



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

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# **SAN DIEGO GAS & ELECTRIC COMPANY**

## **RESOURCE ADEQUACY REQUEST FOR PROPOSALS**

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seeking  
**BIDS & OFFERS FOR 2014  
RESOURCE ADEQUACY RESOURCES**

**ISSUED**  
AUGUST 27, 2013

**PROPOSALS DUE**  
SEPTEMBER 10, 2013

**RFP WEBSITE**  
<http://www.sdge.com/2014rarfp>

**EMAIL QUESTIONS/COMMENTS TO:**  
[2014rarfp@semprautilities.com](mailto:2014rarfp@semprautilities.com)  
With a CC to: [waynejoliver@aol.com](mailto:waynejoliver@aol.com)  
(Independent Evaluator)

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**TABLE OF CONTENTS**

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TABLE OF CONTENTS .....	2
1. BACKGROUND.....	3
A. RESOURCE ADEQUACY – SYSTEM ATTRIBUTE.....	3
B. RESOURCE ADEQUACY – LOCAL ATTRIBUTE.....	3
C. RESOURCE ADEQUACY – FLEXIBLE ATTRIBUTE .....	4
2. PRODUCT DESCRIPTION .....	4
A. PRODUCTS SOLICITED.....	5
B. SCHEDULED MAINTENANCE OUTAGES.....	5
C. OTHER PRODUCT CONSIDERATIONS.....	6
3. ELIGIBILITY REQUIREMENTS .....	6
4. CREDIT TERMS & CONDITIONS.....	7
5. EVALUATION CRITERIA .....	7
A. QUANTITATIVE EVALUATION.....	7
B. QUALITATIVE EVALUATION .....	8
C. OTHER CONSIDERATIONS.....	8
6. RFP SCHEDULE.....	8
7. RFP WEBSITE AND COMMUNICATION.....	9
8. RFP RESPONSE INSTRUCTIONS.....	10
9. DISCLAIMERS.....	11
10. CONFIDENTIALITY .....	11
11. INDEPENDENT EVALUATOR.....	12

San Diego Gas & Electric Company (“SDG&E”) seeks to transact for 2014 Resource Adequacy (“RA”) capacity products with load serving entities, generators, and other market participants (“Respondents”) to assist in optimizing its 2014 RA portfolio. It is the intention of this solicitation to minimize the procurement cost impact for ratepayers while also meeting SDG&E’s Resource Adequacy Requirement (“RAR”). Any transaction resulting from this Request for Proposals (“RFP”) will become effective only after full execution of a negotiated contract (“Confirmation”) substantially in conformance with the accompanying *Confirmation Template*. Both offers and bids received in this solicitation may be referred to herein as proposals (“Proposals”).

SDG&E welcomes and encourages Diverse Business Enterprises (“DBE”), as defined in G.O. 156[1], to participate in this Resource Adequacy RFP. SDG&E is seeking to increase opportunities for diverse business entities to compete for SDG&E’s business, through both direct and indirect contracting. In the event of a tie, a Diverse Business Enterprise will receive qualitative preference if the business has been certified. DBEs can request additional information by contacting SDG&E at [vendorrelations@semprautilities.com](mailto:vendorrelations@semprautilities.com). 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/>

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## 1. BACKGROUND

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### A. RESOURCE ADEQUACY – SYSTEM ATTRIBUTE

Based on statutory language contained in Public Utilities Code 380<sup>1</sup> the California Public Utilities Commission’s (“Commission” or “CPUC”) RA program applies to Load Serving Entities (“LSE”) such as SDG&E. CPUC Decision (D.) 05-10-042 established a Year-Ahead and Month-Ahead System RAR for LSEs. System RAR is calculated based on a one-in-two year peak-load forecast plus a 15% reserve margin and is adjusted for demand response. Annually, at the end of October, LSEs must submit a Year-Ahead System RAR compliance filing which demonstrates sufficient RA capacity resource procurement to meet 90% of its assigned System RAR obligation for the five summer months of May through September during the upcoming compliance year. Additionally on a monthly basis during the RA compliance-year, an LSE must submit a Month-Ahead System RAR compliance filing demonstrating sufficient RA capacity resource procurement to meet 100% of its assigned System RAR obligation for that compliance month.

