



SOUTHERN CALIFORNIA  
**EDISON**<sup>®</sup>

An *EDISON INTERNATIONAL*<sup>®</sup> Company

# SOUTHERN CALIFORNIA EDISON COMPANY

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## Request For Offers

for

Resource Adequacy

Purchases, Sales and Buy-Sells

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## RFO Instructions

**ISSUED**

July 30, 2018 (Updated September 5, 2018)

**RFO Website**

[www.sce.com/RARFO](http://www.sce.com/RARFO)

**EMAIL INQUIRIES TO**

[RFO@sce.com](mailto:RFO@sce.com), [WAYNEJOLIVER26@gmail.com](mailto:WAYNEJOLIVER26@gmail.com), and [KJOLIVER33@gmail.com](mailto:KJOLIVER33@gmail.com)

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## I. BACKGROUND

Southern California Edison Company (“SCE”) seeks, through this request for offers (this “RFO”), to buy from, sell to, and/or buy-sell with, responding market participants and all supply sources (“Respondents”), which are eligible to provide Resource Adequacy (“RA”) Capacity, Import RA, Import Capability Transfers, and Firm Energy Import products as more particularly described below, with respect to the 2019 – 2020 delivery period. SCE is issuing this RFO to assist in optimizing its 2019 - 2020 RA Capacity and Energy portfolio. Through this RFO it is anticipated that the above-noted products will be bought, sold, and/or bought-sold, as to minimize the procurement cost impact for customers, while also meeting SCE’s Compliance Obligations.

The purpose of this document (the “RFO Instructions”) is to describe the schedule and process by which offers to sell or bids to buy (either, “Offers”) are to be submitted and will be evaluated in response to this RFO and to set forth the terms and conditions of Respondents’ participation in this RFO. The RA RFO will utilize a two-step pricing process – an Indicative Offer submittal followed by a Final Offer submission (“Final Offer”). Only Respondents deemed eligible to submit a Final Offer will be allowed to do-so. Any Offer within this RFO will be considered a binding Offer which cannot be withdrawn by Respondent and shall be only subject to SCE's acceptance, in SCE's sole discretion.

Capitalized terms not defined in these RFO Instructions have the meanings ascribed to them in the applicable Exhibits hereto or the current California Independent System Operator Corporation (“CAISO”) tariff and protocol provisions, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” as amended or supplemented from time to time (the “CAISO Tariff”).

SCE will utilize an independent evaluator, Merrimack Energy (the “IE”), in connection with this RFO.

**The confidentiality provisions of these RFO Instructions and the Confidentiality Agreement limit Respondents’ ability to engage in communications with any other actual or potential participants in the RFO concerning this solicitation, price terms in Offers, and related matters. In the event that a Respondent desires to (a) act as a marketing agent for a third party, (b) act as a credit sleeve for a third party, or (c) otherwise act as an agent or representative of a third party, in each case with respect to any Offer in the RFO, such Respondent and the third party such Respondent is proposing to represent should contact SCE and seek a waiver or amendment of such confidentiality provisions, which SCE may or may not grant in its sole discretion. Such a Respondent and the third party such Respondent proposes to represent should be prepared to provide SCE with a written description of the proposed relationship between such parties and the proposed structure of their Offers. SCE reserves the right, in its sole discretion, to disqualify those Respondents that have not complied with the provisions of this paragraph.**

## II. PRODUCTS SOLICITED

The products solicited within this RFO are RA Capacity, Import RA, Import Capability Transfer, and Firm Energy Imports. The RA Capacity must be from specific identified generating units that have a Net Qualifying Capacity (“NQC”) assigned by the CAISO and must be able to count toward SCE’s RA requirement. The Import RA capacity must be an Import generating resource where the Respondent will be obligated to meet the CAISO’s must offer requirement at the applicable intertie. Import Capability Transfer must be from specific CAISO interties which have the ability to deliver RA into the CAISO Balance Authority Area. Firm Energy Imports will be scheduled in the CAISO day-ahead market and must be delivered at specified CAISO interties, subject to the terms and conditions set forth in WSPP Service Schedule C for Firm Energy. Such RA Capacity and Energy products must be eligible for inclusion in both Year-Ahead and Month-Ahead compliance filings with the California Public Utilities Commission (“CPUC”). Further, each generating unit specified by a Respondent must generally have a corresponding monthly Net Qualifying Capacity (“NQC”) value assigned to it by the CAISO for each year that Respondent proposes an Offer. NQC values for RA Capacity resources are available at the CAISO website.

### A. 2018 RA RFO PRODUCT TABLES

**Table 1: 2019-2020 RA Capacity Product Table**

PRODUCT	DELIVERY POINT	MINIMUM VOLUME	PRICING	CONTRACT DELIVERY PERIOD			RA AREA ATTRIBUTES
				EARLIEST START DATE	LATEST END DATE	DELIVERY PERIOD	
Eligible RA Capacity (SCE Buys)	CAISO	1 MW	Flat price (\$/kw-month)	01/01/2019	12/31/2019	August Only Q3 Year Round	Local (Big Creek-Ventura and LA Basin) North System South System
				01/01/2020	12/31/2020	Q3 Year Round	
Eligible RA Capacity (SCE Sells)	CAISO	1 MW	Flat price (\$/kw-month)	01/01/2019	12/31/2020	Q1 Q2 Q3 Q4 Year Round	Local (Big Creek-Ventura, LA Basin, San Diego/IV)
Eligible RA Capacity (SCE Buy-Sell)	Mutually inclusive SCE Buys and SCE Sells offers with same terms and conditions as above						

\*SCE is not specifically seeking flexible capacity attributes for this RFO although SCE encourages offerors to include flexible capacity attributes, if available and appropriate and as defined in the SCE Buys RA Confirmation.

