2020 Distribution Investment Deferral Framework ​​
Request for Offers ​(2020 DIDF RFO) Bidder’s Conference

Questions & Answers

I. Products & Eligibility

II. Interconnection Process

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1. Products & Eligibility

**Q1:** For product eligibility, why is there no eligibility for stand-alone, behind the meter energy storage that's not paired with renewables?s

**A1:** We consider that a demand response offer workbook or permanent load shift, so we would point to you to utilize that to provide your offer.

**Q2:** Explain the interplay between increasing capacity over time versus the termination expense. Would it be more in the form of you to expect an offer to have optional exercise price for increasing capacity or build up the capacity and then receive a termination payment and then just build it anyway or no preference?

**A2:** The principle of the termination right references the walkaway cost for developers. There is a walkaway cost for developers to walk away from a project early on in the infancy of it (typically, this would happen in the minimum of 12 months.) Thus, SCE is looking for a developer to price that in so that we can be aware of the amount of work, effort, and cost that it takes in order to develop a project and enter into the interconnection queue and procure the necessary long lead items to meet the online dates. In other words, SCE wants to know what that price is - for example, for this RFO, we plan to execute in May 2020, so the question would be what the cost is for the developer to walk away from the project 12 months from execution (May 2021)? That would be considered what you value as that SCE termination right. At Edison, we are examining these project locations and needs, it is a dynamic forecast, so if that need changes, we may choose to possibly exercise that termination right, in which case, you would have already provided what that price is when you put your offer in. (In your proposal letter) you can offer other years - so if there is a price you can bear to terminate in 2, 3, and so on years, you can provide that price as well.

Per the RFO Instructions:

SCE desires to have a termination right in any Final Agreement if the distribution system needs change and SCE determines that the project is no longer necessary. For specific language, please see Section 10.05(b) of the pro forma PSA entitled “SCE Termination Right – Changing Deferral Need.” Each Offer Workbook contains an input field titled “Changing Deferral Need Cost.” In this field, Offerors must provide the total cost to SCE and the date(s) by which SCE must exercise such early termination for each project Offered; provided, however, that the early termination right shall not be earlier than 12 months after the Effective Date of a Final Agreement. Offeror may provide multiple termination dates throughout the course of Delivery Term.

**Q3:** Is the maximum amount being solicited for each location simply equal to the max capacity in energy needs that are identified in Attachment C?

**A3:** We provide minimums but not maximums. Therefore, offers can be for any project of any size as long as it meets the minimum requirements - we leave it up to the offerors to provide any offers. If you anticipate specific energy needs for SCE, we encourage offerors to bid in at multiple project sizes.

**Q4:** If there's two separate solutions for that location, would the bidder put in separate offers or a combined offer? For example, would an incurrent meter and a DR solution be one or two offers?

**A4:** That would be two offers.

**Q5:** On the topic of SGIP resilience for behind-the-meter projects, do you have a sense on the geographic overlap between what qualifies for SGIP resilience and SGIP equity resilience with each project?

**A5:** With the encouragement of PSPS behind-the-meter projects based on Tier 1 and Tier 2 in fire hazard areas, we just provide that information and present those materials and look for bidders to overlay that information onto these deferral projects.

1. Interconnection Process

**Q6:** The presentation mentioned providing a list of addresses once an NDA is signed, is that before the bid is signed or after you've been selected?

**A6:** That can happen before. Because it is sensitive information, SCE asks that we have an NDA in place so if you would like that option, we would encourage you to request access to the PowerAdvocate event, message SCE, and request an NDA in order to receive that information prior to your offer being submitted

**Q7:** Will SCE be providing any additional guidance regarding locations that will qualify for the ISP regarding interconnection documents, knowing which projects are already in queue or identified, etc.?

**A7:** That information cannot be given because SCE cannot foresee offers coming in requesting interconnection, so we cannot detail or even guarantee that a certain interconnection location can go the ISP track. We will inform final selection on April 27, then we can detail to the developer if they've been awarded a project to enter the queue cluster or seek out another independent project process.

1. Incrementality

**Q8:** Seeing as all of the SGIP projects going forward will be subject to the GHG requirements, why are they not considered wholly incremental?

**A8:** Any offer which leverages SGIP incentives will be classified as a Partially Incremental offer. This classification recognizes that these types of offers are not wholly sourced through a Power Purchase Agreement (PPA) that may be executed by SCE. Offers which are not leveraging any additional program incentives, however, would be considered Wholly Incremental, as they are wholly sourced through a PPA that may be executed by SCE.

It should be noted that any offer that is classified as Partially Incremental does not automatically imply that the offer’s capacity will be reduced during the evaluation and selection process. SCE encourages offerors to contact SCE early in the bid process to discuss the details of their specific project/offer, the incrementality classification, and how it supports the identified distribution deferral needs.

Regarding SGIP’s new GHG requirements, any offer that is subject to these new requirements would be considered Partially Incremental for the reasons stated above. However, offers which select option 3 within the SGIP program for GHG compliance may be subject to additional PPA terms and conditions which look to clarify dispatch priorities and obligations, to ensure that the applicable Distribution Deferral need is met.

**Q9:** In regards to bidding in with SGIP credentials to prove projects wholly incremental, is there going to be some kind of guidance for why that might be dismissed as partially incremental? Can you provide guidance on pricing bids which may be evaluated with a different level of incrementality than anticipated by the bidder?

**A9:** This GHG provision in the SGIP program is something that we're working on internally to clarify what information we can provide, as well as the interplay is with DR and the PLS project. In terms of pricing bids, one way to curb uncertainty is to bid in at multiple levels.

SCE recommends reviewing the incrementality table in the revised RFO Instructions as well as pose any specific questions you may have via PowerAdvocate.