



**SAN DIEGO GAS AND ELECTRIC COMPANY**  
ELECTRIC AND FUEL PROCUREMENT DEPARTMENT  
8315 CENTURY PARK COURT, CP21D  
SAN DIEGO, CA 92123

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# **SDG&E's 2021-2023 IRP RELIABILITY RFO - DEMAND RESPONSE**

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2021-2023  
IRP RELIABILITY  
REQUEST FOR OFFERS  
("RFO")  
seeking  
DEMAND RESPONSE RESOURCES

VERSION 1 – 12/13/2019

**ISSUED**  
DECEMBER 13, 2019

**OFFERS DUE**  
FEBRUARY 7, 2020

**RFO WEBSITE**  
<https://www.sdge.com/2021-2023-irp-reliability-rfo>

**EMAIL QUESTIONS/COMMENTS TO**  
[IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com)

Record of Changes

Date	Explanation of Change	Section / Page of Document

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## 1.0 BACKGROUND

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In accordance with Decision (D.)19-11-016 – Decision Requiring Electric System Reliability Procurement for 2021-2023 (the “IRP Procurement Track Decision”) approved on November 7, 2019, San Diego Gas and Electric (“SDG&E”) is issuing its 2021-2023 IRP Reliability Request for Offers (“RFO”) - Demand Response (“DR”) to solicit Demand Response resources.

SDG&E is issuing this 2021-2023 IRP Reliability RFO –Demand Response to help meet its system capacity requirement established in the IRP Procurement Track Decision. As authorized in the Decision, SDG&E is seeking a minimum of 292.9 MW incremental to the baseline resource assumptions identified for the analysis that led to the adoption of the Preferred System Plan in Decision 19-04-040 as adjusted in the System Reliability decision. This RFO solicits offers from eligible facilities that interconnect within SDG&E’s service territory and as required by the Decision, SDG&E is soliciting a broad range of resources including energy efficiency, demand response, renewables, energy storage, and conventional.

This solicitation sets forth the terms and conditions of SDG&E’s 2021-2023 IRP Reliability RFO – Demand Response. By responding to this RFO, the bidder agrees to be bound by all the terms, conditions, and other provisions of this RFO and any changes or supplements to it that may be issued by SDG&E, prior to the bidder’s response.

The purpose of this document is to provide an overview of the process that SDG&E will use to implement this RFO. It will serve to set forth each bidder’s obligations with respect to the RFO as well as describe the procedures that each bidder must adhere to. If there is a conflict or inconsistency between the terms and conditions contained here and the terms and conditions contained within the Pro Forma Agreement attached to these instructions, the terms and conditions in the Pro Forma Agreement will prevail.

To be considered in this RFO, an offer must be uploaded to the PowerAdvocate® website in accordance with this RFO Protocol no later than 12:00 PM Pacific Prevailing Time (“PPT”), on February 7, 2020 (details can be found in section 5, below).

The RFO Schedule is subject to change at SDG&E’s sole discretion at any time. All changes to the RFO Schedule will be posted to SDG&E’s RFO website. The RFO Schedule may be affected by (but not limited to) issues such as: discussions with shortlisted bidders, proceedings before the CPUC, and efforts to obtain regulatory approval. SDG&E intends to notify bidders of any schedule change, but will not be liable for any change in schedule or for failing to provide notice of any change.

Once bidders have accepted their shortlisted position with SDG&E and remitted the Shortlist Acceptance Fee<sup>1</sup>, further contract negotiations may commence and continue until mutual agreement has been achieved and a contract has been executed. Being short listed does not guarantee that an Agreement will be negotiated or signed with the bidder.

SDG&E will seek CPUC approval of all executed agreements resulting from this RFO. SDG&E reserves the right to execute agreements with individual bidders at any time after short

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<sup>1</sup> See section 3.D.i. of this RFO for further details

listing and to seek CPUC approval for individual agreements in order to expedite the approval process.

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## 2.0 PROCUREMENT PROCESS

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Respondents to this solicitation shall comply with the requirements described in this RFO document.

All offers shall meet the minimum eligibility requirements as set forth in Section 3.0 Eligibility Requirements. All conforming offers will be evaluated in accordance with the Evaluation Criteria described in Section 4.0 of the RFO. SDG&E will initially select a shortlist in pursuit of cost effective DR resources for this RFO by selecting offers that are evaluated as most attractive via the quantitative and qualitative methodology described in Section 4.0.

SDG&E intends for resources / programs selected from this RFO to count towards SDG&E's system Resource Adequacy ("RA") obligations, with a preference for local RA resources. Respondents pursuing an Agreement must follow the appropriate process so that the resource can become eligible for RA, if not already eligible. Agreements resulting from this RFO will require Respondents to perform all activities necessary to facilitate RA recognition for the resources. The Respondents pursuing an Agreement shall be responsible for all costs to facilitate RA recognition.

