

California Choice Energy Authority
Request for Proposals
for Comprehensive Operational Support Services

Solicitation No: 2023-01

Issue Date: February 14, 2023

Response Deadline: March 13, 2023

California Choice Energy Authority
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Contents

Contents.....	2
I. Overview	3
II. Anticipated Schedule and Submission	4
III. Term	4
IV. Proposal Content	4
V. Proposal Evaluation	5
VI. Scope of Work.....	5
A. Energy Portfolio Management.....	5
B. Electricity Rate Setting	6
C. Energy Modeling, Forecasting, and Planning.....	7
D. Regulatory Compliance	7
E. Financial Planning and Modeling	8
F. Management Reporting.....	8

I. Overview

California Choice Energy Authority (CalChoice) is requesting proposals for CCA operational support services, including comprehensive electric power supply management to serve its community choice aggregation (CCA) member cities¹. Specifically, it is seeking services from a qualified firm or firms for:

- 1) Energy Portfolio Management
- 2) Electricity Rate Setting
- 3) Energy Modeling, Forecasting, and Planning
- 4) Regulatory Compliance
- 5) Financial Planning and Modeling
- 6) Management Reporting

These services will be considered both in a comprehensive “turn-key” proposal by one respondent or in multiple proposals for one or more respondents for each service area described below. The successful respondent will become a key part of the CalChoice team in providing excellent services to its members. Organizational fit will play a role in selecting the successful respondent.

CalChoice is a joint powers authority that provides operational support services to its eight member cities (each city operates its own CCA program) and is seeking CCA operational support services for all its members. This request for proposals (RFP) is designed to be broad and flexible in how each service can be implemented, expecting the respondent(s) to provide expertise and the necessary steps to deliver each service successfully.

The below table provides general CalChoice member information.

	Total Customers	Peak Demand (MW)	Annual Load (MWh)
Apple Valley	25,645	100	270,000
Lancaster	52,313	230	655,000
Palmdale	43,769	170	525,000
Pico Rivera	17,069	65	235,000
Pomona	41,701	140	450,000
Rancho Mirage	15,330	90	300,000
San Jacinto	14,769	65	180,000
Santa Barbara	40,226	70	370,000
TOTAL:	250,822	930	2,985,000

¹ City of Lancaster, City of Palmdale, City of Pico Rivera, City of Pomona, City of Rancho Mirage, City of San Jacinto, City of Santa Barbara, and Town of Apple Valley

II. Anticipated Schedule and Submission

The RFP process will be conducted according to the schedule below.

RFP Issued	February 14, 2023
Deadline for Questions to be Submitted	February 24, 2023
Responses to Questions Posted	March 3, 2023
Proposals Due	March 13, 2023
Interviews of Finalist(s)	March 20, 2023 – March 24, 2023
Final Selection	March 28, 2023
Contract Award Approval	April 11, 2023
Transition Period (if needed)	April – June 2023
Services Commence	July 1, 2023

Submit an electronic copy of the proposal by 5 p.m. on March 13, 2023 to Cathy DeFalco, CalChoice General Manager, at Cathy@CalChoice.org.

III. Term

Requested services are to be provided beginning approximately July 1, 2023, for five years. CalChoice reserves the right to extend one or more agreements resulting from this RFP at its discretion for an additional two (2) two-year terms.

IV. Proposal Content

If awarded, the Successful Respondent’s proposal will be incorporated into a final agreement with CalChoice. All proposals shall contain, at a minimum, the following:

- A. Cover letter
- B. Table of contents
- C. Respondent’s capabilities and experience, including examples of work
- D. Scope of work – must be detailed and include proposed deliverables and methodology
- E. Schedule, including transition if required
- F. Cost Proposal
- G. Project team biographies
- H. Company overview
- I. References – minimum of three references with contact details
- J. Statement of approval regarding the use of CalChoice’s professional services agreement (Exhibit B) or any proposed mark ups to the agreement
- K. Disclosure of conflict of interests/current litigation, current or past, that may be relevant
- L. Any additional information that would help in the evaluation of the proposal

V. Proposal Evaluation

A review committee will evaluate each proposal received based on selection criteria and may request interviews with selected finalists. The committee will make a recommendation for the selection of one or more respondents to the Executive Director for selection. The Executive Director will present the recommended agreement(s) to the CalChoice Board for approval, tentatively scheduled for April 11, 2023.

Each of the service areas will be evaluated separately. CalChoice reserves the right to award contracts to one or more respondents. Proposals will be evaluated based on the following criteria:

1. Experience, expertise, and qualifications of the respondent as it relates to the scope of services (40 points)
2. Value and fit to CalChoice's operational support needs and requirements (45 points)
3. Cost (15 points)

After evaluating the proposals and any subsequent interviews, CalChoice reserves the right to further negotiate the proposed scope of work, method, and amount of compensation.

VI. Scope of Work

The services requested by CalChoice under this RFP are described below. Respondents may propose one or more of the services and should address each component of that service. Additionally, respondents may propose to provide all service categories described below as one comprehensive or "turn-key" operational support service proposal. For all requested services, it should be assumed that reporting and communication of various outcomes of each service area to CalChoice and its members will be required through a combination of reports, briefings, and representation at the staff level and governing body public meetings. Additionally, it should be assumed that each service area will require coordination with and direction from CalChoice management as well as coordination and consultation with other CalChoice members, staff, and consultants. Respondent shall identify a single point of contact for each service category.