**Table 2: 2019-2020 Import RA Product Table**

PRODUCT	DELIVERY POINT	MINIMUM VOLUME	PRICING	CONTRACT DELIVERY PERIOD		
				EARLIEST START DATE	LATEST END DATE	DELIVERY PERIOD
Eligible Import RA (SCE Buys)	MALIN500 (COB) NOB_ITC (NOB) PALOVRDE_ITC (PV) MEAD_ITC (MEAD)	1 MW	Flat price (\$/kw-month)	01/01/2019	12/31/2019	August Only Q3 Year Round
				01/01/2020	12/31/2020	Q3 Year Round

**Table 3: 2019 Import Capability Transfers Product Table**

PRODUCT	DELIVERY POINT	MINIMUM VOLUME	PRICING	CONTRACT DELIVERY PERIOD		
				EARLIEST START DATE	LATEST END DATE	DELIVERY PERIOD
Eligible Import Capability Transfers (SCE Buys)	MALIN500 (COB) NOB_ITC (NOB) PALOVRDE_ITC (PV) MEAD_ITC (MEAD)	1 MW	Flat price (\$/kw-month)	01/01/2019	12/31/2019	Q1 Q2 Q3 Q4
Eligible Import Capability Transfers (SCE Sells)	MALIN500 (COB) NOB_ITC (NOB) PALOVRDE_ITC (PV) MEAD_ITC (MEAD)	1 MW	Flat price (\$/kw-month)	01/01/2019	12/31/2019	Q1 Q2 Q3 Q4
Eligible Import Capability Transfers (SCE Buys-Sells)	Mutually inclusive SCE Buys and SCE Sells offers with same terms and conditions as above					

**Table 4: 2019 Firm Energy Imports Product Table**

PRODUCT	DELIVERY POINT	MINIMUM VOLUME	PRICING	CONTRACT DELIVERY PERIOD		
				EARLIEST START DATE	LATEST END DATE	DELIVERY PERIOD
Eligible Firm Energy Imports (SCE Buys)	MALIN500 (COB) NOB_ITC (NOB) PALOVRDE_ITC (PV) MEAD_ITC (MEAD) SP15 (TH_SP_GEN-APND)	25 MW	Index based on CAISO DA LMP (\$/MWh)	01/01/2019	12/31/2019	August Only Q3 Year Round

## **B. RA CAPACITY - SCE BUY or SCE SELL**

Respondent may offer to buy from or to sell to SCE the right to include a specified quantity of qualifying and deliverable RA Capacity that is approved for inclusion in the respective Compliance Showings. This is a unit specific, capacity-only product and does not include energy or ancillary services associated with any unit.

SCE is not specifically seeking local or flexible capacity attributes for this RFO, although SCE encourages offerors to include local or flexible capacity attributes, if available. Respondents may offer to buy local or flexible capacity attributes from SCE and such request for local or flexible capacity attributes will be evaluated in accordance with the evaluation criteria set forth in the RFO Instructions.

Respondents offering to sell RA Capacity to SCE must either own or have a contractual right to the qualifying and deliverable RA Capacity for the delivery period specified in the applicable Confirmation.

SCE is seeking Offers to buy or to sell the RA Capacity product through the terms described in the RA Capacity (SCE Buy or SCE Sell) confirmation which is attached hereto as Exhibit B (the "SCE Buy or SCE Sell RA Confirmation") and, in certain circumstances, in these RFO Instructions. Transactions for selected RA Capacity with SCE as the buyer or with SCE as the Seller, if any, must be documented in an executed SCE Buy or SCE Sell RA Confirmation under an executed EEI Master Power Purchase & Sale Agreement and acceptable accompanying Cover Sheet, including the EEI Collateral Annex and acceptable accompanying Paragraph 10 to the Collateral Annex (an "EEI Agreement") between SCE and Respondent in accordance with the RFO Schedule set forth in Section VI of these RFO Instructions (the "RFO Schedule"). Forms of SCE's EEI Agreement are attached hereto as Exhibit A. SCE would also consider documenting a proposed transaction for RA Capacity under the WSPP Agreement or an executed ISDA Master Power Purchase and Sale Agreement, if such agreement already exists between SCE and such counterparty; however, SCE's preference is to transact under the EEI Agreement. For purposes of these RFO Instructions, the EEI Agreement, WSPP Agreement and ISDA Agreement may each, individually, be referred to as an "Enabling Agreement".

**This RFO will be Respondents' only opportunity to buy RA Capacity from SCE, as SCE will not engage in bilateral transactions for SCE sales of longer term firm RA Capacity.**

## **C. RA CAPACITY - SCE BUY & SELL**

Respondent may offer to simultaneously buy from SCE and sell to SCE (collectively a "Buy-Sell") the right to include a specified quantity of qualifying and deliverable RA Capacity that is approved for inclusion in Compliance Showings on two separate and distinct products as specified in the product table. Buy-Sell transactions are subject to the same terms and conditions as specified in Sections II.B. above.

In order to offer a Buy-Sell, Respondent must complete SCE Buys (Exhibit H) and SCE Sells (Exhibit I) offer forms. In addition, Respondent must specify that the transactions are mutually inclusive by noting such in the appropriate Offer form on the 'Front Page' tab by providing a note such as the following: "Offer #XXX in the SCE Buys offer form and offer #XXX in the SCE Sells offer form are mutually inclusive and form a Buy-Sell offer."

#### **D. IMPORT RESOURCE ADEQUACY CAPACITY - SCE BUY**

Respondent may offer to sell to SCE the right to include a specified quantity of qualifying and deliverable Import RA Capacity that is approved for inclusion in Compliance Showings. This is an import generating resource and will be a capacity-only product where the Respondent will be obligated to meet the CAISO's must offer requirement at the applicable intertie. This Product does not include energy or ancillary services associated with any unit.