### B. RESOURCE ADEQUACY – LOCAL ATTRIBUTE

Subsequently, D.06-06-064 (i) expanded the RA program to include a Year-Ahead Local RAR and (ii) determined that an annual study of Local Capacity Requirements (“LCR”), based on a one-in-ten year peak-load forecast without a reserve margin, performed by the California

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<sup>1</sup> As amended by Stats. 2008, ch. 558, Sec. 13, effective January 1, 2009.

Independent System Operator (“CAISO”) would form the basis for the Commission’s annual Local RA program requirements. Each year, following the CAISO’s publication of its LCR study, the CPUC issues a decision in which it adopts specific local procurement obligations for each local capacity area based on the CAISO’s LCR determinations. Annually, at the end of October, LSEs must submit a Year-Ahead Local RAR compliance filing which demonstrates sufficient RA capacity resource procurement to meet 100% of its assigned Local RAR obligation for all months of the upcoming compliance year.

### **C. RESOURCE ADEQUACY – FLEXIBLE ATTRIBUTE**

As intermittent renewable generation resources continue to become an increasing proportion of the CAISO grid and as once-through-cooling units are planned to be retired, the need for assuring sufficient flexible quick response generation resources available on the grid has become apparent. As a result, the 2014 Resource Adequacy Decision (D.13-06-024) introduced an expansion of RA requirements to include the flexibility attribute of RA capacity. Flexible RAR is under ongoing development and refinement by both the CPUC and CAISO. For 2014, both D.13-06-024 and the CPUC Filing Guide (i) establish a target, but not compulsory, amount of Flexible RA for each LSE to have in its Resource Adequacy portfolio, (ii) mandate a reporting requirement, enforceable by referral to the Safety & Enforcement Division, that all eligible flexible resources in an LSE’s RA portfolio be reported in the RAR compliance filings, and (iii) propose a must-offer obligation (MOO) with a good-faith effort to submit economic bids (vs. self-schedules) into the Day-Ahead and Real-Time markets for flexible resources committed to meeting an LSE’s Flexible RAR in the Month-Ahead RAR compliance filings. To meet this new mandatory reporting requirement it is important that all flexible attributes associated with any Local or System RA capacity proposed into this RFP be identified in the *Proposal Forms*.

In 2015 it is anticipated that Flexible RAR procurement “targets” will become “obligations” and the non-binding MOO will become mandatory including penalties for non-compliance for both.

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## **2. PRODUCT DESCRIPTION**

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All products sought by this RFP are associated with Resource Adequacy capacity or import allocations which facilitate importing RA capacity from outside the CAISO. RA capacity submitted into this RFP must be from specific identified generating units located within the CAISO Balancing Authority Area or from imports. Such Resource Adequacy capacity must be eligible for inclusion in both Year-Ahead & Month-Ahead compliance filings with the CPUC and CAISO. All products are for RA compliance year 2014. Net Qualifying Capacity (“NQC”) and Effective Flexible Capacity (“EFC”) values for RA resources are available online<sup>2</sup>.

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<sup>2</sup> The 2014 Resource Adequacy NQC quantities are available on CAISO’s website at: [http://www.caiso.com/Documents/Net\\_qualifying\\_capacity\\_\(NQC\)](http://www.caiso.com/Documents/Net_qualifying_capacity_(NQC)). Preliminary EFC values for 2014 can be found at: [http://www.cpuc.ca.gov/NR/rdonlyres/0B56FFB3-9B4E-448C-8B78-05214E0B8ED5/0/EffectiveFlexibleCapacityCalculationsApr1\\_2013.xls](http://www.cpuc.ca.gov/NR/rdonlyres/0B56FFB3-9B4E-448C-8B78-05214E0B8ED5/0/EffectiveFlexibleCapacityCalculationsApr1_2013.xls).

