



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

---

2025-2031  
PHASE 3 INTEGRATED  
RESOURCE PLANNING  
RELIABILITY  
REQUEST FOR OFFERS

---

**ISSUED**  
MARCH 6, 2024

**OFFERS DUE**  
APRIL 19, 2024

**RFO WEBSITE**  
<https://www.sdge.com/2025-2031-irp-reliability-rfo>

**EMAIL QUESTIONS/COMMENTS TO**  
[IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com)  
With copy to: [SDGE\\_IE@paconsulting.com](mailto:SDGE_IE@paconsulting.com)

Record of Changes

<b>Date</b>	<b>Explanation of Change</b>	<b>Section / Page of Document</b>

## Contents

1.0	Background.....	5
2.0	procurement Overview & goals.....	6
3.0	Resource Requirements .....	9
4.0	Eligibility Requirements.....	11
5.0	RFO Website and Communications.....	13
6.0	RFO Schedule.....	14
7.0	RFO Response Instructions.....	16
8.0	ASC 810 (FIN46) Requirements .....	19
9.0	Evaluation Criteria and shortlisting .....	20
10.0	Role of the PRG and the Independent Evaluator.....	22
11.0	Rejection of Offers .....	23
12.0	Confidentiality .....	24
13.0	Credit Terms and Conditions .....	25
14.0	CPUC Approval.....	26
15.0	SDG&E Background .....	26

---

## 1.0 BACKGROUND

In accordance with the California Public Utilities Commission (“CPUC” or “Commission”) Decision (“D.”)21-06-035, D.23-02-040, and D.24-02-047, (together, “the Decisions”), San Diego Gas & Electric Company (“SDG&E”) is issuing its Phase 3 Integrated Resource Planning (“IRP”) Reliability Request for Offers (“RFO”) to solicit offers from owners and operators for the purchase of eligible system-level resource adequacy (“RA”) to come online by and between June 1, 2025 and June 1, 2028, and will accept and consider offers for resources that may come online by June 1, 2031, as described in more detail below.

The Decisions require, among other things, SDG&E to procure a total of 619.5 megawatts (“MWs”) of net qualifying capacity (“NQC”), set forth in more detail in the categories set forth in Table 1, below.

**Table 1: SDG&E Specific Total Minimum Mid-Term Procurement Requirements (in NQC MW)**

Type of Resource	2023	2024	2025	2026	2027	2028	Total
Firm zero-emitting resources*	-	-	-	-	-	41.4	41.4
Long-duration storageresources*	-	-	-	-	-	41.4	41.4
Any other type of non-fossil-fueled resource	82.7	247.6	62.3	72.0	72.0	82.7	536.6
Total	82.7	247.6	62.3	72.0	72.0	82.9	619.5
Zero-emitting resources required by no later than 2025**	-	-	103.1	-	-	-	103.1

\* The LLT resource requirements are equally divided among long-duration storage and firm, zero-emitting generation resources.

\*\* The zero-emitting resources required to replace Diablo Canyon must be procured by 2025 but may occur in any of the years 2023-2025; therefore, the columns do not add to the total.

Additionally, as a result of the D.23-06-029 Summer Reliability procurement mandate, SDG&E seeks to meet an electric system reliability target of 170-320 MW, which includes an effective planning reserve margin, to come online by June 1, 2025.

---

## 2.0 PROCUREMENT OVERVIEW & GOALS

---

This Phase 3 IRP RFO seeks offers for additional<sup>1</sup> Summer Reliability resource adequacy (“RA”) capacity to come online by June 1, 2025, additional Mid-Term Reliability (“MTR”) RA capacity to come online by June 1, 2025, and no later than June 1, 2027, and additional Long-Lead Time (“LLT”) RA capacity to come online by June 1, 2028, and will accept and consider offers for projects that have, at a minimum, expected online dates of no later than June 1, 2031.<sup>2</sup> Qualification would be measured based on September NQC calculations using marginal ELCCs calculated by the Commission for each resource type for each future online year. SDG&E is soliciting a broad range of resources including demand side resources, distributed energy resources, energy storage systems (“ESS”), California Renewable Portfolio Standard (“RPS”)–eligible renewable generation, including solar and geothermal, pumped storage, and hybrid and co-located energy storage systems. All contracts for resources, except for firm energy imports for bridge capacity,<sup>3</sup> shall have a minimum duration of 10 years.

To meet the requirements, SDG&E seeks to execute agreements for:

- Projects that qualify as zero-emitting or generic, non-fossil fueled resources that intend to meet a June 1, 2025 through June 1, 2027, online date and shall have the following characteristics:
  - Be from a standalone RPS generation resource, standalone storage, a generation resource paired with storage (physically or contractually), or a demand response resource;
  - Be available every day from 5 p.m. to 10 p.m. (the beginning of hour ending 1800 through the end of hour ending 2200), Pacific Time, at a minimum; and

---

<sup>1</sup> Additional to baseline resources: [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/d2106035\\_baseline\\_gen\\_list.xlsx](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/d2106035_baseline_gen_list.xlsx).

<sup>2</sup> D.24-02-047, at Ordering Paragraph (OP) 18, addresses LLT procurement delays: “All load-serving entities subject to requirements of Decision (D.) 21-06-035 and D.23-02-040 to procure long lead-time resources who have signed contracts for such resources may request, by no later than June 1, 2028, extensions to the online dates to no later than June 1, 2031, by submitting a Tier 2 advice letter containing evidence of a good faith effort by including an executed contract and at least one of the following:

- (a) Evidence of site control;
- (b) An interconnection agreement; and/or
- (c) A notice to proceed.”

<sup>3</sup> *Id.*, at OP 19, addresses the ability to use bridge capacity: “Any load-serving entity that does not meet its required long lead-time (LLT) procurement requirements in Decisions (D.) 21-06-035 and D.23-02-040 by June 1, 2028 shall procure an equal amount (in net qualifying capacity) of the balance of its unmet LLT requirements through a bridge contract, which includes firm imports as defined in D.23-02-040, or long-term contracts that otherwise meet the characteristics required for generic procurement in D.21-06-035, to cover the shortfall until its LLT resources come online, from June 1, 2028 through June 1, 2031, at a minimum.”