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## 3.0 ELIGIBILITY REQUIREMENTS

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Respondents to this solicitation shall comply with the requirements herein. SDG&E, at its sole discretion, may change the terms, requirements and schedule of the solicitation. Respondents should monitor the RFO Website for announcements regarding any change.

### A. PARTICIPATION CRITERIA

Terms of participation are listed below. Respondents not meeting all minimum participation criteria may be deemed ineligible / nonconforming and their offers may not be considered.

1. Customers to be enrolled in the DR programs and/or who will provide proposed DR resource (s) must be located within SDG&E's service territory.
2. SDG&E gives priority for projects with a COD of August 1, 2021, and will not consider projects with a COD of later than August 1, 2023.
3. Respondents pursuing a Demand Response resource must demonstrate how their project will meet the requirements of the current RA counting rules<sup>2</sup>.

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<sup>2</sup> See the following CPUC decisions for guidance: D.10-06-036, D.11-06-022, D.12-06-025, D.13-06-024, D.14-06-050, D.15-06-063, D.16-06-045, D.17-06-027, D.18-06-030, D.19-02-022, D.19-06-026 among others. .  
(footnote continued)

4. The Demand Response resource must be demonstrably incremental to the baseline resource assumptions identified for the analysis that led to the adoption of the Preferred System Plan in Decision 19-04-040<sup>3</sup>. Sellers are required to explain and/or show how their proposed Demand Response resource is incremental. Sellers are encouraged to reference (1) SDG&E's current DR program portfolio<sup>4</sup>; (2) SDG&E's proposed 2018-2022 DR program portfolio<sup>5</sup>; Incremental resources that are similar to existing Demand Response resources must demonstrate, to the satisfaction of both SDG&E and the IE, that the resource is "incremental", for example, by being innovative or by targeting previously hard to reach markets that have not been addressed to date.
5. The Respondent must state any affiliate relationship with Sempra Energy, if one exists.
6. The Demand Response resource must meet all applicable CAISO wholesale product tariff requirements.
7. Safety. SDG&E expects that the offered program(s) will be operated and maintained in accordance with accepted electrical practices, applicable law and industry standards, including those related to safety. In the project / program description form that Respondents will provide as part of the offer package, SDG&E will ask respondents to confirm that this will be the case with their project or program. If the Respondent is unable to confirm these statements, the offer will be considered nonconforming.

## B. RESOURCE CRITERIA

Pursuant to the newly adopted Cost Effectiveness Protocols<sup>6</sup> which determined that the event-based Load Modifying Resource DR has no capacity value, only supply resources, as defined by the Commission<sup>7</sup>, will be considered. There are no technology restrictions on the demand response resource.

1. Minimum resource capacity must be 5 MW<sup>8</sup> in aggregate.
2. The DR resource must be a supply side resource<sup>9</sup>.

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<sup>3</sup> See D.19-11-016, ordering paragraph 6. This refers to D.19-04-040, Table 4 referencing the "baseline and new resources" incorporated in the study.

<sup>4</sup> See <http://www.sdge.com/business/demand-response-overview> for information about SDG&E's current DR program portfolio for businesses, and <http://www.sdge.com/save-money/summer-saver-program> and <http://www.sdge.com/residential/reduce-your-use/reduce-your-use-rewards> for information about current residential programs.

<sup>5</sup> See [https://www.sdge.com/sites/default/files/Application\\_of\\_SDGE\\_2018-2022\\_Demand\\_Response\\_with\\_attachments\\_COS.pdf](https://www.sdge.com/sites/default/files/Application_of_SDGE_2018-2022_Demand_Response_with_attachments_COS.pdf)

<sup>6</sup> See D. 14-06-050

<sup>7</sup> See D.14-03-026

<sup>8</sup> Note that SDG&E will consider the administrative burden/feasibility of negotiating a high volume of agreements when selecting its shortlist.

<sup>9</sup> See D.14-03-026

*(footnote continued)*

3. Permanent load shifting based on technology or behavior change will not be considered.<sup>10</sup>
4. Bids that are supported by resources that are already being subsidized under another CPUC-regulated program or rate schedule shall not be considered.
5. Load reduction of the resource must be consistent with the CPUC requirements regarding the use of back-up generation for DR. Fossil-fuel emergency back-up generation resources will not qualify as a Demand Response Resource in this RFO based on the Commission's policy statement that fossil-fuel emergency back-up generation resources should not be allowed as part of a demand response program for RA purposes, subject to rules adopted in future RA proceedings.<sup>11</sup>
6. Resources must be dispatchable, either by CAISO or SDG&E.