## A. PRODUCTS SOLICITED

*Table 1 – RA Products* shown below designate SDG&E’s specific interests in Resource Adequacy proposals indicating Local/System/Import RA vs. Offers/Bids desired including Import Allocation transfers. These Products will be considered on an annual, quarterly, and/or monthly basis. Through this RFP it is anticipated that RA products could be bought, sold and/or swapped.

**Table 1 – RA Products**

Product ID	Bid	Product ID	Offer
1a	<b>System RA</b> SDG&E Sells System RA (NP-15 or SP-15)	1b	<b>System RA</b> SDG&E Buys System RA (NP-15 or SP-15)
2a	<b>Local SD-IV</b> SDG&E Sells Local SD-IV RA	2b	<b>Local SD-IV</b> SDG&E Buys Local SD-IV RA
3a	<b>System RA Swap</b> NP-15 System RA for SP-15 System RA Swap SDG&E Sells System NP-15 RA   SDG&E Buys System SP-15 RA	3b	<b>System RA Swap</b> SP-15 System RA for NP-15 System RA Swap SDG&E Buys System NP-15 RA   SDG&E Sells System SP-15 RA
4a	<b>Local for System RA Swap</b> Local SD-IV for System (NP-15 or SP-15) SDG&E Sells SD-IV RA   SDG&E Buys System RA (NP-15 or SP-15)	4b	Intentionally Left Blank
5a	Intentionally Left Blank	5b	<b>Import RA</b> RA sold at select Intertie Scheduling Points / Branch Groups* SDG&E Buys Import RA
6a	Intentionally Left Blank	6b	<b>Bilateral CAISO RA Import Allocation Transfer</b> Import Allocations sold at Intertie Scheduling Points / Branch Groups SDG&E Buys Import Allocations
* SDG&E has intertie RA import allocations at the following Scheduling Points: MALIN500, MEAD230, NOB, PVWEST, and WESTWING500 which may be used to facilitate import-RA transactions. Respondents may also offer Import RA at other intertie points if import allocations at those locations are included in the proposal.			

## B. SCHEDULED MAINTENANCE OUTAGES

SDG&E’s buying preference is for firm RA with the only excuse for non-delivery being force majeure. However, the RFP *Confirmation Template* provides for the optional use of Appendix B to identify planned outages having to do with scheduled maintenance which when listed on Appendix B will relieve the seller from replacement responsibilities for those specific predetermined outages. The descriptions below give a brief overview of the differences involved with the use or non-use of Appendix B.

**With Appendix B:** Seller provides buyer with RA in the quantities proposed (the “Contract Quantity”) and indicates a proposed schedule of the planned maintenance outages for each unit in Appendix B of the *Confirmation Template* (Contract Quantity minus the planned outage forming the adjusted “Seller’s Firm Quantity” applicable during such outages). The outages listed in Appendix B and the timing of those outages would be negotiable prior to contract execution to optimize their timing with particular regard to SDG&E’s overall RA portfolio. For any time period of the contract term when there are no planned maintenance outages listed in Appendix B, the Seller’s Firm Quantity equals the Contract Quantity. If the Seller’s Firm Quantity is not available for any reason, including planned outages not identified on Appendix B, seller must provide buyer with replacement RA capacity, but only up to the Seller’s Firm Quantity. Seller is paid for the Seller’s Firm Quantity provided it is shown on the applicable Supply Plan.

**Without Appendix B:** Seller provides buyer with the Contract Quantity. During the entire contract term the Seller's Firm Quantity equals the Contract Quantity. If the Contract Quantity is not available for any reason, including planned outages, seller must provide buyer with replacement RA capacity. Seller is paid for the Contract Quantity provided it is shown on the applicable Supply Plan.

