1. Is there a preference between MW and MWh?
    - RPS need for San Diego Gas & Electric is based upon a percentage of retail sales, which is in MWh. There is no target for MW of renewable capacity (except in the RAM solicitations and the Feed-in Tariff programs, which do not apply here).
2. Will projects from IID that have static or firm transmission receive 0 or 60% RA value?
    - All projects located in IID will receive a 60% RA value as system resources, provided that they have met the deliverability requirements. These include having transmission interconnection studies equivalent to ISO studies (generally the System Impact Study and Facilities Study) and firm transmission rights to an ISO delivery point in California. Any dynamic scheduling arrangements should be documented and enclosed with the electronic bid submissions. If the dynamic transfer arrangement is not yet official, please provide the tariff provisions and any other documentation that proves that the project is eligible for such an arrangement.
3. Regarding required forms for interconnection, what is the Phase I Study equivalent?
    - Non-CAISO utilities all follow a set of procedures regarding interconnection studies, and while these procedures follow a common form, they may have significant deviations from each other and from CAISO. Most utilities follow a custom of producing a System Impact Study for a project, then a Facilities Study for the project, prior to tendering an Interconnection Agreement. In general, SDG&E considers a System Impact Study to be equivalent to a Phase I Study, and a Facilities Study equivalent to a Phase II Study except in cases where a utility's practices deviate from this standard. Scoping meetings and feasibility studies are generally considered part of the interconnection application process and do not qualify for either Phase I or Phase II equivalency.
4. Based on your slides, it appears that solar projects have a $15-$16 advantage over geothermal.
    - Solar projects may appear to have an advantage because the calculation is done on a per MWh bases. On a MW bases, the discrepancy may not be as great.
5. Are cost upgrades based on the project’s Phase I Study, Phase II Study, or LGIA?
    - For determining a short list, cost upgrade estimates are based upon the most recently produced document which quantifies an ISO estimate of upgrade costs. LGIA costs are preferred, but for projects without LGIAs, Phase II estimates are preferred. Phase I estimates will be used if there are no other studies to quantify upgrade costs. A project must have a Phase I study or equivalent submitted in order to be considered in this RFO. For purposes of the termination right in the PPA, cost upgrades are based on the LGIA.
6. Please explain what is intended by the phrase “providing documentation certifying the existence of the dynamic transfer” in section 7.0 Resource Criteria, A. Category I Products, h. Dynamic Transfer in the RFO Document, and/or confirm whether the requirement is relevant for a firm delivery to Palo?
    - Palo Verde is outside of the California ISO. Documentation of dynamic transfers must cover all stages of the virtual transmission path between the project busbar and the point of delivery to the California Balancing Authority. Any documentation of a dynamic transfer between a project in the WECC to the Palo Verde hub must contain any details of arrangements made to date between the balancing authority at the project's point of interconnection and the appropriate balancing authority at Palo Verde. Any series of dynamic schedules between the first point of interconnection and Palo Verde must also be documented in the same manner. Furthermore, documentation should include discussion of plans or arrangements to deliver the product from Palo Verde into California, through dynamic transfer arrangements with the CAISO or other California

balancing authority, or through reservation of firm transmission rights through California import points. Generally, documentation should include relevant tariff provisions, other evidence of balancing authority business practices, and email correspondence between the developer and the balancing authority. The dynamic transfer agreement must be close to completion, and you must provide documentation to prove this, but it does not need to be executed.

- PLEASE NOTE that any dynamic scheduling performed through a market hub dominated by coal-fired generation (such as Four Corners or Intermountain) may be subject to disallowance, as such arrangements could potentially violate restrictions on contracts involving coal-fired facilities under California's Emissions Performance Standard. In such cases, documentation must include specific non-coal-fired units that will be used to provide substitute energy during the dynamic transfer process.

