



2020 Local Renewable Request for Offers

Launch: April 20, 2020

Close: May 26, 2020

RFO Overview

1. Introduction

Valley Clean Energy (VCE), a California joint powers authority, is soliciting renewable projects that are cost-effective, provide local benefits, located in environmentally suitable locations, and minimize the impacts on species, habitats, landscapes and agricultural lands. Proposals need 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.

General instructions for participating in VCE's 2020 Local RFO are described in the text of this document ("RFO Overview").

2. Background

a. Description of VCE

Established in 2016, with service beginning in June of 2018, to a territory with a population of over 150,000, VCE is a community choice aggregation (CCA) public agency that focuses on providing electricity customers with cost competitive renewable energy and local reinvestment. VCE determines the source and cost of the energy and PG&E continues to manage the transmission and distribution of the energy. VCE is a public, not-for-profit joint powers authority, serving customers in the cities of Woodland, Davis and unincorporated Yolo County. VCE's territory will expand in January 2021 with the addition of the City of Winters.

b. RFO Overview and Goals

The goal of this RFO is to solicit and evaluate offers for renewable energy that will be developed in Yolo County or the adjacent six counties.

This Local RFO is consistent with VCE Board direction and VCE's Vision statement to pursue procurement of cost effective local renewable energy. This solicitation is also aligned with VCE's procurement goals to supply up to 25% of its targeted 2030 renewable goal of 80% with local renewable resources.



c. Sacramento Municipal Utility District

This solicitation is being managed by VCE staff with technical and evaluation support from VCE's energy services provider, Sacramento Municipal Utility District (SMUD). Any resulting power purchase agreements ("PPAs") will be between VCE and any selected Bidders.

3. Submission Details

a. Registration

The solicitation documents and all communications related to this RFO will be posted on SMUD's solicitation portal at www.bids.smud.org ("Portal").

In order to download documents from the Portal, you must be a registered user. Only registered users who download the solicitation documents will be sent courtesy notifications if additional documents are posted related to the RFO (e.g. addenda, questions and answers, etc.).

b. Timeline

Date	Item
April 20, 2020	RFO issuance and Q&A open
May 15, 2020	Deadline to submit Q&A questions. Submit questions to: Procurement2020@ValleyCleanEnergy.org
May 20, 2020	Deadline to submit Notice of Intent to Bid
May 26, 2020	Deadline to submit RFO Proposals at 5:00pm PT
July 13, 2020	Bidders notified of shortlist status
Sept 30, 2020	Complete Power Purchase Agreement (PPA) negotiations
Q4 2020	Award contracts / Approvals

Note: VCE, at its sole discretion, may choose to leave this solicitation open if it determines that a sufficient number of highly qualified proposals to meet its current local procurement goals have not been received by the deadline to submit proposals as shown in the Timeline table above. VCE anticipates that additional local solicitations will be issued in the future to fulfill local procurement goals.



c. Proposal Specifications

All offers must meet the following specifications in order to be considered for selection. Please ensure that proposals conform to the appropriate specifications for the project submitted. Any deviations from the following list will be treated as non-compliant and excluded from consideration.

Location	Within Yolo County, CA or any of the adjacent six counties, with preference given to those projects in Yolo. Deliverability to the CAISO grid.
Products	RPS-eligible generation or RPS-eligible generation+storage. Projects may be existing or new.
Price	Fixed \$/MWh with zero percent (0%) annual escalator. Prices must be offered at the project Pnode. Projects that include storage may add an optional \$/kW-month storage capacity cost with zero percent (0%) annual escalator. Notes: (1) Actual payments to Bidder will be consistent with the terms of the PPA Agreements for each project; (2) all generation+storage proposals must provide disaggregated pricing for both the generation component and storage component.
Term	Minimum of ten (10) years, maximum of twenty (20) years.
Scheduling Coordinator	For generation only projects, Bidder (Seller) shall be the scheduling coordinator (SC). For generation+storage projects, Buyer shall be the scheduling coordinator (SC).
Ownership	All projects will be owned by the Bidder (Seller), with VCE contracting the output of the resource for the Term.
Expected Commercial Operation Date (COD)	On or prior to December 31, 2023.
Installed Capacity (MW)	Nameplate capacity no less than 2 MWac and no greater than 25 MWac (not inclusive of storage capacity).



Operation	<p>Storage components of generation+storage resources will only be charged by the generation resource they are directly connected to (no grid charging).</p> <p>Storage resources are expected to operate at a minimum 200 cycles/year (Bidder can propose additional cycles/yr. offers).</p>
Workforce Development	<p>Prevailing wage requirement: All employees hired by the project developer, and its contractors and subcontractors, that will perform construction work or provide services at the site related to construction of the Facility shall be paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by applicable California law, if any. A project's prevailing wage obligations can be satisfied upon the execution of a project labor agreement related to construction of the Facility.</p>

d. Submission Package

Notice of Intent to Bid

By May 20, 2020, Bidders intending to respond to this RFO must return a completed Notice of Intent to Bid form (NOI), which is located on the Portal, via email to Procurement2020@ValleyCleanEnergy.org. The subject line of the email should read: "VCE Local RFO NOI – [Developer Name]". Once received, VCE will provide Bidders instructions on how to upload their proposals.

Offer Form Template

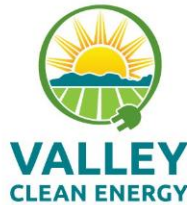
The excel file data template is the primary source of data for evaluating submissions. This Offer Form template is mandatory and must be fully completed for a submission to be considered compliant.