- For Diablo Canyon Power Plant (“DCPP”) replacement capacity to be online by June 1, 2025, be able to deliver at least 5 megawatt-hours of energy during each of these daily periods for every megawatt of incremental capacity claimed, or
- Otherwise be able to meet all applicable rules to count for RA.
- Projects that qualify as LLT resources that intend to come online on or before June 1, 2028, are divided equally between the following product categories and shall have the following characteristics:
  - 50% of long-duration storage (able to deliver at maximum capacity for at least eight hours from a single resource); and
  - 50% of generation capacity that has no on-site emissions or is eligible under the requirements of the renewables portfolio standard program and has at least an 80 percent capacity factor. The resource must not be use limited or weather dependent. No storage projects shall qualify under this provision.
- Firm energy imports that follow the eligibility and counting rules of the resource adequacy program in place at the time of contract execution and must be associated with a new resource or an increase of capacity from an existing resource with a delivery start date after June 30, 2021. Firm energy imports may count for any requirement of this procurement, including Summer Reliability, generic capacity and LLT resources, depending on the project that the firm energy import is sourced from.

Table 2 shows the products SDG&E is soliciting in this RFO and SDG&E’s total minimum mid-term procurement requirements.

**Table 2: Summary of SDG&E Phase 3 IRP Reliability RFO Eligible Resource Needs**

Category	Eligible Resources
Zero-Emissions Resources	Standalone RPS, Hybrid / Co-located storage plus RPS (either physically or contractually), Behind the Meter Resources (i.e., distributed energy resources and demand response)
Firm Zero Emission Resources	Geothermal, Biomass
Long-duration Storage Resources	Lithium-ion, Pumped Hydro Storage, Flow battery
Non-fossil Fueled Resources	Standalone Energy Storage, Standalone RPS, Hybrid / Co-located storage plus RPS, Behind the Meter Resources (i.e., distributed energy resources and demand response)

Firm energy imports	New Resource or an Increase of Capacity from an Existing Resource
---------------------	---

Table 3, below, shows the Commission approved incremental effective load carrying capacity (“ELCC”) values that will be applied to resources’ nameplate capacities to calculate the NQC. September NQC was determined by utilizing the Incremental ELCC Study for Mid-term Reliability Procurement by E3 and Astrape and updated in January 2023, at [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/20230210\\_irp\\_e3\\_astrape\\_updated\\_incremental\\_elcc\\_study.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/20230210_irp_e3_astrape_updated_incremental_elcc_study.pdf).

**Table 3: Resource ELCC Values by Year**

Incremental ELCCs	2023	2024	2025	2026	2027	2028
4-hr battery	96.3%	90.7%	75.1%	76.6%	74.0%	76.5%
5-hr battery	97.2%	92.1%	77.4%	78.5%	77.3%	79.9%
6-hr battery	98.0%	93.4%	79.6%	80.3%	80.5%	83.3%
8-hr battery	98.2%	94.3%	84.0%	84.0%	87.1%	90.1%
Solar	7.8%	6.6%	6.6%	7.0%	7.5%	8.8%
Hybrid 4-hr battery + Solar	4-hr battery ELCC x battery nameplate + Solar ELCC x Solar nameplate					

This solicitation sets forth the terms and conditions of SDG&E’s Phase 3 IRP 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.

The purpose of this document is to provide an overview of the process that SDG&E will use to implement this RFO. It will serve to set forth each Respondent’s obligations with respect to the RFO as well as describe the procedures to which each Respondent must adhere. If there is a conflict or inconsistency between the terms and conditions contained in this RFO and the terms and conditions contained within the supporting documents attached to these instructions, the terms and conditions in those documents will prevail. SDG&E encourages Respondents to only provide offers with delivery terms allowed by the MTR and Summer Reliability Decisions.

To be considered in this RFO, an offer must be uploaded to the PHASE 3 IRP RELIABILITY RFO event on the PowerAdvocate® website in accordance with this RFO Protocol no later than **12:00 PM** Pacific Prevailing Time (“PPT”), on APRIL 19, 2024. Users with an existing PowerAdvocate® account may request access to the event using the link: <https://www.poweradvocate.com/pR.do?okey=217784&pubEvent=true>

The terms, requirements, and schedule of the RFO are 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. Respondents should monitor the RFO Website for announcements regarding any change. The RFO schedule may be affected by (but not limited to) issues such as: discussions with shortlisted Respondents, proceedings before the CPUC, and efforts to obtain regulatory approval. SDG&E

intends to notify Respondents of any schedule change but will not be liable for any adverse consequences arising from a change in schedule or for failing to provide notice of any change.

Once shortlisted Respondents have accepted their shortlisted position with SDG&E and remitted the Shortlist Acceptance Fee, further PPA contract negotiations may commence and continue until mutual agreement has been achieved and a contract has been executed. Being shortlisted does not guarantee that a PPA will be negotiated or signed with the Respondent.

SDG&E will seek CPUC approval of any 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 in order to expedite the approval process.

---

### **3.0 RESOURCE REQUIREMENTS**

---

#### **A. Zero Emitting Resources**

In order to meet its June 1, 2025, and June 1, 2027, system reliability objectives, SDG&E will consider offers from resource categories including stand-alone RPS generation, stand-alone energy storage, hybrid (including contractually-paired hybrid) and co-located systems consisting of energy storage and generation technologies. For avoidance of doubt, hybrid resources will consist of one CAISO resource ID, and co-located resources will consist of a separate CAISO resource ID for the generation resource and the energy storage resource. Offers for hybrid and co-located resources must adhere to the RFO requirements for all applicable product categories (i.e., renewable and storage). This RFO solicits offers for both third-party owned, contracted resources and utility owned resources. SDG&E is soliciting offers for zero-emitting resources that, at a minimum, are:

- Stand-alone RPS generation resources, stand-alone ESS resources,<sup>4</sup> generation resources paired with storage (physically or contractually), or demand response resources;
- Available every day from 5 p.m. to 10 p.m. (the beginning of hour ending 1800 through the end of hour ending 2200), Pacific Time, at a minimum; and
- Able to deliver at least 5 megawatt-hours of energy during each of these daily periods for every megawatt of incremental capacity claimed.

#### **B. Non-Fossil Fueled Resources**

SDG&E is also soliciting offers for non-fossil fueled resources that are able to meet all applicable rules to count for resource adequacy, including stand-alone RPS generation resources, stand-alone ESS resources, generation resources paired with storage (physically or contractually), or demand response resources.

---

<sup>4</sup> See Public Utilities Code 2835 requiring, among other things, that the technology be “commercially available,” at <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=02001-03000&file=2835-2839>.



**C. Long-Lead Time Resources**

SDG&E will consider offers to meet the June 1, 2028, LLT resource goals from long-duration storage resources and firm, zero emitting resources, in the capacity targets discussed in Table 1, above. For this LLT requirement, SDG&E will accept and consider offers for projects that have, at a minimum, expected online dates of as discussed above no later than June 1, 2031. LLT resources shall be defined as:

1) Long-Duration Storage Resources. Long-duration storage resources must be a single resource that is able to deliver at maximum capacity for at least eight hours.

