



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Request for Proposals for Windy Flats Technical Due Diligence Services

Issuance Date: 3/9/2015

Response Deadline: 3/23/2015

I. Introduction

The Southern California Public Power Authority (SCPPA), on behalf of its Member Utilities, is hereby soliciting competitive proposals for Windy Flats Technical Due Diligence Services, as described below in Section III.

SCPPA is interested in discovering all Respondent's capabilities related to specified Areas of Interest and associated pricing to enable informed decisions and potentially proceed to more specific negotiations on contract development with one or more qualified Respondents to this Request for Proposals (RFP).

Responses to this RFP are due on or before 3/23/2015, as described below in Sections III and V.

II. Background

SCPPA is a joint powers authority and a public entity organized under the California Joint Exercise of Power Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and through the SCPPA Joint Powers Agreement, for the purposes of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation or transmission of electric energy. SCPPA also facilitates joint service contracts, at the request of its members, to aggregate like project efforts among its Members for the purposes of developing energy efficiency, demand response and resource procurement Programs or Projects to improve operating efficiencies and reduce costs.

Membership of SCPPA consists 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. 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.

Any service contract subsequently entered into by SCPPA pursuant to this RFP would be utilized directly by the interested Members to serve their respective utility customers' needs. The service and work products would be ordered and approved directly by SCPPA and/or the applicable Members and the billing would be administered through SCPPA.

III. Areas of Interest

The Los Angeles Department of Water and Power (LADWP) is in the preliminary stages of evaluating an Early Buyout Option (EBO) of the Windy Flats wind farm (Windy Flats). Located near Goldendale, Washington, Windy Flats is a 262.2 MW facility consisting of 114 turbines. LADWP is soliciting bids for conducting the technical due diligence of the facility, which is part of the EBO evaluation process. The Scope of Work is as follows.

Scope of Work

1. Energy Production Assessment

A long-term production analysis shall be performed based on detailed historical turbine availability and performance data. The analysis shall include, but not limited to:

- a. Historic energy production in conjunction with:
 - i. wind-speeds and distribution compared to predicted and long-term mean wind-speed forecasted for the site;
 - ii. system availability, utilizing run-time availability (RTA) measures
 - iii. plant operational performance; and
 - iv. curtailment.
- b. The contractor shall provide a long-term operational energy forecast based on the factors listed above and correlated to verifiable regional sources of long-term data. Such sources of information could include, but are not limited to:
 - i. Production data from existing turbines that have been operational for longer periods (i.e. from neighboring wind farms within a 10-mile radius).
 - ii. Wind data from long-term reference stations operated by third parties such as the network of ASOS meteorological stations maintained by the National Weather Service
 - iii. Virtual reference points, such as publically available Renalysis like MERRA and ERA. For complex sites, the contractor shall incorporate additional high-resolution meteorological data to refine the accuracy of the predicted long-term mean wind speed.
 - iv. Long-term gross energy production shall be extrapolated from the reference station utilizing the relationship derived in iii.
 - v. Appropriate loss factors shall be applied based on the asset performance during the operational period and the expected changes over the life of the wind farm to derive the long-term energy production estimate (P50) for the project.
 - vi. An uncertainty in net annual energy long-term production shall be predicted and probability exceedance levels shall be provided (P50, P75, P90, P95, P99).

2. Balance of Plant Review

Balance of Plant (BoP) Review shall be conducted in order to identify any issues that may affect the O&M costs associated with the plant. BoP items include, but are not limited to: site conditions and topography, roads, foundations, collector system, transformers, transmission lines, electrical system, substations and associated equipment, PI system, and SCADA system.

3. Operational Contract Review

The contractor shall review existing agreements pertaining to the asset operations to identify scope, term, and pricing provisions in order to support other tasks include in the Scope of

Work, particularly the Project Budgets and Financial Pro Forma review detailed in Section 8.