Redlined Energy or Energy + Storage PPA Term Sheet

The RFO materials located on the Portal include the "VCE Energy PPA Term Sheet" and the "VCE Energy + Storage PPA Term Sheet" documents. The applicable document for the Bidder's proposal should be reviewed and redlined.

Non-Disclosure Agreement

All Bidders are required to sign VCE's standard Non-Disclosure Agreement ("NDA"). VCE will not accept changes to the NDA.



4. Evaluation and Selection Criteria

Projects will be evaluated based on a combination of quantitative and qualitative criteria. Quantitative criteria will focus on project performance and economics, while qualitative criteria will focus on factors related to environmental stewardship, development risk, and project site characteristics. Both categories of criteria will play a significant role in project evaluation. In order to be considered for evaluation a proposal must meet the specifications as outlined above in Section 3c.

a. Quantitative Evaluation

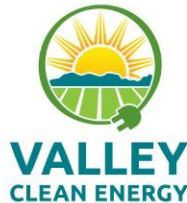
The quantitative analysis will determine the project benefit by comparing project cost to market forward prices. The total project cost is calculated from the expected energy generation profile times offered prices plus the cost of the energy storage system capacity (if offered). VCE will evaluate the potential for congestion between the project's point of interconnection and VCE's Default Load Aggregation Point (DLAP). This analysis will provide an estimate of energy value for each project, which along with the \$/MWh PPA cost and, if relevant, the energy storage \$/kW-month capacity cost submitted in the proposal will be used to calculate an overall value for each project. The economic value of a project is a key consideration but not the only important factor in screening projects.

b. Qualitative Evaluation Criteria

The primary qualitative criteria will include, but not be limited to, the following:

- Project team experience
- Financing plan and financial stability of project owner/developer
- Local/Regional resources location
- Prior land use
- Located in pre-screened energy development areas (avoid RETI Category 1 or Category 2 designated areas)
- Level of completeness of permits
- Grid Interconnection status
- Site control
- Multi-benefit renewable energy (e.g. pollinator-friendly site, re-purposed ag use, research attributes, etc.)

VCE recognizes that some projects may not meet all criteria, but preference will be given to those that satisfy the majority of the criteria.



5. Communication Guidelines

To promote accuracy and consistency of information provided to all participants, questions will only be accepted via email submitted to Procurement2020@ValleyCleanEnergy.org and the subject line of the email should read “**VCE 2020 Local RFO Question.**” Please note, the deadline for submitting questions is indicated in “Timeline” section above.

VCE will attempt to respond to submitted questions within a few days of receipt by VCE. VCE will post the questions and responses to the solicitation page of the Portal.

VCE 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. Bidder’s may not have any contact regarding this procurement with any VCE 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.

6. Exclusivity Agreement

Selected Bidder(s) will be notified of VCE’s interest in further discussions and will be offered an Exclusive Negotiating Agreement for placement on VCE’s 2020 Local RFO shortlist. Bidders interested in being placed on the shortlist and negotiating a power purchase agreement shall execute the Exclusive Negotiating Agreement and submit a Shortlist Deposit of \$3.00/kW for all short-listed project capacity within ten (10) business days of such notification. The pro forma Exclusive Negotiating Agreement is available for review by Bidders and is located on the bid platform.

7. Supplier Diversity and Labor Practices

Consistent with the California Public Utilities Code and California Public Utilities Commission policy objectives, VCE collects information regarding supplier diversity and labor practices from project developers and their subcontractors regarding past, current and/or planned efforts and policies. Bidders will be required to complete a Labor Practices questionnaire as part of its offer package (please see VCE’s Offer Form Template located on the Portal). Additionally, pursuant to Senate Bill 255, Bidders that execute a PPA with VCE will be required to complete a Supplier Diversity questionnaire.

VCE does not give preferential treatment based on race, sex, color, ethnicity, or national origin; providing such information to VCE will not impact the selection process or good standing of executed PPAs.



8. General Terms and Conditions

VCE's Reserved Rights

VCE may, at its sole discretion withdraw or modify this Request for Offer at any time, and/or reject any or all offers or proposals submitted without awarding a contract. VCE also reserves the right to negotiate any price or provisions and accept any part, or all parts of any or all submittals, whichever is in the best interest of VCE.

Bidders are solely responsible for any costs or expenses incurred in connection with the preparation and submittal of an offer or proposal. VCE 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 VCE or referred to in this RFO are furnished for the Bidder's convenience. VCE does not guarantee that such data and information are accurate and assumes no responsibility whatsoever as to its accuracy or interpretation.

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

Public Records

All documents submitted in response to this Request will become the property of VCE upon submittal and will be subject to the provisions of the California Public Records Act and any other applicable disclosure laws. Upon submission, all proposals shall be treated as confidential until the selection process is completed. Once a contract is awarded, all proposals shall be deemed public record. VCE is required to comply with the California Public Records Act as it relates to the treatment of any information marked "confidential." Bidders requesting that portions of its submittal should 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 proposal in order to facilitate public inspection of the non-confidential portion of the proposal. VCE will consider a Bidder's request for an exemption from disclosure; however, if VCE receives a request for documents under the California Public Records Act, VCE will make a decision based upon applicable laws. Bidders should not over-designate material as confidential, and any requests or assertions by a Bidder that the entire submittal, or significant portions thereof, are exempt from disclosure will not be honored.