Respondents are advised to take due diligence in reviewing the *Confirmation Template* so as to be sure to understand the significance of the use of Appendix B.

### C. OTHER PRODUCT CONSIDERATIONS

- Respondents are allowed and encouraged to submit proposals for more than one product and multiple proposals for the same product.
- For generating units located in a Local Capacity Area, both the Local and System RA attributes will become part of and included in any transaction resulting from this RFP which involves MWs from such units.
- To facilitate the new mandated Flexible RA reporting requirement, for generating units with an EFC rating associated with the RA quantity proposed such Flexible RA attributes shall be part of the Product and the MW quantities should be indicated in the *Proposal Forms*. These values will be used in the RAR compliance filings.
- Product quantities may be proposed in any whole MW increment. SDG&E reserves the right to request a modification of the proposed quantities of a Respondent's proposal as is necessary in order to fulfill SDG&E's remaining RA need after considering better-priced proposals.
- Any proposals involving Once-Through Cooling ("OTC") units must be contracted in a manner consistent with the State of California's OTC Policy.

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## 3. ELIGIBILITY REQUIREMENTS

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Respondents to this solicitation shall comply with the requirements herein, including but not limited to the RFP response instructions contained in Section 8—RFP Response Instructions. Respondents not meeting minimum participation criteria could be deemed ineligible and their proposals may not be considered. SDG&E, at its sole discretion, may change the terms, requirements and schedule of this solicitation. Respondents should monitor the RFP Website<sup>3</sup> for announcements regarding any updates or changes including posted questions & answers.

By submitting a proposal into this Request for Proposals the Respondent specifically acknowledges the following:

- 1) Transaction resulting from this Request for Proposals will become effective only after full execution of a Confirmation.

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<sup>3</sup> <http://www.sdge.com/2014rarfp>

- 2) Respondents for shortlisted proposals will enter good faith negotiations to execute an agreement substantially in the form of the *Confirmation Template* that is a part of this RFP. Respondents may make suggested changes to the *Confirmation Template* in their proposal; however, extensive and material modifications are discouraged. SDG&E, in its sole discretion, will determine whether any proposed modifications or alterations of the *Confirmation Template* are material and reserves the right to decline to execute any agreement with a selected Respondent for any reason.
- 3) Proposals shall remain valid and effective as proposed through October 31, 2013.
- 4) The shortest acceptable contract term is one calendar month.
- 5) The contract delivery term must start on the first day of a calendar month and cannot occur prior to January 1, 2014 nor shall the contract term end later than December 31, 2014.
- 6) Any proposed Resource Adequacy capacity must either be owned by the Respondent or the Respondent must have a contractual right to the capacity proposed.

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## 4. CREDIT TERMS & CONDITIONS

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SDG&E has the right to evaluate and determine the creditworthiness of the Respondent relative to this RFP including completion of a credit application and submittal of audited financial statements. Collateral requirements will be negotiated based on the counterparty's creditworthiness as assessed by SDG&E. When required, collateral may be posted as cash or letter of credit.

As a California utility SDG&E does not generally post collateral. Proposals requiring SDG&E to post collateral will likely not be selected. Payments are made in arrears following the respective RA compliance month.

For questions regarding credit terms, please contact Ms. Judy Delgadillo at (213) 244-4343.

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## 5. EVALUATION CRITERIA

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All incoming proposals will be initially assessed for conformance with the basic submittal requirements set out in this RFP description. Respondents should conform to such participation criteria in order to be considered. Beyond that there will be both quantitative and qualitative considerations involved with evaluating proposals for placement on the shortlist.

