



## 2023 Open Season Request for Offers March 20, 2023 Procedural Overview & Instructions

MCE, a California joint powers authority, seeks qualified suppliers of various energy generation and energy storage products to participate in MCE's 2023 Open Season procurement process ("Open Season"). The purpose of MCE's Open Season is to fulfill MCE's future resource requirements for renewable energy, Resource Adequacy ("RA") and CPUC Mid-Term Reliability (MTR) mandates.

As further detailed in Section II, MCE is seeking offers for Portfolio Content Category 1 ("PCC1") renewable energy (including renewable energy paired with energy storage) and stand-alone energy storage. Additionally, MCE is seeking offers for Firm Block Carbon Free Energy and Resource Adequacy (RA).

Offers pursuant to this Request for Offer ("RFO") must be received by MCE prior to the Offer Window Closure on 12:00 PM Pacific Prevailing Time, Friday, April 14, 2023, as further described in Section VI.

### I. About MCE

MCE is a public, not-for-profit agency that has been setting the standard for clean energy in California since 2010. MCE offers 60-100% renewable power at stable rates, significantly reducing greenhouse emissions and reinvesting millions in local programs. Serving a 1,200 MW peak load, MCE provides electricity service and innovative programs to more than 580,000 customer accounts and 1.5 million residents and businesses in 37 communities across four Bay Area counties: Contra Costa County, Marin County, Napa County, and Solano County.

### II. Introduction

As part of its ongoing effort to deliver environmentally responsible, competitively priced retail electric service options, MCE has established an Open Season to provide a competitive, objectively administered opportunity for qualified suppliers of various

energy products to fulfill certain portions of MCE's future energy resource requirements. MCE's 2023 Open Season includes a request for the following products:

- i. PCC1-eligible Renewable Energy, Green Attributes/Renewable Energy Credits and Capacity Attributes (RA). Note: Resources utilizing a PV fuel source must be paired with integrated energy storage to be considered.
- ii. Stand-Alone Energy Storage. Note: Both four-hour and long-duration (eight-hours or more) will be considered, as well as any technology type.
- iii. Firm Block of Carbon Free Energy. This block of energy can come from a single resource or a portfolio of resources. MCE prefers energy from HE17 through HE8 but will consider a 24/7 product. MCE will NOT consider offers that only deliver energy from HE9 through HE16 (Note: Please use the separate "Firm Block Energy" Offer Form for this product).
- iv. Resource Adequacy (RA).

General instructions for participating in Open Season are further described below; product-specific requirements are outlined in Appendix A.

By participating in the Open Season process, the respondent acknowledge that they have read, understand, and agree to the terms and conditions set forth in the Procedural Overview & Instructions. MCE reserves the right to reject any offer that does not comply with the requirements identified herein. Furthermore, MCE may, in its sole discretion and without notice, modify, suspend, or terminate the 2023 Open Season without further liability to any organization or individual. The 2023 Open Season does not constitute an offer to buy or create an obligation for MCE to enter into an agreement with any party, and MCE shall not be bound by the terms of any offer until MCE has entered into a fully executed agreement.

### III. Required Content of Offers

Offers must include all of the following components with sufficient detail for MCE to evaluate the offer (using the criteria in Section V):

In addition, MCE will only consider complete offers that conform to the product-specific requirements outlined in Appendix A.

To be deemed a complete, conforming offer, each offer shall:

- i. Be submitted electronically (uploaded using the " Proposal Submission" link located on the website: <http://mcecleanenergy.org/energy-procurement/> within the Offer Window and no later than Offer Window Closure on 11:59 A.M. Pacific Prevailing Time as further detailed in in Section VI;