SDG&E is aware that the RA counting rules change frequently. If the capabilities of the system, facility or program that the Respondent is describing in its offer are currently non-conforming specifically with regard to the RA requirement, but the Respondent believes that the RA counting rules may change prior to SDG&E short-listing, the Respondent is instructed to submit their offer and note that it is currently non-conforming due to current RA rules. If and when the RA rules change resulting in the offer conforming to the new RA rules, the Respondent should notify SDG&E (via the RFO e-mail address [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com)) and the IE ([jon.jacobs@paconsulting.com](mailto:jon.jacobs@paconsulting.com))

### **C. DEMAND RESPONSE PRO FORMA AGREEMENT**

Bidders may modify the Pro Forma Agreement submitted as part of their offer package to the extent such modifications add value to the offer. However, SDG&E discourages extensive modification to the general terms and conditions of the Agreement and will consider materiality of such changes on a qualitative basis as it evaluates the offers received.

### **D. CREDIT TERMS AND CONDITIONS**

SDG&E has the right to evaluate and determine the credit-worthiness of the respondent relative to this RFO. The respondent is required to complete, execute and submit the RFO credit application as part of its offer. The application requests financial and other relevant information needed to demonstrate creditworthiness. Respondents may download the application from the RFO Website. Winning bidders will be required to comply with the credit and collateral requirements set forth in the Demand Response resources Pro Forma Agreement. The amount of such requirements will be determined by SDG&E at the time of shortlisting and will be based on product, deliveries, price, and term, among other variables. For clarity, bidders should **not** include credit costs within their bid price (note: respondents are required to provide information regarding the added cost of collateral per \$100,000 increment to satisfy the initial collateral requirement if SDG&E decides not to extend unsecured credit - this information will be provided in the credit

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<sup>10</sup> SDG&E currently has a Permanent Load Shifting (PLS) demand response program (see: <http://www.sdge.com/business/demand-response/permanent-load-shifting>) but to the degree a respondent can show that their behind-the-meter thermal energy program is different than the existing program, is dispatchable and is incremental perhaps by capturing a different customer segment and the program meets the other conformance requirements, then SDG&E will consider such a program.

<sup>11</sup> See D.11-10-003.

application. These costs will be considered as discussed in the quantitative evaluation section within this document).

1) **SHORTLIST ACCEPTANCE FEE.**

The Shortlist Acceptance Fee is the greater of \$100,000 or \$2 per kW of project nameplate / aggregate program capacity and shall be required to be paid to SDG&E within ten (10) business days of notification by SDG&E that the offer has been shortlisted. The Shortlist Acceptance Fee shall be refunded (with interest for cash deposits) to Respondent if Respondent and SDG&E fail to reach an agreement and such failure is not due to Respondent's withdrawal of its offer or a material misrepresentation of pricing or non-pricing information provided by Respondent. For questions regarding credit terms, please contact Ms. Judy Delgadillo at (213) 244-4343. Project-specific questions and answers will not be disclosed to other Respondents.

**E. ASC 810 (FIN46(R), CONSOLIDATION OF VARIABLE INTEREST ENTITIES) REQUIREMENTS**

Generally Accepted Accounting Principles and SEC rules require SDG&E to evaluate whether or not SDG&E must consolidate a Seller's financial information. SDG&E will require access to financial records and personnel to determine if consolidated financial reporting is required. If SDG&E determines at any time that consolidation is required, SDG&E shall require the following during every calendar quarter for the term of any resultant agreement:

- a) Unaudited financial statements with footnotes, within 15 calendar days of the end of each quarter;
- b) Audited financial statements with footnotes within 90 calendar days of the end of the year,
- c) Financial schedules underlying the financial statements, within 15 calendar days of the end of each quarter;
- d) Access to records and personnel, so that SDG&E's internal or independent auditor can conduct financial audits (in accordance with generally accepted auditing standards) and internal control audits (in accordance with Section 404 of the Sarbanes-Oxley Act of 2002) ) and SDG&E can meet its SEC filing requirements. The rights and obligations under the agreement shall survive the termination of this agreement for a period of two years;
- e) Certifications by duly authorized representatives as may be reasonably requested by SDG&E; and
- f) Such other information as reasonably requested by SDG&E.
- g) If consolidation is required and considered material by the buyer to buyer's financial statements or its parent company's financial statements and buyer reasonably determines seller's internal controls over financial reporting are considered to be significantly deficient or a material weakness, then seller is to remediate within 30 calendar days;
- h) Seller to provide to buyer any SEC Form 8K disclosures, two calendar days after the occurrence of the SEC Form 8K event; and
- i) Seller to notify buyer at any time during the term of the agreement of any consulting (non-independent) services proposed to be provided to seller by the buyer's independent auditor.



Any information provided to SDG&E shall be treated as confidential, except that it may be disclosed for financial statement purposes. Full details of SDG&E's requirements in connection with consolidation are set forth in the Model PPA.

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## 4.0 EVALUATION CRITERIA

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All incoming offers will be assessed for conformance based on the requirements outlined in Eligibility Requirements section. Respondents' offers shall conform with minimum participation criteria and eligibility requirements in order to be considered.

