



SAN DIEGO GAS AND ELECTRIC COMPANY
ELECTRIC AND FUEL PROCUREMENT DEPARTMENT
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SAN DIEGO, CA 92123

SDG&E's 2021-2023 IRP RELIABILITY RFO – ENERGY STORAGE (“ESS”)

2021-2023

IRP RELIABILITY

REQUEST FOR OFFERS (“RFO”)

Seeking

ENERGY STORAGE SYSTEM

POWER PURCHASE AGREEMENTS

ENERGY STORAGE SYSTEM TURN-KEY
BUILD, OWN, TRANSFER AGREEMENTS

ENERGY STORAGE SYSTEM TURN-KEY
ENGINEERING, PROCUREMENT & CONSTRUCTION
AGREEMENTS

VERSION 2 – ISSUED DECEMBER 19, 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

RECORD OF CHANGES

Date	Description of Change	Section / Page of Document
12/19/2019	Updated BOT and EPC schedule	Sect 6, Pg 15
12/19/2019	Webinar Update	Sect 6, Pg 15

TABLE OF CONTENTS

TABLE OF CONTENTS	1
1.0 BACKGROUND	2
2.0 PROCUREMENT PROCESS.....	5
3.0 ELIGIBILITY REQUIREMENTS.....	7
A. PARTICIPATION CRITERIA	7
B. Modifications to the pro-forma ESSPPA	9
C. CREDIT SUPPORT TERMS AND CONDITIONS	9
1) SHORTLIST ACCEPTANCE FEE.....	9
D. ASC 810 (FIN46(R), Consolidation of Variable Interest Entities) REQUIREMENTS	10
4.0 FACILITY INTERCONNECTION	11
5.0 EVALUATION CRITERIA.....	12
QUANTITATIVE EVALUATION.....	12
QUALITATIVE EVALUATION	13
BID CONFORMANCE EVALUATION.....	14
6.0 RFO SCHEDULE	15
PRE-BID CONFERENCE / BIDDER OUTREACH EVENTS.....	16
7.0 RFO WEBSITE AND COMMUNICATION	17
8.0 REJECTION OF OFFERS	20
9.0 CONFIDENTIALITY.....	21
10.0 Role of the PRG and Role of the Independent Evaluator.....	23
Procurement Review Group.....	23
Independent Evaluator.....	23
11.0 SDG&E BACKGROUND	24

1.0 BACKGROUND

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 & Electric Company (“SDG&E”) is issuing its 2021-2023 IRP Reliability Request for Offers (“RFO”) - Energy Storage to solicit offers from owners and operators of Energy Storage System (“ESS”) facilities, ESS developers and ESS developers / equipment suppliers.

SDG&E is issuing this 2021-2023 IRP Reliability RFO – Energy Storage 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. This RFO solicits offers from eligible facilities that interconnect within the CAISO balancing authority 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.

SDG&E endeavors to procure 50% of its apportioned capacity derived from the IRP Procurement Track Decision with deliveries by August 1, 2021. Furthermore, SDG&E is to cumulatively procure 75% and 100% of its requirement with deliveries by August 1, 2022 and August 1, 2023 respectively.

This solicitation sets forth the terms and conditions of SDG&E’s 2021-2023 IRP Reliability RFO – Energy Storage. SDG&E will consider ESS offers ranging from 10 MW to 300 MW in size (more detail is provided in Section 3.0(A) of this RFO). This RFO solicits offers for both third party owned, contracted resources and two types of utility owned resources; more specifically, SDG&E is seeking:

- 1) Offers from owners and operators of ESS facilities to negotiate and enter into an Energy Storage System Power Purchase Agreement (“ESSPPA”), or
- 2) Offers from ESS developers to negotiate and enter into an Energy Storage System Turn-key Build, Own, Transfer Agreement (“ESSBOT”) under which the ESS developers would construct an ESS project on its land and SDG&E would acquire the ESS project from the ESS developer upon project completion, or
- 3) Offers from ESS developers / contractors / equipment suppliers to negotiate and enter into an Energy Storage System Turn-key Engineering, Procurement and Construction Agreement (“ESSEPC”) under which the ESS developers / contractors / equipment suppliers would construct an ESS facility on SDG&E land.

