

SDG&E 2017 RAM VII RFO

Questions & Answers / FAQs

I. General Questions

1. Would a repower of a wind project qualify for this program?

Yes.

2. Does the full PVSyst Model zip need to be submitted or a PDF report? This includes some information we consider confidential

Please submit the full PVSyst Model zip and not a PDF report. SDG&E will follow the confidentiality provisions in the RFO to protect bidder information.

3. What type of solar resource data that you would approve for the PVsyst report like TMY3, - National Solar Radiation Database (NSRDB) or SolarAnywhere data? For hydro projects, is historical output sufficient for resource plan?

SDG&E does not have any minimum requirements on resource data. Resource reports describe how and why the respondent believes the natural resource for the project will produce as expected. For example, solar and wind developers will typically use temporary onsite equipment to take measurements and then calibrate those to long term satellite data. They use programs such as PVSyst or OpenWind to calculate the radiation at the panel or wind turbine. Biogas, biomass, and geothermal projects do similar studies. SDG&E prefers these reports come from a recognized third party company who specializes in these matters. Because SDG&E is buying all of the output from each facility, it is imperative that SDG&E has confidence that production estimates are accurate. This report is part of SDG&E's qualitative evaluation of the project and its viability and ability to deliver as expected.

4. In the protocol Section 3A(4) it states: "Resources must sell its entire output to SDG&E (full buy/sell) or sell all output in excess of onsite load to SDG&E (excess sales)" what does this mean?

It means that seller has an election to sell all generation to SDG&E or sell only the generation that is not used at the site to serve onsite load.

5. Can you let us know the status of the PUC ruling regarding the petition filed on 10/26/2016, R 15-02-020? When do you expect resolution?

SDG&E does not know when the California Public Utilities Commission will adjudicate its legal challenges to RAM procurement filed on October 26, 2016.

6. Could you please confirm that SDG&E will not be executing an NDA at this time and Bidders should be referring to Section 9 of the RFP for the confidentiality?

Yes, SDG&E will not be executing NDAs.

7. My registration hasn't been accepted, when could I expect acceptance?

SDG&E routinely processes requests for registration. If you are having issues with registration acceptance, please send an email to RAMSolicitation@semprautilities.com and copy the IE, Harry Judd, hjudd@acciongroup.com

8. The total number of hours in TOD table is 8,784 which is a leap year. But the Offer Form, tab 9. Deliver Profile, bidders have been asked to provide the 8760 data. Would you please clarify that? Could you update the table to show the hours for a non-leap year?

SDG&E is only asking for respondents to provide data for 12x24. Do not enter the 8764 or 8760 data. Respondents should only fill in the green cells on the Delivery Profile tab.

9. Is Imperial Valley part of the "local" San Diego area?

In terms of Imperial Valley Projects qualifying for FCDS for RAM VII purposes and the ability to provide local resource adequacy (RA) to SDG&E, the project must directly interconnect to the IV Substation (i.e. not be a pseudo-tie) or another SDG&E substation west of the IV Substation.

10. Are Single Line Drawings required to have an Engineer's stamp?

No, an Engineer's stamp is not required, but Single Line Drawings must be professional and meet basic engineering design criteria.

11. How does RPS Certification differ from CEC-Pre-Certification/CEC Certification on the Products Offer Form?

The California Energy Commission (CEC) and California Public Utilities Commission (CPUC) are two different regulating entities that have their own definition for certification for eligible renewable resources.

12. The 2017 SDGE RAM 7 RFO Protocol states, "The Respondent will maintain contractual control of the facilities and be responsible for development, land acquisition, permitting, financing and construction for the facilities. Respondents must provide a description of how operational control will be maintained."

- a. **In the context of this question, does the "Respondent" mean the proposer or the project company?**
- b. **Is the intent of this statement meant to preclude developers from transferring control of the facilities to a new owner (ex will SDGE not consent to an assignment)?**

- a. "Respondent" means the owner of the project, regardless of project ownership structure. Usually this is the original proposer, unless the project has been assigned to another party.
- b. No, assignment to a third party is not precluded; however, SDG&E will follow the assignment clause in the PPA as written and cannot guarantee or pre-approve assignment at this time.

13. If you submit different terms for the same project, do you need to submit different zip files for each bid?

Respondents need to submit a unique offer form for each project variation in order to be considered; however, Respondents only need to submit one set of Interconnection Agreements, site control documentation, site maps, resource reports, and PVSyst models per project.

