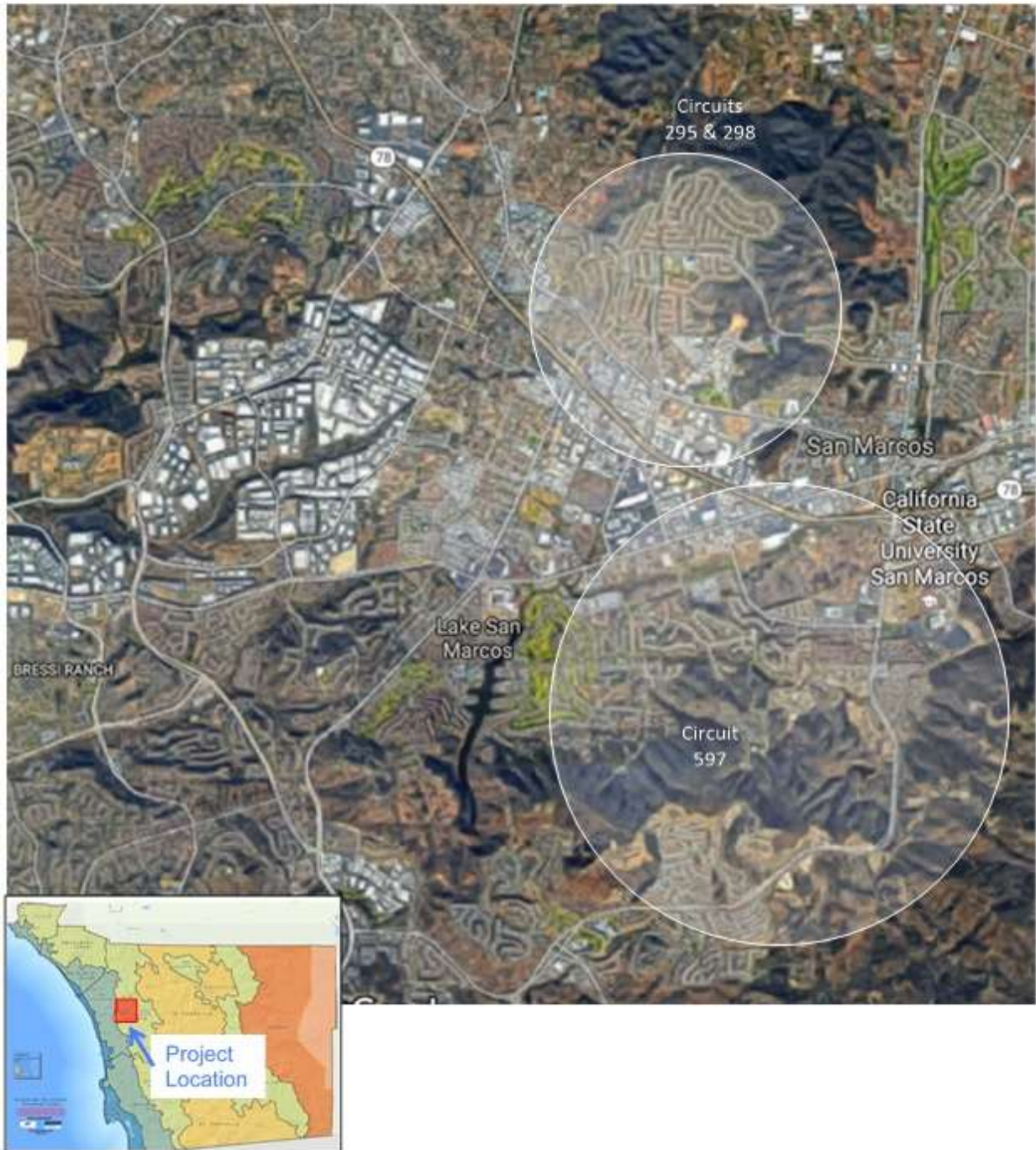
12.0 CREDIT TERMS AND CONDITIONS

SDG&E has the unilateral right to evaluate and determine the credit-worthiness of the Respondent. The Respondent is required to complete, execute and submit the RFO credit application as part of its offer. The application requests financial and other relevant information needed to demonstrate creditworthiness. When three (3) years of audited financial statements are not included or a web address to such information is not provided, it will be interpreted as Respondent not applying for unsecured credit. In this case, security collateral will be collected by SDG&E in an amount to be determined. Respondents may download the application from the RFO Website. Respondents that are shortlisted will be required to comply with the credit and collateral requirements set forth in the Term Sheet. The amount of such requirements will be determined by SDG&E at the time of shortlisting and will be based on product, deliveries, price, and term, among other variables. For clarity, Respondents should **not** include credit costs within their bid price (note: Respondents are required to provide information regarding the added cost of collateral per \$100,000 increment to satisfy the initial collateral requirement if SDG&E decides not to extend unsecured credit. This information will be gathered via the credit application form. These costs will be considered, as discussed in the quantitative evaluation section of this RFO). Requesting these costs does not mean that SDG&E will pay for or reimburse Respondent for such costs.

I. SHORTLIST ACCEPTANCE FEE.

The Shortlist Acceptance Fee is \$50,000 and must be paid via wire transfer to SDG&E within ten (10) business days of notification by SDG&E that the offer has been shortlisted. The details of where to send the Shortlist Acceptance Fee will be described in writing when SDG&E notifies the Respondent that they have been shortlisted. The Shortlist Acceptance Fee will be refunded with interest to the Respondent if the Respondent and SDG&E fail to reach an agreement and such failure is not due to the Respondent's withdrawal of its offer or a material misrepresentation in the information provided by the Respondent.