SDG&E will utilize all the information provided in the required forms and narratives to evaluate all offers. Respondents are responsible for the accuracy of all discussions, figures and calculations. Errors discovered during evaluation may impact a Respondent's potential shortlist status.

As required by the IRP Procurement Track Decision, SDG&E is soliciting a broad range of resources including energy efficiency, demand response, renewables, energy storage, and conventional. SDG&E has provided a separate RFO document outlining instructions and requirements for each resource type (and in the case of energy storage, contract type as well). SDG&E's valuation and selection approach is intended to evaluate the different resource (and contract) types in a non-discriminatory manner, with resources delivering the same attributes being valued in the same manner. Initially, all offers will go through a conformance check to ensure that the project meets the requirements outlined in the RFO document for that particular resource type. Conforming offers will then go through a Least-Cost / Best-Fit (LCBF).

### **QUANTITATIVE EVALUATION**

SDG&E evaluates and ranks offers based on Least-Cost/Best-Fit ("LCBF") principles. The LCBF analysis evaluates both quantitative and qualitative aspects of each offer to estimate its value to SDG&E's customers and its relative value in comparison to other offers. The valuation of an offer takes into account both benefits and costs.

A primary consideration used in the LCBF process is quantifying the price of an offer compared to the value it would provide using a set of price benchmarks. Since the primary consideration of D.19-11-016 is system reliability, SDG&E's 2021-2023 IRP Reliability RFO will place the highest value in Resource Adequacy. Other grid services, such as energy and ancillary services will also be used in the quantitative evaluation benefits for those technology types that are capable of providing each service. SDG&E plans to include some or all of the following costs: contract payments, ownership costs, variable costs, network upgrades, GHG emission costs. These benefit and cost components are netted, discounted and weighted to yield an NMV for each offer. These values are then ranked to establish the initial least cost portion of the evaluation.

Once an initial listing of the highest ranked offers is determined, a credit analysis will be conducted and credit costs will be considered. The economic evaluation normalizes the MW size differences of offers by finding the most attractive NMV per MW of capacity ("Least Cost").

### **QUALITATIVE EVALUATION**

Following the least-cost methodology, several additional aspects of each conforming bid are analyzed to establish how well the offer meets grid needs and satisfies priorities set out by the CPUC.

## A. INTERCONNECTION STATUS

D.19-11-016 sets clear targets for delivery, with the first milestone of 50% to be met by August 1, 2021 and full delivery by August 1, 2023. To achieve this target, a high value will be placed on the project's position in the CAISO interconnection queue or WDAT process. See the Facility Interconnection section for more information.

## B. LOADING ORDER

The State of California has set ambitious policy goals relating to carbon emission. To assist meeting these statewide goals, preferred resources will be given priority per the following loading order:

- 1) Demand Response
- 2) Energy Efficiency
- 3) Energy Storage/Hybrid Renewable
- 4) Renewable-Only
- 5) Gas-Fired Generation/CHP

## C. RESOURCE ADEQUACY

All proposed facilities and associated delivery points located within CAISO are eligible to participate in the RFO. However, facilities interconnecting in the San Diego-Imperial Valley Local Area will be given a higher value to meet SDG&E's local capacity requirements. Interconnection location within the SD-IV Local Area may also be considered if it benefits SDG&E's local capacity requirement position.

SDG&E will give preference to resources that are able to meet the CAISO's prevailing Flexible Resources Availability Criteria and Must Offer Obligations ("FRAC-MOO")<sup>12</sup> and obtain an Effective Flexible Capacity ("EFC") greater than zero. In addition, SDG&E will differentiate flexible attributes based on their Flexible Resource Categories, with Category 1  $\geq$  Category 2  $\geq$  Category 3.

## D. SUPPLIER DIVERSITY

SDG&E strongly encourages Diverse Business Enterprises ("DBEs"), "Women-Owned Businesses" or "Minority-Owned Businesses" or "Disabled Veteran Business Enterprises" as defined in G.O. 156<sup>13</sup>, to participate in this RFO. Furthermore, SDG&E strongly encourages developers to utilize DBEs during various stages of project development and construction. As a part of G.O. 156, SDG&E will require developers to identify, verify and report their DBE contractors/subcontractor spending if any. Additional information on SDG&E's DBE program can be found at:

<https://www.sdge.com/more-information/doing-business-with-us/supplier-diversity>

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<sup>12</sup> A must-offer obligation, or MOO, is a commitment to be available for dispatch by the CAISO. The proposed MOO for Flexible RA resources (FRAC-MOO) aims to ensure that flexible resources will be available to contribute to the times of greatest system ramping. The proposed FRAC-MOO requirements can be found at <https://www.caiso.com/informed/Pages/StakeholderProcesses/FlexibleResourceAdequacyCriteria-MustOfferObligations.aspx>

<sup>13</sup> See <http://www.thesupplierclearinghouse.com/eligibility/default.asp> for the definition of a DBE.