- ii. Include a completed 2023 Standard Open Season Offer Form or Firm Block Energy Offer Form, which are available on MCE's website via the following link: <http://mcecleanenergy.org/energy-procurement/>. The Offer Forms have been prepared for certain requested products, and respondents should carefully review the Offer Forms and associated instructions to ensure the submittal of a conforming offer.
- iii. Indicate acceptance of MCE's Term Sheet(s) in the Instructions & Acknowledgments section of the Offer Form and include a completed Term Sheet(s) as an attachment to the offer. If modification of any provision of the Term Sheet is a requirement of an offer, or a condition of pricing, such modification must be identified in the respective section of the Term Sheet. MCE will favor offers with minimal proposed edits to the Term Sheet. Please include clear and sufficient detail explaining the nature of the proposed edits. Redlined comments that simply state "discuss" or "to be discussed" or similarly non-specific edits that lack supporting detail may be rejected as insufficiently complete to be evaluated, and if evaluated, such comments will not be considered part of the submitted offer. Final selection(s) will be contingent upon the execution of a Term Sheet by MCE and the respondent.
- iv. A complete Offer Package must include the following Attachments:
  - Completed Standard Offer Form and/or
  - Completed Firm Block Energy Offer Form
  - Appendix A – Interconnection Study or Interconnection Agreement
  - Appendix B – Completed Term Sheet(s)
- v. The following items will be requested once an offer has been shortlisted:
  - Permitting, Use and Zoning Information
  - Project Development Timeline (if applicable)
  - Site Plan
  - Single Line Diagram
  - Project Financing Plan
  - Financial Statements
  - Organizational Chart
  - Pollinator Scorecard (Most recent Pollinator Scorecards are available on MCE's website via the following link: <http://mcecleanenergy.org/energy-procurement/>)

MCE encourages 2023 Open Season Respondents to emphasize quality as opposed to quantity when considering the submittal of multiple responses. No more than three permutations per project will be considered; multiple pricing offers (e.g., different COD-dependent prices for the same project) will not be considered independent projects for the sake of this limitation. Respondents may submit more than one project.

#### IV. Optional Elements

In addition to the required contents outlined in Section III above, there are several project characteristics that are of particular interest to MCE. While these elements are not required, MCE has a preference for projects that include the following:

- i. Projects that do not share capacity on a single point of interconnection (POI).
- ii. Projects with a POI capacity that is equal to or greater than the combined nameplate capacity of the project's generation and storage components.
- iii. Participation of contractors, subcontractors or businesses that are owned by Disabled Veterans.
- iv. Participation of contractors, subcontractors or businesses that are located in or employ workers living in a Disadvantaged Community (DAC Zone) as identified by California Environmental Protection Agency's ("CalEPA") CalEnviroScreen Tool.
- v. A plan that includes the participation of local residents in the construction of the project, as well as the ongoing operations and maintenance of the facility after completion. The plan should include permanent residents who live within the jurisdictional county and/or those who reside within a 50-mile radius of the installation.
- vi. Projects that commit to sourcing a high percentage of materials and components from suppliers located within the jurisdictional county or within a 50-mile radius of the installation.
- vii. Projects that commit to including components and materials manufactured and/or assembled in the United States.
- viii. Projects that make a commitment to recycle system components and construction material at the end of their useful life.
- ix. Projects that provide benefits to the local community including financial contributions, volunteer hours and in-kind contributions. Examples include, but are not limited to:
  - Support of educational programs:
    - Classroom equipment.
    - Scholarships to college-bound students.
    - Support of climate and energy education.
  - Support of Environmental Justice Initiatives:
    - Installation of solar panels and energy efficiency upgrades for low-income households or non-profit institutions.
    - Partnering with environmental justice nonprofits to address air pollution and other environmental burdens.

- Support of Workforce Development Initiatives:
  - Partnering with nonprofits that provide classroom or on-the-job training to local residents.
  - Offer apprenticeships or summer internships for local youth.
- Other:
  - Open space preservation.
  - Habitat restoration.
  - Food programs.