2) Firm, Zero-Emitting Resources. Firm, zero-emitting resources must be generation capacity that has no on-site emissions or is eligible under the requirements of the renewables portfolio standard program and has at least an 80 percent capacity factor. The resource must not be use limited or weather dependent. No storage projects shall qualify under this provision.

**D. Firm Energy Imports**

Energy Storage firm energy imports must follow the eligibility and counting rules of the resource adequacy program in place at the time of contract execution and must be associated with a new resource or an increase of capacity from an existing resource with a delivery start date after June 30, 2021. The agreement must be under a long-term contract of at least ten years.

**E. Behind the Meter Resources**

SDG&E is also soliciting offers for Distributed Energy Resources (“DER”) and Demand Response (“DR”) resources that are able to meet all applicable resource requirements as provided in Attachment C and Attachment D, respectively.

**F. Additional Product Category Requirements**

Additional resource requirements are set forth later in this Protocol as follows:

**Table 4: SDG&E RFO Product Category Requirements**

<b>Product Category</b>	<b>Location</b>
RPS generation	Attachment A
Energy storage systems	Attachment B
Distributed Energy Resources	Attachment C
Demand Response	Attachment D

---

## 4.0 ELIGIBILITY REQUIREMENTS

---

Respondents to this solicitation shall comply with the requirements described in this RFO document. All offers shall meet the minimum eligibility requirements as set forth in the next section. All conforming offers will be evaluated in accordance with the Evaluation Criteria described in this RFO. Offers will be evaluated by most attractive via the quantitative and qualitative methodology.

### **A. Minimum Quantities and Term**

All offers in this RFO shall be from a single resource for a minimum of 10 MW. Contracts offered to successful Respondents in this RFO shall be for a minimum (10) ten-year term.

### **B. Resource Incrementality**

The Facility must be incremental to the 2019-2020 IRP RESOLVE / SERRVM baseline assumptions used in the D.20-06-035.<sup>5</sup> Expansion of existing projects that is incremental to the baseline will be considered in all procurement categories. Units on the Baseline Generator List may count as incremental for D.21-06-035 compliance purposes if their planned retirement date in the Baseline Generator List is prior to the D.21-06-035 obligation year in question, provided that all other D.21-06-035 eligibility requirements are met. For repowered facilities with planned retirement dates beyond the D.21-06-035 obligation year, only the additional capacity beyond the D.21-06-035 baseline capacity could be counted as incremental capacity for compliance purposes.

### **C. Interconnection and Deliverability**

Respondents must have either (i) completed a Phase II interconnection study or will complete a Phase II interconnection study two years prior to the online date, or have passed the Wholesale Distribution Access Tariff (“WDAT”); or (ii) a California Independent System Operator (“CAISO”) Fast Track screen and provide a copy of the most recent completed study or evidence of having passed the Fast Track screening process with their offer. For repowered resources, Respondent shall provide evidence that the project is a repowering of a comparably sized existing facility in accordance with the CAISO Business Practice Manual for Generator Management.

Transmission level projects are required to apply for interconnection through the CAISO Large Generator Interconnection Agreement/Small Generator Interconnection Agreement process. Distribution level projects will be required to apply through SDG&E’s WDAT process. For additional information, Respondents may visit: <http://www.sdge.com/business/interconnection.shtml> or <https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Generator%20Management>.

Respondents are responsible for all non- reimbursable interconnection costs that are allocated to the project and these costs should be incorporated into the ESSPPA or ESSBOT offer’s contract pricing. Reimbursable network upgrade costs borne by SDG&E customers will be included in the evaluation and ranking of offers. For more information, Respondents may visit:

SDG&E’s Interconnection Website:

---

<sup>5</sup> Additional to baseline resources: [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltrp/d2106035\\_baseline\\_gen\\_list.xlsx](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltrp/d2106035_baseline_gen_list.xlsx).

<https://www.sdge.com/more-information/customer-generation>

CAISO Generation Interconnection Process Website:

<http://www.caiso.com/planning/Pages/GeneratorInterconnection/Default.aspx>

SDG&E is mindful of the impact that interconnection costs can have on successful project development. To ensure SDG&E can evaluate bids on an equitable basis – and to ensure projects solicited through this solicitation can meet the defined commercial operation dates – SDG&E requires that offers demonstrate the expected full deliverability status of the project and the expected interconnection costs through either a completed Phase II study or in accordance with the CAISO Business Practice Manual for Generator Interconnection.<sup>6</sup> Gen-tie costs, those that benefit the project alone and are not reimbursable, should be included in the contract pricing. Offers with completed interconnection studies or repowering opportunities shall include copies of those studies, descriptions of any repowering, and estimates of such costs.

SDG&E intends for projects selected from this RFO to count towards SDG&E’s system RA obligations, with a preference for local and flex RA. Respondents must follow the appropriate process for obtaining a deliverability study from the CAISO so that the project(s) can become eligible for RA, if not already eligible. Agreements resulting from this RFO will require Respondents to perform all activities necessary to facilitate system RA recognition for the projects. Respondents shall be responsible for all costs to facilitate system RA recognition, including any deliverability study fees or upfront funding of deliverability upgrade costs and should include these costs in the offer price.

In this RFO, SDG&E requires that projects seek and receive Full Capacity Deliverability Status (“FCDS”) and that they will count towards SDG&E’s RA obligations. In order to achieve FCDS, Respondents must apply for a deliverability study to be conducted by the CAISO or be eligible as a repowering of a comparably sized existing facility. Respondents with winning bids for FCDS projects must demonstrate that the project has been assessed for deliverability or the project is eligible as a repowering of a comparably sized existing facility. This condition must be met for winning bids that will interconnect at either the distribution or transmission level. For winning FCDS project bids that result in an executed and approved agreements, during the project development process, the project is required to obtain final interconnection studies (i.e. for transmission level projects, a final Phase II interconnection study report, or for distribution level projects, a final interconnection facilities study report (or equivalent)).

The CAISO published the ‘Generator Interconnection and Deliverability Study Methodology Technical Paper’ and Section One of the paper provides background information and an overview of the deliverability study methodology. Respondents may find this paper at:

<http://www.caiso.com/Documents/TechnicalPaper-GeneratorInterconnection-DeliverabilityStudyMethodology.pdf>

#### **D. Permitting**

---

<sup>6</sup> SDG&E assumes the current interconnection requirements apply; however, SDG&E may need to modify its requirements based on the current CAISO’s Interconnection Process Enhancements.

Respondent’s project must, at a minimum, have achieved the “application deemed complete” (or equivalent) status under the land use entitlement process associated with the environmental review under the California Environmental Quality Act (CEQA) and/or under the National Environmental Policy Act (NEPA).