ESSBOT and ESSEPC offers will be coordinated by an internal group at SDG&E that will be assembling offers for potential utility ownership (“SDG&E’s Utility Development Team”). ESSBOT and ESSEPC Respondents must provide a formal written expression of interest as more fully described below in section 7 (RFO Website and Communications, in particular the section titled ‘RFO Response Instructions’) to SDG&E’s Utility Development Team on or before December 31, 2019

to participate in this RFO. Additionally, ESSEPC and ESSBOT Respondents are required to execute a nondisclosure agreement (“NDA”) by January 7, 2020 that will be provided upon receipt of the formal expression of interest. Following NDA execution, ESSBOT and ESSEPC Respondents will receive additional information related to providing information to SDG&E’s Utility Development Team (an “Addendum” to this RFO) that more precisely describes the process for ESSBOT and ESSEPC offers, including a detailed schedule, pre-bid process description, pre-evaluation and ranking process description, and process for submitting final offers on or before the Closing Date (February 7, 2020). Additionally, the Addendum will contain an Energy Storage Specification, pro forma contract, and for EPC respondents, site descriptions of utility owned land available for ESSEPC offers. While general instructions describing the ESSBOT and ESSEPC processes are included throughout this RFO (in particular in sections 2 (Procurement Process), 6 (RFO Schedule), 7 (RFO Website and Communication and the RFO Response Instructions portion of section 7), specific instructions including a detailed schedule are only available in the Addendum documents provided to ESSBOT and ESSEPC Respondents after formal written expression of interest and NDA execution.

This solicitation sets forth the terms and conditions of SDG&E’s 2021-2023 IRP Reliability RFO – Energy Storage . 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. SDG&E encourages Respondents to only provide offers of delivery terms approved in the Decision.

In this RFO, SDG&E will entertain offers for two of the three ESS resource domains as defined in the Energy Storage Decision: transmission domain and distribution domain. Customer domain storage respondents should refer to the demand response RFO also issued by SDG&E as part of its 2021-2023 IRP Reliability RFO.

Table 1 – ESS Requirements Summary for Transmission and Distribution Domains

Contract Term	Term: (3) three-year contracts for existing resources and (10) ten-year contracts for new resources.
Contract / Agreement Type	ESSPPA, ESSBOT or ESSEPC ¹
Nameplate / Offer size	ESSPPA: 10 MW – 300 MW ESSBOT: 10 MW – 300 MW ESSEPC: Varies by location. Additional information available upon formal expression of interest and NDA execution.
Interconnection / Delivery Point	Within CAISO (including dynamically scheduled or pseudo-tie arrangements) with a preference for SD-IV Local Area – as defined by the CAISO ²
Resource Adequacy (RA)	Must be eligible to contribute to system RA requirements, with a preference for local and flex RA
Technology Type	Any type of energy storage that meets the definition included in PU Code 2835 – this includes co-location with other technology types

¹ ESSBOT and ESSEPC will entail a range of agreements including equipment supply and maintenance agreements (among other agreements). The terms ESSBOT and ESSEPC are shorthand for the various agreements that will be necessary to enable these arrangements.

² See the CAISO “2020 Local Capacity Technical Study” available at: <http://www.caiso.com/Documents/Final2020LocalCapacityTechnicalReport.pdf>.

Cycles	ESPPA, ESSBOT or ESSEPC: Although SDG&E will not require a minimum for annual cycles, SDG&E has a preference for systems with more cycles per year
Charging/ Discharging Durations	ESPPA, ESSBOT or ESSEPC: No charging duration requirements ESPPA, ESSBOT or ESSEPC: Discharging duration requirements must be based on qualification for system RA requirements (3 consecutive days, 4 hours per day); additionally qualitative consideration will be given to resources that can operate for longer duration. See section 5 ‘Evaluation Criteria’ for further information
System Efficiency	ESPPA, ESSBOT or ESSEPC :A preference will be given for higher efficiency systems.
Warranty/ Guarantee	ESPPA: Per contract. ESSBOT and ESSEPC: SDG&E will require a capacity guarantee.

