SDG&E 2017 GTSR RFO

Questions & Answers / FAQs

I. General Questions

1. **I have a project in Mexico/Arizona/SCE's territory but the first point of interconnection is in SDG&E/IV county, is my project eligible?**
   No, per D.15-01-051, the project must be physically located in SDG&E territory (or Imperial Valley).

2. **The links in the excel file on the SDG&E's website (http://www.sdge.com/documents/list-eligible-census-tracts-environmental-justice-projects) points to the CalEnviroScreen version 2.0. Is version 2.0 or 3.0 going to be used for this solicitation?**
   It is SDG&E's intention to use CalEnviroScreen version 3.0 ("CES3.0"); which superseded version 2.0 in January. For a project to qualify as Environmental Justice ("EJ") based on CES3.0 the project must be located in a census tract with a score of 25.1 or greater. SDG&E updated its qualifying census tracts in light of CES3.0 in Advice Letter (AL) E-3059 which is posted on SDG&E's website.

3. **Was there a bidder's conference on March 22?**
   The original RFO timeline submitted to the CPUC had an earlier RFO kick-off date and an earlier bidder's conference date. Due to regulatory delays, this RFO was pushed back about a week. The RFO was launched March 22, 2017, there was no bidder's conference on March 22, 2017, rather the bidder's conference was on March 29, 2017.

4. **If I missed the bidder's conference, can I get a copy of the information?**
   The slides are posted on the RFO website. You can listen to the entire presentation by using the original event link. All questions will be answered by posting the Q&A on the RFO website.

5. **Will the company names of the successful bidders be available?**
   All executed contracts will be filed with the CPUC for approval. The names of the contract counterparty, contract size, contract quantity, and project location will be made public in the CPUC filing. Other RFO information is not disclosed publicly per D-06-06-066. Please see the confidentiality provisions in the RFO protocols for more information.

6. **Will SDG&E publish the amount of capacity they are going to accept?**
   SDG&E cannot guarantee a certain amount of capacity will be procured through this RFO; however, there are solicitation capacity targets listed in the RFO protocols.

7. **Will SDG&E accept project development team experience from outside the US?**
   Yes, as long as the project development team experience is verifiable and relevant.

8. **When is the next solicitation?**
   EcoShare will have one more solicitation this year and two more next year. SDG&E does not have a set schedule for further EcoChoice solicitations at this time.

9. **Does SDGE intend to release a RAM 7 solicitation?**
   Yes, please see SDG&E AL E-3071

II. Evaluation Questions

1. **Will SDGE publish the amount they are going to accept?**
   The target capacity for each product is listed in the protocol documents. SDG&E may take up to that amount; however, SDG&E makes no guarantees on the procured amount of renewable capacity.

2. **Does SDGE RFO have a project preference Full Capacity vs Energy only?**
   There is no qualitative preference. Projects that can deliver capacity to our customers will have those benefits added to the Net Market Value (NMV) score, which is used to rank offers. For example, if SDG&E has two Offers that are identical in every way except that one is Energy Only (EO) and the other has Full Capacity Deliverability Status (FCDS), the FCDS project would be recommended for shortlisting first due to its higher NMV.

3. **The protocol states: "The Respondent and/or members of the project development team must provide evidence of having completed, or begun construction, of a project using a technology similar to the offered technology, that is at least 500 kW nameplate capacity".**
   For solar projects, does the nameplate capacity refer to solar panels nameplate capacity MWdc or Inverter nameplate capacity MWac?
   Previous solar experience may be in either MWac or MWdc.

4. **What does SDG&E expect to be in the Resource Report?**
   Resource reports describe how and why the respondent believes the natural resource for the project will produce as expected. For example, for solar and wind, developers will typically use temporary on-site equipment to take measurements and then calibrate those to long term satellite data. Then they use programs such as PVSyst or OpenWind to calculate the radiation at the panel or wind turbine. Biogas, biomass, and geothermal projects do similar studies. SDG&E prefers these reports come from a recognized third party company who specializes in these matters. Since these PPAs are must-take obligations for the utility, it is imperative that SDG&E has confidence that production estimates are accurate. This report is part of SDG&E's qualitative evaluation of the project and its viability and ability to deliver as expected.

