



NORTHERN CALIFORNIA POWER AGENCY
Request for Proposals for Renewable Energy Resources,
Carbon Free Energy Resources, and Energy Storage Solutions

Issuance Date: March 25, 2020

Introduction

The Northern California Power Agency (NCPA) is soliciting competitive proposals for renewable energy projects or products consistent with the California Renewable Energy Resources Program (Public Resources Code sec. 25740 *et seq.*) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 *et seq.*), including amendments enacted by passage of SB 100 (De Leon 2018), and carbon free energy resources. NCPA is targeting proposals for renewable resources and carbon free resources with commercial operation or delivery starting in 2021 and beyond, towards the pathway to 100% fossil-fuel free electricity by 2045. RFP responses may propose (i) project ownership by NCPA, (ii) a power purchase agreement with an ownership option or (iii) a power purchase agreement without an ownership option.

Background

NCPA is a joint powers agency formed under the Joint Exercise of Powers Act (Government Code Title 1, Division 7, Section 5), with the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Oakland (acting by and through its Board of Port Commissioners), Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, Ukiah, the Truckee Donner PUD, and BART as Members, and Plumas-Sierra REC, as an Associate Member. NCPA was established in 1968 and assists in meeting a variety of the wholesale energy market needs of its Members and customers, and collectively NCPA's Members serve nearly 700,000 electric consumers in Central and Northern California.

NCPA also supplies a variety of wholesale market services to non-Member Customers, including Community Choice Aggregation Programs (CCAs), irrigation districts and other electric industry market participants, whereby through joint development and procurement objectives, NCPA's non-Member Customers may be included in certain Projects considered through this Request for Proposals.

NCPA is well positioned and experienced in facilitating joint ownership structures for renewable power or other projects for the benefit of its Members. Under the terms and conditions of the NCPA Joint Powers Agreement entered into by all Members, NCPA possesses the general powers to acquire, purchase, generate, transmit, distribute and sell electrical capacity and energy. Specific powers include the power to enter into contracts, acquire and construct electric generating facilities, set rates, issue revenue bonds and notes and acquire property by eminent domain. NCPA will consider power purchase agreements, either with or without an option to purchase the project during the term of the agreement, and energy prepayment structures. There is a strong preference by most of the NCPA Members for an option to purchase a project during the term of a power purchase agreement.

RPS Compliance and Carbon Free

NCPA seeks cost effective resources to support its Members' Renewable Portfolio Standard (RPS) and carbon free objectives for 2021 and beyond. This rolling RFP seeks to find a best combination of projects or products to deliver energy from facilities that will be RPS compliant (pursuant to Public Utilities Code Sections 399.16 (b)(1), i.e., energy and associated RECs in Portfolio Content Category 1 and compliant upon COD and throughout the term of the agreement, or carbon free energy.

NCPA requires that during the term of any agreement, the Seller shall assume the risk of maintaining and bringing the facility or project into compliance should there be a change in law that renders the facility non-compliant with RPS. Since this is one of the critical elements of a renewable project or product for NCPA, please describe how this risk would be assumed and addressed by Seller.

NCPA will also consider Renewable Energy Credit (REC) only proposals for any term.

Proposal Delivery Requirements

One electronic copy of your proposal must be e-mailed to RenewableRFP@ncpa.com or delivered on CD or USB flash drive to the address below:

**Northern California Power Agency
Attention: Renewable Energy Resource RFP
651 Commerce Drive
Roseville, CA 95678**

For general questions, please call the NCPA offices at 916-781-4229.

Clarification questions regarding this RFP must be in writing, addressed to RenewableRFP@ncpa.com.

NCPA Members seek tangible and timely opportunities to add renewable technologies to their generation portfolios and thus will not entertain experimental or speculative proposals.

Since this is a “rolling RFP,” proposals may be submitted at any time. NCPA reserves the right to review any and all proposals throughout the process of this rolling RFP, to contact proposers at any time to start negotiations, and to execute one or more agreements.

No contact may be made with the Commission, Committee Members, or NCPA Members concerning this Request for Proposals without prior authorization granted by NCPA.

