



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
Request for Proposals for Stand-Alone
Energy Storage Systems

Issuance Date: May 15, 2020
Response Deadline: December 30, 2020

I. Introduction

The Southern California Public Power Authority (SCPPA) is soliciting competitive proposals for stand-alone Energy Storage Systems (ESS) within the California Independent System Operator (CAISO) Balancing Authority and Area (CAISO BAA) and at specific locations within the Los Angeles Department of Water and Power (LADWP) Balancing Authority (LADWP BA) system as described in Appendix A. SCPPA is targeting proposals for ESS (storage that is not AC or DC paired with any generating resources) with a commercial operation or delivery date starting in late 2020 and beyond. Request for Proposals (RFP) responses may propose (i) project ownership by SCPPA, (ii) a ESS attribute purchase agreement with an ownership option, or (iii) a ESS attribute purchase agreement without an ownership option, or (iv) a lease agreement with an ownership option (Respondent).

The Southern California Public Power Authority (SCPPA), on behalf of its Member Utilities, is hereby soliciting proposals regarding the capabilities and qualifications of individuals and firms to perform and/or provide planning, design, and deployment of ESS resources, as described below in Section III.

SCPPA is interested in discovering all Respondent's capabilities related to specified Areas of Interest to make an informed decision and potentially proceed to more specific discussions or solicitations with one or more qualified Respondents to this Request for Proposals (RFP). This RFP will be considered a "Rolling RFP". Please see the discussion of the Rolling RFP in Section V, Proposal Delivery Requirements.

Responses should include ideas, information, and recommendations that could result in a clarification of the requirements, cost-saving opportunities, and the identification of potential problem areas. All responses should be concise and focused. SCPPA members will use the information generated as a result of this RFP to determine the solution to fulfill their electric needs regarding ESS.

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II. Background

SCPPA is a public agency created by agreement of its Member Agencies pursuant to the Joint Exercise of Powers Act (Government Code sec. 6500 *et seq.*) for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy and associated products and services. SCPPA is a “cafeteria style” joint powers authority wherein the Member Agencies can select the projects that they are interested in pursuing. SCPPA can procure resources on behalf of one or more of its Member Agencies.

SCPPA’s Member Agencies are eleven cities and one irrigation district that provide retail electric service to customers within their respective jurisdictional boundaries. The Member Agencies are the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Anaheim, Azusa, Banning, Cerritos, Colton, Pasadena, Riverside and Vernon are in the CAISO BAA. The Los Angeles Department of Water and Power (LADWP), Burbank, and Glendale are in the LADWP BA. The Imperial Irrigation District, however, operates its own Balancing Authority Area.

SCPPA is governed by a Board of Directors, which consists of a representative 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’ electric utilities are governed by their respective city councils or other locally elected governing bodies.

SCPPA has active working groups focused on resource planning and project development. These groups, with representation from all twelve of the Member Agencies, meets once a month and has reviewed over eleven hundred individual project proposals since 2007.

III. Areas of Interest

SCPPA Members seek ESS to support Members’ procurement of renewable resources in meeting their Renewable Portfolio Standards (RPS) and procurement targets regarding Assembly Bill (AB) 2514. This RFP seeks proposals for stand-alone ESS in areas relevant to SCPPA Members’ territory (CAISO BAA and at specific locations within the LADWP BA system).

SCPPA requires that, during the term of any agreement, the Seller shall assume the risk of maintaining and bringing the ESS into compliance, should there be a change in law that renders the ESS noncompliant with RPS, AB 2514, and other requirements of law. Since this is one of the critical elements in regard to resource planning for SCPPA, please describe how this risk would be assumed and addressed by Seller.

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IV. 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 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), number of years in business, physical address, e-mail address, telephone, and names and titles of individuals authorized to represent the Respondent.
- 3. Resource Adequacy Category:** Clearly identify the proposal if ESS qualifies as one or more of a combination of the following eligible resource adequacy products:
 - a. System Capacity Requirements
 - b. Local Capacity Requirements
 - c. Flex Capacity Requirements

4. Energy Storage Systems (ESS):

SCPPA Member Agencies have a strong interest in the rapidly developing energy storage market. All types of energy storage technologies are open for consideration to be added into SCPPA member resource portfolios if they are determined to be cost effective. Members have a target of at least 147 MW of energy storage by 2021 based upon AB 2514. Many Members, however, are looking to go beyond the targets specified in AB 2514.

- 5. Project Details:** Clearly identify the proposed project, including the following information:
 - a. CAISO BAA Project or LADWP BA Project:** Respondent shall identify whether the response relates to CAISO BAA Project or to LADWP BA Project.
 - b. Project Description:** Project name and location, and phases of development if applicable.
 - c. Contract Quantity:** In MWh or kW and by project phase if applicable, including nameplate rating and proposed amount of capacity. Please provide all MWh or kW increment options available for the project.
 - d. Pricing:** Please provide all pricing structure options available. Prepayment options will not be considered. Tax benefits/grants, whether current or future, must be shared with SCPPA members. Pricing should include all resource adequacy capacity the ESS provides. Appendix A provides additional pricing instructions for proposals related to LADWP BA and surrounding areas.