If an offer is shortlisted, bidders will be given the opportunity to provide a detailed description of each proposed element and include a specific commitment for each item. As a condition precedent to commencement of the delivery term under the Power Purchase Agreement (PPA), Seller must certify that it complied with the commitments and is able to demonstrate, upon request, compliance with these commitments.

## V. Evaluation Criteria

Each offer will be evaluated based upon the same set of criteria, a partial list of which is included below. This list may be revised at MCE's sole discretion and includes:

- i. Overall quality of response, including completeness, timeliness, and conformity;
- ii. Price and relative value within MCE's supply portfolio;
- iii. Acceptance of terms and conditions as set forth in MCE's standard term sheet;
- iv. Project development status, including but not limited to progress toward interconnection, deliverability, siting, zoning, permitting, and financing requirements;
- v. Qualifications, experience, financial stability, and structure of the prospective project team (including its ownership);
- vi. Project location and unique characteristics;
- vii. Development milestone schedule, if applicable;
- viii. Environmental impacts and related mitigation requirements;
- ix. Optional Elements as detailed in Section IV.

## VI. Key Deadlines and Submission Requirements

MCE's 2023 Open Season will be administered based on the following schedule (all times in Pacific Prevailing Time):

Issue RFO	3/20/2023
Vendor Q&A Window	3/20/2023 – 4/7/2023
Offer Window	3/20/2023 – 4/14/2023
Offer Window Closure	4/14/2023, 11:59 P.M
Short-list Notifications	No later than 5/12/2023 (Target)
Finalize Contract(s)	No later than 10/12/2023 (Target)

- i. Offer Window. MCE will launch Open Season 2023 on March 20, 2023. Complete Offer Packages must be submitted within the Offer Window indicated above and will be evaluated and shortlisted on a rolling basis. Given the rolling nature of this RFO, MCE encourages Respondents to submit offers as early as possible within the Offer Window.
- ii. Vendor Q&A Window. Any questions related to the content of this RFO must be submitted to the RFO Manager at [rfo@mcecleanenergy.org](mailto:rfo@mcecleanenergy.org) during the “Vendor Q&A window”. Please see Section X, below, for additional information on the 2023 Open Season Vendor Q&A window.
- iii. Deadline for Responses. On a weekly basis, MCE will reply to questions and will post responses to questions posed by more than one party on the MCE Procurement page.
- iv. Offer Window Closure. To be eligible for consideration, offers must be uploaded via the “Proposal Submission” link on MCE’s website no later than the Offer Window Closure.

Figure 1 below is a screenshot of the link to upload responses. **In the “Name” field please enter the Counterparty Name (NOT your personal name).** In the “Email Address” field, please enter your counterparty email address. In the “Company (optional)” field, please re-enter the Counterparty Name/Organization name used for the “Name” field. At any time prior to the Offer Window Closure, Respondent can upload documents as long as the same name and email address are used. MCE, however, will only evaluate complete, conforming offers per the requirements in Section III above.

**Figure 1**

Send files to MCE

MCE RFO has invited you to send files

Name

Email Address

Company (optional)

- v. Supplier Interviews/Q&A. As necessary, MCE may submit clarifying questions to certain Respondents or conduct interviews, based on information provided in the Offer Form. MCE shall retain the right, in its sole discretion, to request information without notifying other Respondents. MCE shall establish due dates for any request(s) for additional information, which shall be communicated to the Respondent(s).
- vi. Short List Notifications. Following MCE's review of offers and clarifying materials, as well as any interview(s) that may be conducted during this process, MCE will notify selected Respondents on a rolling basis of its intent to pursue contract negotiations. Those Respondents not selected during this process will be notified accordingly.
- vii. Contract Approval and Execution. MCE aims to negotiate and execute contracts for Offers on a rolling basis by October 12, 2023 (target). Please note that full execution of a contract is likely to occur after this date and is subject to MCE Board approval.