7. Can you elaborate more on the financial assumptions you would expect to see, especially regarding the 30% ITC as you have a preference for projects beyond the validity of the current ITC?
    - SDG&E does not require a certain set of tax credit assumptions and makes no assumptions at this time regarding extensions of tax credits, but any project which assumes tax credit treatment beyond 2017 in its pricing will be subject to further questions regarding contingency plans and repricing scenarios if such tax credits are not extended, or otherwise materially altered. Such contingency plans and repricing scenarios may be factored into a project's LCBF ranking unless the bidder makes a firm commitment that project pricing, schedule, and size will not be materially altered by any such contingencies.
8. Do you want to see a complete set of Phase I and Phase II documents (not only Appendix A (final report))?
    - Yes. Please submit all parts of the Phase I or Phase II study results.
9. How will the non-reimbursable portion of Reliability Network Upgrade costs be treated, given the $60,000/MW cap on RNUs set by the CAISO for Cluster 5 projects? If SDG&E includes non-reimbursable RNUs in the Transmission Adder, this raises the concern that non-reimbursable RNUs would potentially be double-counted in the NMV calculation.
    - Non-reimbursable RNUs are not considered to be part of a system cost, and SDG&E expects that any project bid submitted will be priced to include all non-reimbursable NRUs, just like non-refundable generation intertie costs. As a result, it is extremely important that bidders be able to distinguish between reimbursable and nonreimbursable costs in their transmission study documents, and to provide SDG&E with documentation showing the bidder's estimate of nonreimbursable costs so that SDG&E can reasonably consult with the bidder and resolve any disputes in a timely manner in the event that there is a disagreement due to differing interpretations.
10. The energy profiles and related submission information are based on the operating capacity of the plant, which is larger than the nameplate. The nameplate value is rarely used. Please confirm that nameplate should still be the basis for filling in the typical profile.
    - The capacity that has been specified in the Contract Capacity column of the Bid Form should be the basis for filling in the typical profile. For solar PV projects, there is no "nameplate" value except for panel output ratings, which are in DC and cannot be used in a pricing form. All solar PV projects should use capacity values based upon the maximum expected MW capacity output in AC from the project over the course of a 12-month period.

11. Should the typical profile reflect projected forced and/or schedule outages? (e.g., some specific months will show low capacity factors, rather than simply having it spread over the year)
    - If a profile includes projected forced and/or scheduled outages, please provide a description of this in the notes sections of the Pricing Form or in the Project Description Form.
12. Are the Eldorado and/or Mead substations acceptable points of delivery for meeting the "Category 1" requirement?
    - Yes, provided that a project's first point of *interconnection* (not delivery) is to a substation at Eldorado or Mead that is under the direct control of the California ISO. Any intervening transmission that must be crossed to deliver to these points that is not under direct control of CAISO or other California balancing authority may disqualify that project from Category 1 consideration.
13. Can a PPA Offer into this RFO be a portion of the output from a larger project and yet conform to the bid requirements? If so, what metering and interconnection requirements or restrictions would be required for the bid to be conforming? A possible configuration example would be that the facility has two MV revenue grade meters placed on the low side of the HV transformer, measuring separate, adjacent portions of the facility and a third revenue grade meter is placed on the high side of the HV transformer, and the two MV meters are used to allocate product between each buyer. If this does not qualify, please confirm that a PPA Offer can be made from one project adjacent to a second project on the same site, but with a shared CAISO interconnection.
    - PPAs for a portion of output conform, and the PPA will be negotiated to ensure proper metering, and other relevant considerations.
14. The RFO states on p. 10 that respondents may submit up to 3 pricing options per project. If a respondent wants to submit different size options for the same project, would each size option be considered a different pricing option of the same project, or 3 different projects altogether? Can we offer different size options AND different contract terms or CODs for each size option?
    - Each size option would be an individual option for the same project. SDG&E distinguishes between a project and an option based upon location. Multiple sizes, pricing terms, and technology variations for a bid at a single location are considered options; bids at multiple different locations are considered projects.
15. Since SDG&E is looking for proposals with a COD 5-7 years into the future, will SDG&E accept offers with a contract price that is stated in 2013 dollars and indexed to CPI, MMI or a similar index all the way to COD?
    - No. SDG&E will not accept any RFO bids with indexed pricing.
16. We want to submit a bid that allows SDG&E to utilize the Capacity Benefits of a project that is located in IID. Your presentation indicated that we could potentially achieve approximately 60% of the Delivery Benefit under this scenario. Do we submit our pricing assuming the Time-of-Day adjustment factors for Full Deliverability? Can you verify that we would actually get paid based on TOD factors for Full deliverability even if we only qualify for roughly 60% of the benefit? Does the 60% only get analyzed from a value perspective to SDG&E?
    - The current proforma PPA applies FCDS TOD factors to any project that achieves full deliverability status, regardless of whether the project will provide 100% or 60% of the Deliverability Benefit. SDG&E encourages bidders with projects that provide only partial deliverability benefit to take this fact into account in their bid pricing.