**E. Site Control**

Respondents, and specifically the entity to the eventual contract, must have, at time of offering, site control for the duration of the contract term proposed in their offer. Site control may be evidenced by documentation of:

- a. direct ownership;
- b. a lease; or
- c. an option to lease or purchase upon contract approval. The option must be an exclusive option to the Respondent that will last until the completion of the RFO cycle.

**F. Safety Attestations**

SDG&E expects that third party owned, and operated facilities will be operated and maintained in accordance with accepted electrical practices, applicable law and industry standards, including those related to safety. In the project / program description form that Respondents will provide as part of the offer package, SDG&E will require respondents to confirm that this will be the case with their project or program. If the Respondent is unable to confirm these statements, the offer will be considered nonconforming.

---

**5.0 RFO WEBSITE AND COMMUNICATIONS**

---

The RFO and all subsequent revisions and documents are available for download from the RFO Website (<https://www.sdge.com/2025-2031-irp-reliability-rfo>) and the PHASE 3 IRP RELIABILITY RFO event on the PowerAdvocate® website. Potential Respondents are responsible for monitoring the RFO Website and PowerAdvocate® for subsequent updates, notices and postings.

The PHASE 3 IRP RELIABILITY RFO event on the PowerAdvocate® website contains the following: required RFO forms, documents, and schedule. Respondents who intend to offer but do not yet have an existing account with PowerAdvocate® must first register to create a username/password in order 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](http://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](http://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:

Users with an existing PowerAdvocate® account may request access to the event using the link below:  
<https://www.poweradvocate.com/pR.do?okey=217784&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 [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com) and CC the IE ([SDGE\\_IE@paconsulting.com](mailto:SDGE_IE@paconsulting.com)) by the DEADLINE TO SUBMIT QUESTIONS as specified in the RFO Schedule. SDG&E will not accept questions or comments in any other form, except at scheduled Respondents conferences.

---

## 6.0 RFO 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, the Respondent must register to create a username and password for PowerAdvocate®. Respondents are responsible for accessing the RFO Website and

PowerAdvocate® for updated schedules and possible amendments to the RFO or the solicitation process.

<b>NO.</b>	<b>ITEM</b>	<b>Date</b>
1	RFO Issued	March 6, 2024
2	Pre-Offer Webinar Details available at <a href="https://www.sdge.com/2025-2031-irp-reliability-rfo">https://www.sdge.com/2025-2031-irp-reliability-rfo</a>	March 19, 2024
3	DEADLINE TO SUBMIT QUESTIONS. Question submittal cut-off date. Answers to all questions will be posted on the website no later than March 27, 2024.	March 27, 2024
4	DEADLINE TO REGISTER for PowerAdvocate access / to download RFO forms and documents	April 12, 2024
6	CLOSING DATE: Offers must be uploaded to and received on Power Advocate® no later than 12:00 PM Pacific Prevailing Time	April 19, 2024
7	SDG&E Begins Offer Evaluation Process	April 22, 2024
8	Shortlist determination	No later than July 19, 2024
9	SHORTLIST NOTIFICATION SDG&E notifies Shortlisted Respondents	July 22, 2024 – August 9, 2024
10	SHORTLISTED RESPONDENTS ACCEPTANCE/WITHDRAWAL Letter due from Shortlisted Respondents indicating: . Withdrawal from SDG&E's solicitation; OR . Acceptance of shortlisted standing and including Shortlist Acceptance Fee SHORTLIST NOTIFICATION	5 Business Days after Shortlist Notification
11	SDG&E Begins contract negotiations	Q3 2024
12	Target date to complete contract negotiations*	Q4 2024
13	SDG&E Submits agreements to CPUC for approval	Q1 2025

\* Negotiation time will vary depending on proposal specifics, including proposed contract modifications. CPUC filing requirements may also affect negotiation milestones.

### **PRE-OFFER CONFERENCE / BIDDER OUTREACH EVENT**

SDG&E will host one Respondent outreach event. Participation in this event is NOT mandatory in order to submit an offer. Any party interested in attending this event should email the following information to [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com) with copy to the IE ([SDGE\\_IE@paconsulting.com](mailto:SDGE_IE@paconsulting.com)).

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

Please monitor the RFO Website for further details (such as conference presentation materials) and final arrangements for the event. 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.

---

## 7.0 RFO RESPONSE INSTRUCTIONS

---

Respondents are required to submit the forms listed below. Forms are available on the RFO Website and PowerAdvocate®. Failure to provide the listed information may result in the proposal being deemed non-conforming and may disqualify the proposal from further consideration.

### **Limit on Number of Bids**

A MAXIMUM OF SIX (6) OFFER VARIATIONS PER RESPONDENT PER SPECIFIC INTERCONNECTION POINT WILL BE ACCEPTED, FOR ALL OFFERS SUBMITTED IN THIS SOLICITATION, ACROSS ALL RESOURCES THAT COME ONLINE IN EACH OF THE YEARS REQUESTED IN THIS RFO. FOR PURPOSES OF THIS RESTRICTION, “RESPONDENT” REFERS TO THE PROJECT DEVELOPMENT COMPANY OR SUBSIDIARY THAT IS RESPONSIBLE FOR THE COMMERCIAL AND CONSTRUCTION ACTIVITIES NECESSARY TO BRING THE PROJECT FROM CONCEPT TO COMMERCIAL OPERATION. THE LIMIT APPLIES TO THE ULTIMATE OFFEROR RATHER THAN THE UTILITY DEVELOPMENT TEAM. SDG&E RESERVES THE RIGHT TO ENFORCE THIS RESTRICTION IN ITS SOLE DISCRETION.

### **Required Forms:**

SDG&E is seeking third-party owned and utility-owned projects for this Phase 3 IRP RFO. Respondents must fill out separate offer forms for each offer. Only one Project Description Form is required per project to the extent that all bids can be adequately summarized in the space provided. If the respondent has questions or concerns regarding offer limits, please contact SDG&E at: [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com) and CC’ the IE ([SDGE\\_IE@paconsulting.com](mailto:SDGE_IE@paconsulting.com)).

If the respondent is submitting offers for more than one project, each project must be submitted separately with its required forms. Forms must be clearly labeled to identify the project name and the submitted forms. On the PowerAdvocate® site all forms must be submitted by uploading to the “2. Upload Documents” Tab.

The following Table 5 summarizes the applicable offer forms and agreement pro formas for each of the products being solicited in this RFO.