APPENDIX A – HIGH LEVEL MAP OF CIRCUITS 295, 298 & 597



Appendix B – Distribution Capacity Requirements

Circuit 597 Project Online after June 1, 2018:

Note: Traditional distribution project would provide 10 MW and 99.976% availability.

Minimum¹⁷ requirements

Requirements June 1 – October 31:

- All values for hours not shown are zero
- These requirements shall be met for each hour shown from June 1 – October 31 for each year shown
- Quantities shown within the tables are in MW
- Hours shown are ‘hour beginning’

Hour	2020	2021	2022	2023	2024	2025	2026
1:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13:00	0.00	0.00	0.00	0.00	0.01	0.34	0.63
14:00	0.00	0.00	0.00	0.30	0.65	0.99	1.29
15:00	0.00	0.00	0.20	0.56	0.89	1.21	1.51
16:00	0.00	0.00	0.45	0.82	1.14	1.46	1.76
17:00	0.00	0.38	0.75	1.06	1.36	1.66	1.96
18:00	0.47	0.82	1.26	1.65	1.98	2.29	2.60
19:00	0.84	1.20	1.66	2.06	2.40	2.72	3.04
20:00	0.98	1.35	1.81	2.22	2.56	2.88	3.21
21:00	0.76	1.13	1.59	2.00	2.34	2.67	3.00
22:00	0.18	0.55	1.00	1.40	1.74	2.05	2.38
23:00	0.00	0.00	0.00	0.20	0.52	0.82	1.12
0:00	0.00	0.00	0.00	0.00	0.00	0.00	0.36

Requirements year-round:

¹⁷ These are minimum requirements, and do not reflect full value equivalency to the traditional distribution project. As such, alternatives should consider providing commitments above these minimums.



SDG&E also requires that at any time of year the maximum MW amount shown for each year (from the table above) be available once per year for two hours to support both planned and unplanned maintenance/emergencies (see the table below for yearly values). SDG&E expects to give two weeks notice for planned maintenance, but little to no notice will be given for unplanned emergencies, which will require immediate dispatch.

Annual Two-hour MW Commitment

2020	2021	2022	2023	2024	2025	2026
0.98	1.35	1.81	2.22	2.56	2.88	3.21

Circuit 597 Online by June 1, 2018:

Note: Traditional distribution project would provide 10 MW and 99.976% availability.

Minimum¹⁸ requirements

Requirements June 1 – October 31:

- All values for hours not shown are zero
- These requirements shall be met for each hour shown from June 1 – October 31 for each year shown
- Quantities shown within the tables are in MW
- Hours shown are ‘hour beginning’