<http://www.cpuc.ca.gov/puc/supplierdiversity/>

## **E. OTHER CONSIDERATIONS**

SDG&E is seeking experienced companies and development teams to develop and operate facilities utilizing known and proven technology to the degree available. Status of required permits, fuel and water interconnections will be considered in bid selection. Additionally, SDG&E will seek to mitigate single-technology risk, preferring a mixed portfolio solution as well as consider demonstrable resiliency benefits.

## **BID CONFORMANCE EVALUATION**

In addition to the elements described above, SDG&E may also reject an offer if:

1. SDG&E uncovers evidence of market manipulation or unlawful collusion in the bid preparation and offer process;
2. the Respondent does not provide adequate evidence that it meets minimum participation criteria;
3. the Respondent is unable to comply with RFO timing and other solicitation requirements.

SDG&E WILL NOT REIMBURSE RESPONDENTS FOR THEIR EXPENSES UNDER ANY CIRCUMSTANCES, REGARDLESS OF WHETHER THE RFO PROCESS PROCEEDS TO A SUCCESSFUL CONCLUSION OR IS ABANDONED BY SDG&E IN ITS SOLE DISCRETION.

## 5.0 RFO SCHEDULE

The following schedule and deadlines apply to this RFO. SDG&E reserves the right to revise this schedule at any time and in SDG&E's sole discretion. Respondents are responsible for monitoring the RFO Website for updated schedules and possible amendments to the RFO or the solicitation process.

NO.	ITEM	DATE
1.	RFO Issued	December 13, 2019
2.	Pre-Bid Conference / Bidder Outreach Event	January 10, 2020
3.	DEADLINE TO SUBMIT QUESTIONS Question submittal cut-off date. Answers to questions will be posted on the website no later than January 31, 2020.	January 24, 2020
4.	DEADLINE TO REGISTER for PowerAdvocate® access / to download RFO forms and documents	January 31, 2020
5.	CLOSING DATE: Offers must be uploaded to and received on PowerAdvocate® no later than <b>12:00 PM</b> Pacific Prevailing Time on February 7, 2020.	February 7, 2020
6.	SDG&E Begins Bid Evaluation Process	February 10, 2020
7.	Shortlist determination	June 5, 2020
8.	SHORTLIST NOTIFICATION SDG&E notifies Shortlisted Bidders	June 8, 2020
9.	SHORTLISTED BIDDERS ACCEPTANCE/WITHDRAWAL Letter due from Shortlisted Bidders indicating: a. Withdrawal from SDG&E's solicitation; OR b. Acceptance of shortlisted standing and including Shortlist Acceptance Fee	+10 Days after Shortlist Notification
10.	SDG&E issues appreciation notices to unsuccessful Respondents	+3 week after Shortlisted Bidders accept/withdraw
11.	SDG&E commences with PPA negotiations	+11 Days after Shortlist Notification
12.	Target date to complete PPA negotiations	Q3/Q4, 2020
13.	SDG&E Submits Application with PPAs to CPUC for approval	Q3/Q4, 2020
	* Negotiation time will vary depending on proposal specifics including proposed contract modifications.	

### PRE-BID CONFERENCE/ BIDDER OUTREACH EVENT

SDG&E will host one bidder outreach event. The event is scheduled for January 10, 2020 and will be an in-person event for all resource types (with dial-in / webinar available for those that cannot attend in-person). Participation in this event is NOT mandatory in order to submit an offer.

Please monitor the RFO Website for further details (such as conference presentation materials and final arrangements for the event (time and location)). SDG&E will make efforts to notify bidders of outreach event details via e-mail as well as provide this information via the RFO Website.

Any party interested in attending these events should email the following information to [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com).

- Company name, and
- Attendees' names, titles and contact information

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## 6.0 RFO WEBSITE AND COMMUNICATION

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The RFO and all subsequent revisions and documents are available for download from the RFO Website (<https://www.sdge.com/2021-2023-irp-reliability-rfo>) and the 2021-2023 IRP RELIABILITY RFO event on the PowerAdvocate® website. Potential Respondents are responsible for monitoring the RFO Website and PowerAdvocate® for subsequent updates, notices and postings.

The 2021-2023 IRP RELIABILITY RFO event on the PowerAdvocate® website contains the following: required RFO forms, documents, and schedule. Respondents intending to bid but who do not yet have an existing account with PowerAdvocate® must first register to create a username/password in order to receive access to the event. See below log in instructions:

### Logging In

You access the PowerAdvocate platform via a web browser.

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#### To log in

1. Open a web browser and go to [www.poweradvocate.com](http://www.poweradvocate.com).

PowerAdvocate functions in most web browsers; however, using browsers other than Internet Explorer (IE) version 6 or higher may cause certain functionality to work unexpectedly. Should you encounter problems, PowerAdvocate support may be unable to provide assistance until the issue has been replicated in a supported version of Internet Explorer.