All information received by NCPA in response to this Request for Proposals is subject to the California Public Records Act, and all submissions may be subject to review in the event of an audit.

Required Elements of Proposals

- 1. Transmittal Letter:** Provide a brief statement of the Respondent's understanding of the work to be done and commitment to perform the work as scheduled, including a summary of any exceptions taken to the RFP requirements, statement of work, specifications, and reference to any proposed contractual terms and conditions required by the Respondent. An officer authorized to bind must sign the proposal on behalf of the Respondent and must include the following declarations on the Transmittal Letter:

“This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the respondent has not directly or indirectly induced solicited any other respondent to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the respondent has not in any manner sought by collusion to secure for themselves an advantage over any other respondent.”

- 2. Applicant Information:** Provide the legal name of the company or entity making the proposal, the legal structure or form of the entity (e.g., Corporation, or LLC), physical address, e-mail address, telephone, and names and titles of individuals authorized to represent the Respondent.
- 3. Renewable/Resource Category:** Clearly identify the proposal as one or more of a combination of the following eligible renewable energy resource electricity products or other:
 - a. Wind (offshore or land based), including all air-flow technologies involving a turbine of any type;
 - b. Geothermal, including all temperature gradient technologies;
 - c. Biomass, including dedicated waste feedstock or energy crops;

- d. Biomethane, including landfill, digester gases and gas conversion or gasification technologies where the conversion to electricity occurs on the same premises as the source of fuel;
 - e. Hydro, including all mass-in-motion technologies involving fluids and hydro efficiency improvements;
 - f. Solar, including all photo-voltaic and photo-optic technologies where light is directly converted to electricity;
 - g. Solar Thermal, including all concentration technologies where a heat transfer medium is used to generate electricity;
 - h. Municipal Solid Waste (MSW) or Waste to Energy technologies that can demonstrate the absence of incineration and are able to obtain certification as a Renewable Resource by the California Energy Commission;
 - i. Permanent Load Shifting (PLS), including energy storage and permanent load-shifting technologies with a total round-trip efficiency generally greater than eighty percent (80%);
 - j. Environmental attributes not bundled with energy (Renewable Energy Credits);
 - k. Energy Storage combined with renewable energy projects (optional), energy storage with a capacity of one half the total capacity offered by the renewable resource with a duration of at least 4 hours is required; in addition, alternative energy storage capacity and duration options can be offered; or
 - l. Energy Storage (standalone), energy storage can be offered as a standalone proposal. The energy storage capacity must be at least 1 MW and have a duration of at least 4 hours. In addition, alternative energy storage capacity and duration options can be offered.
- 4. Energy Storage Solutions (ESS):** NCPA Members have an interest in the rapidly developing energy storage market. All types of energy storage technologies are open for consideration to be added into NCPA member resource portfolios, if they are determined to be cost effective.
- 5. Project Details:** Clearly identify the proposed project, including the following information:
- a. **Project Description:** Project name and location, and phases of development if applicable.
 - b. **Contract Quantity:** In MW and GWh/year, and by project phase if applicable, including nameplate rating and proposed amount of energy to be delivered. Please provide all MW increment options available for the project.
 - c. **Pricing:** Please provide all pricing structure options available.