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- e. **Charging Energy and Dispatch:** Respondent shall assume that charging energy shall be supplied by SCPPA members, and title to the energy shall remain with the supplying SCPPA members. Respondent shall assume the SCPPA members shall provide dispatch instruction for stored energy. Respondent shall be responsible for acquiring and paying for all energy needed for station service, O&M load, and parasitic load (e.g., HVAC).
 - i) **Price (variable):** Expressed in nominal dollars (as of the year of COD) in \$/MWh or \$/kW-Month, and itemized by cost components if applicable; the Energy Price when the resource is called upon (to charge or discharge) will start on the Commercial Operation Date (COD) and may include fixed price annual escalation rates or index plus fixed price component.
 - ii) **Energy Storage System Price (fixed):** Expressed in nominal dollar value (as of the year of COD) in \$/MWh or \$/kW-Month, with no escalation; the Energy Price when the resource is called upon (to charge or discharge).
- f. **Delivery Term:** Minimum term is 1 year with no maximum. Varying terms are seeking both short-term and long-term delivery of ESS. Please provide all delivery term options available, including seasonal and/or intra-day delivery profile options.
- g. **Resource Availability:** Maximum and minimum capacity factors anticipated, resource availability profile, dispatchability (by unit or phase if applicable), and scheduling requirements/limitations, if any; any rights for SCPPA to perform full or partial dispatch, and economic curtailment
- h. **Buyer's Step in Right:** Buyer must be allowed to assume or cure any default by Respondent in the site control documents.
- i. **Point of Delivery (POD):** Cost of transmission to a delivery point shall be included in the Cost of Energy and Capacity to the CAISO Grid (with preference for the LA Basin or Big Creek/Ventura Local Capacity Area) and LADWP BA. Other delivery points may be identified by Respondents on the condition that any and all associated costs of transmission, ancillary services, and scheduling are included up to the Point of Delivery. Project POD transmitting through the CAISO must include a \$/MWh price adder for delivery through the CAISO that is fixed for the duration of the contract term. The proposed \$/MWh price adder should be viewed as an export through CAISO, not a pseudo-tie, and include all transmission and generation related fees imposed by CAISO.

Note: Project evaluations will include the full cost of delivery to the customers of SCPPA Members within Southern California. The point of delivery to the CAISO must confirm that the project qualifies for Resource Adequacy and/or Local Capacity Requirement capacity benefits.
- j. **Point of Delivery (POD) and Interconnection:** The point of delivery must be identified. Interconnection and its costs are the responsibility of Respondent and will be addressed outside this RFP as these issues are fact specific.
- k. **ESS Liabilities:** Vendor will be responsible for environmental liability, hazardous materials and removal.
- l. **Environmental Attributes:** Ensure that SCPPA shall receive any and all ESS attributes associated with the storage facility and its output, including any currently recognized ESS attributes or any that may be defined in the future 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 storage facility or otherwise credited).

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- m. **Combustion:** For any proposals that involve combustion technologies, provide details on the forecasted emissions, emissions controls, and compliance with applicable emissions regulations and California Environmental Quality Act (CEQA)
- n. **Capacity Rights/Shared Facilities:** Ensure that SCPPA shall receive any and all capacity rights associated with the ESS project and/or its output.
 - i) Identify any project capacity to be provided/committed to parties other than SCPPA.
 - 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 continuation of the described project capacity.
- o. **Project Plan to Commercial Operation Date:** Identify the proposed commercial operation date with a satisfactory major milestone schedule that includes, but not limited to the following:
 - i) Proposed schedule for all proposed phases of development, if applicable, which includes 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 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 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 water supply requirements and provisions for supply.
 - vi) 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 SCPPA, 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.
 - vii) Note that any Test Energy delivered before the COD shall be curtailable at any time by SCPPA without compensation.
 - viii) Note that the project shall be pre-certified as renewable-compliant by the California Energy Commission no later than 6 months after COD.
 - ix) Note that the project shall be WREGIS-certified no later than 3 months before COD.
- p. **Financing and Tax Equity Investor:** Describe how the project will be financed such as by parent company, backflip leverage, or some sort of Yieldco Structure.

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- q. **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.
- r. **Applicable to Stand-Alone Energy Storage Systems in LADWP's Balancing Authority only:** Please provide as much information as possible in the ESS Specifications for Projects Within LADWP's Balancing Authority in Appendix A (posted as a separate document). **Only Proposals submitting Appendix A will be evaluated based on Evaluation Criteria for LADWP Reliability Project Only in Appendix B (posted as a separate document). All other proposals will be evaluated under a different criteria.**

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. Provide information on your firm's licenses, bonding capacity, and safety record.
- g. Identify existing projects in commercial operation that Respondent has developed and/or operates.
- h. Provide a list of references for similar projects completed, including a contact person, phone number and address.
- i. State whether Respondent will use subcontractors to perform services pursuant to the contract and provide a list of any known subcontractors. 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.
- j. Describe the project technology and technical resource data, including any studies or reports regarding the resource.

