

RAM VI Q&A

1. If an interconnection has capacity for an amount more than 20 MW and a portion of that interconnection capacity is unused, may the remaining interconnection capacity be used by a project and be eligible for RAM provided the project is 20 MW and below?

Yes, the project would be RAM eligible provided all of the remaining capacity is unused (i.e., if the total interconnection was for 25 MW and the RAM project was 20 MW and the 5 MW remained unused) . Please note, the project size limit the Commission has adopted for the RAM program is 20MW. Breaking up or subdividing larger projects to circumvent the Commission adopted 20 MW project size limit is prohibited. SDG&E's current pro-forma RAM PPA does not contain the provisions necessary to address the need for shared facilities. Significant deviations and alterations in the already Commission approved pro-forma RAM PPA may lead to delay or rejection of an executed PPA submitted to the Commission for approval and/or subsequent modification.

2. If an interconnection is for more than 20 MW and a portion of that interconnection capacity is used by a project (Project A) which is under contract elsewhere and is separately metered, may the remaining interconnection capacity be used by a project (Project B) and be eligible for RAM provided Project B is 20 MW and below?

No. Project B would not be RAM eligible. As noted in Section 5.0 of SDG&E's Summer 2015 RAM RFO document, SDG&E will not enter into RAM PPAs with multiple projects that utilize the same interconnection queue number/capacity. In other words, SDG&E will not execute more than one RAM PPA if any of the other capacity utilizing the same interconnection study or queue position is already under contract through RAM or another program.

3. Will SDG&E accept proposals for a fixed 20MWac portion of a larger facility if the proposed capacity allocated to SDG&E has its own meter and transformer?

No, pursuant to RAM rules, projects must not sell partial output from a system sized above 20 MW.

4. Will SDG&E accept a project that commences commercial operation prior to the 24 month delivery start date outlined in the RAM RFO document and RAM PPA? Would SDG&E accept a project that is selling to a third party prior to its offtake beginning with SDG&E?

Yes, as RAM projects must come online within 24 months (with one 6 month extension for regulatory delays) of the CPUC Approval date of the RAM PPAs. Note however, the Commercial Operation Date shall not occur earlier than six (6) months prior to the Guaranteed Commercial Operation Date. Yes, provided the third party sale terminates within 24 months of the anticipated CPUC Approval date of the RAM PPAs (estimated February 12, 2016).

5. Is a project that utilizes an 11MW unused portion of an interconnect of an operating project which is 130MWs, eligible to bid?

Please note, all proposed projects are allowed to bid, however not all projects would be deemed conforming for RAM VI purposes. The project size limit the Commission has adopted for the RAM program is 20MW. Breaking up or subdividing larger projects to circumvent the Commission adopted 20 MW project size limit is prohibited. SDG&E's current pro-forma RAM PPA does not contain the provisions necessary to address the need for shared facilities. If the 11 MW project has shared facilities (i.e. gen-tie, transformer, same parcel of land, etc.) with the 130 MW project, then it would likely not conform for RAM VI purposes.

6. Is a project that has a 40 MW interconnection position but is located on two different sites with two different step-up transformers, but shares a gen-tie eligible to bid as two different projects under RAM?

The capacity of the interconnection alone is not dispositive. However, if the project shares a gen-tie line with another project, then it would likely not conform for RAM VI purposes.

7. If a project with two separate interconnection positions but which utilize the same gen-tie line to interconnection in the point of interconnection eligible to bid?

See the second sentence of #6 above.

8. Is the Development security calculated as kw/DC or kw/AC?

AC

9. If bidders are notified on October 30th we have to notify SDG&E about our acceptance by November 6th. On what date would we have to return the Signed PPA by?

SDG&E estimates PPA execution to be Dec. 11, 2015

10. Are the RAM Bidders Conference slides available?

Yes,

<http://www.sdge.com/sites/default/files/documents/1022720494/SDGE%20Summer%202015%20RAM%20Bidders%20Conference%20Presentation%20RAM%20VI%20.pdf?nid=15171>

11. If a project is short-listed and ultimately signs a PPA with SDG&E, and then sometime after short-listing and PPA execution, a biological resource in the subject project area is listed as threatened or endangered, would that give the PPA counter-party the right to walk away from the PPA or to modify its price? Would SDG&E take the risk of prospective species listing into account in reviewing proposals?

RAM PPAs are non-modifiable PPAs. Accordingly, there is no modification prior to, or once it is signed. Seller is responsible for all Governmental Approvals, which includes environmental permitting. Seller is responsible for achieving all Governmental Approvals necessary to achieve COD. There is no condition precedent for environmental permitting. SDG&E looks at both quantitative

and qualitative aspects of bids, however because this is a reverse auction, qualitative aspects are generally only used as a tiebreaker.

12. Does SDG&E have a preference for COD date? For example does SDG&E have a need for deliveries in 2016 as opposed to 2018 and will SDG&E rank specific COD higher than others during evaluation?

The COD will not affect ranking, except to the extent the MPR may affect the deliverability adder.

13. Will SDG&E accept escalating pricing?

Yes.

14. Please see the following excerpt from the RFO page 24:

BID CONFORMANCE EVALUATION

“5. The Respondent does not provide adequate evidence it meets minimum participation criteria, or it appears that Respondent subdivided a larger project to circumvent the 20 MW project size limit. SDG&E will not enter into RAM PPAs with multiple projects that utilize the same interconnection queue number. In other words, SDG&E will not execute more than one RAM PPA if any of the other capacity utilizing the same interconnection study or queue position is already under contract through RAM or another program;”

As to the above excerpt, will SDG&E preclude a Respondent that proposes 3 separate and distinct facilities (Projects A, B & C), which are under a single interconnection queue number, each less than or equal to 20MW but in aggregate greater than 20MW but which the developer plans to meter separately with separate transformers and Resource ID's, from executing a RAM PPA with SDG&E for Project A while concurrently signing RAM PPAs with other IOUs for Projects B or C in the same RAM solicitation?

Please note, SDG&E encourages parties to bid, however not all projects may be deemed conforming for RAM VI purposes. The project size limit the Commission has adopted for the RAM program is 20MW. Breaking up or subdividing larger projects to circumvent the Commission adopted 20 MW project size limit is prohibited. SDG&E's current pro-forma RAM PPA does not contain the provisions necessary to address the need for shared facilities (i.e. gen-tie, transformer, same parcel of land, etc.). Should Project A have its own interconnection agreement (co-tenancy may satisfy), not share a gen-tie, transformer, same parcel of land, with Projects B & C, and Projects B & C were not already under contract through RAM or another program, then Project A may be conforming for RAM VI purposes.