

SCE's Community Renewables – Renewable Auction Mechanism 7 ("CR-RAM 7 RFO") Bidder's Conference Webinar

October 7, 2021

Teams Webinar Presentation
[CR-RAM 7 RFO Webinar Link](#)

Please remain on mute until the Q&A section at the end.

Agenda

- Introduction – Mark Burgunder
- CR-RAM Summary – Denise Lee
- Marketing Material – Mary Hanway
- RFO Details – Denise Lee
- Evaluation & Selection – Ahmet Ergenc
- Required Technical Documents – Wil Grady
- Q&A – Anne Gustafson

Introduction

Mark Burgunder

Energy for What's AheadSM



Introduction

- The purpose of this webinar is to assist potential Offerors in participating in SCE's CR-RAM 7 RFO
- After the webinar, SCE will post this presentation and a recording of the webinar on the CR-RAM 7 RFO PowerAdvocate website
 - Offerors intending to submit Offers, but do not yet have an existing PowerAdvocate® account, must first register to create a username/password with PowerAdvocate® to receive access to the event (event code 117917)
 - Users with an existing PowerAdvocate® account may request access using: <https://www.poweradvocate.com/pR.do?okey=117917&pubEvent=true>
- There is time allotted for Q&A at the end of the presentation
- We will not be discussing specific modifications to any of the documents or pro forma agreements
- This presentation is intended to be a summary level discussion of the information and requirements established in the CR-RAM 7 RFO and does not include all the detailed information that can be found in the documents posted to the CR-RAM 7 RFO website

Document Conflicts

- To the extent that there are any inconsistencies between the information provided in this presentation and the requirements established in the RFO Materials, the RFO Materials will govern
- Capitalized terms used but not defined in these slides are defined in the RFO Materials

RFO Materials

- All RFO Materials are located on either the:
 - [CR-RAM 7 RFO website](#); or
 - SCE's Customer Service Community for marketing materials
 - <https://www.sce.com/business/generating-your-own-power/solar-power-for-business/Community-Green-Rates>
- RFO Materials include but are not limited to the following:
 - RFO Instructions
 - CR-RAM Power Purchase Agreement and Riders
 - Offer Workbook
 - Project Viability Calculator
 - Development Experience Letter
 - Evergreen NDA
 - Notice List
 - Sellers Milestone Schedule and Material Permits
 - Transmission Consent Form

Independent Evaluator (IE)

- What's the IE's role?
 - The IE performs an independent review of the proposals and provides a detailed review of the utility evaluation and selection process
 - The IE monitors communications between SCE and Offerors and is copied on all correspondence
 - The IE has access to all bid data
- Accion Group has been retained as the IE for this solicitation:
 - Sheri Vincent-Crisp svincentcrisp@acciongroup.com
 - Harry Judd hjudd@acciongroup.com

Offerors must include IE on email correspondence to SCE

Supplier Diversity

- SCE encourages Diverse Business Enterprises (“DBE”) to participate in its solicitations and RFOs
- General Order (GO) 156 establishes requirements for the development of programs to increase participation of DBEs in procurement of contracts from utilities
- For additional information, please visit www.sce.com/SD and <http://www.cpuc.ca.gov/PUC/documents/go.htm>
- Guidance is also available at www.sce.com/EnergyProcurement under the heading “Help & Guidance”
- SCE has GO 156 goals and seeks to work with Offerors who comply with the requirements of GO 156 to help meet them, which briefly are to:
 1. Participate as a qualified DBE (Tier 1 – direct contracting with SCE).
 2. Participate as a qualified DBE subcontractor to an Offeror (Tier 2 – subcontracting)
 3. Register as DBE-owned companies (Offerors and subcontractors) with the CPUC Supplier Clearinghouse (www.thesupplierclearinghouse.com)
- Disabled Veteran Owned Business Enterprises in California are certified through the California Department of General Services (www.dgs.ca.gov/) and are automatically recognized by the Supplier Clearinghouse
- SCE’s Supplier Diversity efforts include encouragement of its Sellers to develop plans to utilize DBE subcontractors

Keys to a Successful Proposal

- Submit a complete offer
 - Carefully read and ensure understanding of the RFO Instructions
 - If you have questions regarding your offers, please message SCE through PowerAdvocate (the IEs will be copied)
- Make sure your submitted offer is internally consistent and you provide evidence of a viable project

CR-RAM 7 RFO Schedule*

Event	Date
CR-RAM RFO Launch Date	September 30, 2021
RFOs Bidder Conference Webinar	October 7, 2021 at 10 AM
Offeror Response Deadline	November 1, 2021 12:00 PM Pacific Prevailing Time
SCE provides notification of selection status	January 14, 2022
SCE provides Standard Contract for Execution to Sellers	March 10, 2022
Sellers Deadline to Submit Executed Standard Contract	March 17, 2022
SCE Submits Tier 2 Advice Letter for approval of executed PPA(s)	April 19, 2022

* 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.