### A. QUANTITATIVE EVALUATION

SDG&E will rank the proposals based on per unit pricing. SDG&E will accept well-priced proposals based on the best-value to ratepayers in meeting SDG&E's Resource Adequacy obligations relative to the products being sought. In the event that multiple proposals are equally-priced (including any affiliate proposals) and collectively involve quantities outside of

SDG&E's remaining need or surplus after consideration of any better-priced proposals, SDG&E will first remove any similarly-situated affiliate proposals from consideration. Next, it will re-evaluate its need or surplus without the affiliate proposal(s); if the remaining non-affiliate proposals are within SDG&E's needs or surplus, then the most economic non-affiliate proposals will be accepted and the affiliate proposals may be entirely or partially rejected. By submittal of a proposal, Respondent agrees that SDG&E may evaluate proposals in the manner indicated, and that SDG&E may accept or reject any portion of or the Respondent's entire proposal.

## B. QUALITATIVE EVALUATION

Aside from the quantitative evaluation methods described above, there are several qualitative factors which could come into play in evaluating proposals. These may include, among others, mark-ups to the *Confirmation Template*, Resource Category (i.e., MCC bucket), use of Appendix B and its related outage timing, counterparty concentration and creditworthiness, SDG&E's RA portfolio balance, Respondent's DBE status, import allocation availability, and OTC considerations.

## C. OTHER CONSIDERATIONS

Respondents are responsible for the accuracy of all discussions, figures and calculations. In addition to the elements described above, SDG&E may reject a proposal if: (i) SDG&E uncovers evidence of market manipulation in the bid preparation and offer process; (ii) the Respondent cannot fulfill the terms and conditions of the *Confirmation Template*; and/or, (iii) the Respondent is unable to comply with RFP timing and other solicitation requirements.

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## 6. RFP SCHEDULE

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There are four key RFP deadlines as listed in Table 2 below.