17. Will discussion after shortlisting allow for non-economic project changes, such as slight changes to siting, which would not change the interconnection costs or the associated bid terms and pricing?
    - Any such discussion should take place prior to shortlisting. Bidders may not always be aware of system conditions which could have a material impact on SDG&E in the event of even minor site changes, and any plans for site changes should be documented in the Project Description Form in the bid submission.
18. What is SDG&E's preference with regards to PPA price escalation? Would SDG&E like an escalation the matches the MPR curve (~3%) or something lower?
    - SDG&E has no preference regarding price escalation. All prices are discounted and levelized to the start date of the project. All submitted prices should be in nominal dollars, as SDG&E will not accept any index-based pricing in this RFO.
19. Do Out of State projects that have their first point of interconnection to the CAISO provide 'System' or 'Local' deliverability?
    - Only projects interconnecting within SDG&E's local service area, or which are interconnected directly to the Sunrise Powerlink or Southwest Powerlink west of the Imperial Valley Substation, can qualify for local deliverability. Projects not interconnected in these areas will be considered to have system deliverability unless they are specified as energy-only, or such projects are incapable of providing project-specific deliverability benefits through an import point. Projects must be evaluated on a case-by-case basis to determine deliverability benefits.
20. If the power needs to go through an SCE substation to get into the CAISO system, what would be the appropriate wheeling charges associated?
    - That would be dependent upon whether that power flows through SCE's distribution system (which is subject to SCE tariffs), CAISO-controlled transmission (which is subject to CAISO tariffs), or both. Bidders should discuss any relevant wheeling charges with the relevant bodies (either the CAISO, the interconnecting utility, or both) and ensure that any such wheeling costs are clearly enumerated and incorporated into the bid's pricing structure prior to bid submission. SDG&E will not accept bids for projects which lack clear specifications of delivery costs and conditions.
21. If we cannot fit specific information in the forms, may they be attached as an exhibit?
    - Yes. PLEASE NOTE THAT EMAIL SUBMISSIONS FOR BIDS AND BID MATERIALS CANNOT EXCEED 25 MB IN SIZE OR SDG&E'S EMAIL SYSTEM WILL REJECT THE SUBMISSION. SDG&E prefers that bidders submit only those documents required to meet bid conformance guidelines. If a bid is considered attractive, SDG&E will contact the bidder with additional requests for documentation if the submitted documents are insufficient. For follow-up emails please specify the project to which the exhibit's documents pertain.
22. In the NMV Calculation, does the Capacity Benefit “which shall be the deliverability value of the project if it were to provide full deliverability and local resource adequacy within SDG&E’s service territory, on the Sunrise Powerlink, or on the Southwest Powerlink west of the Imperial Valley substation” mean that any project delivered through Sunrise Powerlink and/or Southwest Powerlink will be considered within SDG&E territory for the purposes of deliverability benefit?
    - Deliveries over Sunrise or Southwest Powerlinks do not qualify projects for local deliverability. Only projects that are directly connected at their first point of interconnection to Sunrise or Southwest Powerlinks west of the Imperial Valley

Substation, or to the CAISO side of the Imperial Valley Substation, can qualify for local deliverability.