CR-RAM Summary

Denise Lee

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Background

- Senate Bill (SB) 43's goal: encourage the use of renewable energy, for those who might not have access to products such as solar rooftop
- CPUC [Decisions \(D.\) 15-01-051](#) and [D.16-05-006](#), and [Resolution \(Res\) E-4734](#) established the GTSR program to implement SB 43, and [Res E-5028](#) extended the program with minor modifications
- Per CPUC Resolution E-5028, SCE is required to hold at least one solicitation per 12-month period until its program allocation MW requirement is met
- SCE's Remaining Total Procurement Target: 203 MW
 - 158 MW of Community Renewables (CR)
 - 45 MW of CR-Environmental Justice (CR-EJ)
- CR-EJ projects are 1 MW or less, located in SCE's 20% most impacted communities using the latest CalEnviroScreen

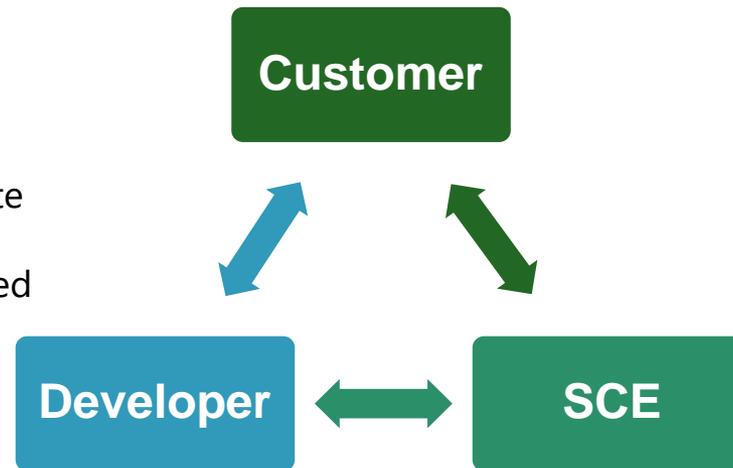
GTSR - 269 MW target - 45 MW reserved for EJ

CR-RAM	Green Tariff
<ul style="list-style-type: none"> • 0.5 MW to 20 MW project size 	<ul style="list-style-type: none"> • 0.5 MW to 20 MW project size
<ul style="list-style-type: none"> • SCE bundled customers subscribe to a CR project with a developer 	<ul style="list-style-type: none"> • Customers subscribe to renewable energy to cover 50% or 100% of their load
<ul style="list-style-type: none"> • CPUC-approved CR-RAM standard contract, includes base contract and a CR-RAM rider 	<ul style="list-style-type: none"> • Advance procurement through RAM 6 and RPS standard contract

CR-RAM Overview

- Customer purchases renewable energy from a new, community based renewable project
- Customer receives a bill credit from SCE for their subscription

Customer enters into agreement with **Developer** to participate in a portion of the CR project, and is subscribed



Customer receives a bill credit for the generation component of their bill

- Adjusted to ensure non-participant indifference
- **Customer** pays all other bill charges, and SCE continues to provide all energy and interconnection services

Once community interest requirement¹ is met:

- **SCE** and **Developer** enter into a PPA (CPUC-approved CR-RAM standard contract)
- **SCE** is the Scheduling Coordinator for the project
- RECs from subscribed energy are retired on behalf of subscribing customers (i.e. will not count towards **SCE's** RPS targets)
- If project is undersubscribed, **SCE** may count RECs towards its RPS target

¹ Covered later in presentation

Marketing Material

Mary Hanway

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ECR Marketing Materials Overview

- Developers market their projects directly to customers and, as part of the program, agree to comply with Green-e® Energy environmental and consumer protection standards
- All developer marketing materials must comply with [Green-e® Energy Developer Requirements](#)
 - <https://www.green-e.org/programs/energy/ca-ecr>
- To begin the review process, all materials intended to be used for marketing to potential customers, are submitted to: CommRenewables@sce.com
- Marketing materials must align with the requirements of:
 - Marketing Phase One: Community Interest
 - Marketing Phase Two: Customer Enrollment
 - Marketing Phase Three: Annual Marketing Materials Submission

ECR Marketing Materials: Phase One

- Marketing Phase One: Community Interest
 - Marketing Materials enable Developers to provide program information to engage with potential customers
 - Customers may sign “non-binding” expressions of interest
 - Demonstration of Community Interest is achieved through:
 - 1) Documented Commitments to Enroll in 30% of the project’s capacity or documented Expressions of Interest reaching 51% subscription rate OR 2) have a guarantee from a municipality working to develop ECR projects in its community; AND
 - At least 50% (by number of customers) and 1/6th (by load) of the demonstrated community interest must come from residential customers
 - Subscribers must be located within the same municipality or county or within 10 miles of the project’s address; however, after the project is developed, subscriptions may come from anywhere in the territory
 - Community Interest requirement shall be met prior to the start of construction