Respondent offering to sell this product to SCE must either own or have a contractual right to the qualifying and deliverable Import RA Capacity for the delivery period specified in the applicable Confirmation.

SCE is seeking Offers to buy the Import RA capacity on the terms described in the Import RA Capacity (SCE Buy) confirmation which is attached hereto as Exhibit C (the "SCE Buy Import RA Confirmation") and, in certain circumstances, in these RFO Instructions. Transactions for selected Import RA Capacity with SCE as the buyer, if any, must be documented in an executed SCE Buys Import RA Confirmation under an executed EEI Master Power Purchase & Sale Agreement and acceptable accompanying Cover Sheet, including the EEI Collateral Annex and acceptable accompanying Paragraph 10 to the Collateral Annex (an "EEI Agreement") between SCE and Respondent in accordance with the RFO Schedule set forth in Section VI of these RFO Instructions (the "RFO Schedule"). Forms of SCE's EEI Agreement are attached hereto as Exhibit A. SCE would also consider executing an SCE Buy Import RA Confirmation under the WSPP Agreement or an executed ISDA Master Power Purchase and Sale Agreement, if such agreement already exists between SCE and such counterparty; however, SCE's preference is to transact under the EEI Agreement.

#### **E. IMPORT CAPABILITY TRANSFER PRODUCT - SCE BUY or SCE SELL**

Respondent may offer to buy or to sell from SCE the right to deliver RA from specific CAISO interties into the CAISO Balance Authority Area. These rights are CAISO intertie specific and do not include any capacity, energy, or ancillary services associated with any unit.



Respondents offering to buy Import Capability Transfer product from SCE must have the appropriate means to accept delivery of the product. Respondents offering to sell this product to SCE must either own or have the contractual right to the product for the delivery period specified in the applicable Confirmation.

SCE is seeking Offers to buy or to sell the Import Capability Transfer product through the terms described in the Import Capability Transfer (SCE Buy or SCE Sell) confirmation which is attached hereto as Exhibit D (the “SCE Buy or SCE Sell Import Capability Transfer Confirmation”) and, in certain circumstances, in these RFO Instructions. Transactions for selected Import Capability Transfer with SCE as the buyer or with SCE as the Seller, if any, must be documented in an executed SCE Buy or SCE Sell Import Capability Transfer Confirmation under an executed EEI Master Power Purchase & Sale Agreement and acceptable accompanying Cover Sheet, including the EEI Collateral Annex and acceptable accompanying Paragraph 10 to the Collateral Annex (an “EEI Agreement”) between SCE and Respondent in accordance with the RFO Schedule set forth in Section VI of these RFO Instructions (the “RFO Schedule”). Forms of SCE’s EEI Agreement are attached hereto as Exhibit A. SCE would also consider executing an SCE Buy or SCE Sell Import Capability Transfer Confirmation under the WSPP Agreement or an executed ISDA Master Power Purchase and Sale Agreement, if such agreement already exists between SCE and such counterparty; however, SCE’s preference is to transact under the EEI Agreement.

#### **F. IMPORT CAPABILITY TRANSFER PRODUCT - SCE BUY & SELL**

Respondent may offer to simultaneously buy from SCE and sell to SCE (collectively, a “Buy-Sell”) the right to deliver RA from a specific CAISO intertie into the CAISO Balancing Authority as two separate and distinct products as specified in the product table. Buy-Sell transactions are subject to the same terms and conditions as specified in Sections II.E. above.

In order to offer a Buy-Sell, Respondent must complete SCE Buys (Exhibit H) and SCE Sells (Exhibit I) offer forms. In addition, Respondent must specify that the transactions are mutually inclusive by noting such in the appropriate Offer form in on the ‘Front Page’ tab by providing a note such as the following: “Offer #XXX in the SCE Buys offer form and offer #XXX in the SCE Sells offer form are mutually inclusive and form a Buy-Sell offer.”

#### **G. FIRM ENERGY IMPORTS - SCE BUY**

Respondent may offer to sell to SCE firm import energy from specified CAISO interties into the CAISO Balance Authority Area. Respondent must have the appropriate means to deliver firm energy quantities to the specified intertie, in order for SCE to schedule the energy into the CAISO.

SCE is seeking Offers to buy the firm import energy product through the terms described in the Firm Energy Import confirmation which is attached hereto as Exhibit E (the “Firm Energy Import (SCE Buy) Confirmation”) and, in certain circumstances, in these RFO Instructions. Transactions for selected firm import energy with SCE as the buyer, if any, must be documented in an executed Firm Energy Import (SCE Buy) Confirmation under the WSPP Master Power Purchase and Sale Agreement or an executed EEI Master Power Purchase & Sale Agreement and acceptable accompanying Cover Sheet, including the EEI Collateral Annex and acceptable accompanying Paragraph 10 to the Collateral Annex (an “EEI Agreement”) between SCE and Respondent in accordance with the RFO Schedule set forth in Section VI of these RFO Instructions (the “RFO Schedule”). With respect to any firm import energy transaction, SCE’s preference is to transact under the WSPP Master Power Purchase & Sale Agreement.

