



## **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

### **Request for Proposals for Renewable Energy Projects**

**Response Deadline: November 30, 2012**

The Southern California Public Power Authority (SCPPA) is hereby soliciting competitive proposals for renewable energy products as defined within the California Public Resources Code, considering the pending changes imposed by the California Renewables Portfolio Standard Program (SBX1 2) with supporting infrastructure(s) as structured projects through (i) facility ownership, or (ii) power purchase agreement with ownership option(s), in one or more facilities including consideration for Greenhouse Gas (GHG) reduction applications for existing facilities, and combined use technologies of existing or proposed facilities.

#### **Introduction**

SCPPA, a joint powers authority and a public entity organized under the laws of the State of California, was created pursuant to the Government Code of California and a Joint Powers Agreement for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy.

SCPPA is governed by its Board of Directors, which consists of representatives from each of its Member Agencies. The management of SCPPA is under the direction of an Executive Director who is appointed by the Board.

Member Agencies consist of eleven cities and one irrigation district which supply electric energy within Southern California, including the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District (Member Agencies).

Member Agencies are Publicly Owned Utilities (POUs) governed by the Board of their respective Cities. Many of these Boards have previously established voluntary targets including the percentage of renewable energy they wish to obtain within their portfolio. Some have set targets as high as 40% by the year 2020. Many of our members are approaching, or have already exceeded their interim targets of 20% renewable energy and are now updating their objectives to meet 33% by 2020 as reflected in SBX1 2.

SCPPA has an active working group focused on renewable energy. This group, with representation from all twelve of the Member Agencies, meets twice a month and has reviewed over five hundred (500) individual

project proposals since starting in 2007. Many of these projects have advanced into specific contract negotiations, and over 800 MW are now being delivered in support of our members' renewable objectives.

## Equity Participation

SCPPA is well positioned to facilitate the joint ownership of renewable power projects for the benefit of its Member Agencies. SCPPA would like to hold an undivided equity interest in the facility and sell 100% of the output to the interested Member Agencies at cost. SCPPA will also consider Power Purchase Agreements (PPAs), which may include an option to purchase the project during the term of the agreement.

## Thresholds for Consideration

SCPPA continues to seek cost effective resources to support our members' Renewable Portfolio Standard (RPS) objectives. This RFP seeks to find a combination of projects able to deliver approximately 2,000 GWh per year beginning in 2014 and an additional combination of projects able to deliver another 3,000 GWh per year beginning in 2017, for a total addition of approximately 5,000 GWh per year by 2020.

Based on our experience, SCPPA has set the following maximum thresholds to assist in defining projects that may fit into our members' portfolios:

1. Wind, or any projects with an expected Capacity Factor less than 50%, should start at less than sixty dollars per MWh (\$60/MWh);
2. Baseload technologies, including Geothermal, Biomass, Biogas, or any projects which deliver at a substantially consistent level for 24 hours per day, should start at less than one hundred dollars per MWh (\$100/MWh); and
3. Solar technologies, including those with storage capability, should start at less than one hundred and ten dollars per MWh (\$110/MWh).

All starting prices shall be available at the Point(s) of Delivery defined by Respondents, starting at the time of Commercial Operational Date (COD), expressed in nominal dollars (i.e., the year of COD), with a maximum escalation of 1.5% per year thereafter.

These price thresholds reflect the interest of our members in obtaining cost effective renewable technologies that meet their portfolio objectives. POUs are very sensitive to price, because they must pass-through the entire costs of renewable energy to their end use customers. Respondents should be aware that, while each project is evaluated on its own merits, SCPPA is presently negotiating contracts below these price thresholds.

Respondents are highly encouraged to consider these pricing thresholds prior to submittal.

## Proposal Submission Delivery Requirements

One (1) hard copy of your response, including a Transmittal Letter of authentic offer with wet-ink authority signature, and any supporting documentation may be delivered at any time during normal business hours prior to the end of business day (4:00 p.m. Pacific Prevailing Time) on November 30, 2012, to:

Southern California Public Power Authority  
225 S. Lake Avenue, Suite 1250  
Pasadena, California 91101

Note: an addendum will be posted in approximately April 2012 with a new delivery address.

One electronic copy of your proposal must also be delivered, on CD or USB flash-drive to the above address, or e-mailed to [jfelipe@scppa.org](mailto:jfelipe@scppa.org).

Clarification questions may be addressed to Julie Felipe at [jfelipe@scppa.org](mailto:jfelipe@scppa.org), (626) 793-9364.

SCPPA members will not entertain speculative or research proposals, but seek tangible and timely opportunities to increase their generation portfolios with renewable technologies.