## VII. Supplier Diversity and Labor Practices

Consistent with the California Public Utilities Code and California Public Utilities Commission policy objectives, MCE collects information regarding supplier diversity and labor practices from project developers and their subcontractors regarding past, current and/or planned efforts and policies. Pursuant to Senate Bill 255, Respondents that execute a PPA with MCE will be required to complete a Supplier Diversity questionnaire.

MCE does not give preferential treatment based on race, sex, color, ethnicity, or national origin; providing such information to MCE will not influence the selection process.

## VIII. General Terms and Conditions

### MCE's Reserved Rights

MCE may, at its sole discretion, and without notice, modify, suspend, or terminate this RFO at any time, and/or reject any or all Offers submitted without awarding a contract. MCE also reserves the right to negotiate any price or provision as well as accept or reject any or all parts of each Offer, whatever is deemed to be in the best interest of MCE.

Respondents are solely responsible for any costs or expenses incurred in connection with the preparation and submittal of an offer. MCE shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFO.

All data and information furnished by MCE or referred to in this RFO are furnished for the Respondent's convenience. MCE does not guarantee that such data and information is

accurate and assumes no responsibility whatsoever as to the accuracy of such data or its interpretation.

During the evaluation process MCE may request from any respondent additional information which MCE deems necessary to determine the respondent's ability to perform the required services. If such information is requested, the respondent shall provide such information within a commercially reasonable amount of time.

### **Public Records**

All documents submitted in response to this RFO will become the property of MCE upon submittal and will be subject to the provisions of the California Public Records Act and any other applicable disclosure laws. Upon submission, all offers shall be treated as confidential until the selection process is completed. Once a contract is awarded, all offers shall be deemed public record. MCE is required to comply with the California Public Records Act as it relates to the treatment of any information marked "confidential." Respondents requesting that portions of its offer(s) be exempt from disclosure must clearly identify those portions with the word "Confidential" printed on the lower right-hand corner of the page. Each page shall be clearly marked and separable from the offer in order to facilitate public inspection of the non-confidential portion of the proposal. MCE will consider a respondent's request for an exemption from disclosure; however, if MCE receives a request for documents under the California Public Records Act, MCE will make a decision based upon applicable laws. Respondents should not over-designate material as confidential, and any requests or assertions by a respondent that the entire submittal, or significant portions thereof, are exempt from disclosure will not be honored.

### **IX. Shortlist Deposit and Exclusive Negotiating Agreement**

Selected respondent(s) will be notified of MCE's interest in further discussions and will be offered an Exclusive Negotiating Agreement for placement on the Open Season shortlist. Respondents interested in being placed on the shortlist and negotiating a PPA shall sign and return an Exclusive Negotiating Agreement within seven (7) business days of such notification, and provide the required Shortlist Deposit of \$3.00/kW multiplied by, as applicable, the Guaranteed Capacity, the Storage Capacity, or the sum of the Guaranteed Capacity and the Storage Capacity for renewable energy resources that are paired with energy storage resources as set forth in the respondent's offer.

## X. Questions

To promote accuracy and consistency of information provided to all participants, questions will only be accepted via email to MCE's RFO Manager at [rfo@mcecleanenergy.org](mailto:rfo@mcecleanenergy.org) with the subject line of such emails reading "MCE 2023 Open Season Question." Please note, the deadline for submitting questions is indicated in Section VI above.

MCE will use reasonable efforts to respond to submitted questions within a week of receipt. MCE will post the questions and responses to the solicitation page of MCE's website.

MCE reserves the right to combine similar questions, rephrase questions, or decline to answer questions, at its sole discretion. All questions must be submitted through the above process. No questions will be answered over the telephone or in person. Respondents may not have any contact regarding this procurement with any MCE official or staff from the time of issuance of this solicitation until the award of contract, other than through the process for submitting questions. Any contact in violation of these provisions will be grounds for disqualification.