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.

To be considered in this RFO, an offer must be uploaded to the SDG&E RFO platform in accordance with this RFO Protocol no later than **12:00 PM** Pacific Prevailing Time (“PPT”), on February 7, 2020. Note, for ESSEPC and ESSBOT offerors, cost and other information will be provided ahead of this deadline to SDG&E’s Utility Development Team. The exact schedule is described in the Addendum documents available to ESSBOT and ESSEPC Respondents after formal written expression of interest and NDA execution.

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. A schedule detailing SDG&E’s plans throughout the entire initial program period can be found in Section 6.

Once bidders have accepted their shortlisted position with SDG&E and remitted the Shortlist Acceptance Fee³, further ESPPA, ESSBOT or ESSEPC 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 ESPPA, ESSBOT or ESSEPC 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 listing and to seek CPUC approval for individual agreements in order to expedite the approval process.

³ See section 3.C. of this RFO for further details

2.0 PROCUREMENT PROCESS

Respondents to this solicitation shall comply with the requirements described in this RFO document. ESSBOT and ESSEPC Respondents shall also comply with the requirements described in the Addendum documents to be provided following submission of a formal written expression of interest and NDA execution.

All offers shall meet the minimum eligibility requirements as set forth in Section 3.0. All conforming offers will be evaluated in accordance with the Evaluation Criteria described in Section 5.0 of the RFO. SDG&E will initially prioritize RFO offers by commercial operation dates with a priority for projects that can meet the August 1, 2021 date and subsequently August 1, 2022 and August 1, 2023 accordingly. Subsequently, offers will be evaluated by most attractive via the quantitative and qualitative methodology described in Section 5.0. SDG&E may select a minimum of 292.9 MW in aggregate associated with all of the product types included in its 2021-2023 IRP Reliability RFO, including Energy Storage.

SDG&E is mindful of the impact that interconnection costs can have on successful project development. To ensure SDG&E can evaluate bids on an equitable basis -- and to ensure projects solicited through this solicitation can meet the defined commercial operation dates -- SDG&E requires that ESSPPA, ESSBOT, and ESSEPC offers demonstrate the expected full deliverability status of the project and the expected interconnection costs through either a completed Phase II study or in accordance with the CAISO Business Practice Manual for Generator Management (note that in the ESSEPC case, the SDG&E Utility Development Team is responsible for developing and submitting those estimated network upgrade and other deliverability costs). Gen-tie costs, those that benefit the project alone and are not reimbursable, should be included in the contract pricing. ESSPPA or ESSBOT offers with completed interconnection studies or repowering opportunities shall include copies of those studies, descriptions of any repowering, and estimates of such costs. For offers associated with an ESSEPC, the SDG&E Utility Development Team will manage the interconnection study process and the third party Respondents need not include interconnection study and cost information; the SDG&E Utility Development Team will include the interconnection study and cost information that it develops in its ESSEPC bids.

SDG&E intends for projects selected from this RFO to count towards SDG&E's system Resource Adequacy ("RA") obligations, with a preference for local and flex RA. Respondents pursuing an ESSPPA or ESSBOT must follow the appropriate process for obtaining a deliverability study from the CAISO so that the project(s) can become eligible for RA, if not already eligible. ESSPPA or ESSBOT Agreements resulting from this RFO will require Respondents to perform all activities necessary to facilitate system RA recognition for the projects. Respondents pursuing an ESSPPA or ESSBOT shall be responsible for all costs to facilitate system RA recognition, including any deliverability study fees or upfront funding of deliverability upgrade costs and should include these costs in the offer price.