23. Is there any certain period of time for Economic Curtailment which is not compensated?
    - "Economic Dispatch Down" is a defined term in the PPA and compensation for such hours is addressed in Section 3.4(b) of the PPA. Other curtailments are treated differently.
24. Would a project that has a Phase 1 study but subsequently withdrew from the CAISO queue be eligible?
    - If the project has withdrawn from the queue, its study results are no longer viable and would not meet the eligibility requirements for this RFO.
25. If a project delivers to the IV sub, would it be evaluated as being in or out of SDG&E's service territory?
    - If it connects to CAISO at the IV sub, it will be treated as a local resource. If it connects with IID, it will be treated as a system resource. In all cases, bidders must specify that they will seek full deliverability status and commit to all terms to meet full deliverability in the contract.
26. Does the dynamic transfer agreement need to be executed when submitted?
    - It must be close to completion, and you must provide documentation to prove this, but it does not need to be executed.
27. If the proposed contract term begins a few months earlier than 2016, is that a non-compliant bid?
    - Yes, please conform your bid to the COD start dates specified in the RFO (Category 1: December 2016 at the earliest, Category 2: January 2018 at the earliest, and Category 3: RECs generated no earlier than thirty six months prior to the scheduled delivery date).
28. Can you aggregate projects to meet the 20 MW minimum per site?
    - We recommend that you submit projects up to 3 MW into the FiT program, and those between 3 and 20 MW into the RAM program.
29. Is it possible to have different pricing structures for different start dates?
    - Yes.
30. Will SDG&E provide congestion information?
    - SDG&E will be disclosing the congestion values after bids are received, grouped, and processed for congestion study analysis. Due to confidentiality considerations and study complexity, SDG&E does not provide project-specific congestion values, but aggregates projects at major points of interconnection to provide a "typical" congestion value for these interconnections.
31. Can you clarify the ancillary discussion? Is storage going to be valued separately?
    - Ancillary services will not be valued separately, neither will spinning reserves.
32. Will you accept bids for projects with COD's after 2020?
    - Not in this RFO.
33. Can a Respondent provide an offer of greater than 400 GWh, with the understanding that even if the offer is otherwise attractive, any amount greater than 400 GWh might be placed on a "contingency list"? Please explain how any amount greater than 400, but less than 845 would be viewed/evaluated.
    - A Respondent can provide an offer of greater than 400 GWh, and it will be evaluated (as will all other bids) as a complete, stand-alone project. All projects that SDG&E assigns to the shortlist will be on the contingent shortlist. All bidders are advised that bids are

subject to review by the CPUC and by the Procurement Review Group. Any RFO shortlist which results in a single supplier dominating the portfolio of projects to be shortlisted may be revised, and projects bids which would otherwise qualify for shortlisting on all applicable LCBF criteria may nevertheless be disallowed for further consideration on such grounds. SDG&E encourages bidders to take this into account when selecting project sizes for bid submission.