2. Click **Login**.

The Login page appears; you may wish to bookmark it for quick access.

3. Enter your account **User Name** and **Password**.

Both are case-sensitive.

If you do not have an account, go to [poweradvocate.com](http://poweradvocate.com) and click the **Registration** link at the top of the page. If you have an account but do not remember your user information, click **Forgot User Name** or **Forgot Password** and they will be emailed to you.

4. Click **Login**.

First-time users must register as a Supplier using the instructions above.:

Users with an existing PowerAdvocate® account may request access to the event using the link below:

<https://www.poweradvocate.com/pR.do?okey=99625&pubEvent=true>

The RFO website contains RFO forms and documents, the RFO Schedule, and a Question and Answer forum. All questions or other communications regarding this RFO must be submitted via email to [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com) by the DEADLINE TO SUBMIT QUESTIONS as

specified in Section 5.0 RFO Schedule. SDG&E will not accept questions or comments in any other form, except during scheduled bidders conference.

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## 7.0 RFO RESPONSE INSTRUCTIONS

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Respondents are required to submit the below files / forms / documents in response to this solicitation. Forms are available on the RFO Website / through the PowerAdvocate® site. The failure to provide the listed information, including failure to provide it in the required format, may result in the proposal being deemed non-conforming and may disqualify the proposal from further consideration.

### **Limit on Number of Bids**

A MAXIMUM OF SIX (6) OFFERS PER RESPONDENT WILL BE ACCEPTED.

Fill out separate offer forms for each offer. Only one Project Description Form is required per Respondent to the extent that all bids can be adequately summarized in the space provided.

If the respondent has questions or concerns regarding bid limits, please contact SDG&E at: [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com)

### **Required Participation Forms:**

- 1) **Demand Response Offer Form** – Bidders must include in their offer form proposed pricing.
- 2) **Project Description Form**
- 3) **Redline Pro Forma Agreement** - Respondents may provide a mark-up of SDG&E's DR pro forma agreement as part of the offer package.
- 4) **Diverse Business Enterprise Subcontracting Commitment and Reporting Requirements (DBE) Form** - Provide a copy of certification documents received from the California Public Utilities Commission. An application can be made before submission of the offer and referenced in the offer.
- 5) **Credit Application** –A credit application will be required under all PRO FORMAs. Changes to terms and conditions will render the offer non-conforming and disqualify the project from further consideration.

The Project Description Form, Redlines to the Pro-Forma Agreement or load reduction only and Credit Application for All Source RFO must be in Word or Word-compatible format (not in PDF). The Demand Response offer form must be in Excel or Excel-compatible format (not in PDF). The Diverse Business Enterprise Subcontracting Commitment and Reporting Requirements (DBE) Form must be in PDF format.

**Submissions containing unsolicited materials or submissions of individual bid documents in file formats other than the formats of the original bid forms may be rejected. This RFO is an electronic only Solicitation; Respondents need not submit paper documents, nor e-binders.**



Any party interested in submitting an offer must register to receive access to the 2021-2023 IRP RELIABILITY RFO event on PowerAdvocate® in order to submit an offer. To register, Respondents must follow the instructions outlined in Section 6, RFO Website and Communications. All offers must be uploaded to the PowerAdvocate® no later than **12:00 p.m.**, Pacific Prevailing Time, on the CLOSING DATE (see RFO Schedule). If Respondents encounter technical difficulties with the uploading process, they should provide evidence of such difficulties (e.g. a screen shot of the error message) and email the bid to:

The RFO mailbox: [IRPReliabilityRFO@sdge.com](mailto:IRPReliabilityRFO@sdge.com)  
Carbon Copy (CC) to: [Jon.Jacobs@PAConsulting.com](mailto:Jon.Jacobs@PAConsulting.com)

Emails shall be received by 12 p.m., Pacific Prevailing Time, on the Closing Date.

All offer materials submitted in accordance with the above Response Instructions shall be subject to the confidentiality provisions of Section 9 Confidentiality of this RFO.

SDG&E will review and may utilize all information, if any, submitted by a Respondent that is not specifically requested as a part of any forms. During all stages of the RFO process, SDG&E reserves the right to request additional information from individual Respondents or to request any Respondent to submit supplemental materials in fulfillment of the content requirements of this RFO or to meet additional information needs. SDG&E also reserves the unilateral right to waive any technical or format requirements contained in the RFO.

