

# SDG&E 2014 All Source RFO

Questions & Answers / FAQs

## Conventional Product Type Specific Questions

- 1. In the handout for the Monday, November 10, 2014, Bidder's Conference on page 16, entitled "RFO Conformance Requirements" there is a statement relating to "Contract Term" stating "some portion of the contract term MUST encompass 2022". On page 59, entitled "Energy Storage Q/A (5/19)" the question and answer statement is made "Question: What is the ES installation deadline? Answer: This All Source RFO requires that delivery term for resource encompass all of calendar year 2022. This is sooner than the Energy Storage deadline of year-end 2024." Which statement regarding term is correct for a Conventional resource?**

Like the other six resource types in its 2014 All Source RFO, SDG&E cannot specify any contract term as being non-conforming, but is requiring that some portion of the delivery term to encompass all of calendar year 2022. This requirement also holds for conventional resources.

- 2. Under what circumstances does SDG&E believe that the Carlsbad repower would not be approved by the California Public Utilities Commission ("CPUC")?**

SDG&E will not speculate as to the action that the CPUC may take in response to the Carlsbad Energy Center Application.

- 3. If SDG&E receives conventional generation bids that are more cost effective than the Carlsbad PPTA, how will SDG&E respond to such bids?**

The current authorization for the Track 4 All Source RFO is 500-800 MW, of which 300-600 MW may come from any resource type (including Conventional). If the Carlsbad Energy Center (CEC) Application is approved, 600 MW of this authorization will be utilized, and 200 MW of preferred resources (including energy storage) will remain. At this point in time, SDG&E is not aware that the cost effectiveness of the CEC application will be compared to that of the offers that are received in response to the All Source RFO.

- 4. If the CPUC approves the Carlsbad bilateral PPTA at a capacity level less than 600 MW (e.g., 300 MW), will SDG&E still execute and move forward with the Carlsbad PPTA?**

SDG&E will not speculate as to whether or how the CPUC may act on the Carlsbad Energy Center application. Once the CPUC takes action, SDG&E will consider various courses of action open to it at that point in time. At this point in time, SDG&E is working to fill the 500-800 MW need via this 2014 All Source RFO.

- 5. If the CPUC approves only one block of the Carlsbad PPTA (e.g., 300 MW), will SDG&E fill the remaining 300 MW all-source need with other PPTA conventional generation from this RFP? If not, how will SDG&E fill that capacity need?**

SDG&E will not speculate as to whether or how the CPUC may act on the Carlsbad Energy Center application. Once the CPUC takes action, SDG&E will consider various courses of action open to it at that point in time. At this point in time, SDG&E is working to fill the 500-800 MW need via this 2014 All Source RFO.

6. **If the CPUC approves only one block of the Carlsbad bilateral PPTA (e.g., 300 MW), what would SDG&E's preferred locations be for the remaining 300 MW all-source need?** SDG&E will not speculate as to whether or how the CPUC may act on the Carlsbad Energy Center application. Once the CPUC takes action, SDG&E will consider various courses of action open to it at that point in time. At this point in time, SDG&E is working to fill the 500-800 MW need via this 2014 All Source RFO.

7. **Please provide a list of the upgrades and/or material changes to existing conventional generating units that would allow those units to be considered as new capacity under Resource Adequacy ("RA") counting rules. What characteristics or performance changes would allow existing units to be considered as new capacity for RA which SDG&E can count as "Incremental" capacity in this RFO?**

Existing conventional resources would need to take action (make upgrades and/or other modifications to the plant) such that the capacity that counts toward SDG&E's RA requirement increases. The increased amount would be considered the incremental capacity. As to what those upgrades and / or material changes might be, SDG&E could envision any number of actions from adding turbines to upgrading components of the existing facility.