Respondents who have previously submitted projects for consideration may deliver updates or revisions with appropriate reference to the prior submittal and clearly identified proposed changes, and under a new Transmittal Letter.

New projects by a prior Respondent may make reference to prior submittals for any required elements that have not changed (such as experience) rather than resubmitting boilerplate information.

No contact shall be made with the Board of Directors, Committee Members, or SCPPA Member Agencies concerning this Request for Proposals.

All information received by SCPPA 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.

## Proposal Submission Required Elements

- 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 or 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, name and titles of individuals authorized to represent the Respondent.
3. **Renewable Category:** Clearly identify the proposal as one or more of the following eligible renewable energy resource electricity products:
  - a. Wind, 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. Biogas, 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. BioGas only: refer to SCPPA's RFP on BioGas for delivery of pipeline quality fuel through existing infrastructures to be used at SCPPA's conventional generation plants:  
<http://www.scppa.org/Downloads/RFP/RFPforBiogas062310.pdf>
  - f. Hydro, including all mass-in-motion technologies involving fluids
  - g. Solar, including all photo-voltaic and photo-optic technologies where light is directly converted to electricity
  - h. Solar Thermal, including all concentration technologies where a heat transfer medium is used to generate electricity
  - i. 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
  - j. Permanent Load Shifting (PLS) as outlined within the CALMAC Report:  
[http://storagealliance.org/resources/PLS\\_Final\\_Report\\_With\\_Appendices.pdf](http://storagealliance.org/resources/PLS_Final_Report_With_Appendices.pdf), including energy storage and permanent load-shifting technologies, however, with a total round-trip efficiency greater than ninety five percent (95%)
  - k. Greenhouse Gas (GHG) mitigation measures, including reduction or capture and sequestration technologies
  - l. Alternative Use, including supplemental processes to existing operations
  - m. Environmental attributes not bundled with energy
4. **Project Details:** Clearly identify the proposed project, including the following information:
  - a. **Project Description:** Project name and location, and phases 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.
  - c. **Cost of Energy:** Expressed in nominal dollars (as of the year of COD) in \$/MWh, and itemized by cost components if applicable; the Cost of Energy will start on the Commercial Operation Date (COD) with a maximum fixed escalation of one and one half percent (1.5%) per year.
  - d. **Levelized Cost of Energy:** Expressed in nominal dollar value (as of the year of COD) in \$/MWh, with no escalation thereafter.
  - e. **Energy Availability:** Maximum and minimum monthly capacity factors, seasonal shapes, reliability indices, dispatch-ability (by unit or phase if applicable) and scheduling requirements/limitations, if any; any rights for SCPPA to perform full or partial dispatch.

- f. **Point of Delivery (POD):** Cost of transmission to a delivery point shall be included in the Cost of Energy to one of the following locations:
- i) Marketplace, NV
  - ii) Westwing, AZ
  - iii) Big Eddy (NOB), OR
  - iv) Barren Ridge, CA
  - v) Intermountain Power Project Station, UT
  - vi) ISO SP15, CA
- This listing represents locations where Member Agencies may have existing capacity rights. Other delivery points may be identified by Respondents on the condition that any and all associated costs of transmission and ancillary services are included. Note: Project evaluations will include the ultimate cost of delivery to the customers of SCPPA Members within Southern California.
- g. **Environmental Attributes:** Ensure that SCPPA 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).
- h. **Combustion:** For any proposals that involve combustion technologies, provide details on the forecasted emissions, emissions controls, and compliance with applicable emissions regulations.
- i. **Category of Environmental Attributes:** Indicate which Portfolio Content Category (PCC or "RPS Bucket") under the California Public Resources Code (CPRC) the project would be eligible, and how the project would comply with the CPRC and any additional interpretation of statute by the California Energy Commission.
- j. **Capacity Rights:** Ensure that SCPPA shall receive any and all capacity rights associated with the energy.
- i) Identify any energy and/or associated capacity to be provided to parties other than SCPPA.
  - ii) Identify any project dependent 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 continuation of the described capacity, e.g., for wind projects any adjacent or future projects encroaching on turbine spacing or airflow; for hydro projects any limitations or regulations on water flow, diversion or lake level maintenance requirements; and other potential impacts on the proposed project.
- k. **Ownership:** Describe the proposed ownership and operation structure (e.g., 100% SCPPA-owned turnkey, corporation, general partnership, limited partnership)
- i) In the case of an offer of ownership to SCPPA, 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) Offers of Purchase Power Agreements (PPAs) with purchase options shall include (a) a delivered energy price, in \$/MWh, for the energy, environmental attributes and capacity (as Cost of Energy within Section 4.c.), (b) an early buyout price or detailed formula to calculate such a buyout price; and (c) conditions for buyout, such as expiration of tax credits or other project events, where a purchase option would naturally occur.
  - iii) For PPAs, terms up to the life of the facility will be considered.
- 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 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 SCPPA in the event a contract was 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 purchasing, 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 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) might be effectuated, including, if the Project is located outside California, how Title 14 Section 15277 of the California Administrative Code is addressed by the project.