Thank you for your interest

## Appendix A

### Product Specifications: PCC1 Renewable Energy, Energy Storage, Firm Block and RA

- I. **Acceptable Contract Structure:**
  - i. MCE's Standard Power Purchase Agreement
  - ii. EEI or WSPP master/confirm for RA and Firm Block Hourly Energy transactions.
- II. **Resource Location:** Facility must be physically interconnected to, or capable of delivering product to a California balancing authority; MCE's preference is for resources physically located within the state of California with added preference for those projects located in MCE's service area.
- III. **Products:**
  - IV. PCC1-eligible Renewable Energy, Green Attributes/Renewable Energy Credits and Capacity Attributes (RA). Note: Resources utilizing a PV fuel source must be paired with integrated energy storage to be considered. MCE's preference is for contracts ten years or longer.
  - V. Stand-Alone Energy Storage. Note: Both four-hour and long-duration (Eight-hours or longer) will be considered, as well as any technology type. MCE's preference is for contracts ten years or longer.
  - VI. Firm Block of Carbon Free Energy. This block of energy can come from a single resource or a portfolio of resources. MCE prefers deliveries between HE17 through HE8 but will consider a 24/7 deliveries. MCE will NOT consider offers that only deliver energy from HE9 through HE16 (Note: Please use the separate "Firm Block Energy" Offer Form for this product).
  - VII. Resource Adequacy (RA).
- VIII. **Resource Eligibility:** All renewable deliveries shall meet PCC1-eligibility criteria, as applicable under California's Renewable Portfolio Standard ("RPS") Program. All generating resources shall be registered with the Western Renewable Energy Generation Information System (WREGIS) and all related renewable energy certificate transfers shall be arranged via WREGIS. Respondents proposing out-of-state PCC1 deliveries that require eTag/REC matching shall accordingly arrange for such functionality in WREGIS and shall electronically match such eTags/RECs within WREGIS before transferring any certificates to MCE.
- IX. **Specifications for Firm block hourly carbon free energy:**
  - i. Can come from a single resource or a portfolio of resources.
  - ii. Volumes do not need to be the same across all hours and can vary by month or season.

## Appendix A

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- iii. Energy to be scheduled by seller via CAISO Day-Ahead IST and delivered to either NP15 or SP15 Trading Hub.
  - iv. Delivered energy must be firm. Price should be fixed and flat with no escalators.
  - v. Credit: Any credit terms unique to the offer must be specified in advance.
- X. **Initial Date of Delivery:** Respondents are encouraged to offer multiple pricing bids per facility (maximum 3 per project), based on guaranteed commercial operation dates that range from January 1, 2024 through June 1, 2028; please see the "Term, Price and Offer Type" section of the "Project Information" tab in both the Standard and Firm Block Energy Offer Forms.
- XI. **Proposed Pricing:** Respondents should provide a single, flat price for each MWh of electric energy to be delivered by the proposed generating resource(s) for energy products or kW/month for RA. This energy price shall remain constant throughout the entire delivery term and shall not be adjusted by periodic escalators or time of delivery factors. This energy price shall include procurement of the energy commodity, all Green Attributes/Renewable Energy Credits related thereto, Capacity Attributes (if available), transmission charges to the delivery point, including but not limited to CAISO imbalance costs, fees and penalties as well as scheduling fees associated with delivered energy volumes. For storage offers, capacity pricing is acceptable. Alternative pricing options may be proposed so long as the aforementioned single flat pricing requirement has been satisfied.
- XII. **Point of Delivery:** Respondent shall be financially and operationally responsible for delivery of all electric energy to the generator's applicable pricing node.
- XIII. **Minimum Development Progress:** To the extent that a proposed generation or storage resource is not yet commercially operational, documentation substantiating achievement of the following development milestones must be provided by the respondent once the offer has been shortlisted:
- i. Documentation demonstrating full site control via ownership, lease or an option to lease upon PPA execution. Any site lease shall reflect a term length no less than the delivery term of the PPA.
  - ii. Documentation substantiating that the proposed generating resource has (a) passed all Fast-Track screens, (b) passed Supplemental Review, (c) completed a System Impact Study in the Independent Study process (d) completed a Phase 1 Study in the Cluster Study Process with the interconnecting utility or (e) a signed Generator Interconnection Agreement.