In this RFO, SDG&E requires that ESSPPA, ESSBOT, and ESSEPC projects seek and receive Full Capacity Deliverability Status ("FCDS") and that they will count towards SDG&E's RA obligations. In order to achieve FCDS, Respondents pursuing an ESSPPA or ESSBOT must apply

for a deliverability study to be conducted by the CAISO or be eligible as a repowering of a comparably sized existing facility. ESSPPA or ESSBOT Respondents with winning bids for FCDS projects must demonstrate that the project has been assessed for deliverability or the project is eligible as a repowering of a comparably sized existing facility. This condition must be met for winning bids that will interconnect at either the distribution or transmission level. For winning FCDS project bids that result in an executed and approved ESSPPA or ESSBOT, during the project development process, the project is required to obtain final interconnection studies (i.e. for transmission level projects, a final Phase II interconnection study report, or for distribution level projects, a final interconnection facilities study report (or equivalent)). All ESSEPC projects that the SDG&E Cost Development Team pursues will likewise need to establish FCDS.

On July 2, 2013, the CAISO published the ‘Generator Interconnection and Deliverability Study Methodology Technical Paper’ and Section One of the paper provides background information and an overview of the deliverability study methodology. Respondents may find this paper at: <http://www.caiso.com/Documents/TechnicalPaper-GeneratorInterconnection-DeliverabilityStudyMethodology.pdf>. For projects that will interconnect at distribution level, information on the interconnection process can be found in the Facility Interconnection section.

For ESSEPC Respondents: SDG&E requires that a formal expression of interest be provided to SDG&E no later than 5pm, December 31, 2019. This expression of interest shall be in written form (an e-mail to UtilityDevelopmentTeam@sdge.com) and should provide company and contact information. SDG&E will require additional bidding procedures for Respondents with ESSEPC offers, such as entering into a Nondisclosure Agreement (“NDA”) with the SDG&E allowing the exchange of detailed and confidential information between the parties (such as site or technology specific information). This NDA must be executed on or before January 7, 2020. Further details regarding the NDA and other ESSEPC specific instructions/information will be given to those ESSEPC Respondents who provide the necessary expression of interest.

For ESSBOT Respondents: SDG&E requires that a formal expression of interest be provided to SDG&E no later than 5pm, December 31, 2019. This expression of interest shall be in written form (an e-mail to UtilityDevelopmentTeam@sdge.com). SDG&E will require additional bidding procedures for Respondents with ESSBOT offers, such as entering into a Nondisclosure Agreement (“NDA”) with the SDG&E allowing the exchange of detailed and confidential information between the parties (such as site or technology specific information). This NDA must be executed on or before January 7, 2020. Further details regarding the NDA and other ESSBOT specific instructions/information will be given to those ESSBOT Respondents who provide the necessary expression of interest.

3.0 ELIGIBILITY REQUIREMENTS

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. ESS Facilities must meet the definition included in PU Code 2835.⁴
2. Acceptable capacity range.
 - a. ESSPPA Respondents -minimum size of 10 MW and maximum size of 300 MW.
 - b. ESSBOT Respondents - minimum size of 10 MW and maximum size of 300 MW.
 - c. ESSEPC Respondents - minimum size of 10 MW and maximum size of 300 MW. Size may vary by location.
3. The ESS facility shall be located and interconnected within the CAISO (or dynamically scheduled or with a pseudo-tie) with a preference for San Diego-IV local area, as defined by the CAISO⁵.
4. The resource must meet all applicable RA counting rules in order to qualify as system RA.
5. ESS facility must be incremental to the baseline resource assumptions identified for 2022 in the analysis that led to the adoption of the Preferred System Plan⁶ adopted by the Commission in Decision (D.) 19-04-040 that served as a basis for SDG&E's IRP Procurement Track authorized need.
6. ESSPPA and ESSBOT Respondents must apply for interconnection and seek to be evaluated as a system RA resource, which requires a CAISO deliverability study or the repowering of a comparably sized existing facility in accordance with the CAISO Business Practice Manual for Generator Management. Respondents pursuing an ESSPPA or ESSBOT must demonstrate their expected deliverability and interconnection costs through either a completed Phase I interconnection study or a repowering of a comparably sized existing facility. Evidence of an existing interconnection agreement, study, application or explanation of interconnection status must be included in the offer, along with relevant cost estimates.
7. ESSPPA and ESSBOT Respondents who can meet the August 1, 2021 commercial operation deadline must provide evidence of completed permitting of the ESS site. Respondents not in possession of necessary permitting to meet the August 1, 2021 date are not precluded from bidding as SDG&E will entertain offers that have later

⁴ See: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=02001-03000&file=2835-2839> ; of note, the definition specifically requires, among other things, that the technology be “commercially available.”