- i. **Variable Index Energy Price Plus Fixed Capacity/REC Price:** Expressed in nominal value (as of the year of COD) in \$/MWh for the value of the capacity and RECs plus a price based on a published market index for the value of the energy.
 - ii. **Energy Price (variable):** Expressed in nominal dollars (as of the year of COD) in \$/MWh, and itemized by cost components if applicable; the Energy Price will start on the Commercial Operation Date (COD) and may include fixed price annual escalation rates or index plus fixed price component.
 - iii. **Energy Price (fixed):** Expressed in nominal dollar value (as of the year of COD) in \$/MWh, with no escalation.
 - iv. **Energy Storage Price:** Expressed in nominal dollar value (as of the year of COD) in \$/MWh, as a component of a renewable project in an overall PPA and in \$/kW-month for 4-hour systems (either combined with a renewable project or as a standalone).
- d. **Delivery Term:** Minimum term is 1 year with no maximum as the various NCPA Members are seeking both short-term and long-term delivery of energy. Please provide all delivery term options available, including seasonal and/or intra-day delivery profile options.
 - e. **Energy Availability:** Maximum and minimum monthly capacity factors, seasonal shapes, resource availability profile (i.e., 8760 wind profile of availability), reliability indices (reliability of the distribution system distribution indices to potentially Forced Outage Ratios or Planned Outage Ratios of generators), dispatchability (by unit or phase if applicable) and scheduling requirements/limitations, if any; any rights for NCPA to perform full or partial dispatch, and economic curtailment.
 - f. **Buyer's Step in Right:** Include NCPA's requirement in the proposal that the Buyer may assume or cure any default by developer in the land lease.
 - g. **Point of Delivery (POD):** Cost of transmission to a delivery point shall be included in the Cost of Energy.
 - h. **Environmental Attributes:** Ensure that NCPA shall receive any and all environmental attributes associated with the generating facility and the energy output, including but not limited to renewable energy credits and air emission credits or offsets (i.e., greenhouse gas credits, at the location of source and for the gross output of the plant or otherwise credited).
 - i. **Combustion:** For any proposals that involve combustion technologies, provide details on the forecasted emissions, emissions controls, and compliance with applicable emissions regulations.
 - j. **Capacity Rights/Shared Facilities:** Ensure that NCPA shall receive any and all capacity rights, including, but not limited to Resource Adequacy attributes, associated with the project and/or its produced energy.

- i. Identify any energy and/or associated project capacity to be provided/committed to parties other than NCPA.
- ii. Identify any project supporting/associated facilities that require shared use or third party access rights, such as intermediate distribution infrastructure, control rooms, or other intermingled facilities. Describe any controls or provisions to assure the described project capacity, e.g., for wind proposals any adjacent or future proposals encroaching on turbine spacing or airflow; for hydro proposals any limitations or regulations on water flow, diversion or water reservoir level maintenance requirements; and other potential impacts on the proposed project.
- k. **Ownership Options:** If the proposal includes an offer of ownership to NCPA, describe the proposed ownership, terms and conditions, floors and ceilings for purchase prices at different option dates, beginning after ITC capture and up to the end of the term, and operational structures (e.g., 100% NCPA-owned turn-key, corporation, general partnership, limited partnership).
 - i. In the case of an offer of initial ownership to NCPA, a purchase price at Commercial Operation Date (COD) shall be specified (and expressed as \$/kW) along with an estimate of all recurring owner costs, including but not limited to operation and maintenance costs, taxes, lease payments, royalties, and insurance.
 - ii. In case of an offer of a Power Purchase Agreement (PPA) with a purchase option, the proposal shall include (a) a delivered energy price, in \$/MWh for the energy, environmental attributes and capacity, (b) a buyout price or detailed formula to calculate such a buyout price for each future date on which a buyout would be offered; and (c) conditions for buyout, such as expiration of tax credits or other project events. NCPA is also willing to consider proposals that include Prepayment structures.
 - iii. For PPAs, terms up to the life of the facility will be considered.
 - iv. No changes to a PPA will be expected during project financing or a change in control event.
- l. **Project Plan to Commercial Operation Date:** Identify the proposed commercial operation date with a satisfactory major milestone schedule that includes at least the following:
 - i. Proposed description and schedule for obtaining and developing site access and control through executed leases, fee purchases, approvals, or other means.
 - ii. Details of any prior or existing settlements made for environmental mitigation and clearly identified post-construction or pass-forward mitigation obligations that would be forwarded to NCPA in the event a contract is executed (e.g., reserve or offset land for environmental habitat or reconstruction).
 - iii. Proposed schedule for obtaining construction and operational permits and licenses, and construction financing.