A. Energy Portfolio Management

Respondents shall propose a power resources portfolio management service offering that identifies and manages the energy needs of each CalChoice member CCA. The proposal shall include:

1. Maintenance of load data and modeling procurement needs (i.e., net open position) based on each CCA's load requirements and supply under contract.
2. Maintenance of load and resources balance models for use in determining net open positions and incremental procurement needs.
3. Analysis of California Public Utilities Commission (CPUC) decisions related to procurement (including RA, Long-Term Renewable, and any new requirements that may be assigned) to determine procurement needs of CalChoice member CCAs.
4. Development of procurement strategies to achieve cost-effectiveness and efficiencies among the CalChoice Members, including joint procurement opportunities with other CCAs.

5. Tracking and reporting of progress to meet CPUC procurement requirements.
6. Creation and management of wholesale power, renewable energy, and capacity solicitations/procurement:
 - a. Developing and issuing/managing requests for offers (RFOs) or responsive bids to others' RFOs.
 - b. Determining and recommending a strategy for bidding and solicitation timing, needs, and content.
 - c. Reviewing bid responses, creating a short list, negotiating price and other key commercial terms with selected bidders, managing administration of contract execution.
 - d. Work with CalChoice staff in the development of tracking processes of solicitation requirements, including payment of related exclusivity, performance, and development bonds.
7. Identify bilateral (including through energy brokers) power procurement opportunities for the CalChoice CCAs' power supply needs and compliance obligations.
8. Lead all power supply contracting negotiations and coordinate with CalChoice, other contractors, and legal counsel as needed.
9. Review and provide validation of invoices from schedule coordinators and suppliers to ensure consistency with contract terms; resolve any discrepancies.
10. Power supply contract management that includes power settlements and invoice validations, as well as administering all Power Purchase Agreements.
11. Administration of CalChoice's Energy Risk Management Policy (Exhibit A):
 - a. Monitoring risk management metrics and overall performance; and
 - b. Regular risk management reporting.
12. On an as-requested basis, analyze development projects, demand response programs, and other proposed programs or projects for impact on CalChoice members' financial projections, load, and procurement requirements.
13. Assist with the development of strategies to reduce capacity requirements through innovative programs and projects.

If respondents are currently or plan on selling power supply products to CalChoice in the future, please propose how any conflicts of interest would be addressed as well as how transparency can be achieved to ensure the CalChoice CCAs' best interests are maintained.

B. Rate Setting

Respondents shall propose a rate setting process that describes how they will develop, implement, and adjust annual rates for each CalChoice member. This should include, but is not limited to:

1. Revenue requirement modeling and rate setting by member, customer class, rate schedule, vintage, etc.
2. Rate comparison to the incumbent investor-owned utility (IOU) and IOU rate monitoring.
3. Consideration of previous rates paid by customers, governing board directives, and the overall preferences of each member city (political commitments, economic demographics, etc.).
4. Support for various programs, including Net Energy Metering, Feed-in Tariffs, etc.

5. Monitoring actual revenue vs. projections to track the performance of current generation rates and recommendations for rate changes to ensure revenue sufficiency.
6. Cash flow projection and tracking preparation by member CCA.

C. Energy Modeling, Forecasting, and Planning

Respondents shall provide forward-looking energy modeling, forecasting, and planning for the overall portfolio. This should include the following:

1. Develop and maintain annual, monthly, daily, and hourly sales forecasts (MWh) and monthly peak demand forecasts (MW) for each CalChoice CCA.
2. Develop and maintain a dynamic energy model for long-term and medium-term sales forecasts, pricing trends, forward curves, operational needs, and investments.
3. Develop and maintain long-term forward energy curves for all energy products.
4. Integrate market insight in long-term planning, such as integrated resource planning and renewable portfolio standard (RPS) planning, encompassing both supply and demand-side resources.
5. Ad hoc participation and support for CCA local program development and design.

D. Regulatory Compliance

Respondents shall provide a proposal for CCA regulatory compliance services. This includes, but is not limited to:

1. Regulatory compliance tracking, reporting, and filing related to power supply, forecasting, portfolio planning, and scheduling.
2. Participation in regulatory meetings to learn about compliance obligations and/or provide comments on regulatory changes being considered.
3. Specific compliance activities include, but are not limited to:
 - a. RPS filings (procurement plans and compliance filings).
 - b. Administering and maintaining Western Renewable Energy Generation Information System (WREGIS) accounts and various subaccounts, including report preparation, certificate transfer review and retirement.
 - c. Resource Adequacy portfolio management, including year-ahead and month-ahead compliance demonstration and load forecast filings.
 - d. Integrated Resource Plan (IRP) compliance filings and all reporting related to the CPUC's incremental capacity mandates.
 - e. California Power Source Disclosure Program and Power Content Label development.
 - f. California Energy Commission reporting and engagement, including the Integrated Energy Policy Report, Quarterly Fuels and Energy Report.
 - g. U.S. Energy Information Agency monthly and annual EIA-861 reports.
 - h. Joint Rate Comparison and Joint Rate Mailer preparation in coordination with the incumbent IOU.
 - i. Other compliance activities as required.
4. Coordination with CalChoice's scheduling coordinator on any California Independent System Operator compliance filing requirements.
5. Develop responses for all ad hoc regulatory agency and CalCCA data requests.

E. Financial Planning and Modeling

Respondents shall provide a proposal for providing financial planning and modeling services for the CalChoice CCAs. This includes, but is not limited to:

1. Active financial pro forma management for each CalChoice member for use in budgeting, cash flow planning, financial performance monitoring, scenario analyses, sales forecasts, power supply contracting, and financial planning support/advice.
2. Develop and maintain a valuation model to evaluate new development renewable and storage projects as well as various structured energy transactions.

F. Management Reporting

Respondents shall provide a proposal for providing management reporting for the CalChoice CCAs, which includes monthly and ad hoc operations and performance reports and meetings. CalChoice expects that the selected service provider will proactively provide all the necessary information for each CCA and its elected officials to make informed decisions and effectively manage the objectives and goals of their CCA program.