The following agreements are included in the scope of review:

- a. Turbine Operation and Maintenance (O&M) Agreement;
- b. Balance of Plant O&M / Project Management Agreement;
- c. Project Administration Agreement;
- d. Power Purchase Agreement (PPA); and
- e. Interconnection Agreement (IA)
- f. Any plant maintenance contract(s)
- g. Any spare parts procurement contracts(s)

The contractor shall also advise SCPPA on alternative forms of O&M arrangements that may be more cost effective and beneficial.

4. **Monthly Operating Report Review and Interviews with Site Operator**

The contractor shall review monthly operating reports (prepared by the site operator) from start of operation as issued by the turbine manufacturer and operator/owner, to identify issues that may affect the long-term performance of the wind farm. The contractor shall opine on material issues raised in the reports that relate to energy yield, foundations, electrical, environmental, and turbine structural integrity. The contractor shall also review annual reports, root cause analysis reports, and other relevant documentation that may be available.

If warranted from review of the monthly operating reports, the contractor shall interview the site operator to discuss the performance of the project, ongoing issues known to staff, management strategy, control operations, safety plans, and procurement. SCPPA at its own discretion may send representative(s) to any meeting(s) held between the contractor and site operator.

5. **Operations and Maintenance; Site Visit and Inspection**

A site visit and visual inspection shall be conducted. During the site inspection, the contractor shall observe the operating condition of the wind farm to understand how the equipment has been operated and maintained and to obtain more detailed information about any historical operational or maintenance issues that will help inform future availability and/or maintenance cost projections. Such inspections may entail any or all of the following:

- Interview of site staff regarding performance of wind farm and issues known to staff;
- Inspection of the O&M facilities, including tools, equipment and spare parts inventories, management and staffing, safety program, operation and maintenance plans, and the overall condition;
- Review of service records for the balance of plant (infrastructure) and turbine related maintenance and repairs;
- View up-tower of turbines;
- View of electrical balance of plant (collection system, substation, transmission line) for the condition of the electrical balance of plant;
- View of turbine foundations;
- View of wind measurement equipment
- Safety records

The contractor shall interview the site operator to discuss the performance of the project, ongoing issues known to staff, management strategy, control operations, safety plans, and

spare parts procurement. Further, the contractor shall discuss material issues raised in the monthly operating reports, annual reports, root cause analysis reports, or other relevant documentation that may be available from start of operations as issued by the turbine manufacturer and operator/owner that may affect the long-term performance of the project.

The results of the monthly operating reports review, the site visits, and interviews with site operators will directly influence all of the other reviews and assessments that comprise the Scope of Work.

6. **Turbine Condition and Operational Assessment**

Based on findings from above and the most recent information available through the public domain and site records (i.e. monthly operating reports, end of warranty records, and inspection records, etc) the contractor shall provide an assessment of the operating condition of the turbines. Such information will also be used by the contractor to establish its assumptions for the anticipated replacement frequency for the major components for the wind farm and in the evaluation of the operations and maintenance (O&M) expense projections described in Section 8 herein. Assessment of the turbine technology shall include a review of:

- Operational experience
- Turbine efficiency
- Turbine site suitability
- Availability
- All issues affecting plant performance and downtime, including major repairs and retrofits
- Major mechanical or other component issues
- Warranty work
- Defects and any serial defects and remedy
- Contracts in place to address any identified issues
- Expected equipment lifetime remaining

The information made available by the SCPPA and the owner/operator will drive the scope and quality of the assessment. Should any quality issues exist within the monthly operating reports, the contractor shall identify such issues and provide a recommendation to further due diligence either through interviews with site managers and/or visits to the project site.

7. **Transmission and Interconnection Assessment**

a. **Contractual Arrangement and Historical Curtailment Review**

The contractor shall review interconnection studies and curtailment episodes and losses, PPA contractual curtailment reimbursement provisions, transmission service agreements, and respective market details.

The contractor shall qualitatively analyze these risks considering forecasted transmission expansion and upgrades, regional generator development, and associated system changes. A comprehensive curtailment risk assessment based on simulation of future markets shall be provided, as described below.

b. **Detailed Curtailment Analysis**

The contractor shall perform a detailed curtailment analysis including a review of historical curtailment and simulation modeling of future market conditions for the a period of time in

the future chosen by SCPPA. The study shall assess expected curtailment volumes, number of hours of curtailment, nodal price impacts at the project injection bus, and other key information.