**Table 5: SDG&E Offer Forms and Pro Forma Agreements**

Category	Offer Form	Pro Forma Agreement
RPS generation, firm zero-emitting generation resources	Renewable Resource Offer Form	Renewable Portfolio Standard Power Purchase Agreement
Energy storage systems, or Hybrid/co-located generation plus storage	Energy Storage or Hybrid Offer Form	<ul style="list-style-type: none"> <li>• Energy Storage Power Purchase Agreement</li> <li>• Hybrid Resource Power Purchase Agreement</li> <li>• EEI Transaction Confirmation for Resource Adequacy (only)</li> </ul>
Distributed Energy Resources	Distributed Energy Resources Offer Form	Distributed Energy Resources Pro Forma Agreement
Demand Response	Demand Response Offer Form	Demand Response Pro Forma Agreement
Firm energy imports	Energy Import Offer Form	EEI Long-form Transaction Confirmation

- 1) **Project Description Form**<sup>7</sup> – Respondent must submit a description of the project, either using the Project Description form provided with the RFO materials or alternative format that contains, at a minimum, materially similar information outlined in the Project Description form.
- 2) **Offer Form** – Respondents are to use the applicable template offer form(s). Note that Bidders must include in their offer form proposed pricing and if multiple pricing or capacity or other options are contemplated, multiple offer forms should be submitted. There are additional / separate tabs within the workbook.
- 3) **Credit Application** – SDG&E shall evaluate and determine the creditworthiness of the Respondent relative to this RFO. Respondents requesting unsecured credit must submit the Credit Application form provided with the RFO materials, including three years of audited financial statements or, if public, the location where these statements can be found (i.e., Respondent’s public website). 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 regulated utility SDG&E does not generally post collateral. Proposals requiring SDG&E to post collateral will likely not be selected.
- 4) **Redline Pro Forma Agreement** (except Utility Development Team offers) – Respondents are to use the applicable template agreement(s) to price their offers and markup for submission with their offer package.

---

<sup>7</sup> Please note this form MUST describe the substation at which the project interconnects.



- 5) **Electric Interconnection/Repowering Information** – Please provide copies of (1) completed interconnection studies (and provide the name of the substation and interconnection voltage applicable to the facility as well as the nearest substation (if known) in the offer form (listed above) for resources with a commercial operation start date in 2025 or (2) evidence that interconnection studies will be completed two years prior to the commercial operation start date, or (3) Information regarding the repowering of a comparably sized existing facility in accordance with the CAISO Business Practice Manual for Generator Management.
- 6) **Site Control Information.**
- 7) **Permitting Status** – In the project description form, provide a description of permitting requirements and progress in meeting such requirements.
- 8) **PVSyst Files** - For stand-alone solar and Hybrid renewable offers that include solar generations, the full PVSyst file must be submitted by exporting the entire project that contains the prj, met, inv, pan, et.c files and submitting that file through PowerAdvocate. The contract DC capacity must match the pvsyst file and the output of the file must match the 8760 profile in the Offer Form. All future discussions about plant production will refer to this prj file, where this future prj file will govern. No change to plant design that changes the PVSyst model will be allowed unless written approval is given by SDG&E. Please set uptime percentage to 100% in PVSyst and enter that information in the Offer form. The model should include all losses to the interconnection point except for LGIA limitations losses, which will be computed in the Offer Form.
- 9) **Diverse Business Enterprise Subcontracting Commitment and Reporting Requirements (DBE) Form (optional)** - Provide a copy of certification documents received from the California Public Utilities Commission. An application can be made before submission of the offer and referenced in the offer.

The Participation Summary, Project Description Form, Credit Application, and redlines to the applicable pro forma agreement must be in Word or Word-compatible format (not in PDF). The offer form must be in Excel or Excel-compatible format (not in PDF).

**Submissions containing offer documents in file formats other than the formats of the original offer 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 PHASE 3 IRP RFO event on PowerAdvocate® in order to submit an offer. To register, Respondents must follow the instructions outlined in Section RFO Website and Communications. All offers must be uploaded to the PowerAdvocate® no later than **12:00 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 offer to:

The RFO mailbox: [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com)  
With copy to: [SDGE\\_IE@paconsulting.com](mailto:SDGE_IE@paconsulting.com)

Emails shall be received by **12:00 P.M.**, Pacific Prevailing Time, on the Closing Date.

All offer materials submitted in accordance with the above Response Instructions shall be subject to the confidentiality provisions of the Confidentiality section 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.

SDG&E will review responses for the targeted objectives described in this RFO. SDG&E has sole and absolute discretion to determine whether a Respondent meets SDG&E's general criteria for selection as described herein. Respondent must be in "good standing"<sup>8</sup> with SDG&E in order to submit an offer.

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

---

## **8.0 ASC 810 (FIN46) REQUIREMENTS**

---

Generally Accepted Accounting Principles and SEC rules require SDG&E to evaluate whether or not SDG&E must consolidate a Seller's financial information. 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 fifteen (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 SDG&E can meet its SEC filing requirements. The rights and obligations under the agreement shall survive the termination of this agreement for a period of two years;

---

<sup>8</sup>Circumstances under which contractors would not be considered to be in good standing with SDG&E include, but are not limited to, the following: 1) outstanding unpaid bills to SDG&E, 2) program termination for cause during a previous program cycle, or 3) non-compliance with SDG&E's policies or Code of Conduct.

- 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 the buyer to buyer's financial statements or its parent company's financial statements and buyer reasonably determines seller's internal controls over financial reporting are considered to be significantly deficient or a material weakness, then seller is to remediate within 30 calendar days;
- h) Seller to provide to buyer any SEC Form 8K disclosures, two calendar days after the occurrence of the SEC Form 8K event; and
- i) Seller to notify buyer at any time during the term of the agreement of any consulting (non-independent) services proposed to be provided to seller by the buyer'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 in connection with consolidation are set forth in the model agreements.

---

## **9.0 EVALUATION CRITERIA AND SHORTLISTING**

---

All incoming offers will be assessed for conformance based on the requirements outlined in Eligibility Requirements section. Respondents' offers shall conform with minimum participation criteria and eligibility requirements in order to be considered.

SDG&E will utilize all the information provided in the required forms and narratives to evaluate all offers. Respondents are responsible for the accuracy of all discussions, figures and calculations. Errors discovered during evaluation may impact a Respondent's potential shortlist status.

As required by the Decisions, SDG&E is soliciting a broad range of resources including demand side resources, distributed energy resources, energy storage, renewables, and hybrid energy storage systems. SDG&E's valuation and selection approach is intended to evaluate the different resource (and contract) types in a non-discriminatory manner, with resources delivering the same attributes being valued in the same manner. Initially, all offers will go through a conformance check to ensure that the project meets the requirements outlined in the RFO document for that particular resource type. Conforming offers will then go through a Least-Cost/Best-Fit ("LCBF").