- 5. Experience:** Respondent will clearly identify project participants and management team 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 as Project participants or as part of 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 are 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 Consultant 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.

## Proposal Terms and Conditions

1. SCPPA desires to enter exclusive negotiations with the respondent once selected as may be defined through a signed Letter of Intent (LOI) and defined term.
2. SCPPA shall determine at its sole discretion the value of any and/or all proposals including price and non-price attributes.
3. Proposals may be subdivided or combined with other proposals, at SCPPA's sole discretion.
4. SCPPA shall perform an initial screening evaluation to identify and eliminate any proposals that are not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are clearly 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.
5. SCPPA may entertain or eliminate proposals immediately upon receipt or at any future time if not clearly defined in the proposal as the end of the period of offer.
6. SCPPA 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, and to make the award to that Respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its Member Agencies.
7. SCPPA may decline to enter into a power purchase arrangement or any other agreement or contract with any Respondent, terminate negotiations with any Respondent, and may abandon the RFP process in its entirety.
8. SCPPA reserves the right to make an award to an offer with higher than lowest price offered, or the proposal evidencing the greatest technical ability or other measure, if SCPPA determines that to do so would result in the greatest value to SCPPA and its Member Agencies.
9. Those Respondents who submit proposals agree to do so without legal recourse against SCPPA, its members, and 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. SCPPA 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. Respondent shall be liable for all its costs and SCPPA shall not be responsible for any Respondent's costs incurred to prepare, submit, or negotiate its proposal, a contract or for any other activity related thereto.
12. SCPPA may require certain performance assurances from Respondents prior to entering into detailed negotiations for a proposed project. Such assurances may include requiring the Respondent to post a performance bond.
13. Either SCPPA collectively or Member Agencies individually may respond to, or enter into negotiations for, a purchase in response to this RFP. SCPPA is not responsible or liable for individual Member Agency interactions with the Respondent which are outside the Terms and Conditions of this RFP.

## Additional Requirements for Proposal

1. **Consideration of Responses:** Submitted proposals should be prepared simply and economically, without the inclusion of unnecessary promotional materials. Proposals should be submitted on recycled paper that has a minimum of thirty percent (30%) post-consumer recycled content and duplex copied (double-sided pages) where applicable.
2. **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. SCPPA or its Member Agencies 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.
3. **Non-Discrimination/Equal Employment Practices/Affirmative Action Plan:** If selected, the respondent and each of its known subcontractors may be required to complete and file an acceptable Affirmative Action Plan. The Affirmative Action Plan may be set forth in the form required as a business practice by the Department of Water and Power of the City of Los Angeles which is SCPPA's largest Member Agency.
4. **Living Wage Ordinance:** If selected, the respondent may be required to comply with the applicable provisions of the City of Los Angeles Living Wage Ordinance and the City of Los Angeles Service Contract Workers Retention Ordinance. The Living Wage Ordinance provisions are found in Section 10.36 of the Los Angeles City Administrative Code; and the Service Contract Workers Retention Ordinance are found in Section 10.37 of the Los Angeles Administrative Code (SCWRO/LW0).
5. **Prevailing Wage Rates:** If selected, and if the project is funded in any part by resources with such an obligation, the respondent may be required to conform to prevailing wage rates applicable to the location(s) where any work is being performed.
6. **Child Support Policy:** If selected, respondent may be required to comply with City of Los Angeles Ordinance No. 172401, which requires all contractors and subcontractors performing work to comply with all reporting requirements and wage earning assignments and wage earning assignments relative to court ordered child support.
7. **Supplier Diversity:** Respondents shall take reasonable steps to ensure that all available business enterprises, including Women Business Enterprises (WBEs) and Minority Business Enterprises (MBEs) have an equal opportunity to compete for and participate in the work being requested by this Request for Proposals. Efforts to obtain participation of MBEs, WBEs, and other business enterprises could reasonably be expected to produce a level of participation by interested subcontractors including 15 percent MBE and 7 percent WBE. SCPPA's Supplier Diversity program is modeled after that of the Los Angeles Department of Water and Power. Further information concerning the Supplier Diversity Program may be obtained from the Purchasing Division of the Los Angeles Department of Water and Power.