14. Please confirm that there is no "submit bid" button and that the uploaded documents become the bid submittal upon closing of the bid window.

If you can see your file on PowerAdvocate, so can SDG&E. There is no confirmation given by PowerAdvocate.

15. Can respondents bid a TOD of 1 (no Time of Delivery adjustment)?

Respondents can request a flat TOD of 1 by indicating that in cell c12 on the PPA summary tab in the offer form.

II. Evaluation Questions

1. How do you rank hydro projects and wind and solar?

Projects are ranked on a least-cost, best-fit basis taking into account the benefits and costs of the individual projects.

2. Is baseload worth more than wind or solar with your own gas backup?

It is hard to make such an assessment without further information.

3. How does SDGE determine the Capacity Value of Local RA and System RA?

SDG&E will not share the capacity values with Respondents until Respondents have accepted their shortlisted position.

4. Can SDGE provide the NQC values for solar and wind that will be used in its NMV analysis?

No, SDG&E does not provide these values.

5. SDGE has provided a table of Congestion Cost Multipliers in previous RPS Solicitations. Will SDGE provide a table of Congestion Cost Multipliers for RAM7?

No, SDG&E will not be providing a table of Congestion Cost Multipliers.

6. How does SDGE determine Energy Value in its NMV analysis? Is Energy Value derived from the proposed project's generation profile overlaid against a forward curve for NP15, SP15, or ZP26?

The generation profile is one of the inputs used to determine the energy benefit for our customers. The exact values of all the inputs are not shared with Respondents.

7. What must I submit with my offer to demonstrate site control if I have extensive documentation?

The Respondent must have, at time of bidding, site control for the duration of 10, 15 or 20-year power purchase agreement. A copy of one of the following forms of site control must be provided: direct ownership, a lease, or an option to lease or purchase upon PPA approval. The option must be an exclusive option to the Bidder that will last until the completion of the RFO cycle. If there is additional information that Respondent believes should be submitted to further demonstrate site control, Respondent should submit such information.

8. What level of detail do you seek for technology related questions?

SDG&E does not have any minimum requirements on technology related questions. Technology related questions comprise a portion of SDG&E's qualitative evaluation of the project and its viability and ability to deliver as expected. There is no restriction on physical location if a resource is interconnected or dynamically transferred into the CAISO. The more thorough your response to these questions, the more confidence SDG&E can have in your project to deliver as expected.

9. Are a single line and a site map required at the time of bidding?

Yes.

10. Should variations of a project be considered separate offers?

Yes.

III. Credit/Security and PPA Questions

- 1. Will SDG&E accept proposals for a portion of a larger project? Does that portion need to be fenced off, use a separate transformer, have its own interconnection, or use a separate meter?**

SDG&E will accept all proposals, including those from existing projects, and does not pre-determine bid conformance. However, all offers will be evaluated on a case by case basis, and SDG&E notes that its RAM VII PPA is non-modifiable and may not be able to address all project proposals due to its constraints.

- 2. Please clarify Project Start Date**

New projects cannot come online earlier than 30 months' post CPUC approval and no later than 36 months' post CPUC approval. Existing projects can start deliveries as early as 30 days after CPUC approval, and no later than 36 months' post CPUC approval. Note for existing projects: an existing facility may participate in RAM without restriction if the existing facility is not currently delivering energy pursuant to an existing contractual agreement, or if such an agreement exists but it is scheduled to terminate within 36 months of the utility's expected date of CPUC approval for the utility's PPA from that RAM auction, as estimated by that utility's RAM Bidding Protocol (i.e., December 14, 2017).

- 3. During this waiting period of 30 months for the contract, could we enroll in a different program for exporting credits purpose?**

Yes, existing facilities may do this until CPUC approval of the PPA with SDG&E is received.

- 4. What is the CPUC Approval Security \$100,000? Is there possibility this can be waived?**

No. The CPUC Approval Security amounts are set per the CPUC approved, non-modifiable PPA and SDG&E cannot waive this requirement.

- 5. The CPUC Approval Security applies to existing project and/or new project?**

Yes, both new and existing facilities require CPUC approval, so the security amount defined in the PPA will be required from developer(s) during this period.