Hour	2018	2019	2020	2021	2022	2023	2024	2025	2026
1:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12:00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.42	0.69
13:00	0.00	0.00	0.00	0.00	0.09	0.44	0.78	1.11	1.40
14:00	0.00	0.00	0.00	0.29	0.76	1.12	1.47	1.81	2.12
15:00	0.00	0.00	0.22	0.59	1.05	1.41	1.74	2.07	2.36
16:00	0.00	0.21	0.51	0.88	1.33	1.70	2.02	2.34	2.64
17:00	0.00	0.72	1.04	1.38	1.78	2.12	2.45	2.77	3.10
18:00	0.81	1.14	1.42	1.78	2.22	2.61	2.94	3.24	3.56
19:00	1.21	1.55	1.83	2.19	2.65	3.05	3.39	3.71	4.03
20:00	1.36	1.69	1.98	2.35	2.81	3.22	3.56	3.88	4.21
21:00	1.10	1.44	1.73	2.11	2.57	2.98	3.32	3.65	3.98
22:00	0.49	0.83	1.12	1.48	1.93	2.33	2.67	2.99	3.31
23:00	0.00	0.00	0.00	0.26	0.68	1.04	1.36	1.66	1.96
0:00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.33	0.52

Requirements year-round:

¹⁸ These are minimum requirements, and do not reflect full value equivalency to the traditional distribution project. As such, alternatives should consider providing commitments above these minimums.



SDG&E also requires that at any time of year the maximum MW amount shown for each year (from the table above) be available once per year for two hours to support both planned and unplanned maintenance/emergencies (see the table below for yearly values). SDG&E expects to give two weeks notice for planned maintenance, but little to no notice will be given for unplanned emergencies, which will require immediate dispatch.

Annual Two-hour MW Commitment

2018	2019	2020	2021	2022	2023	2024	2025	2026
1.36	1.69	1.98	2.35	2.81	3.22	3.56	3.88	4.21

Circuit 298:

Note: Traditional distribution project would provide 10 MW and 99.976% availability.

Minimum¹⁹ requirements

Requirements June 1 – October 31:

- These requirements shall be met for each hour shown from June 1 – October 31 for each year shown
- Quantities shown within the tables are in MW
- Hours shown are ‘hour beginning’

Hour	2018	2019	2020	2021	2022	2023	2024	2025	2026
1:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10:00	0.00	0.00	0.00	0.00	0.00	0.13	0.55	0.76	0.96
11:00	0.00	0.14	0.29	0.28	0.71	1.03	1.46	1.69	1.90
12:00	0.13	0.44	0.60	0.58	1.02	1.35	1.78	2.01	2.23
13:00	0.46	0.78	0.94	0.93	1.37	1.70	2.14	2.38	2.61
14:00	0.66	0.96	1.12	1.09	1.53	1.86	2.27	2.52	2.74
15:00	0.38	0.66	0.80	0.75	1.17	1.48	1.86	2.09	2.34
16:00	0.14	0.39	0.51	0.46	0.86	1.16	1.52	1.75	1.95
17:00	0.00	0.00	0.08	0.02	0.40	0.69	1.01	1.23	1.43
18:00	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.40	0.60
19:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Requirements year-round:

¹⁹ These are minimum requirements, and do not reflect full value equivalency to the traditional distribution project. As such, alternatives should consider providing commitments above these minimums.



SDG&E also requires that at any time of year the maximum MW amount shown for each year (from the table above) be available once per year for two hours to support both planned and unplanned maintenance/emergencies (see the table below for yearly values). SDG&E expects to give two weeks notice for planned maintenance, but little to no notice will be given for unplanned emergencies, which will require immediate dispatch.

Annual Two-hour MW Commitment

2018	2019	2020	2021	2022	2023	2024	2025	2026
0.66	0.96	1.12	1.09	1.53	1.86	2.27	2.52	2.74



Circuit 295:

Note: Traditional distribution project would provide 10 MW and 99.976% availability.

Minimum²⁰ requirements

Requirements June 1 – October 31:

- All values for hours not shown are zero
- These requirements shall be met for each hour shown from June 1 – October 31 for each year shown
- Quantities shown within the tables are in MW
- Hours shown are ‘hour beginning’

Hour	2018	2019	2020	2021	2022	2023	2024	2025	2026
1:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14:00	0.06	0.11	0.14	0.19	0.24	0.26	0.24	0.18	0.11
15:00	0.32	0.37	0.40	0.44	0.50	0.52	0.49	0.44	0.38
16:00	0.35	0.40	0.44	0.49	0.55	0.57	0.54	0.48	0.41
17:00	0.18	0.20	0.22	0.24	0.28	0.28	0.27	0.24	0.21
18:00	0.25	0.30	0.33	0.37	0.43	0.44	0.42	0.37	0.31
19:00	0.68	0.72	0.76	0.80	0.85	0.87	0.85	0.80	0.75
20:00	0.48	0.52	0.55	0.60	0.65	0.66	0.65	0.61	0.56
21:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

²⁰ These are minimum requirements, and do not reflect full value equivalency to the traditional distribution project. As such, alternatives should consider providing commitments above these minimums.



