San Diego Community Power
2023 Request for Offers ("RFO") for Standalone Storage

Introduction

San Diego Community Power ("SDCP") is a Community Choice Aggregation program ("CCA") that commenced service in March 2021. Its membership is comprised of the following municipalities: the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, National City and San Diego as well as the County of San Diego (the "Member Agencies"). Through this RFO, SDCP is requesting proposals for long-term standalone storage products with initial deliveries commencing prior to December 31, 2028.

By participating in this RFO, each respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these instructions. SDCP reserves the right to reject any offer that does not comply with the requirements described herein. Furthermore, SDCP may, in its sole discretion and without notice, modify, extend, suspend, or terminate this RFO without further obligation or liability to any respondent. This RFO does not constitute an offer to buy or create an obligation for SDCP to enter into an agreement with any party, and SDCP shall not be bound by the terms of any offer until SDCP has entered into a duly authorized and fully executed contract.

RFO Instructions

Standardized Response Template: All respondents must provide a project narrative and complete the standardized offer workbook template provided by SDCP. SDCP has posted the Excel template on its website (https://www.sdcommunitypower.org/resources/solicitations) and will require respondents to independently access and download the template for response preparation. An unmodified version of the template must be completed in its entirety based on instructions provided in the template. SDCP may update the RFO template from time to time, so respondents are encouraged to periodically visit the SDCP website to determine if any changes have been posted.

Project Eligibility: Each respondent may propose one or more project offers conforming to the following eligibility requirements. Failure to meet all of the following project eligibility criteria may be grounds for proposal rejection:

i. Resource Location: 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. 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.

ii. Product: Offers should include the following products as applicable: 1) Toll only;[1] 2) Resource Adequacy ("RA") attributes only, or 3) Toll and RA attributes[2]. Regarding RA attributes, SDCP views that as acquiring all capacity attributes, including all RA and its

[1] Right of buyer to charge and discharge the facility twenty-four (24) hours per day and seven (7) days per week throughout the delivery term, subject to operating restrictions set forth in the agreement, along with any ancillary services that can produced by the Facility.
[2] Right of buyer to charge and discharge the facility twenty-four (24) hours per day and seven (7) days per week throughout the delivery term, subject to operating restrictions set forth in the agreement, along with all capacity, resource adequacy, and any ancillary services that can produced by the Facility.

various subtypes including flex RA. For projects within CAISO, preference will be given to projects that already have Full Capacity Deliverability Status (FCDS) or commit to having FCDS by the proposed Commercial Operation Date (COD).

iv. Storage Capacity and duration: Minimum ten (10) megawatts ("MW") AC and 4-hour duration. SDCP will consider smaller projects provided the project is located within our local jurisdiction. Please submit project details to our Local RFI (https://sdcommunitypower.org/wp-content/uploads/2022/12/SDCP-2021-Local-RFI_Announcement-2022-Update.pdf).

vi. Initial Date of Delivery and Commercial Operation: No sooner than January 1, 2024 and no later than December 31, 2028. The Guaranteed COD shall be no later than December 31, 2028. SDCP encourages offers that include bridge RA products prior to the Guaranteed COD.

vii. Term of Agreement: Not less than ten (10) years, commencing on the Initial Date of Delivery; not more than twenty (20) years, commencing on the Initial Date of Delivery.

viii. Proposed Pricing: For each product offering option, SDCP requires fixed $/KW-month pricing that is not adjusted by periodic escalators.

xi. Minimum Development Progress: To the extent that a proposed storage resource is not yet commercially operational, documentation substantiating achievement of the following development milestones must be provided by the respondent for each eligible generator: 1) evidence of site control or of an option contract to obtain site control; and 2) evidence that respondent has a completed interconnection study or executed an interconnection agreement, as applicable. Respondent should provide copies of such materials, including applicable appendices. For projects that have FCDS, documentation confirming such status should also be included. Such documentation must be provided to SDCP at the time of response submittal by uploading as supporting files.

xii. Project Financing Plan: Respondent shall describe its intended financing plan for each proposed project in sufficient detail for SDCP to effectively evaluate the financial viability of the project. To the extent that a respondent anticipates a joint project ownership structure, this structure shall be clearly articulated along with applicable ownership percentages attributable to each partner. Respondents should also indicate whether the project will utilize ITC incentives. Supporting documentation and discussion shall be provided by each respondent, consistent with the informational requirements specified in the RFO response template.

