San Diego Community Power (SDCP)

2023 Request for Offers ("RFO") for Standalone Storage as issued on April 12, 2023

Questions from Prospective Suppliers & SDCP Responses

Note: Similar questions have been consolidated for purposes of efficiency. Questions and responses are not presented in any particular order. Questions submitted after the 5:00 P.M. PDT deadline on April 28, 2023 have not been addressed.

1. **Question**: Is the duration of proposed stand-alone storage limited to 4 hours?

   Answer: No. The minimum duration is 4-hour. Longer duration energy storage options are encouraged.

2. **Question**: Will the Offer Deposit be returned in case the respondent could not reach an agreement with SDCP after negotiation?

   Answer: The terms in SDCP's exclusivity agreement state the following: "The Deposit shall promptly be returned to Respondent in its entirety under one or more of the following conditions: (i) upon the automatic termination of this Agreement at the expiration of either the Negotiation Period or the Extension Period, as applicable; (ii) following execution of the PPA and provision of the required security in accordance with the terms of such PPA, (iii) failure of both SDCP and Respondent to agree on the terms of the PPA, or (iv) SDCP's termination of this Agreement."

   The deposit would be forfeited under the following conditions:
   - "not negotiating diligently and in good faith" or
   - "if (i) it is determined that Respondent made any material misrepresentations in the Offer, (ii) Respondent materially breaches its obligations under this Agreement, (iii) Respondent unilaterally withdraws the Offer or attempts to materially modify the terms of its Offer prior to the expiration of the Negotiation Period or Extension Period, as applicable, or (iv) prior to the expiration of the Negotiation Period or Extension Period, as applicable, Respondent enters into discussions with any third party under which such third party, or any of such third party's affiliates may agree, conditionally or unconditionally, to enter into a PPA for the sale of the capacity associated with the Offer."

3. **Question**: What is meant by Bridge RA product? Is it RA which can be offered before the proposed storage project achieves COD?

   Answer: Bridge RA is RA from other projects in a supplier's portfolio that could be offered to SDCP prior to the proposed project's Guaranteed COD. SDCP would be interested in Bridge RA for two reasons: (1) to gauge the potential availability of replacement product should the guaranteed COD be delayed and (2) to gauge the ability of the product to meet SDCP's MTR compliance obligations.

4. **Question**: Should bridge RA product be from the offered standalone battery? Or it can be from other facility?

   Answer: Bridge RA cannot be from the offered standalone battery. Bridge RA would come from a different facility/project under the control of the supplier.

5. **Question**: Does Efficiency Rate in the Term Sheet mean Round Trip Efficiency of the battery?

   Answer: Yes, "Efficiency Rate" means the tested rate calculated by dividing Discharging Energy by Charging Energy.
   - "Discharging Energy" means all Energy delivered from the Facility to the Delivery Point pursuant to a Discharging Notice during any Settlement Interval or Settlement Period, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for Station Use and Electrical Losses to the Delivery Point.
   - "Charging Energy" means the Energy delivered to the Facility pursuant to a Charging Notice, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for any applicable Electrical Losses and Station Use. All Charging Energy shall be used solely to charge the Facility.

6. **Question**: Could you please explain more the reason why there are Pricing type A and B?

   Answer: SDCP allows prospective suppliers to bid pricing in either or both options (A) If RA Guarantee Amount is set according to Qualifying Capacity designated by CPUC for the applicable month or (B) If RA Guarantee Amount is set according to Qualifying Capacity designated by CPUC at PPA Execution. The difference is related to the risk related to the Qualifying Capacity as that could change over time, so SDCP allowed suppliers to price in each option. Under option (B) Seller bears NQC regulatory risk.

7. **Question**: Will non-conforming bids for projects less than 10 MW's be considered?

   Answer: SDCP has sole discretion to review and consider non-conforming offers. Please also note if there are projects located in San Diego or Imperial counties the minimum size for SDCP's Local Renewable Energy and Energy Storage RFI is (1) MW AC with a minimum storage capacity of four (4) MWh AC.

8. **Question**: Please confirm the location requirements for resource eligibility under this RFO?

   Answer: The point of physical interconnection for any eligible generator must be within the California Independent System Operator ("CAISO") or connected to and delivering into CAISO via firm transmission rights and pseudo-tied/dynamic scheduling. While there is no requirement, besides the above, as to resource location, SDCP has a strong preference for physical interconnection within the area generally termed SP15, as defined by the CAISO. Evaluative

preference will be given to any resource(s) located directly within or within close proximity to SDCP's Member Agencies.

9. **Question:** Can you confirm if SDCP will allow redlines to the pro forma term sheet for its 2023 Standalone Storage RFO? Please confirm if counterparties that do not accept the pro forma term sheet without modification will be considered in this effort

   Answer: SDCP will allow redlines to the pro forma term sheet. Note that redlines may impact the project's economic valuation.

10. **Question**: The RFO Schedule states the response due on May 15th, 2023 17:00PT, while the Note states March 3rd, 2023 17:00PT. Is May 15th the correct bid due date?

    Answer: Yes, May 15th is the correct due date and the RFO announcement document has been updated.