#### **H. OTHER PRODUCT/OFFER CONSIDERATIONS/LIMITATIONS**

- Respondents are allowed and encouraged to submit Offers for more than one product and multiple Offers for the same product; however, Respondents and their Affiliates may collectively provide no more than 30 Offers with respect to any particular generating unit.
- Respondents may offer other Delivery Periods that are different from the Product Table in Section II.A. SCE may evaluate and shortlist these other Delivery Periods, provided that they add value to SCE’s customers.
- Respondent must state all volumetric limitations in the applicable Volume Limits tab of the Offer Forms. Except for setting volumetric limitations, Offers containing any contingencies will be considered nonconforming and ineligible for consideration.
- Local and Flexible attributes associated with RA Capacity will become part of any transaction resulting from this RFO.
- RA Products in Tables 1-3 may be proposed in partial MW increments that are equal to or greater than the minimum volumes specified in Tables 1-3, but have no more than two decimal places. For example, an offer of 1.23 MW would be acceptable, whereas an offer of 1.234 MW would not be acceptable.
- The Energy Product in Table 4 may be proposed in whole MW increments that are equal to or greater than the minimum volume specified in Table 4. For example, an offer of 26 MW would be acceptable, whereas an offer of 26.1 MW would not be acceptable.
- Offers with respect to any Unit that employs Once-Through Cooling (“OTC”), as described in the California State Water Resources Control Board (“SWRCB”) policies, should offer, at Respondents discretion, delivery periods that end prior to the date that is one (1) year prior to such OTC Unit’s OTC compliance date (the “OTC Compliance Date”) in addition to delivery periods that end on the same day or past

the date that is one (1) year prior to such OTC Unit's OTC Compliance Date as set forth on the SWRCB website at:  
[http://www.waterboards.ca.gov/publications\\_forms/publications/factsheets/docs/ocncethroughcooling.pdf](http://www.waterboards.ca.gov/publications_forms/publications/factsheets/docs/ocncethroughcooling.pdf).

### III. ELIGIBILITY REQUIREMENTS

Respondents to this RFO must comply with the requirements in these RFO Instructions, including but not limited to the RFO Instructions contained in Section VIII. Respondents not complying with the requirements in these RFO Instructions could be deemed ineligible and their Offers may not be considered.

SCE, at its sole discretion, may change the terms, requirements, and schedule of this RFO. **Respondents should monitor the RFO Website (as defined below) for announcements regarding any updates or changes.**

By participating in this RFO the Respondent specifically acknowledges the following:

1. If Respondent is deemed eligible by SCE to submit an Offer, any Offer submitted by Respondent is a binding Offer and cannot be withdrawn by Respondent. Such binding Offer shall only be subject to SCE's acceptance, in SCE's sole discretion.
2. Respondents will enter into good faith negotiations to execute an agreement with SCE related to any Offer short-listed by SCE as a result of this RFO. Respondents are strongly discouraged to make any substantive changes to the form of Enabling Agreements or Confirmations attached as Exhibits A-E to these RFO Instructions (collectively, the "Agreements"). Extensive modifications to these Agreements will not be accepted. SCE, in its sole discretion, will determine whether any proposed modification or alteration to these Agreements are material and reserves the right to decline to execute any agreement with a selected Respondent for any reason.
3. Mutually exclusive offers across different generating units (e.g., Offer A for generating unit 1 may be accepted but only if Offer B for generating unit 2 is not accepted) are not allowed.
4. Respondent must submit discrete Offers across calendar years before submitting a corresponding mutually inclusive Offer across calendar years (e.g., Respondent considering a mutually inclusive Offer for Q3 2019 and Q3 2020 for generating Unit 1 must first submit discrete Offers for Q3 2019 and Q3 2020 separately and then submit a corresponding mutually inclusive Offer). SCE will have the option to either select the mutually inclusive Offer or the discrete Offers separately.
5. Mutually inclusive Offers across generating units of the same RA Area Attribute are allowed (e.g., Offer A for generating Unit 1 (Big Creek-Ventura) and Offer B for generating Unit 2 (Big Creek-Ventura)). If making a mutually inclusive offer across generating units, Respondent must also submit discrete Offers for those generating

units. SCE will have the option to either select the mutually inclusive Offer or the discrete Offers separately.

#### **IV. CREDIT REQUIREMENTS**

SCE requires that Respondents post collateral (either cash or a letter of credit) for SCE's exposure above an unsecured credit line, if any. Only investment grade-rated Respondents are eligible for an unsecured credit line. Alternatively, a Respondent may be eligible for an unsecured credit line by providing a guaranty from an investment grade-rated corporate parent in substantially the form of the Guaranty Agreement attached hereto as Exhibit F (the "Guaranty"). SCE will not accept a Guaranty from third parties that are not affiliated with the Respondent. Respondents that are not rated or are rated below investment grade shall be required to post collateral for all of SCE's exposure in addition to an independent amount.

SCE is a California load-serving utility with investment grade credit ratings and substantial tangible net worth. Any Offer that requires SCE to post collateral will be rejected by SCE.

SCE reserves the right to disqualify Respondents that are unwilling or unable to meet these credit requirements.

For Respondents who use a funds transfer agent and a Funds Transfer Agent Agreement ("FTAA") in order to fulfill payment obligations please note that an FTAA may not fulfill SCE's collateral requirements in which case additional collateral will have to be arranged.

#### **V. EVALUATION CRITERIA**

This RFO will utilize a two-step pricing process – an Indicative Offer submittal followed by a Final Offer submission. Only Respondents deemed eligible to submit a Final Offer will be allowed to do-so. All Offers will be initially assessed for conformance with the requirements set forth in these RFO Instructions. Respondents are responsible for the accuracy of all figures, calculations, and representations. In addition to the foregoing, there will be both quantitative and qualitative considerations involved with evaluating Offers. Any Offer within this RFO will be considered a binding Offer which cannot be withdrawn by Respondent and shall be only subject to SCE's acceptance, in SCE's sole discretion.

## A. QUANTITATIVE EVALUATION

The valuation of each Offer takes into account cash flow components for both cost and revenue. These components are then netted and discounted to yield a Net Present Value (“NPV”) for each Offer. The NPV is compared to other Offers or potential combinations of Offers to find the “Least Cost” selection set which meets SCE’s minimum procurement obligation. For this RFO, SCE will be assessing the costs and benefits associated with each Offer; which include capacity payments, debt equivalence, potential credit and collateral adders, and SCE’s ascribed RA and Energy benefits. SCE will then select a set of Offers with the goal of minimizing the cost to SCE’s customers, while meeting the defined needs, subject to a set of constraints such as Path 26 transfer capability and counterparty volume limits.