### **OFFER CONFORMANCE EVALUATION**

In addition to the elements described above, SDG&E may also reject an offer if:

1. SDG&E uncovers evidence of market manipulation or unlawful collusion in the offer preparation and offer process;
2. the Respondent does not provide adequate evidence that it meets minimum participation criteria;
3. the Respondent is unable to comply with RFO timing and other solicitation requirements.

## **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. The valuation of an offer takes into account both benefits and costs.

A primary consideration used in the LCBF process is quantifying the price of an offer compared to the value it would provide using a set of price benchmarks. Because the primary consideration of the Decisions is system reliability, SDG&E’s 2025-2028 IRP Reliability RFO will place the highest value in Resource Adequacy. Other grid services, such as energy and ancillary services will also be used in the quantitative evaluation benefits for those technology types that are capable of providing each service. SDG&E plans to include some or all of the following costs: contract payments, ownership costs, variable costs, network upgrades, GHG emission costs. These benefit and cost components are netted, discounted and weighted to yield an NMV for each offer. These values are then ranked to establish the initial least cost portion of the evaluation.

## **QUALITATIVE EVALUATION**

Following the least-cost methodology, several additional aspects of each conforming offer are analyzed to establish how well the offer meets grid needs and satisfies priorities set out by the CPUC.

### **A. INTERCONNECTION STATUS**

The Decisions set clear targets for delivery, please see Table 1 for details. Consideration will be given to the project’s position in the CAISO interconnection queue or WDAT process along with its deliverability status.

### **B. RESOURCE PRIORITIZATION**

Demand-side and/or distributed energy resources shall be eligible as a priority to qualify for the capacity requirements, as long as they meet the incrementality qualifications described in D.19-11-016, and otherwise meet the qualifications laid out for the various categories of capacity specified in the Decisions.

### **C. RESOURCE ADEQUACY**

All proposed facilities and associated delivery points located within CAISO are eligible to participate in the RFO. However, facilities interconnecting in the San Diego-Imperial Valley Local Area will be given a higher value to meet SDG&E’s local capacity requirements. Interconnection location within the SD-IV Local Area may also be considered if it benefits SDG&E’s local capacity requirement position.

SDG&E will give preference to resources that are able to meet the CAISO’s prevailing Flexible Resources Availability Criteria and Must Offer Obligations (“FRAC-MOO”)<sup>9</sup> and obtain an Effective

---

<sup>9</sup> A must-offer obligation, or MOO, is a commitment to be available for dispatch by the CAISO. The proposed MOO for Flexible RA resources (FRAC-MOO) aims to ensure that flexible resources will be available to contribute to the times of greatest system ramping. The proposed FRAC-MOO requirements can be found at <https://www.caiso.com/informed/Pages/StakeholderProcesses/FlexibleResourceAdequacyCriteria-MustOfferObligations.aspx>.

Flexible Capacity (“EFC”) greater than zero. In addition, SDG&E will differentiate flexible attributes based on their Flexible Resource Categories, with Category 1 ≥ Category 2 ≥ Category 3.

#### **D. SUPPLIER DIVERSITY**

SDG&E analyzes the qualitative aspects of each conforming offer to establish how well the offer satisfies priorities set out by the CPUC, including supplier diversity. SDG&E strongly encourages Diverse Business Enterprises (“DBEs”), Women-Owned, Minority-Owned, Disabled Veteran-Owned, Lesbian-Owned, Gay-Owned, Bisexual-Owned and/or Transgender-Owned Business Enterprises (“WMDVLGBTBES”) as defined in G.O. 156, 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: <https://www.sdge.com/more-information/doing-business-with-us/supplierdiversity> and <http://www.cpuc.ca.gov/puc/supplierdiversity/>

#### **E. MODIFICATIONS TO PPA**

Bidders may modify the Pro Forma agreements submitted as part of their offer package to the extent such modifications add value to the offer. However, SDG&E discourages extensive modifications and will consider materiality of such changes on a qualitative basis as it evaluates the offers received.

#### **F. OTHER CONSIDERATIONS**

SDG&E is seeking experienced companies and development teams to develop and operate facilities utilizing known and proven technology to the degree available. Status of site control, required permits and major equipment orders will be considered in offer selection. Additionally, SDG&E will seek to mitigate single-technology risk, preferring a mixed portfolio solution as well as consider demonstrable resiliency benefits.

#### **G. COMMERCIAL ONLINE DATES**

As discussed above, SDG&E has a preference for offers for LLT Resources with an online date on or before June 1, 2028, and will accept and consider the impact of offers for LLT resources with online dates up to June 1, 2031, which includes evaluating the availability of and cost associated with other capacity options to bridge the 2028 target requirements pursuant to D.24-02-047.

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

---

### **10.0 ROLE OF THE PRG AND THE INDEPENDENT EVALUATOR**

---

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 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 the Confidentiality section of this protocol. Each Respondent must clearly identify, as part of its offer, what type of information it considers to be confidential.

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 PA Consulting.

---

## **11.0 REJECTION OF OFFERS**

---

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 RFO EVEN AFTER AN OFFER HAS BEEN SHORTLISTED. IN ADDITION, SDG&E NOTES THAT SHORTLISTING AN OFFER DOES NOT CONSTITUTE SDG&E ACCEPTANCE OF ANY OR ALL REDLINED CHANGES TO THE PROFORMA CONTRACT. 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 SEMPRE ENERGY, SDG&E, OR ANY OF THEIR SUBSIDIARIES, AFFILIATES, OR REPRESENTATIVES TO ANY RESPONDENT. SDG&E SHALL HAVE NO OBLIGATION TO CONSIDER ANY OFFER.

---

## 12.0 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 PRG, AND THE COST ALLOCATION METHODOLOGY ("CAM") 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 D.06-06-066, PUBLIC UTILITIES CODE SECTION 583 AND GENERAL ORDER 66-D 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 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, SEMBRA 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.

---

## **13.0 CREDIT TERMS AND CONDITIONS**

---

SDG&E has the unilateral right to evaluate and determine the credit-worthiness of the Respondent relative to this RFO. 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. Respondents may download the application from the RFO Website. Winning Respondents will be required to comply with the credit and collateral requirements set forth in the pro forma agreement. 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 offer 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 within this document).

### **Shortlist Acceptance Fee**

The Shortlist Acceptance Fee is the greater of \$100,000 or \$2 per kW of project nameplate / aggregate program capacity and shall be required to be paid to SDG&E within ten (10) business days of notification by SDG&E that the offer has been shortlisted. The Shortlist Acceptance Fee shall be refunded (with interest for cash deposits) to Respondent if Respondent and SDG&E fail to reach an agreement and such failure is not due to Respondent’s withdrawal of its offer or a material misrepresentation of pricing or non-pricing information provided by Respondent. For questions



regarding credit terms, please contact [SDGE\\_MMCCredit@sdge.com](mailto:SDGE_MMCCredit@sdge.com). Project-specific questions and answers will not be disclosed to other Respondents.