## Appendix A

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- XIV. **Local Hire:** If a proposed Project is to be located within MCE's Service area, Seller will ensure that fifty percent (50%) of the construction workhours from its workforce (including contractors and subcontractors) at the project site during the Construction Phase (e.g., the period from Full Notice to Proceed (NTP) through receipt of a Permission To Operate (PTO) letter from the interconnecting utility) are obtained from permanent residents who live within the same county in which the Eligible Resource will be located (the "Local Hire Requirement"). Seller's construction of the Eligible Resource is also subject to any local hire requirements specific to the city or town where the proposed generating resource is located. As a condition precedent to commencement of the delivery term under the PPA, Seller must certify that it met the Local Hire Requirement and be able to demonstrate, upon request, compliance with this requirement via a certified payroll system and such other documentation reasonably requested by Buyer, including an audit. Failure to comply with this requirement may, in MCE's sole discretion, result in termination of the PPA.
- XV. **Prevailing Wage Requirements.** Seller shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, including, without limitation employment discrimination laws and prevailing wage laws. PPAs for new resources shall require Seller to enter into a project labor agreement for construction of the proposed Project.
- XVI. **Responsible Procurement:** MCE will not accept any offers for generating and/or storage facilities that rely on equipment or resources built with forced labor. Consistent with the business advisory jointly issued by the U.S. Departments of State, Treasury, Commerce and Homeland Security on July 1, 2020, equipment or resources sourced from the Xinjiang region of China are presumed to involve forced labor. Under each PPA, Seller must certify that it will not utilize such equipment or resources in connection with the construction, operation, or maintenance of the applicable generating and/or storage facility.
- XVII. **Pollinator Friendly Solar + Storage Resources:** MCE requires all PV + Storage sites to disclose the types of vegetation that will be planted on the site. Upon notice from MCE that an offer has been shortlisted, respondents will be required to complete a pollinator scorecard. The most recent Pollinator Scorecards are available on MCE's website via the following link: <http://mcecleanenergy.org/energy-procurement/>

## Appendix A

### Product Specifications: PCC1 Renewable Energy, Energy Storage, Firm Block and RA

- XVIII. **Energy Storage:** Storage can be offered as a stand-alone project, or a proposed generating resource may include storage in compliance with the current version of the CEC RPS Eligibility guidebook where the storage resource is paired with the generating resource.
- i. Regarding projects that pair renewable energy with storage projects, MCE has the following preferences:
    - i. Standard Duration: A minimum daily dispatch capacity of four (4) hours
    - ii. Long Duration: A minimum daily dispatch capacity of eight (8) hours
    - iii. A minimum of 365 cycles per year
    - iv. Minimum uptime availability of 98% (measured monthly)
    - v. Minimum round-trip efficiency of 88%
    - vi. Buyer's option for hybrid or co-located resource
    - vii. Buyer to serve as the Scheduling Coordinator and to maintain all dispatch rights for a Storage Product offer. Seller to act as Scheduling Coordinator in a RA only offer.
    - viii. Bids to include a "\$/MWh" energy price for renewable energy delivered and a "\$/kW-mo." capacity price for the storage capacity provided.
  - ii. Regarding stand-alone storage, MCE has the following preferences:
    - i. Nameplate capacity of 5 MW to 100 MW
    - ii. Standard Duration: A minimum daily dispatch capacity of four (4) hours
    - iii. Long Duration: A minimum daily dispatch capacity of eight (8) hours
    - iv. MCE is open to various contract structures (e.g., full dispatch rights, RA-only, etc.)
- XIX. **Scheduling:** MCE prefers to maintain Scheduling Coordinator responsibility and dispatch rights (except for Firm Block Energy and projects delivering from out-of-state).