## B. QUALITATIVE EVALUATION

In addition to the quantitative factors described above, there are other factors which may impact the selection of an Offer. These may include, among other factors, project viability, location within a Disadvantaged Community (“DAC”), adherence to the parameters for this RFO, offers of flexible capacity, offers of local capacity, changes to the RFO Documents, counterparty concentration and creditworthiness, and OTC compliance considerations.

## VI. RFO SCHEDULE

TIMELINE	EVENT
July 30, 2018	<b>RFO Launch</b> <b>RFO Documents issued.</b>
August 2, 2018 (10:00 a.m. PPT)	<b>Bidder’s Conference Call.</b>
August 9, 2018 (12:00 p.m. PPT) (the “Indicative Offer Deadline”)	<b>Deadline to Submit Indicative Offers:</b> Respondents submit their binding Indicative Offers in a completed Offer Form (Exhibit H and/or Exhibit I), executed Confidentiality Agreement (Exhibit G), redlined Enabling Agreements (if applicable, Exhibit A), redlined Confirmation (if applicable), and audited financial statements.
August 23, 2018	<b>SCE to Notify Respondents of Shortlist Results</b>

<b>August 30, 2018</b>	<b>Deadline for shortlisted Respondents to provide acceptance of SCE’s Confirmation(s), Enabling Agreement, and applicable Credit and Collateral documents</b>
<b>September 10, 2018</b>	<b>Deadline to Finalize Agreements:</b> Negotiations complete on Enabling Agreements (if applicable), Guaranty (if applicable, Exhibit F) and RA and/or Energy Confirmations (Exhibits B, C, D, E).
<b>September 12, 2018 (12:00 p.m. PPT) (“Commercial Lockdown”)</b>	<b>Deadline to finalize Offer forms:</b> All inputs to the Offer Form must be submitted and cannot be further changed, <u>except</u> for binding final pricing.
<b>September 17, 2018 (12:00 p.m. PPT) (the “Final Offer Deadline”)</b>	<b>Deadline to Submit Final Offers:</b> Respondents submit their binding final pricing in the Offer Form
<b>October 4, 2018</b>	<b>SCE to Notify Respondents of Final Results:</b> SCE notifies Respondents on Final Offer acceptance/rejection.
<b>October 8, 2018</b>	<b>Deadline for Selected Respondents to submit Partially Executed Confirmations</b>
<b>October 9, 2018</b>	<b>Deadline to Execute Final Confirmations and Enabling Agreements (if applicable)</b>

Unless stated otherwise in the above table, deadlines will be set at close of business (5:00 p.m. PPT). SCE reserves the right to revise this schedule at any time and in SCE’s sole discretion. Respondents are responsible for monitoring the RFO Website for updates and possible amendments to the RFO, the RFO Instructions or the solicitation process.

## VII. RFO BIDDER’S CONFERENCE CALL

SCE will host a Bidder’s Conference Call on August 2, 2018 at 10:00 a.m. PPT to discuss the RFO process with Respondents. Information on how to attend the conference will be made available on SCE’s RFO Website at [www.sce.com/RARFO](http://www.sce.com/RARFO).

## VIII. INSTRUCTIONS FOR RFO OFFER SUBMITTAL

Respondent must submit each of the applicable RFO Documents by the deadlines described in the RFO Instructions and in all cases in accordance with the terms of these RFO Instructions. **Respondents must submit RFO Documents via email to SCE at [rfo@sce.com](mailto:rfo@sce.com) and copy the IE at [waynejoliver26@gmail.com](mailto:waynejoliver26@gmail.com) and [kjoliver33@gmail.com](mailto:kjoliver33@gmail.com)**

Hard copies of documents are not necessary. All documents will be made available on the RFO Website. All forms submitted for consideration must be in their original format, i.e., not converted to a Portable Document Format (PDF). Failure to provide the listed information may result in the Offer being deemed non-responsive and may disqualify the Offer from further consideration. All emails to SCE must be less than 10 megabytes (MB) (inclusive of all attachments). SCE will not be required to consider documents received after the applicable due dates and times due to unsuccessful delivery of such documents.

### A. Submission of Indicative Offers

In order to have a complete and conforming indicative Offer submittal package, a Respondent must provide the following documents as electronic attachments to the emailed Offer by 12:00 p.m. PPT on August 9, 2018:

- (1) A fully completed Offer Form (Exhibit H and/or Exhibit I) with binding Indicative Offer pricing;
- (2) An executed Confidentiality Agreement/NDA (Exhibit G), unless Respondent already has in place an evergreen NDA with SCE; and
- (3) Fully-executed or minimally modified Enabling Agreement (Exhibit A).

SCE will not accept Offers received after this submittal deadline. SCE will only consider submissions that, as of the submittal deadline, constitute complete and conforming indicative Offers.

In addition to the three required attachments listed above, SCE requests that Respondents submit as part of their indicative Offer submittal package:

- (1) Copies of their two most recent audited annual financial statements, including certified independent accountant reports thereon;

Each attachment to the emailed Indicative Offer should be labeled with a unique identifier containing the company name, document name and date (e.g., RespondentName-OfferForm-GeneratingUnitName-08.10.2018.xlsx).

By responding to this RFO, each Respondent agrees to be bound by all terms, conditions and other provisions of this RFO (including these RFO Instructions) and any changes or supplements to it that may be issued by SCE.

**B. Shortlisting of Indicative Offers**

By August 23, 2018, SCE will notify each Respondent regarding whether such Respondent has been selected for the shortlist based on the Respondents Indicative Offer submission. If necessary, SCE may request additional information prior to selection of the shortlist.