III. Credit/Security and PPA Questions

1. **Is the TOD pricing grandfathered if there is a change in the peak time?**
   The TOD factors are fixed by the PPA for the entire term of the contract.

2. **How is the PPA term decided (10, 15, or 20 years)?**
   Seller determines the PPA term and submits it as part of their bid; however, SDG&E prefers shorter term PPAs.

3. **Is the PPA capacity and price guaranteed for the contract term regardless of how many SDG&E customers subscribe to the program?**

   It depends on the program the PPA is awarded for.
   EcoChoice: Yes.

   EcoShare: No. The price is only guaranteed for unsubscribed capacity if the respondent meets the minimum subscription quantities per the ECR Rider:
   - 1st Contract Year: 50% of Project's Contract Capacity
   - 2nd Contract Year: 75% of Project's Contract Capacity
   - 3rd Contract Year: 95% of Project's Contract Capacity
   - Remaining Years: 95% of Project's Contract Capacity

4. **Can you please explain the 110% and 115% caps?**
   Please also see Q&A Section III #7 below.

   For a given hour of the year, the project will not be paid for any production exceeding 100% (EcoChoice) or 110% (EcoShare) of the nameplate capacity. For example, if you have a 20 MW project, you may deliver 20 (EcoChoice) or 22 (EcoShare) MWh in each hour (subject to other production caps). All production exceeding 20 (EcoChoice) or 22 (EcoShare) MWh in that delivery hour will not be paid. The current EcoShare Rider allows those projects to deliver at 110%; while the EcoChoice PPA only allows deliveries up to 100% of nameplate capacity.

   Note that during the bidder's conference SDG&E stated projects would be paid contract price for all energy up to 110% of the project's contract capacity in any hour. This is only true for EcoShare Projects. EcoChoice projects are paid 0% of contract price for all excess energy over 100% of nameplate capacity.

   In any given year or TOD period, if the project delivers more than 115% of the expected energy, the project will either be paid at 0% or 75% of contract price, depending on whether it is EcoChoice or EcoShare. For example, if that same 20 MW project is expected to produce 60,000 MWhs per contract year, it will be paid full price for all production up to 69,000 MWhs. For every MWh over the 115% limit, it will be paid $0/MWh if it is an EcoChoice project, and it will be paid at 75% of the contract price (in $/MWh) if it is an EcoShare project.

   Note that during the bidder's conference SDG&E stated projects would be paid at 75% of contract price after hitting the caps. This is only true for EcoShare Projects. EcoChoice projects are paid 0% of contract price for all excess energy.

   These RAM PPA terms are standard, non-modifiable terms used in RAM program throughout the state and are approved by the CPUC.

5. **Will SDGE assist me in getting my required certificates? For example, Green- E, CEC, WREGIS, etc.?**
   Per the contractual requirements in the PPA, it is the Seller's responsibility to get the aforementioned certificates, not SDG&E.

6. **Do I need to submit the completed and fill out PPA with my offer submittal?**
   No, that happens after shortlisting notification for EcoChoice or the 60 day EOI window for EcoShare.

7. **I read the PPA on the RFO website and the terms in Section 4.1.a.i and 4.1.a.ii don't match the answer to FAQ #4?**
   The PPA on the RFO website "GTSR Power Purchase Agreement" only applies to EcoChoice Projects. EcoShare Projects must look at both that PPA and the "ECR Rider" or "ECR DERP Rider". The GTSR RAM PPA approved by the CPUC does not have the 110% margin in 4.1.a.i or the 75% soft cap provision in 4.1.a.ii. The ECR Rider has not been updated yet to conform with the GTSR RAM PPA and still has those older terms. Therefore, for this RFO, SDG&E will honor the current ECR Rider and execute PPAs with EcoShare projects that still include the 110% margin in 4.1.a.i or the 75% soft cap provision in 4.1.a.ii

   Please also see the updated question Section III #4 above.

8. **Should SDG&E award a PPA to my project, would SDG&E consent to an assignment of the project to a new owner before or after the execution of the PPA?**
   If there is an executed PPA, SDG&E will make a contract assignment determination as set forth in the PPA. If there isn't an executed PPA, SDG&E will review the details of the request at that time..