Requirements year-round:

SDG&E also requires that at any time of year the maximum MW amount shown for each year (from the table above) be available once per year for two hours to support both planned and unplanned maintenance/emergencies (see the table below for yearly values). SDG&E expects to give two weeks notice for planned maintenance, but little to no notice will be given for unplanned emergencies, which will require immediate dispatch.

Annual Two-hour MW Commitment

2018	2019	2020	2021	2022	2023	2024	2025	2026
0.68	0.72	0.76	0.80	0.85	0.87	0.85	0.80	0.75

APPENDIX C – CALIFORNIA RPS PROGRAM INFORMATION

California’s Renewable Portfolio Standard (RPS) Program was adopted in 2002 and is codified at Public Utility Code sec 399.11, *et seq.*²¹ In adopting the RPS legislation, the Legislature specifically found and declared that increasing California’s reliance on renewable energy resources promotes the purpose of and may accomplish each of the following:

- Increase the diversity, reliability, public health and environmental benefits of the energy mix
- Promote stable electricity prices
- Protect public health and improve environmental quality
- Stimulate sustainable economic development and create new employment opportunities
- Reduce reliance on imported fuels
- Ameliorate air quality problems
- Improve public health by reducing the burning of fossil fuels

Current law requires Investor Owned Utilities (IOU’s) to procure renewable energy in the amount of 50% of retail sales by 2030²². Unlike the prior annual RPS program, the 50% regime sets increasing targets for multi-year Compliance Periods (“CPs”). The targets are set at 20% by the end of CP1 (2011-2013), 25% at the end of CP2 (2014-2016), 33% by the end of CP3 (2017-2020) [and so forth]. The CPUC issued its first decision implementing the RPS Program, D.03-06-071 on June 19, 2003. This decision established certain basic RPS Program parameters. The CPUC has subsequently issued several additional RPS-related decisions in rulemaking proceeding R.04-04-026, and successor proceedings R.06-02-012, R.06-05-027, R.08-08-009 and R.11-05-005. SDG&E will comply with all CPUC decisions governing RPS procurement. These decisions are publicly available on the CPUC’s website at http://www.cpuc.ca.gov/RPS_Homepage/.

This RFO is being conducted in compliance with relevant statutory and regulatory directives. Requirements set forth within the law and all directives are incorporated herein by reference. A full text of the law and the above-mentioned CPUC decisions can be downloaded from the CPUC website. Respondents are encouraged to review all RPS-related, CPUC issued directives available on the same Internet websites and are responsible for understanding and abiding by all RPS provisions.

RPS ELIGIBILITY CRITERIA

Respondents successfully signing agreements with SDG&E for RPS eligible resources must warrant that the resources being offered in response to this solicitation are certifiable as an “eligible renewable resource” by the California Energy Commission (CEC). Eligibility criteria are set forth by the CEC in its [Renewable Portfolio Standard Eligibility Guidebook](#). The most recent revision to the CEC guidebook (the ninth edition) was adopted in January 2017. It can be downloaded from the CEC’s website at http://doCKETpublic.energy.ca.gov/PublicDocuments/16-RPS-01/TN215573_20170125T160830_Renewables_Portfolio_Standard_Eligibility_Guidebook_Ninth.

²¹ See, Senate Bill (SB) 350.

²² See, Senate Bill (SB) 2 (1x) (Simitian), stats. 2011, ch. 1

[Editi.pdf](#). All requirements set forth within the CEC's guidebooks and all RPS-related documents shall be incorporated herein by reference.

Respondents are encouraged, although not required, to apply for pre-certification from the CEC in advance of submitting an offer. Pre-certification forms are available from the above-entitled guidebook.