**C. Shortlisted Respondents Submission of Applicable Agreements**

Each Respondent that is shortlisted by SCE will be required to communicate acceptance of SCE's documents or minor modifications to SCE's documents, no later than close of business on August 30, 2018: 1) an acceptable version of the applicable Confirmation(s) (Exhibit B, Exhibit C, Exhibit D, and/or Exhibit E) and the applicable Credit and Collateral documents which affirms that the Respondent agrees to be bound by the terms contained therein and to make specified representations and warranties to SCE.

**D. Finalize Agreements**

By the deadline of September 10, 2018, SCE and the shortlisted Respondent's Offer(s) will have completed and finalized SCE's applicable RA Confirmation(s) and applicable Credit and Collateral documents to be used if the Respondent's Offer is awarded through Final Selection. At this point, changes to SCE's applicable RA Confirmation(s) and applicable Credit and Collateral documents will no longer be changed by the Respondent.

**E. Commercial Lockdown of Offers**

By the deadline of September 12, 2018, the structure of the shortlisted Respondent's Offer(s), including all inputs to the Offer Form other than final price, will be "locked down," meaning that they can no longer be changed by the Respondent and are considered binding features of the Respondent's Offer(s) as of that time.

**F. Final Offer Submission**

By 12:00 p.m. PPT on September 17, 2018, Respondents deemed eligible to submit a Final Offer must submit to SCE and the IE a final price for each commercially locked down Offer. SCE will conduct the final valuation of Offers based on this final price.



## **G. Final Selection of Offers**

Final decisions on the selection of Final Offer(s) will be communicated to shortlisted Respondents on October 4, 2018. SCE will confirm transactions with selected Respondents over a recorded line, and selected Respondents shall submit to SCE a copy of the applicable Agreement(s) executed by a duly authorized officer of such Respondent no later than 12:00 pm PPT on October 8, 2018. SCE will countersign the applicable Agreement(s) and return the fully executed Agreement(s) to the Respondent on October 9, 2018.

## **H. Preparation and Execution of Final Confirmations and Enabling Agreement**

By submitting a Final Offer in SCE's Resource Adequacy RFO, Respondent agrees to execute a Confirmation and Enabling Agreement (if applicable) consistent with the terms of the Final Offer(s) submitted by the Respondent and containing such terms and conditions as may be mutually acceptable to SCE and the Respondent as of the deadline to complete contract negotiations. The Confirmation and Enabling Agreement will only be considered executed once duly authorized officers of both SCE and the Respondent have both executed the Confirmation and Enabling Agreement, and once both parties are in possession of the Agreement(s).

## **IX. CONTACT INFORMATION**

### **A. SCE**

Questions relating to this RFO should be addressed to SCE via e-mail at [RFO@sce.com](mailto:RFO@sce.com) (with the IE cc'd at [waynejoliver26@gmail.com](mailto:waynejoliver26@gmail.com) and [kjoliver33@gmail.com](mailto:kjoliver33@gmail.com)) or by telephone call to Justin Dillon at (626) 302-3547 or Kevin Seeto at (626) 302-1436.

All Respondents must submit all necessary documents ("RFO Documents") (including, without limitation, Confidentiality Agreements, Offer Forms, RA Capacity Confirmation(s), to the extent applicable, during the negotiation process, if any, and Offers) as emailed electronic copies their original format. All materials must be sent to SCE and the IE at: [RFO@sce.com](mailto:RFO@sce.com) and [waynejoliver26@gmail.com](mailto:waynejoliver26@gmail.com) and [kjoliver33@gmail.com](mailto:kjoliver33@gmail.com)

The website address for this RFO (the "RFO Website") is: [www.sce.com/RARFO](http://www.sce.com/RARFO)

### **B. Independent Evaluator**

Questions regarding the integrity of the evaluation process or the role of the IE may be referred to Wayne Oliver or Keith Oliver of Merrimack Energy at the following e-mail address: [waynejoliver26@gmail.com](mailto:waynejoliver26@gmail.com) and [kjoliver33@gmail.com](mailto:kjoliver33@gmail.com)

Electronic copies of all applicable RFO Documents must be sent to the IE at:

[waynejoliver26@gmail.com](mailto:waynejoliver26@gmail.com) and [kjoliver33@gmail.com](mailto:kjoliver33@gmail.com)

## **X. CONFIDENTIALITY**

With respect to SCE and the IE, information provided by Respondent to SCE and the IE for purposes of this RFO will be subject to (i) a fully executed Confidentiality Agreement and (ii) all applicable CPUC disclosure requirements including, CPUC D.06-06-066.

## **XI. GENERAL INFORMATION AND RESERVATION OF RIGHTS**

- i. Any transaction resulting from this RFO will be documented in an executed applicable Confirmation under an executed Enabling Agreement between SCE and Respondent, as applicable.
- ii. SCE may, in its sole discretion, enter into transactions with one or more Respondents submitting Offers.
- iii. In addition to the limitations on Offers set forth in these RFO Instructions, SCE reserves the right, in its sole discretion, to limit the number of Offers that can be submitted by any Respondent.
- iv. Respondents are required to meet all the terms and conditions of the RFO to be eligible to compete in the solicitation process. Respondents are required to submit all requested information and follow all instructions contained in these RFO Instructions, including, but not limited to, submitting conforming Offers and RFO Documents in compliance with the RFO Schedule.
- v. By participating in this RFO, including, without limitation, by submitting an Offer, Respondent agrees to all terms, conditions, representations, warranties, and covenants in these RFO Instructions. Other than the representations, warranties and covenants made by Respondent in these RFO Instructions and the executed Confidentiality Agreement between SCE and Respondent, submittal of any document pertaining to this RFO, including, without limitation, one or more Offers, is not intended to, and does not, constitute a binding agreement of, or establish any obligation of SCE.
- vi. SCE reserves the right, at any time and during this RFO in its sole discretion, to abandon this RFO, to change any dates specified in this RFO, to change the basis for the evaluation of Offers, to terminate further participation in this process by any party, to accept any Offer, to enter into any agreement, to evaluate the qualifications of any Respondent or the terms and conditions of any Offer, to reject any or all Offers, to prohibit or limit mutually exclusive and mutually inclusive Offers, to change any form or document used in this RFO, waive any irregularities, and otherwise modify the RFO in any way, without notice and without assigning any reasons and without liability of Edison International, SCE, or any of their respective

subsidiaries, affiliates, employees, officers, directors, other agents, and representatives.