⁵ See the CAISO “Local Capacity Technical Study” – Final Report and Study Results for 2020 is available at: <http://www.aiso.com/Documents/Final2020LocalCapacityTechnicalReport.pdf> .

⁶ See ordering paragraph 6 of the IRP Procurement Track Decision.

(footnote continued)

commercial operation deadlines consistent with the requirements established in the IRP Procurement Track Decision.

8. Respondents pursuing an ESSPPA or ESSBOT must demonstrate how their project will meet the requirements of the current system RA counting rules⁷. All ESSEPC projects that the SDG&E Utility Development Team pursues will likewise need to demonstrate compliance with the current system RA counting rules.
9. ESSPPA, ESSBOT and ESSEPC offers intending to meet the August 1, 2021 commercial operation deadline must include approved permits authorizing operation for the entirety of the proposed contract term. Offers with commercial operation deadlines subsequent to the aforementioned date must provide a permitting plan, schedule, and progress report for permits that are necessary for the facility to operate for the entirety of the proposed contract term.
10. Respondents pursuing an ESSPPA or ESSBOT must have, at time of bidding, site control. For ESSPPA offers, site control must be for the duration of the term proposed within the ESSPPA. Site control may be evidenced by documentation of:
 - a. direct ownership;
 - b. a lease; or
 - c. an option to lease or purchase upon ESSPPA approval. The option must be an exclusive option to the Bidder that will last until the completion of the RFO cycle.

All ESSEPC projects that the SDG&E Utility Development Team pursues will likewise need to demonstrate site control.

11. ESSPPA Respondents will own the facilities and have responsibility for development, land acquisition, permitting, financing, construction and operation of the ESS facilities.
12. ESSBOT Respondents will own the facilities and have responsibility for development, land acquisition, permitting, financing and construction of the ESS facilities. For ESSBOT facilities, SDG&E will take title, control, and risk of loss of the ESS facilities only upon successful completion and documentation of factory acceptance tests prior to equipment shipments, and pursuant to successful project commissioning. For the ESSEPC facilities, successful completion and documentation of factory acceptance tests are required prior to equipment shipments. SDG&E will take title to the equipment throughout the EPC process, but the ESSEPC shall be responsible for all sales tax. SDG&E will take control and risk of loss of the ESS facilities only upon commissioning.
13. For Respondents pursuing an ESSBOT or ESSEPC, the following high-level requirements and minimum performance specifications must be met by the ESS equipment being offered. ESSBOT and ESSEPC Respondents will receive additional, detailed requirements and performance specifications upon completing the formal expression interest outlined in Section 7, below.
 - a. ESS must be commercially operational on or before August 1, 2023 with the highest priority for commercial operation by August 1, 2021.
 - b. Respondents will be required to guarantee/warranty capacity.

⁷ 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.

- c. Respondents shall price in Operations and Maintenance (“O&M”) services through the end of the expected useful life of the equipment.
 - d. ESSBOT and ESSEPC Respondents shall state exactly what equipment is included in the offer. For example, ESS modules, control systems, inverters (as applicable), etc.
 - e. High level ESS performance requirements / specifications:
 - i. SDG&E will not require a minimum amount of annual cycles. However, SDG&E will give preference to ESS capable of higher cycles per year.
 - ii. SDG&E will not specify charging duration requirements for the ESS. In terms of discharging duration, ESS must comply with the requirements for qualification as a system RA resource.
14. The Respondent must state any affiliate relationship with Sempra Energy, if one exists.
15. Safety. SDG&E expects that third party owned and operated facilities 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 require 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. MODIFICATIONS TO THE PRO-FORMA ESSPPA

ESSPPA Bidders may modify the Pro Forma ESSPPA submitted as part of their offer package to the extent such modifications add value to the offer. However, SDG&E discourages extensive modifications and will consider materiality of such changes on a qualitative basis as it evaluates the offers received. Form agreements associated with ESSBOT and ESSEPC will be provided following completion of the expression of interest process outlined in section 7, below.