APPENDIX D – CALIFORNIA ENERGY EFFICIENCY PROGRAM INFORMATION

The California Public Utilities Commission and state energy policy, as expressed in the Energy Action Plan (EAP) and reaffirmed in Decision (D.) 04-12-048, is to make energy efficiency and demand response the IOUs' highest priority procurement resource. The 2005 EAP II continues strong support for the loading order and identifies energy efficiency and demand response as the State's preferred means of meeting growing energy needs. After cost-effective energy efficiency and demand response, we rely on renewable sources of power and distributed generation, such as combined heat and power applications. This is also consistent with California Public Utility code, § 454.5(b)(9)(C) 2 which requires IOUs to first meet their "unmet resource needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible." To promote the resource procurement policies articulated in the Energy Action Plan and by the Commission, energy efficiency activities funded by ratepayers should offer programs that serve as alternatives to costlier supply-side resource options (resource programs).

D.07-10-032 established a broader framework for statewide coordination on energy efficiency program design, to overcome market barriers to more widespread adoption of energy efficiency and to capture longer-term savings. The decision directed the IOUs to work with Commission staff and market participants to prepare the California Long-Term Energy Efficiency Strategic Plan (Strategic Plan). Adopted in D.08-09-040, the Strategic Plan set forth a roadmap for energy efficiency in California through 2020 and beyond, by articulating a long-term vision and goals for each economic sector and identifying specific near-term, mid-term and long-term strategies to achieve the goals. D.08-09-040 and the subsequent October 30, 2008 Ruling in A.08-07-021 directed the IOUs to align their EE programs with Strategic Plan goals by clearly identifying utility actions for all Strategic Plan near-term strategies and action steps, where a utility role is important, and to provide programs that reflect the Strategic Plan short-term steps and milestones²³.

In Rulemaking (R.) 13-11-005, the PUC contemplated moving away from a triennial review towards a "rolling" review of EE program portfolios. Consistent with that vision, D.14-10-046 provided ongoing funding for EE programs from 2015 onward. D.15-10-028 then directed the utilities to adopt a Business Plan approach for developing EE programs and strategies for six market sectors: Residential, Commercial, Industrial, Agricultural, Public and Cross-Cutting (Workforce Education & Training, Codes & Standards and Emerging Technologies). SDG&E submitted its 2018 onwards Business Plan application on January 2017 and it is available at <http://www.sdge.com/regulatory-filing/20456/sdge-energy-efficiency-rolling-portfolio-business-plan>.

Senate Bill 350--Clean Energy and Pollution Reduction Act of 2015 directed the California Energy Commission to establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas end uses of retail customers by January 1, 2030. The bill would also require the PUC

²³ Decision 08-09-040, OP 2

to establish efficiency targets for electrical and gas corporations consistent with this goal. To meet these targets, in addition to adopting the Business Plan approach, the Commission has implemented changes to statewide and third-party programs and their administration²⁴. These changes would require that at least 60% of the utility's EE portfolio be bid out for third party program implementation by the end of 2020. Statewide programs, particularly upstream and midstream programs, are to be administered by one utility through one or several implementers across the state. The Commission will determine other programs that could be administered and implemented on a statewide basis.

²⁴ D.16-08-019

APPENDIX E – SUMMARY OF SDG&E DR & EE PROGRAMS

The following table is for illustrative purposes only and does not reflect a full list of programs, measures and technologies currently offered by SDG&E. It is meant to provide guidance to potential bidders about most of energy efficiency programs currently being sourced through SDG&E's 2017 EE/DR portfolio. SDG&E may utilize this, or a similar, list for the purposes of an initial screen to determine whether a bid offers a measure/technology that is currently sourced through an existing program, but such a screening is not dispositive of determining whether the measure/technology is incremental. SDG&E may utilize additional screens in determining project incrementality

DR Programs Summary Table:

Program Name	Sector Served	Incentive Structure (rebates, incentives)	Type of Technology
Capacity Bidding Program (CBP)	Non-Residential	Participants receive a monthly capacity payment and energy incentives during events in return for load reduction when requested.	May vary, an example may be an Energy Management System (EMS).
Base Interruption Program (BIP)	Non-Residential	Participants receive a monthly capacity payment.	May vary, an example may be an Energy Management System (EMS).
Summer Saver Program (SSP)	Residential and Small Commercial	Participating customers receive an annual bill credit based on the AC tonnage on the Nameplate Capacity of the End-Use Equipment and customer elected cycling option.	Enabling Devices at the A/C unit.

