

# SDG&E 2014 All Source RFO

Questions & Answers / FAQs

## Combined Heat & Power (CHP) Product Type Specific Questions

**1. Are CHP fuel cells considered eligible technology?**

By definition CHP or cogeneration means the sequential use of energy for the production of electrical and useful thermal energy. If a fuel cell meets this definition it will be considered as eligible CHP technology. Additionally, each CHP facility should meet the efficiency performance requirements.

**2. If a CHP or Conventional resource has an operating hour limit (capacity factor limit) in its environmental permits, would it still be eligible for full Resource Adequacy credit? If the answer is "it depends", how many hours does a CHP or Conventional resource need to be able to operate to be eligible for full Resource Adequacy credit?**

For all use-limited resources, the RA eligibility requirement is that they are available 4 hours per day for 3 consecutive days.

**3. The CHP RFO (page 22 of 27) requests a copy of bidder's CEC-2843 application. The CEC-2843 application form is only required for CHPs less than 20 MW and would be not applicable for facilities greater than 20 MW, is that correct?**

Correct. The CEC-2843 form itself is only required for CHP facilities less than 20MW; the form is not required for facilities greater than 20MW. However, please provide the CEC-2843 information on the CHP Offer Form tab labeled 'CEC-2843 Information'. If your project is less than 20MW and you did file a CEC-2843 form, please provide a copy of it as part of your offer package. If your project is greater than 20MW and you did not file the form itself, you do not need to provide a copy as part of your offer package.

**4. The CHP Offer Form (Tab 6 and 6b) requests data from form CEC-2843. If a project is greater than 20 MW and does not have to file the CEC-2843 form, should data from form CEC-1304 be provided on these tabs instead?**

If you are not required to file the CEC 2843 Application, your bid may still be eligible if it meets all of the other conformance requirements. Please populate the Offer Form with historical or expected future performance data as requested in the Offer Form.

**5. The CHP RFO (page 22 of 27) requests that the Project Description contain a written description of the generating facility as well as the following information: nameplate of each generating unit, heat balance diagrams, thermal host and use, contractual arrangements, and description of all interconnection systems. The Project Description Form contains these items plus many more items, most of which would only be available once the detail design of a facility is completed. Is it sufficient to only provide the items listed in the RFO?**

Please provide as much detail as is available at the time of bid submission.

6. **For the CHP Project Description submittal, should all information be embedded in the Word document form, or is it acceptable to submit some of the requested information (e.g. heat balance diagrams) as separate documents (PDFs)?**

The information must be embedded in the Word document, however, we will accept additional supporting files as part of the bid package.

7. **For the CHP Offer Form Tab 8 (expected MWH by hour-of-day and day-of-week for each month), what ambient conditions (Dry Bulb Temperature and Relative Humidity) should be assumed for each requested value?**

The expected energy profile should reflect realistic energy deliveries from the proposed resource under expected operating conditions. Those should include forecasted ambient conditions at the proposed location for each period.

8. **For the CHP Offer Form Tab 9, the expected heat rate by time period for each month is requested. What ambient conditions (Dry Bulb Temperature and Relative Humidity) should be assumed for each requested value?**

The expected heat rate should reflect the contract Heat Rate for each period during the term of the contract as described in Appendix D of the pro-forma agreement. It is the bidder's choice on how to reflect ambient conditions and a heat rate that can be met under expected operating conditions.

9. **For the CHP Offer Form Tab 9, the expected Contract Capacity for each month is requested. What ambient conditions (Dry Bulb Temperature and Relative Humidity) should be assumed for each requested value?**

The expected contract capacity should reflect the amount of capacity that can be expected to be tested during the Capacity Demonstration Test, as described in Appendix D of the pro-forma agreement. It is the bidder's choice on how to reflect ambient conditions and a contract capacity that can meet the testing requirements.

10. **For the CHP Offer Form Tab 9 Cell D14, the comment says that a minimum of 2 bids must be submitted and a maximum of 10. Is 10 an error? Should 10 be 6?**

Yes, this should reflect the bid limit of 6 bids.

11. **For the CHP Offer Form, does the mandated offer with Seller bearing 100% of GHG costs count as one of the 6 (maximum) offers?**

Yes.

**12. In the Q&A, SDG&E has stated that it is acceptable to bid terms longer than 12 years. The CHP Offer Form Tab 9 only allows 12 years for variable O&M pricing, fixed O&M pricing, and capacity pricing. SDG&E has previously stated that no lines can be added to the Offer Form. How should years greater than 12 be included in the Offer Form?**

CHP proposals must meet the terms of the CHP settlement. The terms of the CHP settlement require contracts of those lengths to qualify to be counted towards the GHG and MW targets mandated in the settlement. SDG&E has a strong preference for proposals of those lengths, to meet both the Local Capacity Requirements and the CHP settlement targets. Should your proposal exceed the 12 year limit in the offer form, please include a full description of the terms of the remainder of the proposal in an additional file.