SCE shall have no obligation to consider any Offer submitted by a Respondent. SCE will not reimburse any Respondent for any of its expenses related to this RFO under any circumstances, regardless of whether the RFO proceeds to execution of any transactions or is abandoned, and regardless of whether or not SCE enters into a transaction with the Respondent. With respect to Respondents who have applicable Enabling Agreements executed and effective prior to the time when such Respondent submits an Offer, SCE shall not be deemed to have accepted any such Offer, and shall not be bound by any term thereof, unless and until an authorized representative of SCE (a) confirms SCE's acceptance of such Offer in accordance with the procedures for confirming Transactions via recorded lines in accordance with the applicable Enabling Agreement or (b) executes a Confirmation with respect to such Offer. With respect to Respondents who do not have applicable Enabling Agreements executed and effective prior to the time such Respondent submits an Offer, SCE shall not be deemed to have accepted any such Offer, and shall not be bound by any term thereof, unless and until an authorized representative of SCE executes a Confirmation and an Agreement with the Respondent. The establishment, update, or modification of any regulatory requirement which potentially impacts SCE's decision regarding selection of Offers may result in SCE revising any portion of any document related to this RFO, including, without limitation, the elimination of one or more products sought hereunder and/or revising the schedule set forth herein.

- vii. If Respondent is deemed eligible by SCE to submit an Offer, any Offer submitted by Respondent (a) is a binding Offer subject only to SCE's acceptance, in SCE's sole discretion, (b) cannot be withdrawn by Respondent and (c) in the event there is any dispute related to the terms of any such Offer, such dispute shall be resolved in accordance with the terms of the dispute resolution provisions set forth in the RFO Documents which were part of such Offer.
- viii. SCE encourages Women-Owned, Minority-Owned, and Disabled Veteran-Owned Business Enterprises and Lesbian, Gay, Bisexual and/or Transgender Business Enterprises ("Diverse Business Enterprise(s)") to participate in the RFO. To be considered as a Diverse Business Enterprise, Respondent must provide a copy of a valid certificate that verifies Respondent's Diverse Business Enterprise status. Information on SCE's diversity supplier program can be found at: <https://www.sce.com/wps/portal/home/partners/buying-selling/supplier-diversity/>.

Diverse Business Enterprises are welcome to submit Offers into this RFO and FTAA's may be considered. However, depending on the term, quantity, and the resulting exposure related to any Offers, an FTAA may not fulfill SCE's collateral requirement in which case additional collateral will have to be arranged.

Further, as provided in Section 6.3 of CPUC General Order 156, SCE's Supplier Diversity efforts include encouraging its Respondent's to develop plans to utilize Diverse Business

Enterprises subcontractors. SCE can help Respondent's with identifying Diverse Business Enterprises for subcontracting opportunities.

## **XII. RESPONDENT'S WAIVER OF CLAIMS AND LIMITATION OF REMEDIES**

By participating in this RFO, including, without limitation, by submitting an Offer:

- i. Respondent acknowledges and agrees that it is knowingly, voluntarily, and completely waiving any rights under statute, regulation, state or federal constitution, or common law to assert any claim, complaint, or other challenge in any regulatory, judicial, or other forum, including, without limitation, the CPUC (except as expressly provided below), the Federal Energy Regulatory Commission ("FERC"), the Superior Court of the State of California ("State Court") or any U.S. District Court ("Federal Court") concerning or related in any way to this RFO or any unexecuted documents related to this RFO, including, without limitation, all exhibits, attachments, and appendices thereto ("Waived Claims").
- ii. Respondent acknowledges and agrees that if it asserts any Waived Claim at the CPUC, FERC, State Court, or Federal Court, or otherwise in any forum, to the extent that Respondent's Offer has not already been disqualified, SCE is entitled to automatically disqualify such Offer from further consideration in the RFO or otherwise, and further, SCE may elect to terminate the RFO.
- iii. Respondent acknowledges and agrees that the sole forum in which Respondent may assert any challenge with respect to the conduct or results of the RFO is at the CPUC and that: (1) the sole means of challenging the conduct or results of the RFO is a complaint filed under Article 4, Complaints and Investigations, of Division 2, Chapter 2 of Title 20, Public Utilities and Energy, of the California Code of Regulations, (2) the sole basis for any such complaint shall be that SCE allegedly failed in a material respect to conduct the solicitation in accordance with these RFO Instructions; and (3) the exclusive remedy available to Respondent in the case of such a complaint shall be an order of the CPUC that SCE again conduct any portion of the solicitation that the CPUC determines was not previously conducted in accordance with these RFO Instructions or any documents related to this RFO (including exhibits, attachments, and appendices).
- iv. Respondent expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs and/or attorneys' fees. Unless SCE elects to do otherwise in its sole discretion, during the pendency of such a complaint, the RFO and any related regulatory proceedings related to the RFO will continue as if the complaint had not been filed, unless the CPUC issues an order suspending the RFO or SCE has elected to terminate or suspend the RFO or any portion thereof.