**EARLY SUBMITTALS ARE ENCOURAGED.**

**LATE BIDS WILL NOT BE ACCEPTED!**

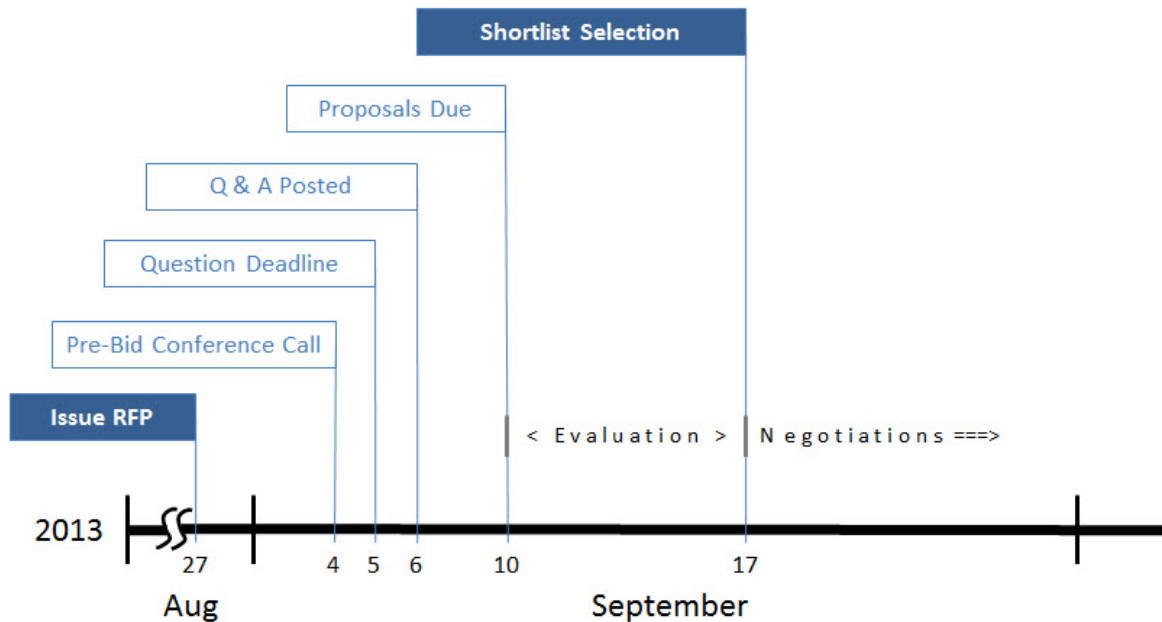
**Table 2 – RFP Key Deadlines**

Deadline Item	Deadline Date
Pre-Bid Conference Call*	September 4, 2013 1 pm PPT
RFP Question Submittal	September 5, 2013 3 pm PPT
Proposals Due	September 10, 2013 3 pm PPT
Shortlist Selection	September 17, 2013

Shortlisted Respondents are anticipated to be notified by mid-September. Figure 1 presents a timeline with all the RFP dates brought together.

**\* Check RFP website for details of the Pre-Bid Conference Call.**

**Figure 1 – 2014 RFP Timeline**



SDG&E reserves the right to revise this schedule at any time and in SDG&E's sole discretion. Respondents are responsible for monitoring the RFP Website for updates and possible amendments to the RFP or the solicitation process.

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## 7. RFP WEBSITE AND COMMUNICATION

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This *RFP Description* document and all revisions and other RFP documents are available for download from the RFP Website [ <http://www.sdge.com/2014rarfp> ]. Potential Respondents are responsible for monitoring the RFP Website for subsequent updates, notices and postings. The RFP website contains RFP forms and documents, RFP Schedule, and a Question and Answer forum.

ALL questions or other communications regarding this RFP should be submitted via email to [2014rarfp@semprautilities.com](mailto:2014rarfp@semprautilities.com) with a CC to [waynejoliver@aol.com](mailto:waynejoliver@aol.com) (Independent Evaluator). Only questions submitted by the RFP QUESTION SUBMITTAL deadline as specified in Table 2 (see Section 6–RFP Schedule) through this email address will be assured a response on the RFP Website. Questions received after this deadline may not receive a response.

The SDG&E contact person for this RFP is Tom Saile (858) 636-5543.

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## 8. RFP RESPONSE INSTRUCTIONS

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Respondents are required to submit their proposals with firm pricing **via email** to [2014rarfp@semprautilities.com](mailto:2014rarfp@semprautilities.com) with a CC to [waynejoliver@aol.com](mailto:waynejoliver@aol.com) (Independent Evaluator) along with the documents identified below as email attachments. These documents are available on the RFP Website. The submitted *Proposal Form* and *Confirmation Template* must be in their original format, i.e., not converted to a Portable Document Format (PDF). Failure to provide the listed information may result in the proposal being deemed non-responsive and may disqualify the proposal from further consideration. Hard copies of proposals are not necessary.

### **Required Participation Documents:**

- 1) ***Proposal Form*** – Each Respondent is required to complete one *Proposal Form* (i.e., spreadsheet) to cover all products being proposed so long as it is clearly indicated which products, if any, are mutually exclusive (don't hesitate to use the comments sections). Otherwise, complete & submit separate *Proposal Forms* and each will be treated as mutually exclusive from all other *Proposal Forms* submitted by a Respondent.
- 2) ***Confirmation Template*** – If a Respondent has no suggested changes (preferred) to this Template then an unmodified *Confirmation Template* should be returned with the proposal. Otherwise, submit a redlined *Confirmation Template* with the proposal. As noted in Section 3–Eligibility Requirements, excessive mark-ups to the *Confirmation Template* are discouraged and could result in a proposal being rejected.

The *Confirmation Template* provided as part of this RFP is mainly intended for Products 1b & 2b where SDG&E is the buyer of System or Local RA. For Products 1a & 2a where SDG&E is the seller of RA changes may be necessary to the *Confirmation Template*. For the swap Products (3a, 3b, and 4a), two Confirmations will be utilized, one for each side of the trade. SDG&E will provide a separate Confirmation to any shortlisted participant for Import-RA.