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RFO Schedule*

This RFO will be administered in consideration of the following schedule (updated 6/1/23):

RFO Activity	**Anticipated Date of Completion**
RFO Issuance	April 12, 2023
Deadline for Electronic Question Submittal	April 28, 2023, 5:00 P.M. PDT
RFO Response Deadline	May 15, 2023, 5:00 P.M. PDT
Follow-up with RFO respondents, as necessary	May 15 through 26, 2023
Supplier Notifications (Short-List Selection)	June 30, 2023
Contract Negotiations - estimate	July 3, 2023 through October 2, 2023
SDCP Board to Award Contract(s) - estimate	September/October 2023 – to occur at duly noticed SDCP Board Meeting(s)
Execution of Contract(s) - estimate	October/Nov 2023 – to occur after SDCP's Board approves final contract(s)

*SDCP reserves the right to change the schedule of these events at any time for any reason.

Respondents may submit questions to SDCP regarding this RFO process and associated materials no later than 5:00 P.M. PDT on April 28, 2023. All questions should be submitted electronically to RFO@sdcommunitypower.org and must include the following subject line: "Questions for SDCP's 2023 RFO for Standalone Storage". SDCP will post responses to all questions on its website after responses have been prepared – SDCP anticipates posting such responses by May 5, 2023. Responses to similar questions may be consolidated within SDCP's list of posted responses.

SDCP may submit clarifying questions to certain respondents or conduct interviews, as necessary, based on information provided in the response template and/or supporting materials included with each response. SDCP shall have the right, at its sole discretion, to request information without notifying other respondents. SDCP shall establish due dates for responses at the time of each informational request and will directly notify individual respondents in the event that follow-up and/or interviews are necessary during this process.

Note: only electronic submittals will be accepted; such submittals must be received by SDCP no later than **5:00 P.M. PST on Monday May 15, 2023**. All responses should be submitted via an online form available on SDCP's website specific to this 2023 RFO for Standalone Storage (https://www.sdcommunitypower.org/resources/solicitations).

Evaluation of Responses

SDCP will evaluate responses against a common set of criteria that will include various factors, which include:

1. Price and relative value within SDCP's supply portfolio;
2. Project location and benefits to the local economy and workforce;
3. Potential economic benefits created within communities with high levels of poverty and unemployment;

4. Project development status, including but not limited to progress toward interconnection, deliverability, siting, zoning, site control, permitting, and financing requirements;
5. Community outreach and any community benefits;
6. Qualifications, experience developing projects in California and/or with CCAs, financial stability, and structure of the prospective project team (including its ownership);
7. Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet;
8. Potential impacts to grid reliability;
9. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
10. Acceptance of SDCP's standard contract terms; and
11. Development milestone schedule, if applicable.

SDCP has also adopted an Inclusive and Sustainable Workforce Policy, which considers impacts to the local economy and workforce. Consistent with this policy, SDCP will specifically consider "the employment growth associated with the construction and operation of eligible renewable energy resources."[3] More specifically, SDCP will complete a qualitative assessment of the extent to which proposed project development activities will support this goal. Such determinations will be based on information provided by the prospective supplier and SDCP's independent assessment of such information. With this in mind, each respondent should provide sufficient information/data to facilitate SDCP's assessment of this important consideration. Examples of pertinent information/data include the expected number of hires, duration of hire, and an indication of whether the respondent has entered into Project Labor Agreement or Maintenance Labor Agreement in California for the proposed project.