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V. Proposal Delivery Requirements

One electronic copy of your proposal must be e-mailed to EnergyStorageSystemsRFP@scppa.org or delivered on CD or USB flash drive to the address below by no later than 4:00 p.m. PST on December 30, 2020:

Southern California Public Power Authority
Attention: 2020 Energy Storage System RFP
1160 Nicole Court
Glendora, California 91740

For general questions, please call the SCPPA offices at (626) 793-9364.

Clarification questions regarding this RFP must be in writing, addressed to the following email address: EnergyStorageSytemsRFP@scppa.org.

Since this is a "Rolling RFP," proposals may be submitted at any time during the calendar year 2020 after the issue date. SCPPA reserves the right to review 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 before the deadline for delivery of proposals.

No contact may 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 RFP is subject to the California Public Records Act and may be subject to the California Brown Act and all submissions may be subject to review in the event of an audit.

VI. Terms and Conditions

1. If selected, SCPPA 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. SCPPA reserves the right to cancel this RFP at any time, reject any and all proposals and to waive irregularities, if any.
3. SCPPA 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 SCPPA's sole discretion.
5. SCPPA 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

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

6. SCPPA 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. 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 any award to that Respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its Members.
8. SCPPA 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 SCPPA, 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. 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. SCPPA 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. SCPPA 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. SCPPA Members, either collectively or individually may contact Respondents to discuss or enter into negotiations regarding a proposal. SCPPA is not responsible or liable for individual Members interactions with the Respondent which are not entirely conducted through SCPPA or at SCPPA'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 SCPPA.
16. Information in this RFP is accurate to the best of SCPPA'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 SCPPA.

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17. SCPPA 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. SCPPA 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 SCPPA and/or its Members deem appropriate or desirable, whether or not such terms or conditions are specifically set forth in this RFP.

SCPPA reserves the right to propose that other publicly owned utilities that are not SCPPA Member Agencies be included in certain contracts.

Additional Requirements for Proposal

1. **Consideration of Responses:** Submitted proposals should be prepared simply and economically, without the inclusion of unnecessary promotional materials. Proposals submitted in hardcopy form 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 possible. (Applicable when LADWP is a potential project participant)
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 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.
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. (Applicable when LADWP is a potential project participant)
4. **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 Section 1725.5 of 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>

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5. **Child Support Policy:** If selected, Respondent may be required to comply with the 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. (Applicable when LADWP is a potential project participant)
6. **Supplier Diversity:** Respondents may be required to take reasonable steps to ensure that all available business enterprises, including Small Business Enterprises (SBEs), Disadvantaged Business Enterprises (DBEs), Women-Owned Business Enterprises (WBEs), Minority-Owned Business Enterprises (MBEs), Disabled Veteran Business Enterprises (DVBES), Lesbian, Gay, bisexual, or Transgender Business Enterprise (LGBTBE) and other Business Enterprises (OBEs), have an equal opportunity to compete for and participate in the work being requested by this RFP. Efforts to obtain participation of these business enterprises may reasonably be expected to produce a twenty-five percent (25%) participation goal for SBEs and three percent (3%) for DVBES. For the purpose of this RFP, 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 Supply Chain Services Division of the Los Angeles Department of Water and Power. (Applicable when LADWP is a potential project participant)
7. **Equal Benefits Ordinance:** If selected, the Respondent may be required to comply with the City of Los Angeles requirements of the Equal Benefits Ordinance ("EBO"), codified at Los Angeles Administrative Code ("LAAC") §10.8.2.1, which requires the Respondent who provide benefits to employees with spouses to provide the same benefits to employees with domestic partners. (Applicable when LADWP is a potential project participant)
8. **Contractor Responsibility Ordinance:** If selected, the Respondent may be required to comply with the City of Los Angeles requirements of the Contractor Responsibility Ordinance ("CRO"), codified at LAAC §10.40 et seq., which requires the Respondent and each of its subcontractors to comply with all federal, state, and local laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees. (Applicable when LADWP is a potential project participant)
9. **Sweat-Free Procurement Ordinance:** If selected, the Respondent may be required to comply with the requirements of the Sweat-Free Procurement Ordinance ("SFPO"), codified at LAAC §10.43 et seq., which requires the Respondent and each of its subcontractors to shun sweatshop practices and adhere to workplace and wage laws. (Applicable when LADWP is a potential project participant)
10. **Iran Contracting Act of 2010:** If selected, the Respondent may be required to comply with California Public Contract Code Sections 2200-2208, wherein all bidders submitting proposals for, entering into, or renewing contracts with Buyer for goods and services estimated at one million dollars (\$1,000,000) or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit".
11. **Los Angeles Municipal Lobbying Ordinance:** If selected, the Respondent may be required to comply with the requirements and prohibitions established in the Los Angeles Municipal Lobby Ordinance if the Respondent qualifies as a lobbying entity under Los Angeles Municipal Code Section 48.02. (Applicable when LADWP is a potential project participant)
12. **SCPPA-Furnished Property:** SCPPA 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 SCPPA or the applicable Member(s).

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13. **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 SCPPA and no further agreement will be necessary for the transfer of ownership to SCPPA. SCPPA 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.