All proposal emails must be time-stamped no later than **3:00 PM**, Pacific Prevailing Time, on the PROPOSALS DUE deadline date as specified in Table 2 (see Section 6–RFP Schedule). However, early submittals are permitted and encouraged. Proposal materials submitted shall be subject to the confidentiality provisions of Section 10–Confidentiality. SDG&E may or may not review and utilize information, if any, submitted by a Respondent that is not specifically requested as a part of any required RFP documentation. During all stages of the RFP process, SDG&E reserves the right to request additional information and clarification from individual Respondents or to request any Respondent to submit supplemental materials in fulfillment of the content requirements of this RFP or to meet additional information needs. SDG&E also reserves the unilateral right to waive any technical or format requirements contained in the RFP.

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## **9. DISCLAIMERS**

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SDG&E SHALL TREAT ALL RESPONDENTS FAIRLY AND EQUALLY AND SHALL EVALUATE ALL OFFERS IN GOOD FAITH. SDG&E MAKES NO GUARANTEE THAT A CONTRACT AWARD SHALL RESULT FROM THIS RFP EVEN AFTER A PROPOSAL HAS BEEN SHORTLISTED. SDG&E RESERVES THE RIGHT AT ANY TIME, AT ITS SOLE DISCRETION, TO ABANDON THIS RFP PROCESS, TO CHANGE THE BASIS FOR EVALUATION OF PROPOSALS, TO TERMINATE FURTHER PARTICIPATION IN THIS PROCESS BY ANY PARTY, TO ACCEPT ANY PROPOSAL 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 PROPOSALS, ALL WITHOUT NOTICE AND WITHOUT ASSIGNING ANY REASONS AND WITHOUT LIABILITY OF SEMPR ENERGY, SDG&E, OR ANY OF THEIR SUBSIDIARIES, AFFILIATES, OR REPRESENTATIVES TO ANY RESPONDENT. SDG&E SHALL HAVE NO OBLIGATION TO CONSIDER ANY PROPOSAL.

SDG&E WILL NOT REIMBURSE RESPONDENTS FOR THEIR EXPENSES UNDER ANY CIRCUMSTANCES, REGARDLESS OF WHETHER THE RFP PROCESS PROCEEDS TO A SUCCESSFUL CONCLUSION OR IS ABANDONED BY SDG&E IN ITS SOLE DISCRETION.

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## **10. CONFIDENTIALITY**

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EXCEPT WITH THE PRIOR WRITTEN CONSENT OF SDG&E, RESPONDENTS MAY NOT DISCLOSE TO ANY OTHER RESPONDENT OR POTENTIAL RESPONDENT THEIR PARTICIPATION IN THIS RFP, 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 PROPOSAL PAGE ON WHICH THE PROPRIETARY INFORMATION APPEARS ("CONFIDENTIAL INFORMATION"). RESPONDENT SHALL SUMMARIZE ELEMENTS OF THE PROPOSAL(S) IT DEEMS CONFIDENTIAL. 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") FOR THE PURPOSE OF EVALUATING RESPONDENT'S PROPOSAL, 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 RFP WILL BE PROVIDED TO THE CPUC, ITS STAFF, THE CEC, ITS STAFF, AND SDG&E'S PRG. 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 PROCUREMENT REVIEW GROUP ("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, 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.

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## **11. INDEPENDENT EVALUATOR**

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Since affiliate proposals are possible, consistent with CPUC protocols, an Independent Evaluator ("IE") will be utilized to oversee the RFP solicitation process. The IE, Merrimack Energy Group, has assisted in the preparation of this RFP as well as the proposal evaluation methodology to be used for evaluation of proposals received in response to this RFP. The IE will also separately assess and prepare a report on SDG&E's solicitation process. If no affiliate bids are received, SDG&E may choose to discontinue use of the IE in the evaluation process for this RFP.