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## 8.0 REJECTION OF OFFERS

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SDG&E SHALL TREAT ALL RESPONDENTS FAIRLY AND EQUALLY AND SHALL EVALUATE ALL OFFERS IN GOOD FAITH. WHILE SDG&E IS MINDFUL OF THE BENEFITS OF DEMAND RESPONSE AND IS VIGOROUSLY PURSUING THE GOALS OF THE RFO, IT MAKES NO GUARANTEE THAT A CONTRACT AWARD SHALL RESULT FROM THIS RFO, EVEN AFTER AN OFFER HAS BEEN SHORTLISTED. SDG&E RESERVES THE RIGHT AT ANY TIME, AT ITS SOLE DISCRETION, TO ABANDON THIS RFO PROCESS, TO CHANGE THE BASIS FOR EVALUATION OF OFFERS, TO TERMINATE FURTHER PARTICIPATION IN THIS PROCESS BY ANY PARTY, TO ACCEPT ANY OFFER OR TO ENTER INTO ANY DEFINITIVE AGREEMENT, TO EVALUATE THE QUALIFICATIONS OF ANY RESPONDENT OR THE TERMS AND CONDITIONS OF ANY OFFER, OR TO REJECT ANY OR ALL OFFERS, ALL WITHOUT NOTICE AND WITHOUT ASSIGNING ANY REASONS AND WITHOUT LIABILITY OF SEMpra ENERGY, SDG&E, OR ANY OF THEIR SUBSIDIARIES, AFFILIATES, OR REPRESENTATIVES TO ANY RESPONDENT. SDG&E SHALL HAVE NO OBLIGATION TO CONSIDER ANY OFFER.

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## 9.0 CONFIDENTIALITY

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EXCEPT WITH THE PRIOR WRITTEN CONSENT OF SDG&E, RESPONDENTS MAY NOT DISCLOSE (OTHER THAN BY ATTENDANCE ALONE AT ANY MEETING TO WHICH MORE THAN ONE RESPONDENT IS INVITED BY SDG&E) TO ANY OTHER RESPONDENT OR POTENTIAL RESPONDENT THEIR PARTICIPATION IN THIS RFO, AND RESPONDENTS MAY NOT DISCLOSE, COLLABORATE ON, OR DISCUSS WITH ANY OTHER RESPONDENT, OFFER STRATEGIES OR THE SUBSTANCE OF OFFERS, INCLUDING WITHOUT LIMITATION THE PRICE OR ANY OTHER TERMS OR CONDITIONS OF ANY INDICATIVE OR FINAL OFFER.

SDG&E WILL USE THE HIGHER OF THE SAME STANDARD OF CARE IT USES WITH RESPECT TO ITS OWN PROPRIETARY OR CONFIDENTIAL INFORMATION OR A REASONABLE STANDARD OF CARE TO PREVENT DISCLOSURE OR UNAUTHORIZED USE OF RESPONDENT'S CONFIDENTIAL AND PROPRIETARY INFORMATION THAT IS LABELED AS "PROPRIETARY AND CONFIDENTIAL" ON THE OFFER PAGE ON WHICH THE PROPRIETARY INFORMATION APPEARS ("CONFIDENTIAL INFORMATION"). RESPONDENT SHALL SUMMARIZE ELEMENTS OF THE OFFER(S) IT DEEMS CONFIDENTIAL. THE SUMMARY MUST CLEARLY IDENTIFY WHETHER OR NOT PRICE, PROJECT NAME, LOCATION, SIZE, TERM OF DELIVERY AND TECHNOLOGY TYPE (EITHER COLLECTIVELY OR INDIVIDUALLY) ARE TO BE CONSIDERED CONFIDENTIAL INFORMATION. CONFIDENTIAL INFORMATION MAY BE MADE AVAILABLE ON A "NEED TO KNOW" BASIS TO SDG&E'S DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, CONSULTANTS, THE INDEPENDENT EVALUATOR, AGENTS AND ADVISORS ("REPRESENTATIVES") FOR THE PURPOSE OF EVALUATING RESPONDENT'S OFFER, BUT SUCH REPRESENTATIVES SHALL BE REQUIRED TO OBSERVE THE SAME CARE WITH RESPECT TO DISCLOSURE AS SDG&E.

NOTWITHSTANDING THE FOREGOING, SDG&E MAY DISCLOSE ANY OF THE CONFIDENTIAL INFORMATION TO COMPLY WITH ANY LAW, RULE, OR REGULATION OR ANY ORDER, DECREE, SUBPOENA OR RULING OR OTHER SIMILAR PROCESS OF ANY COURT, SECURITIES EXCHANGE, CONTROL AREA OPERATOR, GOVERNMENTAL AGENCY OR GOVERNMENTAL OR REGULATORY AUTHORITY AT ANY TIME EVEN IN THE ABSENCE OF A PROTECTIVE ORDER, CONFIDENTIALITY AGREEMENT OR NON-DISCLOSURE AGREEMENT, AS THE CASE MAY BE, WITHOUT NOTIFICATION TO THE RESPONDENT AND WITHOUT LIABILITY OR ANY RESPONSIBILITY OF SDG&E TO THE RESPONDENT.

