

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 20

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Interim General Manager
Gordon Samuel, Assistant General Manager & Director of Power Services

SUBJECT: Request for Offers Update (2020 Local RFO and RCEA/VCE Joint RFO for Incremental Resource Adequacy)

DATE: June 11, 2020

OVERVIEW

This informational staff report provides an update on two recent power resource solicitations that VCE has issued. The Local Renewable Request for Offer (“RFO”) issued on April 20, 2020 and the joint RFO with Redwood Coast Energy Authority (RCEA) for Incremental Resource Adequacy (RA) issued on April 28, 2020. In May, both solicitations closed and staff is in the process of assessing the proposals.

BACKGROUND

Local RFO

Staff received approval from the Board in April to issue the Local Renewable RFO with project screening based on the project requirements and evaluation criteria listed in the April staff report. The Local RFO is consistent with general Board direction and VCE’s Vision statement to pursue procurement of cost effective local renewable energy. This solicitation is also identified in VCE’s 2019 Renewable Portfolio Standard (RPS), Procurement Plan submitted to the California Public Utilities Commission. The 2019 RPS Plan states:

“VCE plans to establish an open solicitation for local renewables in the first quarter of 2020 in order to supply up to 25% of its targeted 2030 renewable goal of 80%.”

Proposals needed to be RPS-eligible generation or generation + storage projects in the 2-25 MWac range with a commercial operation date (COD) no later than December 31, 2023 with contract terms of ten to twenty years.

Summary of Responses

The Local RFO deadline for submitting proposals was May 26, 2020. Prior to that VCE requested bidders submit a Notice of Intent to bid which resulted in fourteen entities expressing interest. At the time of the due date, twelve entities elected to submit proposals.

- Number of bidders: 12

- Number of unique proposals: 31
- Technology types: PV, PV + Storage (BESS), Geothermal, Hybrid (combination of wind, PV and BESS)
- Locations (county): Yolo, Lake, Colusa, Solano

Incremental RA RFO

VCE partnered with a similar sized CCA in RCEA as both entities are in need of satisfying a California Public Utility Commission’s (CPUC) obligation. Via this joint solicitation, RCEA and VCE sought proposals for incremental RA to fulfill their procurement obligations pursuant to the CPUC November 2019 Decision Requiring Electric System Reliability Procurement for 2021-2023 (D.19-11-016). Respondents provided proposals for eligible new or existing RA resources per the RFO guidelines and the requirements of D.19-11-016.

RCEA and VCE seek to procure up to 20 MW of incremental RA through this solicitation, with at least 11.7 MW online by August 1, 2021 and the remainder online by August 1, 2022. RCEA and VCE are not interested in capacity that becomes available after August 1, 2022. For reference, the compliance obligations for both CCAs are shown in the table below.

Procurement year (online by August 1)	2021	2022	2023
Percent of obligation required by year	50%	75%	100%
RCEA cumulative obligation (MW)	5.4	8.0	10.7
VCE cumulative obligation (MW)	6.3	9.4	12.6

Summary of Responses

Incremental RA RFO bids were received from six entities on May 15, 2020. Bids consisted of both behind-the-meter and in-front of the meter solutions

- Number of bidders: 6
- Number of unique proposals: 14

Technology types: Demand response, rooftop PV +BESS, Stand-alone BESS

TIMELINES

The table below outlines the schedule that VCE is following for each RFO:

Item	Local RFO	Incremental RA RFO
RFO issuance and Q&A open	April 20, 2020	April 28, 2020
Deadline to submit Q&A questions. Submit questions to: Procurement2020@ValleyCleanEnergy.org	May 15, 2020	May 5, 2020
Deadline to submit Notice of Intent to Bid	May 20, 2020	N/A
Deadline to submit RFO Proposals at 5:00pm PT	May 26, 2020	May 15, 2020
Bidders notified of shortlist status	July 13, 2020	Week May 25 th

Complete Power Purchase Agreement (PPA) negotiations	Sept 30, 2020	Late May – Mid July
Award contracts / Approvals*	Q4 2020	June 25 (RCEA) and July 9 (VCE)

*Award and approval date for the joint RFO is subject to change.

CONCLUSION / NEXT STEPS

Staff will continue to evaluate the Local RFO responses both quantitatively and qualitatively and arrive at a short-list in mid-July. The Incremental RA RFO shortlisted four entities and has conducted the first round of interviews to address additional questions and provide further information on their offers. From this list it is anticipated that one to two agreements will be negotiated and brought to the Board for approval in the July / August timeframe. At that time staff will also give an update on the status of shortlisting for the Local RFO.