

SDG&E 2016 RA RFO

Questions & Answers

1. Question: Does a PPA need to be in place in order to participate in this program? Is the Resource Adequacy Program similar to CAISO's RADDG (in which the resource will seek to move from Energy-Only to Full Capacity)? RADDG is in addition to having a current PPA.

Answer: Neither a PPA nor a Master Agreement needs to be in place in order to enter into a contract resulting from this RA RFO. Only an executed RA Confirmation agreement or Import RA Confirmation agreement as posted on the RFO website is necessary. Resources must have an NQC by the contract execution date. A prerequisite to receiving an NQC from the CAISO is a deliverability study by an IOU, PTO or CAISO (depending on the resource). This program is different than CAISO's RADDG.

2. Question: SDG&E's RFO Description states that RA capacity submitted into the RFO must be eligible for inclusion in both the Year-Ahead and Month-Ahead compliance filings with the CPUC and CAISO (see section 3 – Product Description). Certain regulatory approvals may not be granted until after the due date for the CAISO Year-Ahead filings (October 30, 2015); if a seller is unable to list the capacity committed to SDG&E in its Annual RA Supply Plan with CAISO, will a bidder be disqualified from selection?

Answer: The regulatory approval requirement does not disqualify a bid. SDG&E has sole discretion to select bids based on timing needed for regulatory approval to meet the year ahead or month ahead showing. The resource must be eligible to receive an NQC and must have an NQC by the contract execution date in order to be eligible.

3. Please see the following wording in your RA RFO, Product Description section, page 6: "Such Resource Adequacy capacity must be eligible for inclusion in both Year-Ahead and Month-Ahead compliance filings with the CPUC and CAISO. All products are for RA compliance year 2016." Does this mean that new generation which is not online on January 2016 or earlier is ineligible?

Answer: New generation which has an NQC on the contract signing date may be considered eligible.

4. Question: Can energy efficiency resources or programs bid into this RFO as a capacity resource?

Answer: The resource must be eligible to receive an NQC and must have an NQC by the contract execution date in order to be eligible.

5. Question: Section 3 of SDG&E's RA RFO indicates that RA must come from "specific identified generating units". Could you please clarify if batteries or demand response can be included as some or all of an RA bid?

Answer: The resource must be eligible to receive an NQC and must have an NQC by the contract execution date in order to be eligible. Demand Response resources will not be considered in this RA solicitation, rather SDG&E directs you to its upcoming 2016 DRAM solicitation, which is planned for release on September 21, 2015.

6. What is the preference for listing NQC since the values vary by month? A range, an average NQC? Same question as far as EFC is concerned since it also varies by month.

Answer: The NQC and EFC should be listed monthly on the offer form. If you are providing an annual offer, it should be included in the Calendar Year section of the offer form. Please indicate MWs by month, as directed on the offer form.

7. Would it be necessary to have a signed master agreement with SDG&E in order to participate in this RA RFO?

Answer: No. For more information, please see the answer to question #1.

8. Do you want pricing as \$/kW-day or \$/kW-mo? Tab four & five of the RA offer form have \$kW/-day, but tab eight has \$/kW-mo?

Answer: The RFO offer form has been updated to clarify the desired units. Please provide pricing in both \$/kW-day AND \$/kW-month.

9. Will residential aggregations be considered for this RFO?

Answer: If, by 'residential aggregations', the question is referring to Energy Efficiency offers, please see the answer to questions #4. If this is referring to Demand Response resources, please see the responses to question #5

10. Does SDG&E have separate confirmation for the Import RA product? If not, are they willing to use a submitted confirmation from the respondent?

Answer: Yes, SDG&E does have a separate confirmation contract document for import RA and it has been uploaded to the RA RFO website. SDG&E will not accept a confirmation from the respondent.

11. Will SDG&E accept a bid for a new facility that does not yet have a CAISO Resource ID nor a SCID but will by 2016?

Answer: Please see the response to question #3.

12. Is SDG&E willing to enter into bi-lateral negotiations for the RA products being sought in the RFO (perhaps for a period beyond 2016)?

Answer: Yes, SDG&E will continue its normal procurement activities during this RFO which includes consideration of bi-lateral offers.

13. Would SDG&E accept an RA confirmation that references the WSPP Agreement (with any mutually agreed exceptions or clarifications) instead of working out what appears to be a EEI Master Agreement Cover Sheet?

Answer: No, SDG&E will not accept any contract form except those on the RA RFO website.

14. This SDG&E RA Confirm appears to be for a "Firm RA Product" with full replacement obligations. Would SDG&E accept a "Contingent Firm RA Product" with no replacement obligation for properly notified Planned Outages (ie: notification prior to 15 Business Days before a Showing).

Answer: SDG&E will accept mark-ups to its posted Confirm and will consider an arrangement such as that described in this question. SDG&E requires appendix B (Outage Schedule) to be filled out and submitted on September 3rd if outages will impact the contract quantity offered during the delivery period.

15. Be advised that there is another RFO in progress and we therefore may not be able to offer firm quantities at this time. Is the first round of offers considered “indicative”? If not, would you accept indicative/non-firm offers as long as it is noted in the NOTES section?

Answer: SDG&E’s RA RFO includes only one round of offers. SDG&E does not consider what we will receive on September 3 to be indicative. Respondents should therefore submit their best offer on September 3. That said, SDG&E will accept mark-ups to its posted Confirms and will consider an arrangement such as that described in this question.

16. Will SDG&E require appendix B to be submitted on September 3rd with related planned outage dates or is this expected after the shortlist notification?

Answer: SDG&E requires appendix B (Outage Schedule) to be filled out and submitted on September 3rd if outages will impact the contract quantity offered during the delivery period.

17. Is there a list of eligible products? Specifically, does residential demand response count as a Resource? It was not clear whether you were looking for only generation/supply.

Answer: The products sought are described in section 3 of the RFO document (Product Description), and the eligibility requirements are included in section 4. Regarding demand response products, please see the answer to question 5 - SDG&E directs you to its upcoming 2016 DRAM solicitation, which is planned for release on September 21, 2015.

18. Is there a way to download the Offer Form matrix? It populates in Chrome, but will not let me download to fill out.

Answer: The excel offer form is available on the RFO Website (here: <http://www.sdge.com/2016-resource-adequacy-solicitation>). Click on the link labeled “Offer Form (xls)” in order to download the excel file.