IV. Interconnection Questions

1. **When is the interconnection request required?**
The final interconnection is required by the date set in the contract, chosen by the seller, and limited by the entire project needing to be online within 36 months of CPUC approval. The phase II interconnection study, or equivalent, needs to be completed for bid submittal. For example, if you were requesting an interconnection through the WDAT or the GIDAP cluster process, only projects that went through cluster 8 would have had time to qualify for this RFO unless you applied through WDAT. Cluster 9 isn't due back until the end of the year.
To be studied for transmission level interconnection (69 kV and above) cluster 10 phase 1, the window is April 1 to May 1 this year. To be studied on distribution level (20 MW and below), you can submit your application at any time.

2. **I have a question about the interconnection for my project, can we have a call to discuss?**
No, there will be no individual calls with bidders. You may either ask a question through email and cc the IE, attend the bidder's conference and ask it there, or reach out to SDG&E's interconnection team through their normal process.

3. **For FCDS, is there not an April window, after the Phase 1 IC results in February, that allows applicants to apply for available first come-first-serve capacity on a low voltage line from a Fast Track submittal?**
There is an April window (this year it's April 1-May 1) to submit an interconnection request to be studied as a part of the latest (Cluster 10) CAISO queue. There is, however, a DGD process which gives Interconnection Customers (typically WDATs) the ability to be allocated "left-over" deliverability. This is after the CAISO performs their TPD allocation and the deadline is usually sometime in April.

4. **Is the DGD award area specific?**
Yes. A DGD award is substation-specific.

5. **What forms are required to apply for DGD? Where do I apply for this?**
No forms are required. If there is excess deliverability for the substation you've requested to connect with, SDG&E will contact you.

6. **Can we apply for FCDS later through DGD?**
If there is excess deliverability for the substation you requested an interconnection for, SDG&E will contact you.

7. **Can I submit an application now to get a DGD award for this solicitation?**
Full deliverability status is not required at the time of bidding. However, if you want it by the time of bidding, you would have already had to submit your application. It is too late now.

8. **When do the FCDS awards come out?**
The CAISO's annual TPD Deliverability allocation results are typically announced in March.

9. **Is WDAT interconnection request required to go through the CAISO study process?**
If the interconnection customer is seeking Full Capacity Deliverability Status, then it would need to go through the CAISO study process. If it is requesting Energy-Only then it would not go through the CAISO study process.

10. Is there a time delay available for obtaining FCDS AFTER you bid? Is there a grace period to obtain FCDS versus Energy Only?

Respondents do not need FCDS at the time of bidding, but must have the phase 2 interconnection study, or equivalent, completed. If the project is supposed to provide FCDS, but is energy-only at COD, the project will be assessed a "Deliverability Value" reduction to the contract price. In either case, the project must receive a completed final interconnection agreement by the condition precedent date in the PPA and COD.

From an interconnection standpoint, it depends on where you are in the cluster process or whatever process you are using. For example, if you already past your cluster 8 phase 2, unless you were parked for a year, you should have already gotten an allocation for full capacity.

11. Will SDG&E accept an unstamped Single Line Diagram (SLD) to start the processing of a Fast Track Application on May 1?

No, only stamped SLDs will be accepted for your application to be deemed complete.

12. Is Fast Track for Energy Only (EO) projects, FCDS projects, or both?

Fast track is for EO only. However, a WDAT fast track project may be eligible for DGD deliverability in the future if their substation (POI) is awarded DGD that year.

13. How long is the WDAT Process study valid for, if unable to make the RFO deadline and apply for next years' RFO?

For purposes of the bidding process, the study is valid until your In-Service Date (ISD) and Commercial Operation Date (COD). If you cannot meet your ISD and/or COD then you will need to contact SDG&E's Customer Generation department.

14. Can you please confirm whether projects with shared interconnection facilities will be eligible for the 2017 EcoChoice RFO? The RFO states that the project cannot be a phase of a project that is larger than 20MW, but does not mention shared facilities.

Page 7 of the EcoChoice/Share Protocols states; "The maximum project capacity for this solicitation is 20 MWs; the full output from the facility must be sold to SDG&E. That is, in this solicitation, SDG&E will not consider purchasing a portion of a project larger than 20 MW."