- 6. What is the penalty under the PPA if the project is not FCDS for a period?**

The Deliverability Value as described in section 4.1 of the PPA. The exact value will depend on the type of offer you submit and the amount of deliverability value the project provides. If the project accepts its shortlisted position, SDG&E will provide the value. For periods in which the project has not achieved FCDS, the Contract Price will be reduced by the Deliverability Value (i.e. an energy only price). If FCDS is not achieved by January 1, 2027, the SDG&E has the right to terminate the PPA. If Respondent bids FCDS, Respondent should feel confident it will achieve FCDS.

- 7. Is it possible to offer excess capacity and associated energy under this RAM VII solicitation from an existing renewable resource that is already selling to SDG&E? If it is, would that excess capacity/energy be sold under the standard RAM VII PPA? If it is, will a separate meter and resource id be required or could the existing meter be utilized for settlement?**

SDG&E will accept all proposals, including those from existing projects, and does not pre-determine bid conformance. However, all offers will be evaluated on a case by case basis, and SDG&E notes that its RAM VII PPA is non-modifiable and may not be able to address all project proposals due to its constraints.

8. The bidder's conference slide 45 says that the PPA's guaranteed minimums do not apply to small hydro projects, is this correct?

There was a typo on slide 45 of SDG&E's bidder's conference presentation. This has been corrected to state that guaranteed minimums do apply to small hydro projects. The corrected presentation has been posted to the RFO website.

9. Slide 45 also says that seller will be paid for up to 110% of Hourly Contract Capacity, is this correct?

There was a typo on slide 45 of SDG&E's bidder's conference presentation. This has been corrected to state that seller will be paid for up to 100% of Hourly Contract Capacity, as stated in the PPA. The PPA is the controlling document. The corrected presentation has been posted to the RFO website.

10. What is the timeframe for CPUC PPA approval?

SDG&E estimates that CPUC PPA approval will take approximately 2 months from the time SDG&E submits an advice letter to the CPUC, absent an appeal or suspension. Please refer to question 2 (above) for additional information on project start date once CPUC approval is obtained.

11. Please confirm that Contract Capacity is the net capacity (net of losses, station service, etc.) at the Delivery Point with the ISO. For example, a solar project with a nameplate capacity of 100MWs has losses of 5MWs from aux load and gen-tie. The Contract Capacity under the RAM7 PPA would be 95MW.

Confirmed, Contract Capacity should be entered cell c21 on the project description tab of the offer form. See also Section 3.1(f) of the RAM PPA.

12. What should I do if the nameplate of my project is less than the Contract Capacity but the maximum project output is more than the Contract Capacity? For example, geothermal plants can exceed their nameplate rating, solar panels can exceed their nameplate ratings, etc.

Contract Capacity is different than nameplate capacity, and while they can be the same, there is no requirement that they be the same. Nameplate capacity is entered into cell c19 and contract capacity is entered into cell c21 on the project description tab of the offer form. Contract Capacity is a defined term in the PPA as described in Section 3.1(f) while Nameplate Capacity is defined in Exhibit A. Respondent should describe the reason for the differences in Nameplate Capacity and Contract Capacity in their solicitation materials.

13. The tables on pages 44 and 45 of the proforma PPA list a certain number of hours in a given TOD period. The Offer Form uses a different number of hours for the TOD periods. How will this difference be handled?

The exact hours in each TOD period in a given year may change depending on the year, therefore you should consider the hours listed in the PPA for reference only. The TOD delivery caps from the Offer Forms will be used to fill out the tables on page 45 of the proforma PPA. Note that Section 4.1(a).iii allows a variation of up to 115% in any year for a TOD period, which allows for any yearly variance in the actual number of hours falling in a certain TOD period

IV. Interconnection Questions

1. Do I need a new interconnection for an existing project?

In general, no; however, you do need an interconnection that will meet the project's deliverability requirements. If the project is an existing facility, Respondent must provide the facility's interconnection agreement, and if a Qualifying Facility ("QF"), an affidavit that there will be no anticipated material modification to their facility and that Respondent may proceed to the completion of an interconnection agreement with the CAISO.

2. Must a project's point of interconnection be within CAISO? Must the project be physically located inside of CAISO?

RAM Projects must be located within the CAISO balancing area OR dynamically transferred into the CAISO. There is no restriction on physical location if a resource is interconnected or dynamically transferred into the CAISO.