34. If a project has a Phase I or Phase II Study from a previous cluster but has been since removed from the queue, does it meet the interconnection study requirements?
    - No. If the project has been removed from the queue, its interconnection study is no longer valid and does not meet the eligibility requirements for this RFO.
35. Slide #35 of the pre-bid conference presentation describes requirements for a Category 3 REC, and requires "documentation of the source(s) of the RECs, the period of time when the RECs were generated, and (if not connected to CAISO) where in California the energy was delivered." Because RECs are unbundled by nature and could be from out-of-state, please clarify the requirement to state "where in California the energy was delivered."
    - Only in-state REC bids must provide documentation proving delivery to California. As noted on slide 23, all REC bids with delivery terms starting before 2018 must deliver within California. SDG&E will consider out of state REC bids only if the delivery term starts on January 1, 2018 or later.
36. Does developer financing and O&M experience have to be limited to the US, or can we cite our experience worldwide?
    - SDG&E encourages bidders to focus on O&M experience that is most comparable to the project being offered. Additional detail on other types of O&M experience (including international experience) can be provided.
37. Do we have to submit the Introductory Letter (Cover Letter) signed by the person in charge?
    - SDG&E does not require a cover letter.
38. Does the contract term have to be exactly 10, 15, or 20 years?
    - We prefer contracts with terms of 10, 15, or 20 years, but may consider those with terms that fall between 10 and 20 years.
39. Does SDG&E prefer a shorter term PPA?
    - SDG&E prefers a shorter term PPA, but will accept bids with 10, 15 or 20 year terms. SDG&E may consider its preference for shorter terms when deciding between two similarly priced bids.
40. Is any type of notice of intent to bid required?
    - No, bids are due by 12 PM, PST, on Friday February 6th.
41. For clarification purposes would you be able to confirm that ALL procurement that would come out of this RFP is for 'contingency need' only?
    - Yes, SDG&E is looking to meet a contingent need in CP3, which is based on the possibility that the need assessment may change during the course of the solicitation. All projects will be shortlisted on a "stand by" basis and exclusivity will not be required unless it begins negotiations with such projects.
42. Is 845 GWh an annual value, or life of contract value? And does SDG&E intend to procure 845 GWh/year from one contract?
    - 845 GWh is an annual value. And no, SDG&E prefers to have a diversified portfolio and is seeking to fill a contingent need in CP3.
43. Please explain your preference for projects > 20MW.

- We encourage smaller projects to bid into the FiT or RAM programs which are designed for projects that are 20 MW or less. However, these programs are limited to projects located in the IOU territories. If you have a project smaller than 20 MW that is not located in the IOU territories or the CAISO area, then you can bid into this RFO.

44. Would unbundled biomass REC's from facilities located outside of the country but located within the WECC region be eligible to submit an offer?
    - Yes. Projects that are located outside of the state but within the WECC must follow the guidelines outlined in PUC Sections 399.12(e) , which requires that a facility that has its first point of interconnection within the WECC must satisfy the following requirements:
        - It commences initial commercial operation after January 1, 2005;
        - It will not cause or contribute to any violation of a California environmental quality standard or requirement; and
        - It participates in WREGIS
        - If the facility commenced initial operation prior to January 1, 2005, it must satisfy either of the following requirements:
            - The electricity is from incremental generation resulting from expansion or repowering of the facility; or
            - Electricity generated by the facility was procured by a retail seller or local publicly owned electric utility as of January 1, 2010
45. The RFO states on p. 23 that shortlisted respondents who accept shortlist standing will be required to withdraw participation from other solicitations. For larger projects that have part of their capacity shortlisted with SDG&E and other portions proposed to other utilities, will the respondent be required to withdraw the full capacity from other solicitations, or only the portions that have been shortlisted by SDG&E?
    - SDG&E is shortlisting projects on a contingent basis only. SDG&E will require exclusivity only if it begins negotiations with the counterparty, and at that time, the counterparty must withdraw the project(s) under negotiations from all other solicitations.
46. When do we need to provide the development security?
    - As required in Section 8.4(a)(ii) of the PPA, for projects with a delivery term longer than 2 years, the Development Period Security is due on or before the CPUC Approval Date.
47. When calculating the security deposits required for PPAs of more than 2 years term, can you please confirm whether we are to multiply against annual average generation or annual generation based on 1st year expected deliveries?
    - Annual average generation.
48. Do all the provisions under Section 12 (Credit Terms and Conditions) also apply to existing facilities that will be coming off contract, including the Development Period Security?
    - Yes.
49. The 2012 RFO Credit Application (Appendix B7) asks for "Service Type" and "Estimated Volumes of Service Requested per Month". Does this refer to the required credit provisions for the various milestones as outlined in the table in the SDG&E RFO Solicitation in Section 12.0 "Credit Terms and Conditions"? If not, can you clarify what is intended by the application?
    - These terms are inapplicable to bids.