SDCP will also exhibit preference for projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases. To assist SDCP in assessing such benefits, each respondent should address the following question in its proposal: is the proposed facility located (or will it be located) in a community afflicted with poverty or high unemployment or one that suffers from high emission levels? If so, describe how the facility can provide the following benefits to adjacent communities:

- Projected hires from adjacent community (number and type of jobs);
- Duration of work (during construction and operation phases);
- Projected direct and indirect economic benefits to the local economy (i.e., payroll, taxes, services);

[3] See *Inclusive and Sustainable Workforce Policy*, adopted January 28, 2021, available at https://sdcommunitypower.org/wp-content/uploads/2020/12/Board-Packet_1.28.21_v3.pdf

- Emissions reduction – identify existing generation sources by fuel source within 6 miles of proposed facility and indicate whether the proposed facility will replace/supplant the identified generation sources;
- To the extent that the proposed generating facility is expected to replace/supplant an existing generating facility, the prospective supplier will be asked to quantify the associated emission impacts of this transition;
- Demonstration of community outreach; and
- Additional co-benefits not listed above, if any.

Contracting

SDCP plans to negotiate a single form contract with each of the short-listed suppliers. A pro-forma term sheet for a standalone storage facility providing full product (toll with RA) has been posted along with this RFO announcement so that respondents can review prior to completing the response form. For RA only contracts SDCP's preference is to use a long-form RA agreement or a EEI or WSPP confirm as applicable.

Confidentiality

All correspondence with SDCP, including responses to this RFO, will become the exclusive property of SDCP and will become public record under the California Public Records Act (Cal. Government Code section 6250, et seq.). All documents sent by respondents to SDCP may be subject to disclosure, unless exempt under the California Public Records Act.

To designate information as confidential, the respondent must clearly stamp and identify any designated portion(s) of the response material with the word "Confidential" and provide a citation to the California Public Records Act supporting confidential treatment of such information. Respondents should be judicious in designating material as confidential. Over-designation would include stamping/designating entire pages, series of pages and/or entire sections as confidential when such material does not require confidential treatment.

Therefore, any proposal which contains language purporting to render all or significant portions of the proposal as "Confidential", "Trade Secret", "Proprietary", or which fails to provide the noted exemption citation (related to the California Public Records Act) may be considered a public record in its entirety subject to the procedures described below. As such, do not mark your entire proposal as "Confidential".

If required by any law, statute, ordinance, a court, governmental authority or agency having jurisdiction over SDCP, including the California Public Records Act, SDCP may release confidential information, or a portion thereof, as required by applicable law, statute, ordinance, decision, order or regulation. In the event SDCP is required to release confidential information, it shall notify the respondent of the required disclosure, such that the respondent may attempt (if it so chooses), at its sole cost, to cause the recipient of the confidential information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise become part of the public domain.

SDCP does not intend to disclose any part of any proposal before it announces a recommendation for award, based on the understanding that there is a substantial public interest in not disclosing proposals during the evaluation or negotiation process.

Exclusivity Agreement and Offer Deposit

As part of the short-listing process, SDCP will require all short-listed offerors to execute the pro-forma term sheet posted with this RFO announcement, enter into an exclusivity agreement (of no less than 90 days in duration), and post an offer deposit in the amount of $3,000/MW multiplied by the project's Guaranteed Capacity. SDCP expects that such activities will be completed within ten (10) business days of short-listing. Posting of the required offer deposit is due seven (7) business days from execution of the exclusivity agreement. SDCP will accept offer deposits in the form of cash or an agreed upon form of a Letter of Credit. Letter of Credit means an irrevocable standby letter of credit, in a form reasonably acceptable to SDCP, issued either by (i) a U.S. commercial bank, or (ii) a U.S. branch of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by SDCP, and (B) it is acceptable to SDCP in its sole discretion. The issuing bank must have a credit rating of at least A- from S&P or A3 from Moody's, with a stable outlook designation. All costs of the Letter of Credit shall be borne by the short-listed respondent.