- iv. Proposed construction schedule, including major equipment description and purchasing timelines, anticipated Factory Acceptance Testing of major components, Site Tests, commencement of test-energy and Commercial Operation Date (COD).
 - v. For projects or operations requiring water or make-up water, description of the water supply requirements and provisions for supply.
 - vi. Proposed schedule or application status to acquire necessary transmission and interconnection service.
 - vii. Description of whether and to what extent any environmental studies have been carried out with respect to the proposed project and how compliance with the California Environmental Quality Act (CEQA), which is a requirement before an agreement can be executed by NCPA, might be effectuated, including, if the Project is located outside California, how Title 14 Section 15277 of the California Administrative Code is or will be addressed by the project.
 - viii. Note that any Test Energy delivered before the COD shall be curtailable at any time by NCPA without compensation.
 - ix. Note that the project shall be pre-certified as renewable-compliant by the California Energy Commission no later than 6 months after COD.
 - x. Note that the project shall be WREGIS-certified no later than 3 months before COD.
 - m. **Preliminary Term Sheet:** Please provide as much information as possible in the Term Sheet in Appendix A (attached to this RFP and posted as a separate document).
 - n. **Financing and Tax Equity Investor:** Describe how the project will be financed.
 - o. **Credit Support and Security:** Express in nominal dollars the amount of Performance Assurance provided from execution of the Power Purchase Agreement through COD and the amount of Performance Assurance provided after Commercial Operation Date as a letter of credit, cash, or guaranty.
 - p. **Buyer Economic and Operational Curtailment:** Express in MWh per year or hours per year the amount Buyer can curtail without compensation.
- 6. Experience:** Clearly identify the respondent's management team and other key personnel, including those responsible for design, construction, permitting, operations and maintenance.
- a. Describe your firm's organizational structure, management qualifications, and other contract related qualifications, including number of years the firm has been in business.
 - b. Specify key employees and describe their experience with the development, construction, finance closing, commercial operation, and maintenance of similar projects as proposed by Respondent in response to this RFP.

- c. Provide current financial statements of all entities involved in the project or as part of the management team. This shall include items such as audited financial statements (not more than twelve months old) annual reports, FERC Form 1, and any other applicable financial information. If none of the above is available, Respondent shall provide verifiable financial statements for the past three (3) years if available, and Respondent's Dunn & Bradstreet identification number, where available.
- d. Provide a commitment statement for the retention and use of key employees as proposed, their availability to initiate and sustain the proposal, as well as planned supplemental employees if key employees are not available to assure project delivery.
- e. Indicate any and all pending litigation that could affect the viability of Respondent's proposal or Respondent's financial stability.
- f. Identify existing projects in commercial operation that Respondent has developed and/or operates. Provide a list of references for similar projects completed, including a contact person, phone number and address.
- g. State whether Respondent will use subcontractors to perform services pursuant to the contract. Should the use of subcontractors be included, Respondent shall provide the same assurances of competence for the subcontractor, plus the demonstrated ability to manage and supervise the subcontracted work. Subcontractors shall not be allowed to further subcontract with others for work on this program. The provisions of this contract shall apply to all subcontractors in the same manner as to the Respondent.
- h. Describe the project/generation technology and technical resource data, including any studies or reports regarding the resource.

Terms and Conditions

1. If selected, NCPA desires to enter into exclusive negotiations with respondent as may be facilitated through an execution of a Letter of Intent (LOI), Exclusivity Agreement or other agreements.
2. NCPA reserves the right to cancel this RFP at any time, reject any and all proposals and to waive irregularities, if any.
3. NCPA shall determine at its sole discretion the value of any and/or all proposals including price and non-price attributes.
4. Proposals may be sub-divided or combined with other proposals, at NCPA's sole discretion.
5. At its sole discretion, NCPA shall perform an initial screening evaluation to identify and eliminate any proposals that are, for example, not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are not economically competitive with other proposals, or are submitted by Respondents that lack appropriate creditworthiness,

sufficient financial resources, or qualifications to provide dependable and reliable services for this RFP.

