California Choice Energy Authority & Clean Energy Alliance
2024 Request for Proposals ("RFP") for Long-Term RPS-Eligible
Renewable Energy & Mid-Term Reliability Capacity

Responses to Questions Received by February 1, 2024

1) Question: Who will bear the cost of the generation tie (Gen Tie) associated with a proposed project? Will this be the interconnecting utility, respondent or CalChoice/CEA? Is this negotiable?
Answer: Any/all development costs, including interconnection costs, will be the responsibility of the respondent/project developer; such costs should be identified within the interconnection agreement associated with your proposed project or ancillary communications related thereto. CalChoice will not assume responsibility for project interconnection costs except as may be reflected in the PPA prices for energy and/or capacity; this is not negotiable.
2) Question: Can a proposed project exceed the maximum delivery specifications noted in the RFP Overview document?
Answer: No. All proposed projects must meet or exceed the minimum delivery specifications noted in the RFP Overview; similarly, all proposed projects must not exceed the maximum delivery specifications noted in the RFP Overview. If a respondent would like to offer a smaller or larger project, which falls outside the aforementioned specifications, it may do this as an option, so long as the primary proposal reflects a conforming project option/configuration.
3) Question: How will CalChoice and CEA approach contracting? Will there be more than one Term Sheet and PPA?
Answer: As noted in the RFP Overview, CalChoice and CEA intend to negotiate a single term sheet and PPA form with each short-listed respondent/project. These documents will be used as the basis for individual contracts with each participating organization – for example, if all CalChoice members and CEA participate as off-takers in a particular project, there could be up to nine (9) unique PPAs. This noted, the only details that are expected to change amongst the PPAs would be: 1) buyer names and contact information; 2) contracted energy and/or capacity quantities; and 3) seller/buyer security amounts, which are expected to be related to the contracted energy and/or capacity totals reflected in each unique contract. The balance of the negotiated PPA form (for each project) will be identical across the participating organizations. Again, a single term sheet will be negotiated with each short-listed respondent and will serve as the basis for developing each PPA document.
4) Question: When will CalChoice and CEA share the form term sheet and PPA?
Answer: After all proposals are received on February 21st, the SoCal CCAs will complete a preliminary evaluation of such responses and will circulate draft term sheets to certain of the respondents (i.e., those in consideration for short listing) thereafter – this process is intended to expedite contract development in the event a project is short-listed. Following short-list notification, selected respondents will be provided with a copy of the SoCal CCA's form PPA, which shall serve as the starting point for contract development/negotiation.

5) Question: At what point will a short-listed respondent be required to post the bid deposit noted in the RFP Overview?
   Answer: To accept a position on the SoCal CCA's shortlist, a respondent will be required to post the noted bid deposit of $5,000/MW (of proposed capacity) within seven (7) business days of short-list notification along with any requested changes to the draft term sheet. If good faith efforts do not result in the development of a mutually agreeable term sheet, the SoCal CCAs will promptly return the bid deposit to the respondent. Should the SoCal CCAs and the respondent develop a mutually agreeable term sheet, this will be referenced in a limited-term exclusivity agreement (along with the previously posted bid deposit) to provide for exclusive contract negotiations over an initial term of ninety (90) days; this term could then be extended, if necessary, to allow additional time to complete related contract negotiations. The bid deposit will be returned to the respondent upon successful negotiation and execution of a PPA (or such amount could be retained to offset portions of the anticipated development and/or performance security to be posted by seller).
6) Question: Are the SoCal CCA entities agreeable to signing a confidentiality agreement to protect the pricing information?
   Answer: All proposed pricing will remain confidential through the duration of the solicitation process (from proposal receipt through the final execution date of any contract originating from the process) but may be subject to public disclosure thereafter consistent with the California Public Records Act. As noted in the RFP Overview document, "In order to designate information as confidential, the respondents must clearly stamp and identify the specific portion of the material designated with the word "Confidential" and provide a citation to the California Public Records Act that supports keeping the information confidential. Respondents should not over-designate material as confidential. Over-designation would include stamping entire pages or series of pages as confidential that clearly contain information that is not confidential."
7) Question: For projects that consist of co-located renewable generating capacity and storage, should the pricing for energy and renewable attributes be incorporated in a single $/MWh price? Can storage capacity be priced separately (on a $/kW-month basis)?
   Answer: For co-located renewable energy and storage projects, please price energy (inclusive of renewable attributes) separate from any proposed storage capacity. There are separate areas of the bid form that can be used for this purpose.
8) Question: Would the SoCal CCAs consider multiple relatively small projects that, when submitted in aggregate, exceed the minimum cap of 10 MW AC? For example, could a respondent submit two 5 MW AC Solar + Storage projects to satisfy the minimum 10 MW capacity requirement?
   Answer: No. The minimum project size of the proposed/primary project being offered through this process is 10 MW.
9) Question: Are the SoCal CCAs requiring all RPS projects to represent FCDS and RA? Will Energy Only resources be considered?
   Answer: The SoCal CCAs will consider Energy-Only RPS-eligible projects.

10) Question: If FCDS is not available contemporaneous with a proposed project's COD, would the SoCal CCAs still consider moving forward if FCDS could be achieved at a later date.
    Answer: Yes. Any project in this situation should clearly describe the anticipated timelines associated with FCDS achievement and related impacts, if any, to proposed pricing or other project details.
11) Question: For the CalChoice members, which entity will be identified as the counterparty in a PPA originating from this process? For example, would this be the city, a division of the city or another entity?
    Answer: For any PPA originating from this process that is executed by a CalChoice member, the buyer will be the City or Town (in the case of Apple Valley), with the exception of Pico Rivera (PRIME); San Jacinto (SJP), and; Rancho Mirage (RMEA). For any PPA originating from this process that is executed on behalf of one or more of these three CalChoice members, the buyer will be California Choice Energy Authority.
12) Question: For the CalChoice members, what liability does the participating member city/town assume in upholding its obligations under a PPA?
    Answer: For CalChoice members, the financial liabilities of each participating member will be contractually limited to amounts on deposit in the lockbox unless alternative credit arrangements have been mutually agreed upon. There will be no further liability assumed by the CalChoice member municipalities beyond those terms explicitly identified in a PPA.
13) Question: Do CCA customers have the ability to opt-out and what happens to the respective CCA obligations if they lose critical customer mass?
    Answer: Yes, per California law, CCA customers may opt out of their respective programs. This noted, most customer opt-outs occur during the initial customer enrollment period, and the customer bases of each CalChoice member are very stable. Clean Energy Alliance is a growing CCA with additional customer enrollments expected in 2024. As the default service provider within their municipal boundaries, CCAs retain critical mass despite the ability of individual customers to opt out.
14) Question: Will prospective PPAs allow for different credit support/collateral requirements with the CalChoice member municipalities or CEA?
    Answer: Yes. As noted in the RFP Overview document, "additional credit requirements or alternatives to the preferred lockbox structure must be fully described in the respondent's offer. Respondent's failure to acknowledge acceptance of the lockbox structure or disclose its alternative credit requirements will be grounds for proposal rejection." This noted, the lockbox security structure is CalChoice and CEA's strong preference.
15) Question: Regarding the lockbox, we have questions about existing reserve levels and how such have changed over time. Do the suppliers receive payment even if the CCA customers have not paid the distribution utility(ies)?
    Answer: Suppliers are paid from funds in the lockbox. CCA rates are designed to cover the costs of all power supply obligations as well as an allowance for uncollectible customer accounts. The SoCal CCAs will be happy to elaborate on these details during discussions with short-listed suppliers.