---

## 14.0 CPUC APPROVAL

---

SDG&E shall submit any signed contracts to the CPUC for approval. CPUC approval will be required as a condition precedent to the effectiveness of any contract resulting from this RFO, however, SDG&E, in its sole discretion, may choose to take deliveries prior to such approval.

---

## 15.0 SDG&E BACKGROUND

---

SDG&E is a regulated public utility that provides clean, safe and reliable energy service to 3.6 million consumers through 1.4 million electric meters and 873,000 natural gas meters in San Diego and southern Orange counties. The utility's area spans 4,100 square miles. SDG&E is committed to creating ways to help customers save energy and money every day. SDG&E is a subsidiary of Sempra (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego. Connect with SDG&E's Customer Contact Center at 800-411-7343, on [Twitter \(@SDGE\)](#) and [Facebook](#).



For a map California IOU service territories please visit:

[http://www.energy.ca.gov/maps/serviceareas/electric\\_service\\_areas.html](http://www.energy.ca.gov/maps/serviceareas/electric_service_areas.html)

## **Attachment A**

### **Renewable Generation Resource Requirements**

For offers with RPS generation in this RFO, including hybrid and co-located projects, resources shall have, at a minimum, the following requirements:

- 1) The product shall qualify as RPS Product Category 1 (bundled products as defined in Public Utilities Code 399.16(b)(1)(A-B)).
- 2) The project shall be located within the CAISO balancing authority, with a preference for San Diego Imperial Valley Local Area.
- 3) The project must be California Energy Commission (“CEC”)-certifiable as an eligible renewable resource (“ERR”), not subject to any moratorium or injunction against procurement by the CEC, CPUC, or other legal authority with jurisdiction over utility procurement. Respondents successfully signing agreements with SDG&E 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 can be downloaded from the CEC’s website at <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard-0>. Respondents are encouraged to review all RPS-related, CEC issued directives available on the same Internet website and are responsible for understanding and offering by all RPS provisions. All requirements set forth within the CEC’s guidebooks and all RPS-related documents shall be incorporated herein by reference.
- 4) Respondents must have completed a Phase II interconnection study (for resources with commercial online date in 2023) or will complete a Phase II interconnection study two years prior to the online date and seek to be evaluated as a RA resource, which requires a CAISO deliverability study.
- 5) All green attributes associated with the project must be tendered to SDG&E.
- 6) Respondents must take all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System prior to the first delivery under the contract.
- 7) Project must, at a minimum, have achieved the “application deemed complete” (or equivalent) status under the land use entitlement process associated with the environmental review under the California Environmental Quality Act (CEQA) and/or under the National Environmental Quality Act (NEPA).
- 8) The Respondent will own and operate<sup>10</sup> 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).

---

<sup>10</sup> A direct contractual relationship with the operator of the facility is sufficient to meet these criteria.

- 9) SDG&E expects that third party owned and operated facilities will be operated and maintained in accordance with accepted electrical practices, applicable law and industry standards, including those related to safety, to be confirmed by Respondent in its project / program description form provided as part of the offer package. If the Respondent is unable to confirm these statements, the offer will be considered nonconforming.
- 10) The Respondent must state any affiliate relationship with Sempra Energy, if one exists.

This RFO is being conducted in compliance with relevant statutory and regulatory directives. Requirements set forth within the law and all directives shall be incorporated herein by reference. RPS generation procurement will comply with all CPUC decisions governing RPS procurement. A full text of the law and the above-mentioned CPUC decisions are publicly available on the CPUC's website at [https://www.cpuc.ca.gov/RPS\\_Overview/](https://www.cpuc.ca.gov/RPS_Overview/). Respondents are encouraged to review all RPS-related, CPUC issued directives available on the CPUC website.

## **Attachment B**

### **Energy Storage System Resource Requirements**

For ESS offers in this RFO, SDG&E is seeking ESS resources that have, at a minimum, the following requirements:

- 1) Must be located within CAISO (including dynamically scheduled or pseudo-tie arrangements) with preference for SD-IV Local Area – as defined by the CAISO<sup>11</sup>
- 2) Must be eligible to contribute to system RA requirements, with a preference for local and flex RA.
- 3) Any type of energy storage that meets the definition included in PU Code 2835, including co-location with other technology types.
- 4) Provide a guaranteed resource nameplate capacity and expected NQC, based on the ELCC applicable to the year of expected commercial operation.
- 5) Although a minimum number of annual cycles will not be required, preference will be given to ESS capable of higher cycles per year.
- 6) A preference will be given for higher efficiency systems.
- 7) SDG&E will not specify charging duration requirements for the ESS. In terms of discharging duration, ESS must comply with the requirements for qualification as a RA resource.
- 8) The Resource shall comply with the Multiple Use Application rules, pursuant to Ordering Paragraphs 2 and 3 of D.18-01-003, for all storage procurement and Integrated Resource Planning documents. For reference, the Multiple Use Application rules adopted in D.18-01-003 can be found in Appendix A of that Decision.

---

<sup>11</sup> See the CAISO “2021 Local Capacity Technical Study” available at:  
<http://www.caiso.com/Documents/Final2021LocalCapacityTechnicalReport.pdf>

## **Attachment C**

### **Distributed Energy Resource Requirements**

The requirements for DER participation are listed below. SDG&E will work with DER Respondents to determine whether any of these criteria will be waived. Respondents not meeting all minimum participation criteria may be deemed ineligible / nonconforming and their offers may not be considered.

- 9) The DER facility shall be located and interconnect within the San Diego local sub-area, as defined by the CAISO<sup>12</sup>.
- 10) Facility size:
  - a. Individual generation resources, on a single site, requiring an interconnection study - The minimum capacity of the resource shall be equal to or greater than 10 MW.<sup>13</sup> The maximum facility size will be determined through the interconnection process and depending on location and interconnection point.
  - b. Aggregated, customer sited resources - The total capacity of the aggregated sites must be equal to or greater than 10 MW and in addition, each individual customer sited installation shall be limited to a capacity equal to or less than the peak demand of the customer account associated with the premise upon which the customer sited resources will be located. Maximum capacity of the aggregated resources may be up to 140 MW.
- 11) The facility must interconnect at distribution voltage (for SDG&E, this is BELOW 69kV - generally, 12kV.)
- 12) The DER facility must meet the requirements to count towards SDG&E's annual and monthly RA showing filed with the CPUC and/or the CAISO. Aggregated, customer sited resources will not appear on SDG&E's RA showings and the FCDS status is not applicable. Instead, because the RA contribution is based on the amount of load modification, aggregated, customer sited resources will be paid according to the lower of customer usage and generation output meter in each hour for each site.
- 13) The DER facility's GHG emissions must be equal to or less than an emission factor of .320 metric tons of CO<sub>2</sub>e per MWh.<sup>14</sup>
- 14) Respondents must assume all costs associated with energy deliveries to SDG&E (that is, include in the offer pricing any non-reimbursable interconnection upgrades necessary to be found FCDS). For aggregated, customer sited resources, although FCDS is not applicable, each installation/site will require an interconnection agreement even though an interconnection study need not be obtained prior to offering.