These simulations shall include assumptions for future wind and transmission expansion that capture longer term congestion impacts following planned implementation of regional transmission. Study deliverables shall include annual energy curtailments, analysis of specific transmission constraints impacting the assets, and an overall assessment of curtailment risk under merchant operations.

8. **Project Budgets and Financial Proforma Review**

The contractor shall perform a high level review of the financial model(s) provided by SCPPA to verify reasonableness of operating revenue and O&M expense projections for the life of the asset, including operating budget assumptions with respect to revenue and operating costs. Such review shall include an estimate of the cost of refurbishments and/or replacements of major components (as identified in Sections 4 to 6). The financial model shall also be evaluated to verify that it conforms to the material project agreements, including energy off-take and/or hedge agreements, turbine service agreements and project management, operating and administration agreements.

The contractor shall also advise SCPPA with respect to appropriate model stress cases that can be performed to address asset risks that have been identified in the due-diligence review.

9. **Environmental Permit Compliance and Conditions Review**

Based on documentation supplied by SCPPA and the owner/operator, the contractor shall:

- Review operational phase monitoring reports, such as bird and bat mortality reports, noise impact reports, and analyze the wind farm's issues if any, and their impacts on project operations (such as curtailment);
- Review the complaints registry, if available, or complaints that the project would have received since in operation;
- Review publicly available information on the project related to local community acceptance;
- Comment on potential for issues for the remainder of the operations phase;
- Comment on the evolution of environmental permitting compliance requirements and whether the project carries any risk associated with such evolution; and
- Verify the presence of FAA permits.

10. **Data Gathering, Reporting, Communication, and Meetings**

Telephone conference calls shall be held between the contractor and SCPPA to discuss any matters which arise from the review and to expedite the delivery of any outstanding information required for the analysis. The contractor shall provide support to SCPPA in all areas of the deliverables from issuance of initial drafts through the closing of the financing documents. The contractor shall provide personnel for meetings as necessary for the finalization of the transaction.

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11. Financial Analysis

The contractor shall provide a Fair Market Value (FMV) estimate based on the data collected and analysis performed. On an as needed basis, the contractor shall advise SCPPA and/or SCPPA's financial consultant(s) during the preparation of the detailed FMV report and official appraisal. The contractor shall provide an hourly fee schedule for such consultation sessions.

Timeline / Schedule*

SCPPA RFP for Windy Flats Technical Due Diligence Services Selection Process	
Schedule of Requirements	Target Date(s)
Issue RFP	3/9/2015
Responses Due	3/23/2015
Review of Responses	3/23/2015 through 3/27/2015
Interviews (if necessary)	3/25/2015 through 3/27/2015
Selection of Respondent(s)	3/30/2015

*Timeline/Schedule is subject to change.

IV. Proposal Submission Required Elements

1. Transmittal Letter Content:

- a. A brief statement of the Respondent's understanding of the work to be done and commitment to perform the work as scheduled, including:
 - i) statement of work specifications; and
 - ii) reference to any proposed contractual terms and conditions required by the Respondent; and
 - iii) a summary of exceptions taken to the RFP requirements; and
 - iv) any and all expectations from SCPPA including, but not limited to: requirements definitions, strategy refinement, and staffing requirements to support the proposed project or program implementation.
- b. 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. **Respondent Information:** Provide legal name of Company or Individual, physical street address, the name(s) and title(s) of the individual(s) authorized to represent the Respondent, including telephone number(s) and email address(es).