- v. Respondent acknowledges and agrees that if Respondent asserts any Waived Claim, SCE shall be entitled to seek immediate dismissal of Respondent's claim, complaint, or other challenge, with prejudice, by filing a motion to dismiss (or similar procedural device) supported by the language in these RFO Instructions and that Respondent will not challenge or oppose such a motion to dismiss (or similar procedural device).
- vi. Respondent acknowledges and agrees that if it asserts any Waived Claim, and if SCE successfully has that claim dismissed or transferred to the CPUC, Respondent shall pay SCE's full costs and expenses incurred in seeking such dismissal or transfer, including, without limitation, reasonable attorneys' fees and expenses.
- vii. Respondent agrees to indemnify and hold SCE harmless from any and all claims by any other party asserted in response to the assertion of any Waived Claim by Respondent and for reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by SCE or as a result of a Respondent's complaint filing at the CPUC resulting from the RFO.
- viii. Except as expressly provided in the documents related to this RFO, nothing herein, including, without limitation, Respondent's waiver of any Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of SCE.
- ix. In the event Respondent is deemed eligible by SCE to submit an Offer, Respondent submits an Offer, SCE notifies Respondent that SCE accepts such Offer and there is a dispute related to the terms of any such Offer, such dispute shall be resolved in accordance with the terms of the dispute resolution provisions set forth in the RFO Documents which were part of such Offer.

**XIII. RESPONDENT'S REPRESENTATIONS, WARRANTIES AND COVENANTS;  
BINDING OFFER; ACKNOWLEDGEMENTS**

By participating in this RFO, including, without limitation, by submitting an Offer, Respondent (i) agrees to be bound by the conditions of the RFO, including the terms of these RFO Instructions; and (ii) makes the following representations, warranties, and covenants to SCE, which representations, warranties, and covenants shall be deemed to be incorporated in their entireties into each of Respondent's Offers:

- i. Respondent has read, understands and agrees to be bound by all terms, conditions and other provisions of the RFO Documents.
- ii. Respondent has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFO, the RFO Documents, and these RFO Instructions, including any exhibits, attachments, and appendices to such documents.
- iii. Respondent has obtained all necessary authorizations, approvals and waivers, if any, required by Respondent to submit its Offer and, (a) required to enter into and

execute, if necessary, any necessary Enabling Agreements in the form of the applicable Enabling Agreements negotiated with SCE prior to submission of such Offer and (b) required to enter into a Transaction with SCE under the applicable executed Enabling Agreement (if required) for the respective products, in the form of the Confirmation, as applicable, negotiated with SCE prior to submission of such Offer.

- iv. Respondent's Offer complies with all applicable laws and regulations.
- v. Respondent (a) has not engaged, and covenants that it will not engage, in any communications with any other actual or potential participant in the RFO concerning this solicitation, price terms in Respondent's Offer, or related matters, without disclosure to SCE and a waiver by SCE of any applicable confidentiality provisions, including, but not limited to those set forth in the Confidentiality Agreement and these RFO Instructions, and (b) has not engaged in collusion or other unlawful or unfair business practices in connection with this RFO.
- vi. If Respondent is deemed eligible by SCE to submit an Offer, any Offer submitted by Respondent (a) is a binding Offer subject only to SCE's acceptance, in SCE's sole discretion, (b) cannot be withdrawn by Respondent and (c) in the event there is any dispute related to the terms of any such Offer, such dispute shall be resolved in accordance with the terms of the dispute resolution provisions set forth in the RFO Documents which were part of such Offer.
- vii. The information and documents submitted by Respondent to SCE in connection with this RFO and all information and documents submitted in accordance with Section VIII of these RFO Instructions, are true and accurate as of the date of Respondent's Offer submittal. Respondent covenants that it will promptly update such information upon any material change thereto.

#### **XIV. RESPONDENT'S BINDING OFFER AND ACKNOWLEDGEMENT**

By participating in this RFO, including, without limitation, by submitting an Offer, Respondent acknowledges and agrees that:

- i. SCE may rely upon all of Respondent's representations, warranties, and covenants in this RFO (including, without limitation, in these RFO Instructions, in the RFO Documents and in any Offer submitted by Respondent);
- ii. SCE may disclose information as set forth in the Confidentiality Agreement and as described in these RFO Instructions; and
- iii. In SCE's evaluation of Offers pursuant to this RFO, SCE has the right to disqualify a Respondent that is unwilling or unable to meet SCE's credit requirements, or any other requirements of this RFO, as determined by SCE in its sole discretion.

BY PARTICIPATING IN THIS RFO, INCLUDING, WITHOUT LIMITATION, BY SUBMITTING AN OFFER, RESPONDENT ACKNOWLEDGES AND AGREES THAT ANY BREACH BY

RESPONDENT OF ANY OF THE REPRESENTATIONS, WARRANTIES AND COVENANTS IN THESE RFO INSTRUCTIONS AND ALL OTHER RFO DOCUMENTS SHALL CONSTITUTE GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH RESPONDENT, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO SCE UNDER APPLICABLE LAW, AND DEPENDING ON THE NATURE OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE RFO IN ITS ENTIRETY

**XV. EXHIBITS**

Exhibit A – Enabling Agreements

EEI Master Power Purchase & Sale Agreement Cover Sheet  
EEI Paragraph 10 to the Collateral Annex  
EEI FTAA Special Provision

Exhibit B – RA Capacity (SCE Buy or SCE Sell) Confirmation

Exhibit C – Import RA Capacity (SCE Buy) Confirmation

Exhibit D - Import Capability Transfer (SCE Buy or SCE Sell) Confirmation

Exhibit E – Firm Energy Import (SCE Buy) Confirmation

Exhibit F – Guaranty Agreement

Exhibit G – Confidentiality Agreement

Exhibit H – Offer Workbook (SCE Buys)

Exhibit I – Offer Workbook (SCE Sells)