- 6.** NCPA reserves the right to submit follow up questions or inquiries to request clarification of information submitted and to request additional information from any Respondent.
- 7.** NCPA reserves the right, without qualification and in its sole discretion, to accept or reject any or all proposals for any reason without explanation to the Respondent, or to make any award to that Respondent, who, in the opinion of NCPA, will provide the most value to NCPA and its Members.
- 8.** NCPA may decline to enter into any potential engagement agreement or contract with any Respondent, terminate negotiations with any Respondent, or to abandon the request for proposal process in its entirety.
- 9.** Those Respondents who submit proposals agree to do so without legal recourse against NCPA, its Members, their directors, officers, employees and agents for rejection of their proposal(s) or for failure to execute or act on their proposal for any reason.
- 10.** NCPA shall not be liable to any Respondent or party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP.
- 11.** NCPA shall not be liable for any costs incurred by any Respondents in preparing any information for submission in connection with this RFP process or any and all costs resulting from responding to this RFP. Any and all such costs whatsoever shall remain the sole responsibility of the Respondent.
- 12.** NCPA may require certain performance assurances from Respondents prior to entering into negotiations for work that may result from this RFP. Such assurances may potentially include a requirement that Respondents provide some form of performance security. Performance security shall be in the form of a Letter of Credit or Cash.
- 13.** Prior to contract award, the successful Respondent may be asked to supply a detailed breakdown of the applicable overheads and fringe benefit costs that are part of the labor rates and other direct costs associated with the services to be performed.
- 14.** NCPA Members, either collectively or individually may contact Respondents to discuss or enter into negotiations regarding a proposal. NCPA is not responsible or liable for individual Members interactions with the Respondent which are not entirely conducted through NCPA or at NCPA's option or election to engage the Respondent as defined within the RFP.

- 15.** Submission of a Proposal constitutes acknowledgement that the Respondent has read and agrees to be bound by the terms and specifications of this RFP and any addenda subsequently issued by NCPA.
- 16.** Information in this RFP is accurate to the best of NCPA's and its Members' knowledge but is not guaranteed to be correct. Respondents are expected to complete all of their due diligence activities prior to entering into any final contract negotiations with NCPA.
- 17.** NCPA reserves the right to enter into an agreement with more than one Respondent, to choose not to contract with any Respondent with respect to one or more categories of services, and to choose to suspend this RFP or to issue a new RFP that would supersede and replace this RFP.
- 18.** NCPA reserves the right to negotiate definitive agreements including but not limited to power purchase agreements and other agreements with a Respondent with any and all terms and conditions that NCPA and/or its Members deem appropriate or desirable, whether or not such terms or conditions are specifically set forth in this RFP.
- 19.** NCPA reserves the right to amend this Request for Proposals from time-to-time.

NCPA reserves the right to propose that other publicly-owned utilities and NCPA's non-Member Customers that are not NCPA Member be included in certain contracts.

Additional Requirements for Proposal

- 1. Insurance, Licensing, or other Certification:** If selected, the Respondent will be required to maintain sufficient insurance, licenses, or other required certifications for the type of work being performed. NCPA or its Members may require specific insurance coverage to be established and maintained during the course of work and as a condition of award or continuation of contract.
- 2. Prevailing Wage Rates:** If selected, the Respondent will be required to conform to prevailing wage rates when applicable to the work being performed. Workers in California shall be paid not less than prevailing wages pursuant to determinations of the Director of Industrial Relations as applicable in accordance with the California Labor Code. To access the most current information on effective determination rates, Respondent shall contact:

Department of Industrial Relations
Division of Labor Statistics and Research
PO Box 420603, San Francisco, CA 94142-0603
Division Office Telephone: (415) 703-4780
Prevailing Wage Unit Telephone: (415) 703-4774
Web: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

- 3. NCPA-Furnished Property:** NCPA or a Member's utility drawings, specifications, and other media furnished for the Respondent's use shall not be furnished to others without written authorization from NCPA or the applicable Member(s).

- 4. Contractor-Furnished Property:** Upon completion of all work under any agreement developed as a result of this RFP, ownership and title to reports, documents, drawings, specifications, estimates, and any other document produced as a result of the agreement shall automatically be vested to NCPA and no further agreement will be necessary for the transfer of ownership to NCPA. NCPA has the sole right to distribute, reproduce, publish, license, or grant permission to use all or a portion of the deliverable documentation, work product or presentations as it determines in its sole discretion.