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3. **Proposal:** Proposals must include a description of the proposed project or program, how it meets (or does not meet) each of the objectives of this RFP, and a detailed description addressing all of the Areas of Interest. Respondents may also include additional services, products, tasks, task elements and/or functions that may not be part of or included in the RFP, but are deemed by the Respondent to be pertinent and potentially valuable to SCPPA or its Members. SCPPA will have full discretionary authority to consider, accept and/or reject without cause such supplemental information that is not directly requested, included in or made part of the RFP.
4. **Fees:** Pricing in all Proposals should be made based on good faith estimates of the requirements defined in this RFP. Please include all necessary details of specific examples or estimates of the fees, labor rates and service charges. Describe how the fees, rates or charges will be determined. Respondents shall also be prepared to provide a breakdown of the applicable overheads and fringe benefit costs that are part of any labor rates and other direct costs associated with the services to be performed.
5. **Experience:** Respondent shall clearly identify project participants and management team, including:
 - a. Describe your firm's experience as may be applicable to this RFP, your organizational structure, management qualifications, and other contract related qualifications, including number of years firm has been in business.
 - b. Specify key employees and describe their qualifications, experience and duties related to this RFP, including the office location(s) where work will be performed, in addition to the physical street address referenced above.
 - c. 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 personnel are not available to assure project delivery.
 - d. State whether Respondent will use subcontractors to perform services pursuant to the contract. Should the use of subcontractors be offered, the 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. The provisions of any contract resulting from this RFP shall apply to all subcontractors in the same manner as to the Respondent.
 - e. Respondent shall indicate any and all pending litigation that could affect the viability of Respondent's proposal, continuance of existing contracts, operation or financial stability.
6. **References:**
 - a. Describe whether the Respondent has, within the last five (5) years, rendered any service to SCPPA or to any of SCPPA's Members, either as a contractor or subcontractor, either under the current Respondent's name or any other name or organization. If so, please provide details (status as prime or subcontractor, brief description of the contract, contract start and end date, the contract administrator name, and total actual contract expenditures).

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- b. If the Respondent has not rendered any service within the last five (5) years to SCPPA or to any of SCPPA's Members, then please provide references over that period with the details described above including the counterparty for which services were provided.
- c. Identify existing related or relevant projects or programs which Respondent developed and/or operates that would demonstrate Respondent's capabilities in this area.
- d. Describe relevant program development and implementation experience, approach, and provide a list of references for similar projects completed.

V. Proposal Submission Delivery Requirements

There will not be an initial Respondent's conference associated with this RFP. Clarification questions may be addressed to william.zhang@ladwp.com.

One (1) hard copy of your response, including a transmittal letter of authentic offer with wet-ink authority signature, and any supporting documentation should be delivered no later than 4:00 pm PST on 3/27/2015 to:

Southern California Public Power Authority
Windy Flats Technical Due Diligence Services
Attention: Kelly Nguyen
1160 Nicole Court
Glendora, California 91740

One (1) electronic copy of your proposal should also be delivered to the address above, preferably on a CD or USB flash drive, or alternatively e-mailed to knгуen@scppa.org and william.zhang@ladwp.com no later than the time and date referenced above.

No contact should be made with the Board of Directors, committees or working group representatives, or SCPPA Members concerning this RFP.

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. SCPPA reserves the right to cancel this RFP at any time, reject any and all proposals and to waive irregularities.
- 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 sub-divided 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, for example, not responsive to the RFP, do not meet the minimum requirements set forth in the RFP,

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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.

5. SCPPA reserves the right to submit follow up questions or inquiries to request clarification of information submitted and to request additional information from any one or more of the Respondents.
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, or to make any award to that Respondent, who, in the opinion of SCPPA, will provide the most value to SCPPA and its Members.
7. 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.
8. SCPPA reserves the right to make an award, at its sole discretion, irrespective of price or technical ability, if SCPPA determines that to do so would result in the greatest value to SCPPA and its Members.
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.
13. Prior to contract award, the successful Respondent shall 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.

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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.
17. SCPPA reserves the right to reject any Proposal for any reason without cause. SCPPA reserves the right to enter into relationships with more than one Respondent, can choose not to proceed with any Respondent with respect to one or more categories of services, and can choose to suspend this RFP or to issue a new RFP that would supersede and replace this RFP.

VII. 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 possible.
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
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, the Respondent will be required to conform to prevailing wage rates applicable to the location(s) where any work is being performed. Workers 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>

6. **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.
7. **Supplier Diversity:** Respondents shall 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), 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. 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.
8. **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).
9. **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.