C. CREDIT SUPPORT TERMS AND CONDITIONS

Winning bidders will be required to comply with the credit support requirements set forth in their relevant 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 gathered via the credit application form. This information will be included in the credit application, available on the RFO Website and the Power Advocate ® site. 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 (ESSPPA) or aggregate ESS size (ESSBOT or ESSEPC) 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.

D. 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.

4.0 FACILITY INTERCONNECTION

ESSPPA and ESSBOT Respondents must either have:

- 1) Completed a Phase II interconnection study, or have passed the Wholesale Distribution Access Tariff (“WDAT”) or California Independent System Operator (“CAISO”) Fast Track screen and provide a copy of the most recent completed study or evidence of having passed the Fast Track screening process with their offer, or
- 2) Provide evidence that the project is a repowering of a comparably sized existing facility in accordance with the CAISO Business Practice Manual for Generator Management.

Transmission level projects are required to apply for interconnection through the CAISO Large Generator Interconnection Agreement/Small Generator Interconnection Agreement process. Distribution level projects will be required to apply through SDG&E’s WDAT process. Respondents may visit: <http://www.sdge.com/business/interconnection.shtml> or <https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Generator%20Management> for additional information. Respondents pursuing an ESSPPA and ESSBOT are responsible for all non-reimbursable interconnection costs that are allocated to the project and these costs should be incorporated into the ESSPPA or ESSBOT offer’s contract pricing. Reimbursable network upgrade costs borne by SDG&E customers will be included in the evaluation and ranking of offers.

SDG&E intends that ESS projects count towards SDG&E’s system RA obligations. In order to become RA eligible, Respondents pursuing an ESSPPA or ESSBOT must apply for a deliverability study to be conducted by the CAISO or be pursuing a repowering of a comparably sized existing facility in accordance with the CAISO Business Practice Manual for Generator Management. ESSPPA and ESSBOT Respondents must demonstrate that the project has been assessed for deliverability or the project is eligible as a repowering of a comparably sized existing facility. This condition must be met for ESSPPA and ESSBOT offers that will interconnect at either the distribution or transmission level. For offers that result in an executed and approved ESPPTA or ESSBOT, during the project development process, the project is required to obtain final interconnection studies (i.e. for transmission level projects, a final Phase II interconnection study report, or for distribution level projects, a final interconnection facilities study report (or equivalent)). All ESSEPC projects that the SDG&E Utility Development Team pursues will likewise need to establish FCDS.

For more information:

SDG&E Interconnection Website:

- <http://www.sdge.com/more-information/customer-generation>

CAISO Generation Interconnection Process Website:

- <http://www.caiso.com/planning/Pages/GeneratorInterconnection/Default.aspx>

5.0 EVALUATION CRITERIA

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, refundable 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").

For ESSEPC and ESSBOT Only

In the case of ESSEPC and ESSBOT offers, SDG&E's Utility Development Team will estimate and include utility related costs alongside the costs provided by the Respondent (for ESSEPC offers, the Respondent will include equipment and installation costs, O&M costs, and other costs as appropriate – SDG&E will include site costs, permitting and interconnection costs --- see the offer form (excel

file) for more detail. For ESSBOT offers, the Respondent will include all development costs through commissioning, and SDG&E will include post commissioning utility related costs.

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")⁸ 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

⁸ 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>

defined in G.O. 156⁹, 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>
<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.

⁹ See <http://www.thesupplierclearinghouse.com/eligibility/default.asp> for the definition of a DBE.

