

**SOUTHERN CALIFORNIA
PUBLIC POWER AUTHORITY**



**Request for Proposals
for
Renewable Energy Projects**

RFP Date: September 1, 2006

Response Deadline: October 2, 2006, by 2:00 p.m. PST

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Proposals for Renewable Energy Projects

The Southern California Public Power Authority (SCPPA) is hereby soliciting competitive proposals for up to 300 megawatts (MW) of renewable energy, through (i) facility ownership or (ii) power purchase agreement with an early buyout option, in one or more renewable energy 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.

Membership consists of eleven cities and one irrigation district which supply electric energy to 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.

SCPPA is governed by its Board of Directors, which consists of representatives from each of its members. The management of SCPPA is under the direction of an Executive Director, who is appointed by the Board. SCPPA currently holds capacity entitlements in the following projects and 100% of the output is sold and controlled by its member utilities:

SCPPA Projects

- Palo Verde Power Project
- Hoover Upgrading Power Project
- San Juan (Unit 3) Power Project
- Magnolia Power Project
- Southern Transmission System
- Mead-Adelanto Transmission Project
- Mead-Phoenix Transmission Project
- Pinedale Natural Gas Reserves Project
- Gould Geothermal Project

Equity Participation

SCPPA is well positioned to facilitate the joint ownership of a renewable power project for the benefit of its members. Similar to the above projects, SCPPA would hold an undivided equity interest in all or part of the facility, issue tax-exempt debt financing to pay for the capital buy-in, and sell 100% of the output to the interested members at cost. SCPPA's low cost of capital provides a benefit to its members under the equity/ownership scenario; therefore this is the preferred scenario for this RFP. However, SCPPA will also consider power purchase agreements (straight or prepay), which include an option to purchase the project during the term of the agreement.

Proposed Submission Requirements

Respondents shall propose to opportunities for SCPPA to purchase renewable energy under long-term contract or through equity participation in one or more renewable energy facilities. The proposals shall address the following terms and conditions:

- 1. Contract Quantity:** up to 300 MW total capacity.
- 2. Energy Availability:** A detailed description of the energy availability shall be provided (i.e., daily load shape and monthly capacity factors).
- 3. Fuel:** Any certifiable renewable energy (i.e., solar, geothermal, wind, biomass, small hydro, etc.).
- 4. Point of Delivery (POD):** SCPPA may accept some or all of respondent firm's energy and/or non-firm energy at Mead 230, Mead 500, Marketplace, Westwing 500, Mona, Gonder, LADWP-Sylmar, NOB, McCullough 500, Adelanto 500, Victorville 500, Barren Ridge 230 or ISO SP15. Respondent shall designate delivery point(s) in its proposal. The cost of transmission to the delivery point shall be included in the Energy Price.
- 5. Environmental Attributes:** 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.
- 6. Capacity Rights:** SCPPA shall receive any and all capacity rights associated with the energy.
- 7. Offer Price:** In the case of a SCPPA ownership offer, a purchase price at commercial operation shall be specified along with an estimate of all recurring owner costs, including but not limited to operation and maintenance costs, taxes, lease payments, royalties, insurance, etc. For purchase power agreements with early buyout options, a delivered energy price, in \$/MWh, shall be specified for the energy, environmental attributes and capacity; and an early buyout price or detailed formula to calculate the buyout price shall be specified.
- 8. Commercial Operation Date:** A proposed commercial operation date with a milestone schedule shall be provided.

9. Term: Terms up to the life of the facility will be considered.

10. Dispatchability/Scheduling: The dispatchability of the unit and scheduling requirements/limitations shall be provided.

11. CEQA Compliance: Respondent are requested to describe 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.

Site/Facility Requirements for Proposed New Generating Facilities

In addition to the Scope of Services, respondent shall provide the following information in its proposal, where applicable:

- A Project Facility Plan that identifies all major permits, licenses, and approvals, which are required and a schedule for their completion
- Identification of Project participants and management team; identification of those responsible for design, construction, permitting, operations and maintenance
- Description of Project/generation technology and a description of technical resource data, including any studies or reports regarding the resource
- Description of the fuel supply contracts and status, if applicable
- Conceptual design, major equipment list
- Description of the proposed ownership and operation structure (i.e., 100% SCPPA-owned turnkey, corporation, general partnership, limited partnership, etc.)
- Status of permitting and transmission interconnection arrangements

Milestone Schedule

Respondent shall provide the following information in its proposal, where applicable:

A satisfactory major milestone schedule that includes at least the following:

- Proposed schedule for obtaining site control through executed leases, fee purchases, or other means
- Projected schedule for obtaining permits and licenses, major equipment purchasing and construction financing

- Expected construction schedule including anticipated commencement of testing and commercial operation
- Projected schedule to acquire necessary transmission/interconnection service.

Further Required Information

Unless required elsewhere in this RFP, respondent shall provide the following information in its proposal, where applicable:

- Project name and location
- Maximum and minimum monthly capacity factors
- Summer and winter maximum net capacity
- Expected annual availability factor based on summer capacity proposed
- Energy and/or associated capacity to be provided to parties other than SCPPA
- Projected environmental emissions from proposed project
- Rights for SCPPA to perform full or partial dispatch
- Identify projects in commercial operation which respondent developed and/or operates.
- Specify lead 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.
- Specify whether proposal has any ancillary service capability or requirement.
- Indicate any proposed subordination of SCPPA's rights in the event of default by respondent to lenders.
- 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 over twelve months old, annual reports, FERC Form 1, and any other applicable financial information. If none of the above are available, respondent shall be expected to provide verifiable financial statements for the past three (3) years if available, and respondent's Dunn & Bradstreet identification number, where available. Respondent shall indicate any and all pending litigation that could affect the viability of respondent's proposal or respondent's financial stability.

Proposal Selection Criteria

- SCPPA, at its sole discretion, shall evaluate responsive proposals and select proposals, if any, which provide the most value to SCPPA and its customers.

- Proposals may be combined with other proposals, at SCPPA's sole discretion.
- SCPPA shall determine at its sole discretion the value of any and/or all proposals.
- SCPPA shall evaluate any proposal in terms of price and non-price attributes.
- 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.
- 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, or to make the award to that respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its customers. SCPPA also reserves the right to make an award to the other than the lowest price offer or the proposal evidencing the greatest technical ability if SCPPA determines that to do so would result in the greatest value to SCPPA and its customers.
- SCPPA reserves the right to reject any, all, or portions of the proposals received for failure to meet any criteria set forth in this RFP. SCPPA also may decline to enter into a power purchase arrangement with any respondent, terminate negotiations with any respondent, or to abandon the RFP process in its entirety.
- 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 a power purchase agreement for any reason. 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.
- 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.
- SCPPA may require certain performance assurances from bidders prior to entering into detailed negotiations for a proposed project. Such assurances may include requiring the bidder to post a performance bond.

Submission Requirements

Two hard copies of your response should be delivered on or before October 2, 2006, by 2:00 p.m. PST to:

Bill D. Carnahan
Executive Director

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

(626) 793-9364; Fax 793-9461

The proposal should also be e-mailed to Bill D. Carnahan at bcarnahan@scppa.org and Manuel A. Robledo at mrobledo@scppa.org. Identify your proposal for electronic filing purposes as: [Firm Name] Renewable Proposal 2006.

Late or non-responsive proposals will be rejected.

No contact should be made with the Board of Directors or Resource Planning Committee members concerning this request for proposals.