---

<sup>12</sup> See the CAISO "Local Capacity Technical Analysis" – for 2022 available at:

<http://www.aiso.com/InitiativeDocuments/Final2022LocalCapacityTechnicalReport.pdf>.

<sup>13</sup> Note that SDG&E will consider the administrative burden/feasibility of negotiating a high volume of agreements when selecting its shortlist.

<sup>14</sup> This level has been determined by the CPUC to be GHG-reducing in California in the long-term per D.15-11-027, Appendix B.

- 15) Offers that are supported by resources that are already being subsidized under another CPUC regulated program or rate schedule shall not be considered.<sup>15</sup> In addition, for aggregated, customer sited resources, the customer will continue to be billed by SDG&E for all energy used, whether or not served by the utility or the on-site resource, based on their tariff rate.
- 16) For customer sited, aggregated resources, the resources must be separately metered.
- 17) Respondents must include evidence that they have received or have applied for the necessary permits to allow the lawful operation of the DER facility and that the DER facility can operate under those permits for the entirety of the proposed contract term.  
This is not applicable for aggregated, customer sited resources.
- 18) Respondents must own the DER facilities and have responsibility for development, land acquisition, permitting, financing, construction and operation of the DG facilities.

---

<sup>15</sup> This would include the Self Generation Incentive Program (SGIP) program and Net Energy Metering (NEM) rate, for example.

## Attachment D Demand Response Resource Requirements

Respondents to this solicitation shall comply with the requirements herein. SDG&E, at its sole discretion, may change the terms, requirements and schedule of the solicitation. Respondents should monitor the RFO Website for announcements regarding any change. Terms of participation are listed below. Respondents not meeting all minimum participation criteria may be deemed ineligible / nonconforming and their offers may not be considered.

- 1) Customers to be enrolled in the DR programs and/or who will provide proposed DR resource (s) must be located within SDG&E's service territory.
- 2) Respondents pursuing a DR resource must demonstrate how their project will meet the requirements of the current RA counting rules<sup>16</sup>.
- 3) The DR resource (load drop) must be demonstrably incremental to the baseline resource assumptions identified for the analysis that led to the adoption of D.21-06-035. Sellers are required to explain and/or show how their proposed Demand Response resource is incremental. Sellers are encouraged to reference (1) SDG&E's current DR program portfolio<sup>17</sup>; and (2) SDG&E's proposed 2018-2022 DR program portfolio.<sup>18</sup> Incremental resources that are similar to existing Demand Response resources must demonstrate, to the satisfaction of both SDG&E and the IE, that the resource is "incremental", for example, by being innovative or by targeting previously hard to reach markets that have not been addressed to date.
- 4) The DR resource must meet all applicable CAISO wholesale product tariff requirements.

Pursuant to the newly adopted Cost Effectiveness Protocols<sup>19</sup> which determined that the event-based Load Modifying Resource DR has no capacity value, only supply resources, as defined by the Commission<sup>20</sup>, will be considered. There are no technology restrictions on the demand response resource.

- 1) Minimum resource capacity must be 10 MW<sup>21</sup> in aggregate.
- 2) The DR resource must be a supply side resource<sup>22</sup>.

---

<sup>16</sup> See the following CPUC decisions for guidance: D.10-06-036, D.11-06-022, D.12-06-025, D.13-06-024, D.14-06-050, D.15-06-063, D.16-06-045, D.17-06-027, D.18-06-030, D.19-02-022, D.19-06-026 among others.

<sup>17</sup> See <http://www.sdge.com/business/demand-response-overview> for information about SDG&E's current DR program portfolio for businesses, and <http://www.sdge.com/save-money/summer-saver-program> and <http://www.sdge.com/residential/reduce-your-use/reduce-your-use-rewards> for information about current residential programs.

<sup>18</sup> See [https://www.sdge.com/sites/default/files/Application\\_of\\_SDGE\\_2018-2022\\_Demand\\_Response\\_with\\_attachments\\_COS.pdf](https://www.sdge.com/sites/default/files/Application_of_SDGE_2018-2022_Demand_Response_with_attachments_COS.pdf)

<sup>19</sup> See D. 14-06-050.

<sup>20</sup> See D.14-03-026.

<sup>21</sup> Note that SDG&E will consider the administrative burden/feasibility of negotiating a high volume of agreements when selecting its shortlist.

<sup>22</sup> See D.14-03-026.

- 3) Permanent load shifting based on technology or behavior change will not be considered.<sup>23</sup>
- 4) Offers that are supported by resources that are already being subsidized under another CPUC-regulated program or rate schedule shall not be considered.
- 5) Load reduction of the resource must be consistent with the CPUC requirements regarding the use of back-up generation for DR. Fossil-fuel emergency back-up generation resources will not qualify as a Demand Response Resource in this RFO based on the Commission's policy statement that fossil-fuel emergency back-up generation resources should not be allowed as part of a demand response program for RA purposes, subject to rules adopted in future RA proceedings.<sup>24</sup>
- 6) Resources must be dispatchable, either by CAISO or SDG&E.

SDG&E is aware that the RA counting rules change frequently. If the capabilities of the system, facility or program that the Respondent is describing in its offer are currently non-conforming specifically with regard to the RA requirement, but the Respondent believes that the RA counting rules may change prior to SDG&E short-listing, the Respondent is instructed to submit their offer and note that it is currently non-conforming due to current RA rules. If and when the RA rules change resulting in the offer conforming to the new RA rules, the Respondent should notify SDG&E (via the RFO e-mail address [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com)), and the IE ([SDGE\\_IE@paconsulting.com](mailto:SDGE_IE@paconsulting.com)).

---

<sup>23</sup> SDG&E currently has a Permanent Load Shifting (PLS) demand response program (see: <http://www.sdge.com/business/demand-response/permanent-load-shifting>) but to the degree a respondent can show that their behind-the-meter thermal energy program is different than the existing program, is dispatchable and is incremental perhaps by capturing a different customer segment and the program meets the other conformance requirements, then SDG&E will consider such a program.

<sup>24</sup> See D.11-10-003.