Page 8 of the EcoChoice/Share Protocols states: "SDG&E may, at its sole discretion, determine that the Project appears to be part of an installation larger than 20 MW…"

Under bid conformance evaluation on page 16, "SDG&E may also reject an offer if…The Respondent does not provide adequate evidence it meets minimum participation criteria, or it appears that Respondent subdivided a larger project to circumvent the 20 MW project size limit."

SDG&E will not issue a determination ahead of time whether bids are conforming. Respondents must submit their best and final bid and SDG&E will make a conformance determination once it reviews the entire bid. It is up to the respondent to make their case as to why their project is not a subdivided part of a larger project. SDG&E will scrutinize all supporting documentation and will have sole discretion whether it is adequate. SDG&E makes no guarantees; however, in previous solicitations respondents have demonstrated an independent, non-subdivided project by providing evidence of a dedicated high voltage step up transformer and a dedicated separate interconnection agreement.

15. **Please confirm that projects located in IID territory must have a dynamic transfer arrangement in place with the CAISO to be considered PCC1 and that a Respondent who fails to provide a copy of the arrangement will be considered non-conforming.**

    Note, for RECs to be categorized as PCC1, the facility needs to interconnect to any Californian balancing authority, not necessarily the CAISO. However, the GTSR RFO requirement on page 2-3 requires the dynamic transfer arrangements to be with the CAISO: "… this product must be located within the service territory of SDG&E or in the Imperial Valley and either directly connected or dynamically transferred via pseudo-tie into SDG&E's service territory by the California Independent System Operator (CAISO)."

    As outlined on page 8 of the GTSR RFO protocol, Respondents must also provide documentation certifying the existence of the dynamic transfer arrangements: "For projects located in the Imperial Valley and dynamically transferred via pseudo-tie into the CAISO at the Imperial Valley substation, Respondents must have completed a Phase II interconnection study and provide documentation certifying the existence of dynamic transfer arrangements. Such documentation must have a sufficient level of detail for SDG&E to determine conformance with Category 1 content specifications, RFO requirements, and to ensure that the dynamic transfer arrangement conforms with all other California state laws and decisions issued by the California Public Utilities Commission, the California Energy Commission, and any other regulatory authorities with jurisdiction over utility procurement in California." SDG&E does not expect Respondents to have executed dynamic transfer agreements at the time of bidding, but must demonstrate progress towards executing these agreements.

16. **My project is in the IID territory and Interconnects to IID, does that count as "SDG&E territory or Imperial Valley"?**
    Imperial Valley.

17. **Can you please confirm that projects located in Imperial Valley and interconnected to IID transmission system can also deliver to Mirage or Blythe?**
    No, projects in Imperial Valley must deliver power to the IV substation. The GTSR program is meant to have projects deliver power to SDG&E customers, not SCE customers. GTSR is a unique program that is not meant for all resources.

18. **Will a project located in Imperial Valley that does not have a dynamic transfer agreement, has not started the process, and has no intention of getting a dynamic transfer agreement be considered non-conforming?**
    Yes, such a project would be non-conforming for this RFO.

19. **Please provide reference to a commission order that requires GTSR projects located in Imperial Valley to obtain a dynamic transfer agreement?**
    D15-01-051 at 39, "At a minimum, GTSR projects must be located within the service territory of the procuring IOU, with the exception that, to the extent already permitted by the RAM program, SDG&E is permitted to procure RAM projects located in the Imperial Valley that are dynamically scheduled by the California Independent System Operator (CAISO)."

20. **Why is SDGE requiring a dynamic transfer agreement as opposed to standard inter-BA scheduling if a project interconnected to IID already qualifies as PCC1?**
    With a standard inter-BA scheduling agreement, SDG&E won't be guaranteed where the power is coming from or guaranteed that the power from the renewable plant will be delivered to SDG&E's customers. In addition, SDG&E's non-modifiable PPA does not have the necessary provisions to accommodate such a structure. Also, please see the answers to question Section IV #15 and #19.