6.0 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		
		ESSPPA	ESSBOT	ESSEPC
1	RFO Issued	December 13, 2019		
2	Pre-Bid Webinar details available at https://www.sdge.com/2021-2023-irp-reliability-rfo	January 10, 2020		
3	<p>UPDATED DEADLINE for Respondents to provide a written expression of interest and a (Signed Nondisclosure Agreements (NDAs)) to SDG&E (e-mail to UtilityDevelopmentTeam@sdge.com or other written correspondence) containing company name and contact information by 12:00 PM PPT</p> <ul style="list-style-type: none"> NDA can be found at the following URL: https://www.sdge.com/2021-2023-irp-reliability-rfo Signed NDAs must be submitted with the expression of interest to receive PowerAdvocate registration details required for participation in the Utility Development Team process Only NDA and expression of interest submissions to the correct email inbox, UtilityDevelopmentTeam@sdge.com, will be considered 	N/A	12/30/2019	12/30/2019
4	DEADLINE TO SUBMIT QUESTIONS. Question submittal cut-off date. Answers to all questions will be posted on the website no later than January 31, 2020.	1/24/2020 – date applies to ESSPPA, ESSEPC and ESSBOT		
5	DEADLINE TO REGISTER for PowerAdvocate access / to download RFO forms and documents	1/31/2020	See Addendum	See Addendum
6	CLOSING DATE: For ESSPPA offers: offers must be uploaded to and received on Power Advocate ® no later than 12:00 PM Pacific Prevailing Time on February 7, 2020 For ESSEPC and ESSBOT Offers: SDG&E's Utility Development Team will submit final offer documents on or before the CLOSING DATE.	2/7/2020 – date applies to ESSPPA. For ESSEPC and ESSBOT Offers, SDG&E's Utility Development Team will submit the final offer documents on or before the CLOSING DATE		
7	SDG&E Begins Bid Evaluation Process	2/10/2020		
8	Shortlist determination	6/5/2020		
9	SHORTLIST NOTIFICATION SDG&E notifies Shortlisted Bidders	6/8/2020		
10	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 SHORTLIST NOTIFICATION	+10 Days after Shortlist Notification Date applies to ESSPPA, ESSEPC and ESSBOT		
11	SDG&E issues appreciation notices to unsuccessful Respondents	+3 Weeks after Shortlisted Bidders accept/withdraw Date applies to ESSPPA, ESSEPC and ESSBOT		

12	SDG&E commences with ESSPPA, ESSBOT, and ESSEPC negotiations	+11 Days after Shortlist Notification Date applies to ESSPPA, ESSEPC and ESSBOT
13	Target date to complete contract negotiations	Q3/Q4, 2020
14	SDG&E Submits agreements to CPUC for approval	Q3/Q4, 2020 Date applies to ESSPPA, ESSEPC and ESSBOT
* Negotiation time will vary depending on proposal specifics, including proposed contract modifications. CPUC filing requirements may also affect negotiation milestones.		

PRE-BID CONFERENCE / BIDDER OUTREACH EVENTS

SDG&E will host a bidder outreach event for all respondents on January 10, 2020. This event 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.

In addition, the **Utility Development Team will host one separate outreach event to describe the ESSBOT and ESSEPC pre-offer and pre-evaluation processes and timelines.** More information about this event, including the date, is described in the Addendum documents that will be provided to ESSBOT and ESSEPC respondents once their formal written expression of interest has been provided and an NDA has been executed.

Please monitor the RFO Website for further details (such as conference presentation materials and final arrangements for the events (dates, times 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

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

7.0 RFO WEBSITE AND COMMUNICATION

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.

Logging In

You access the PowerAdvocate platform via a web browser.

To log in

1. Open a web browser and go to 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 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**.

The 2021-2023 IRP RELIABILITY RFO - ENERGY STORAGE 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 for instructions to log in/register: First-time users must register as a Supplier using the instructions above and the Referral information below to access the RFO event:

ENERGY STORAGE SYSTEM (ESSPPA)

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>

For ESSEPC and ESSBOT Respondents: Upon providing the required formal written expression of interest and an NDA has been executed, ESSEPC and ESSBOT Respondents will be provided with information regarding how and when Respondent's must provide cost and other offer information to SDG&E's Utility Development Team. SDG&E's Utility Development Team will then provide the final ESSBOT and ESSEPC offers via the Power Advocate ® platform on February 7, 2020. This process will be described in the Addendum documents available to ESSBOT and ESSEPC Respondents after formal written expression of interest and NDA execution.