EE Programs Summary Table:

Program Name	Sector Served	Measure Type	Measures Offered
SW-CALS-Plug Load and Appliances-HEER	Residential	Downstream Prescriptive Rebate	Clothes Washer; Heat Pump Water Heater; Pool Pump Motor - variable speed; Natural Gas Water Heater; Water Saving Kit
SW-CALS-Plug Load and Appliances-POS Rebates	Residential	Downstream Prescriptive Rebate	Clothes Washer; Natural Gas Water Heater
		Upstream Prescriptive Rebate	Heat Pump Water Heater
SW-CALS-MFEER	Residential	Direct Install	A/C Refrigerant Charge; Efficient Fan Control (EFC) w/AC; Exterior LED Landscape Fixtures; LED Recessed Downlight Outdoor; Duct Sealing; Low Flow Hand Held Shower Head; Thermostatic Valve; Tier 2 Advanced Power Strip
		Downstream Prescriptive Rebate	LED Screw-in A-Lamp; LED Screw-in PAR30; Water Heater-Boiler Controllers; Water Heating-Faucet Aerators
SW-CALS - EUC WHRP - Advanced	Residential	Custom Incentive	Advanced Home Upgrade; Bonuses; Home Upgrade
Local-CALS - Middle Income Direct Install (MIDI)	Residential	Direct Install	A/C Refrigerant Charge; Efficient Fan Control (EFC) w/AC; LED Interior Hardwired Fixture; LED Night Light; Porch Light; Torchiere Lamp; Duct Sealing; Air Sealing; Faucet Aerators; Low Flow Shower Heads; Thermostatic Valve
SW-CALS - Residential HVAC-QI/QM	Residential	Direct Install	A/C Refrigerant Charge; Airflow Correction; New Blower Motor; Condensor Coil Cleaning
		Downstream Prescriptive Rebate	HVAC Service Agreement; A/C Unit
		Upstream Prescriptive Rebate	Efficient Fan Controller

EE Programs Summary Table, continued

Program Name	Sector Served	Measure Type	Measures Offered
SW-CALS - CAHP/ESMH-CA Advanced Homes	Residential	Custom Incentive	Combination of EE Measures
SW-COM-Strategic Energy Management	Commercial	Custom Incentive	NMEC Whole Building including BROs
SW-COM-Calculated Incentives-Calculated	Commercial	Custom Incentive	Boilers, Controls and Other Gas; Compressed Air; HVAC Peripheral Equipment; HVAC Energy Mgmt. System; Centrifugal Chiller; HVAC Controls; Pool Pump and Equipment; Process - Various; Monitoring Based Retrocommissioning (MBCx)
SW-COM-Calculated Incentives-Savings by Design	Commercial	Custom Incentive	Boilers, controls and other Gas; Exterior Lighting; Whole Building
SW-COM-Deemed Incentives-Commercial Rebates	Commercial	Downstream Prescriptive Rebate	LED Fixtures; Reflective Window Film; Chilled Water Reset; Economizer; Combination Ovens; Commercial Fryers; Convection Ovens; Griddles; Hot Food Holding Cabinets; Steamer; Rack Ovens; Glass Door Display Cases; Space Heating Boilers; High Bay LEDs; Hot Water Reset; Ice Machines; LED Candalebras; LED MR16 Bulbs; LED Integral A-lamps ; LED Integral Candelabras; LED Integral PAR38s; LED Recessed Downlights; LED Screw-in A-Lamps; LED Screw-in Globes; LED Screw-in PAR20s; LED Screw-in PAR30s; LED Screw-in R30s; LED Screw-in R40s; LED Surface, Pendant, Track, Accent, and Recessed Downlights; T-8s; Exterior LED Fixtures; Interior CFL Fixture; Interior Linear Fluorescent Fixtures; Linear LED Systems; Case Door Lights; Low Flow Showerhead; VFD HVAC Fans; Network Power Management Software; Outdoor Pool Cover; Ozone Laundry System; Pkg AC; Anti-Sweat Heater Controls; New Refrigeration Case; Refrigerator; Steam Trap; Variable Air Volume Box; Ventilation Control; Lg Storage Water Heater; Boiler
SW-COM-Deemed Incentives-HVAC Commercial	Commercial	Direct Install	HVAC Controllers; A/C Unit
		Downstream Prescriptive Rebate	Coil Cleaning; HVAC Maintenance Agreement; Fan Maintenance; Packaged A/C Unit; Refrigerant Charge; Refrigerant Test
SW-COM Direct Install	Commercial	Direct Install	T8 lamp; T5 HO lamps; LED Candalebras; LED MR16s; LED OPEN Sign; LED Screw-in A-Lamps; LED Screw-in Globes; LED Screw-in PAR20s; LED Screw-in PAR30s; LED Screw-in PAR38s; LED Screw-in R30s; LED Screw-in R40s; T-8 Fixtures; Pre-Rinse Spray Head; A/C Refrigerant Charge; Decrease refrigerant charge level
		Downstream Prescriptive Rebate	LED Fixture; Water Source Heat Pump; Fryers; Convection Ovens; Griddles; Hot Food Holding Cabinets; Steamers; Gas Rack Ovens; Space Heating Boilers; High Bay LED; Clothes Washers; Ice Machines; LED Surface, Pendant, Track, Accent, and Recessed Downlights; Exterior CFL Fixture; Exterior Induction Fixture; Exterior LED Fixtures; Interior CFL Fixtures; Interior Induction Fixture; Interior Linear Fluorescent Fixtures; Linear LED Systems; Case Door Lighting; 25W T8s; Low Flow Shoerhead; Network Power Management Software; Pkg AC; Pkg Heat Pump; Anti-Sweat Heater Controls; Evaporator Fan Controller for Walk-In Coolers/Freezers; Vending Machine Controller; Ventilation Controls; Water Heaters; Boiler; Instantaneous Water Heater
SW-IND-Strategic Energy Management	Industrial	Custom Incentive	NMEC Whole Building including BROs
SW-IND-Calculated Incentives-Calculated	Industrial	Custom Incentive	Compressed Air; HVAC Energy Mgmt. System; Chiller Centrifugal; Process - Various