V. EcoChoice Only Questions

1. **Why are there two different programs?**
   EcoChoice is a tariff program that allows SDG&E to offer a higher percentage renewable portfolio to customers who want it. Customers enrolled in EcoChoice receive their normal bill from SDG&E with an additional charge for renewable electricity.

   EcoShare allows customers to work with third-party developers to purchase the rights to a portion of the electricity generated from a new renewable generating facility. In EcoShare, customers continue to receive their normal SDG&E bill and enter into a private agreement with the developer, known as a Customer-Developer Agreement (CDA), where the renewable electricity price and agreement terms are defined.

2. **Can you bid the same project to both EcoShare and EcoChoice?**
   Yes, however each program has different requirements that must be met.

3. **Is EcoChoice the same or similar to the original RAMs in the past? Can you clarify any differences?**
   From a developer perspective, this EcoChoice solicitation is very similar to normal RAM solicitations; however, from an SDG&E customer perspective, the two programs are very different. Please read the PPA for the contractual requirements. The current RAM program does have differences from the previous RAM programs. For example, the current RAM program includes an economic curtailment provision. To be clear, EcoChoice respondents will not need to sign the ECR Riders.

4. **If there is a project of 20MW, can there be a private off taker of 10MWs?**
   In terms of project splitting, No. Projects must be full buy/full sell.

VI. EcoShare Only Questions

1. **Why are there two different programs?**
EcoChoice is a tariff program that allows SDG&E to offer a higher percentage renewable portfolio to customers who want it. Customers enrolled in EcoChoice receive their normal bill from SDG&E with an additional charge for renewable electricity.

   EcoShare allows customers to work with third-party developers to purchase the rights to a portion of the electricity generated from a new renewable generating facility. In EcoShare, customers continue to receive their normal SDG&E bill and enter into a private agreement with the developer, known as a Customer-Developer Agreement (CDA), where the renewable electricity price and agreement terms are defined.

2. **Can I use Expression of Interests from the last RFO?**
All EOIs must be dated within 12 months of the EcoShare Request for Offer (RFO) launch date in question. In this case, they must have been acquired on or after 3/22/2016.

3. **How is this program different from Net Metering?**
This program is very different, and unrelated to Net Metering. Net metering is for an individual customer at their own facility. EcoShare provides the ability to let an entire community be part of a solar project.

4. **If there is a project of 20MW, can there be a private off taker of 10MWs?**
In terms of project splitting, No. Projects must be either (i) full buy/sell, meaning it must sell its entire output and all plant attributes to SDG&E, or (ii) excess sales, meaning it must sell all output and all plant attributes in excess of onsite load to SDG&E.
In terms of customer subscription for EcoShare, there is a 2 MW cap in any individual customer, except for municipalities, which can't subscribe more than 20% of the project output.

5. **The SB43 requires a minimum of 3 customers per project with an additional customer per MW of project above 3 MW (i.e. a 5 MW project requires at least 5 customers). Is there a customer/offtaker size limit?**
The individual customer size limit is 2 MW. The limit for Federal, state, or local governments, schools or school districts, county offices of education, the California Community Colleges, the California State University, or the University of California is 20% of the EcoShare project's annual generation.

6. **Can we submit Green-e Energy marketing materials along with the offer??**
Developers wishing to participate in EcoShare must have submitted marketing materials <u>and</u> completed the review process according to Green-e Energy, CPUC, and SDG&E guidelines prior to submitting an offer.

7. **Can you bid the same project to both EcoShare and EcoChoice?**
Yes

8. **How can projects connecting in IID territory meet community interest requirement? Still with customers from SDG&E service territory?**
Projects sited in Imperial Valley must use SDG&E's bundled customers to meet the community interest requirement. IID and unbundled SDG&E customers are not allowed to participate.

9. **Are there limits on how I can market to customers for EcoShare?**
All marketing materials must be reviewed according to Green-e Energy, CPUC, and SDG&E guidelines before use or publication. As long as marketing materials successfully complete the review process, all typical forms of marketing (e.g. social media, direct mailers, TV, radio, etc.) are allowed. All materials must be submitted for review individually prior to use (i.e. if reviewed content included in a direct mailer is used to create a radio commercial, the radio commercial must be submitted for review individually).