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 by the DEADLINE TO SUBMIT QUESTIONS as specified in Section 6.0 RFO Schedule. SDG&E will not accept questions or comments in any other form, except during scheduled bidders conferences.

RFO RESPONSE INSTRUCTIONS

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

Formal expression of interest: ESSBOT and ESSEPC Respondents shall contact SDG&E's Utility Development Team via e-mail (at UtilityDevelopmentTeam@sdge.com) and copy the Independent Evaluator (Jon.Jacobs@paconsulting.com), to provide their formal expression of interest. This e-mail shall be provided to SDG&E's Utility Development Team no later than December 31, 2019. Upon receipt of this formal expression of interest, SDG&E's Utility Development Team will provide further instructions regarding documents, files and other information that must be provided in order to complete the offer.

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

Required Participation Forms:

NOTE: ESSPPA and ESSBOT Respondents will complete all forms and submit via Power Advocate®. ESSEPC and ESSBOT Respondents will provide all required forms and information to SDG&E's Utility Development Team pursuant to the processes and timelines set forth in the Addendum documents that will be provided upon receipt of a formal expression of interest. SDG&E's Utility Development Team will submit final offer packages on or before the CLOSING DATE. ESSEPC and ESSBOT Respondents will receive detailed process information upon completing the formal expression interest process outlined in Section 7, above.

- 1) **Energy Storage Offer Form** – Note that Bidders must include in their offer form proposed pricing and if multiple pricing or capacity or other options are contemplated, multiple offer forms should be submitted. There are additional / separate tabs within the workbook for ESSPPA offers, and utility owned offers (ESSBOT). SDG&E's Utility Development Team may gather additional information and in different forms in support of final Offer Form submission.
- 2) **Project Description Form**
- 3) **Electric Interconnection / Repowering Information** – Please provide copies of either (1) completed interconnection studies (and provide the name of the substation and interconnection voltage applicable to the facility as well as the nearest substation (if known) in the offer form (listed above), or (2) Information regarding the repowering of a comparably sized existing facility in accordance with the CAISO Business Practice Manual for Generator Management.
- 4) **Credit Application** – Changes to credit terms and conditions within either the ESSPPA may render the offer non-conforming and disqualify the project from further consideration.
- 5) **Diverse Business Enterprise Subcontracting Commitment and Reporting Requirements (DBE) Form (optional)** - 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.
- 6) **Redline forms of the ESSPPA Pro Forma Agreement** - ESSPPA Respondents only.

The Participation Summary, Project Description Form, Credit Application, and redlines to the Model ESSPPA must be in Word or Word-compatible format (not in PDF). The offer form must be in Excel or Excel-compatible format (not in PDF).

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, or e-binders.

ESSPPA Respondents interested in submitting an offer must register to receive access to the 2021-2023 IRP RELIABILITY RFO - ENERGY STORAGE event on PowerAdvocate® in order

to submit an offer. To register, Respondents must follow the instructions outlined in Section 7, 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
Carbon Copy (CC) to: Jon.Jacobs@paconsulting.com

Emails shall be received by **12:00 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 found in the Confidentiality section 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.

8.0 REJECTION OF OFFERS

SDG&E SHALL TREAT ALL RESPONDENTS FAIRLY. WHILE SDG&E IS MINDFUL OF THE BENEFITS OF ENERGY FROM ESS FACILITIES AND IS VIGOROUSLY PURSUING THE GOALS OF THIS 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.

9.0 CONFIDENTIALITY

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"), 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 06-06-066, 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. 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, SEMBRA 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.

10.0 ROLE OF THE PRG AND ROLE OF THE INDEPENDENT EVALUATOR

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 Independent Evaluator ("IE") for this solicitation is PA Consulting.

11.0 SDG&E BACKGROUND

[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 California IOU service territories please visit:
http://www.energy.ca.gov/maps/serviceareas/electric_service_areas.html