IT IS EXPRESSLY CONTEMPLATED THAT MATERIALS SUBMITTED BY A RESPONDENT IN CONNECTION WITH THIS RFO WILL BE PROVIDED TO THE CPUC, ITS STAFF, THE CEC, ITS STAFF, SDG&E'S INDEPENDENT EVALUATOR, SDG&E'S PRG, AND THE COST ALLOCATION METHODOLOGY ("CAM") GROUP. ADDITIONALLY, SDG&E MAY PROVIDE LIMITED INFORMATION SUCH AS (BUT NOT LIMITED TO) ON-LINE DATE, INTERCONNECTION POINT, TECHNOLOGY AND OTHER OPERATIONAL CHARACTERISTICS TO THE CAISO FOR MODELING

PURPOSES. SDG&E WILL SEEK CONFIDENTIAL TREATMENT PURSUANT TO CPUC DECISION NUMBER 6-06-066, PUBLIC UTILITIES CODE SECTION 583 AND GENERAL ORDER 66-D OF THE CPUC, WITH RESPECT TO ANY RESPONDENT CONFIDENTIAL INFORMATION SUBMITTED BY SDG&E TO THE CPUC FOR THE PURPOSES OF OBTAINING REGULATORY APPROVAL. SDG&E WILL ALSO SEEK CONFIDENTIALITY PROTECTION FROM THE CALIFORNIA ENERGY COMMISSION (“CEC”) FOR RESPONDENT’S CONFIDENTIAL INFORMATION AND WILL SEEK CONFIDENTIALITY AND/OR NON-DISCLOSURE AGREEMENTS WITH THE PROCUREMENT REVIEW GROUP (“PRG”). SDG&E CANNOT, HOWEVER, ENSURE THAT THE CPUC OR CEC WILL AFFORD CONFIDENTIAL TREATMENT TO A RESPONDENT’S CONFIDENTIAL INFORMATION OR THAT CONFIDENTIALITY AGREEMENTS OR ORDERS WILL BE OBTAINED FROM AND/OR HONORED BY THE PRG, CEC, OR CPUC.

SDG&E, ITS REPRESENTATIVES, SEMPRA ENERGY, AND ANY OF THEIR SUBSIDIARIES DISCLAIM ANY AND ALL LIABILITY TO A RESPONDENT FOR DAMAGES OF ANY KIND RESULTING FROM DISCLOSURE OF ANY OF RESPONDENT’S INFORMATION.

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## **10.0 ROLE OF THE PRG AND ROLE OF THE INDEPENDENT EVALUATOR**

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### **PROCUREMENT REVIEW GROUP**

The Procurement Review Group (PRG) and Cost Allocation Mechanism (CAM) PRG are CPUC-endorsed entities and are composed of non-market participants such as ratepayers' advocacy groups, state energy and water commissions, power authorities, utility-related labor unions and other non-commercial, energy-related special interest groups. Each IOU has its own PRG and CAM PRG. The PRG and CAM PRG are charged with overseeing the IOU's procurement process, reviewing procedural fairness, examining overall procurement prudence and providing feedback during all stages. From RFO language development to offer evaluation to contract negotiation, IOU's brief the PRG and/ or the CAM PRG on a periodic basis during the entire process.

Respondents are hereby notified that revealing confidential offer information to the PRG and/or CAM PRG is required during briefings in accordance with Section 11 ("Confidentiality"). Each Respondent must clearly identify, as part of its offer, what type of information it considers to be confidential.

### **INDEPENDENT EVALUATOR**

The CPUC requires each IOU to use an Independent Evaluator ("IE") to evaluate and report on the IOU's entire solicitation, evaluation, and selection process. The IE will review SDG&E's implementation of the RFO process and final selections. The IE also makes periodic presentations regarding its findings to the IOU and the IOU's PRG, including the CPUC Energy Division staff. The intent of these IE presentations is to preserve the independence of the IE by ensuring free and unfettered communication between the IE and the CPUC, as well as an open, fair, and transparent process that the IE can affirm.

SDG&E is committed to ensuring an open and transparent solicitation, and to providing a fair, reasonable and competitive process.

The IE for this solicitation is PA Consulting.

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## 11.0 SDG&E BACKGROUND

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[SDG&E](#) is a regulated public utility that provides clean, safe and reliable energy service to 3.6 million consumers through 1.4 million electric meters and 873,000 natural gas meters in San Diego and southern Orange counties. The utility's area spans 4,100 square miles. SDG&E is committed to creating ways to help customers save energy and money every day. SDG&E is a subsidiary of [Sempra Energy](#) (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego. Connect with SDG&E's Customer Contact Center at 800-411-7343, on [Twitter](#) (@SDGE) and [Facebook](#).



For a map of California IOU service territories please visit:  
[http://www.energy.ca.gov/maps/serviceareas/electric\\_service\\_areas.html](http://www.energy.ca.gov/maps/serviceareas/electric_service_areas.html)