

## SDG&E November 2014 Offset RFO Questions and Answers

1. Q: Will the presentation be available online after the conference?  
A: Yes...it is currently available for viewing or downloading on the RFO website.
  
2. Q: Does any DBE firm that is submitting a bid need to have their DBE certification prior to submitting an offer?  
A: SDG&E's preference is that any DBE firm already be certified by the Supplier Clearinghouse or in the case of a SDVBE firm by the State of California. However if the DBE firm has not yet finished the certification process SDG&E requires that the DBE firm provide documentation that they have started their certification process with the appropriate certification agency (Supplier Clearinghouse or The State of California) by the time they submit their offer to SDG&E on November 20th, 2014.
  
3. Q: Will the agreements that were signed last year be made available to bidders?  
A: No, past agreements are confidential and will not be released.
  
4. Q: Why does SDG&E need to know the project details if the bidders are taking invalidation risk?  
A: SDG&E is still exposed to risk even if the seller has provided credit security. For example, a seller could deliver the offset to SDG&E, get paid for the offset and then go bankrupt. If an invalidation event occurs, then SDG&E may be unable to call on the invalidation credit provisions. While this may be an unlikely scenario, it is a possibility and as such SDG&E would like project details to gauge invalidation risk for itself.  
Additionally, SDG&E does not want to accept overlapping bids for the same project. Having this detail will allow SDG&E to see if 2 bidders are submitting overlapping bids of the same project.
  
5. Q: The RFO presentation slides state that "Existing Projects" are, "projects that have received at least one Positive Offset Verification Statement by ARB." Per definitions (254) and (279) of the regulation, a Positive Offset Verification Statement is rendered by the verifier. As such, can you please confirm that "projects that have received at least one Positive Offset Verification Statement" qualify as "Existing Projects"?  
Per definition (279) of the regulation, it appears that Positive Offset Verification Statement refers only to projects utilizing a Compliance offset protocol. Can you please confirm that "projects that have received at least one positive desk review finding" is an acceptable alternative definition of "Existing Projects" for projects utilizing an Early Action offset protocol?  
A: We have modified the RFO to state that Existing Projects are "projects that have received at least one Positive Offset Verification Statement by an ARB-approved verifier or least one positive desk review for Early Action Offsets." Recall that regardless of the offset status at the transaction date, the ARBOC must be delivered to SDG&E by August 3, 2015.
  
6. Q: Section 6.0(6) of the RFO document states in reference to Supplier Diversity Information that, "An application can be made before submission of the offer and referenced in the offer." Can you

please confirm that this means that a Diverse Business Enterprise (DBE) candidate with a pending DBE application is eligible to submit an offer so long as their certification is received by the time of execution of a transaction?

A: SDG&E's preference is that any DBE firm already be certified by the Supplier Clearinghouse or in the case of a SDVBE firm by the State of California. However if the DBE firm has not yet finished the certification process SDG&E requires that the DBE firm provide documentation that they have started their certification process with the appropriate certification agency (Supplier Clearinghouse or The State of California) by the time they submit their offer to SDG&E on November 20th, 2014.

7. Q: Section 2(b) of the Confirmation refers to the options to decrease the invalidation period for different project types. Can you please confirm that re-verification of the same Offset Project Data Report (OPDR) is an acceptable option for all project types (not ODS-only as indicated)? Per the regulation and ARB Guidance Document Section 6.14.13 (p.111), any project type may choose to reduce their invalidation period early in this way.

A: In order to reduce the invalidation period from eight to three years, a second independent verification needs to occur. If there is a subsequent Offset Project Data Report (OPDR), then the new verifier must verify the new report. If however, there is no subsequent report available at the time of the second verification, then the existing OPDR may be used for this purpose.

The ODS protocol does have subsequent reports, thus for ODS the only choice is to use the existing report for verification.

For all other protocols, (Livestock, Mine Methane, Urban Forest or US Forest), the subsequent report must be used if available, otherwise, the existing report may be used. This section of the Confirm has been modified to clarify this topic.

8. Q: Section 3(iii) of the Confirmation states that, "The Offset Credits have not been issued in another program." Can you please confirm that credits previously issued as Early Action Offset Credits (EAOC) or Registry Offset Credits (ROC) by an ARB-approved Early Action Offset Program (EAOP) or an ARB-approved Offset Project Registry (OPR) are excepted from this requirement?

A: That is correct. When CARB converts an offset that was previously issued by an ARB-approved Project Registry into an ARBOC, the Project Registry will confirm the transfer status of that offset into an ARBOC and will subsequently cancel the ROC from the Project Registry. SDG&E is interpreting the cancellation to mean that there is not a multiple issuance.