EE Programs Summary Table, continued

Program Name	Sector Served	Measure Type	Measures Offered
SW-IND-Deemed Incentives	Industrial	Downstream Prescriptive Rebate	LED Fixtures; Reflective Window Film; Commercial Gas Fryer; Commercial Gas Rack Oven; Space Heating Boilers; High Bay LEDs; LED MR16s; LED Recessed Downlights; LED Screw-in A-Lamps; LED Screw-in PAR30s; LED Screw-in PAR38s; LED Surface, Pendant, Track, Accent, and Recessed Downlights; Exterior LED Fixtures; Interior Compact Fluorescent Fixture; Interior Linear Fluorescent Fixture; Linear LEDs; Refrigerator; Variable Air Volume Box; Process Steam Boiler
SW-AG-Calculated Incentives-Calculated	Agricultural	Custom Incentive	Process - Various
SW-AG-Deemed Incentives	Agricultural	Downstream Prescriptive Rebate	LED Fixtures; Low Pressure Sprinkler Nozzles; Greenhouse Heat Curtain; LED Integral A-lamp; Exterior LED Fixtures
SW-Lighting-Primary Lighting	Cross-Cutting	Upstream Prescriptive Rebate	Bare Spiral CFL; LED Screw-in R30; LED Recessed Downlights; LED Screw-in A-Lamps; LED Screw-in PAR20; LED Screw-in PAR30; LED Screw-in PAR38s; LED Screw-in R30s; LED Screw-in R40s; Reflectors; Screw-in CFL
Local-IDSM-ME&O-Behavioral Programs (EE)	Residential	Custom Incentive	Behavioral
SW-FIN-New Finance Offerings	Commercial	Custom Incentive	Financing
3P-Res-Comprehensive Manufactured-Mobile Home	Residential	Direct Install	AC Diagnostic, Repair and Tune-ups; Duct Test and Seals; Efficient Fan Control (EFC) w/AC; Faucet Aerator; LED Screw-in A-Lamps; Low Flow Showerheads; New Blower Motor; Tier 2 Advanced Power Strip
RES Upstream HVAC Incentive Program	Residential	Upstream Prescriptive Rebate	A/C Package Unit; A/C Split System; Furnaces
3P-ZELDA	Commercial	Downstream Prescriptive Rebate	Electronic Zero Air Loss Condensate Drains for Compressed Air Systems
HOPPs - Building Retro-Commissioning	Commercial	Custom Incentive	RetroCommissioning
HOPPs - Multi Family	Residential	Direct Install	Typical Property