ECR Marketing Materials: Phase One

Required Components

Cover Sheet and Initial Marketing Piece

- Developer
- Name of proposed project
- Location
- Facility size
- Developer relationship with SCE
- How customer will be billed

Upfront Disclosures

- Templates are available on Green-e® Energy's website
- SCE Marketing Compliance Attestation

Requirements for Optional Components

Website

- 1 customer-facing page per project
- Link to SCE's ECR site
- Link to the Green-e® Energy's ECR site & customer service contact info (see Green-e® site for other elements)
- Description of Green-e® Energy and Green-e® Energy certification

Call Script/Fact Sheet

- Only required if contact information is included in marketing materials

ECR Marketing Materials: Phases Two and Three

- Marketing Phase Two: Customer Enrollment
 - All marketing materials, pricing, terms, and conditions must be reviewed and approved by Green-e® Energy prior to execution of the Customer Developer Agreement (CDA)
 - Developers may enter into binding agreements with customers (including binding expressions of interest and CDA's) only after a PPA with SCE is executed
- Marketing Phase Three: Annual Marketing Materials Submission
 - Ongoing submission of all marketing materials to SCE to ensure compliance with Green-e® Energy Developer Requirements

ECR Marketing Materials: Phases Two and Three

Phase	Item	Requirement
Phase 2	Call Script/Fact Sheet	If engaging with customers over the phone, Call Script/ Fact sheet must be prepared
Phase 2	Welcome Packet	Delivered within 60 days of signed CDA
Phase 3	Annual Mailing	All of the required documents from above. Updated and distributed annually by April 1

What To Expect When You Submit Marketing Materials

- Confirmation of receipt is typically provided via email within 2 business days
- Submissions are initially assessed for completeness. Content review will commence when all required materials have been submitted
- Submissions that include all of the required elements and align with Green-e® Developer Requirements are anticipated, but not guaranteed, to be confirmed as “in compliance” within a 30-day period
 - You should expect to receive feedback regarding any required edits within 10 to 15 business days
- Missing components and multiple required iterations will extend this timeline

Minimizing the Need to Resubmit Marketing Materials

- Clarify statements concerning “cost savings” with either methodology or footnote
- Clarify statements concerning “fixed price”
 - Although CDA’s may offer a fixed price to customers, SCE charges and credits may fluctuate over time (up or down)
- SCE “Bill Credit” should be referred to as a “bill credit” or “credit”
 - Materials should not refer to SCE’s bill credit as a “reward”
- Call Sheet/Fact Sheet is always required when contact information is included in marketing materials
- Nonuse of Green-e Logo nor SCE’s logo, but permitted to provide link to SCE’s program webpage

RFO Details

Denise Lee

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CR-RAM 7 Procurement Overview

Overview	CR-RAM 7
Eligible Technology Types	New IFOM Eligible Renewable Resources (Solar PV, Wind, Biomass, Small Hydro)
Eligible Product Types	Energy Only; Energy with RA
Total Allocated Program MWs	GTSR Total: 269 MW 45 MW reserved for Environmental Justice (EJ)
Project Size	Community Renewable (CR): ≥ 0.05 MW and ≤ 20 MW EJ: ≥ 0.05 MW and ≤ 1 MW
Term Length	10, 15, or 20 years At least one of the Offers needs to be a ten (10) year Delivery Term
Procurement Target	CR – 158 MW EJ – 45 MW
Valuation Methodology	Least Cost, Best Fit
Frequency of Solicitations	One solicitation per 12-month period until program caps are met

Key Eligibility Requirements

- Generating facility must be a **newly constructed** renewable resource between 0.5 MW to 20 MW
 - Projects under 0.5 MW may aggregate to at least 0.5 MW
- The Project must be located within the SCE electric service territory and be interconnected to SCE's electric distribution or transmission system
- Forecasted Commercial Operation Date must be within 36 months of the anticipated date for final and non-appealable CPUC Approval of a final agreement
- Offeror must have site control, submit applicable development experience, and the Project must be based on commercialized technology
- SCE affiliation must be disclosed, if applicable
- 2 MW of project load maximum for individual subscriber¹

¹ This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California

Offer Price Assumptions

- The Offer price must be developed with consistent assumptions, taking into account, among other factors, the following:
 - Grid Interconnection Costs
 - Network Upgrades – Seller bears the cost of financing the Network Upgrades¹ (unless the upgrades are pre-funded and such pre-funding has been approved by the CPUC)
 - Awards – Production Tax Credits, Investment Tax Credits and all other awards that Seller reasonably expects to apply
 - Payments will be adjusted in each time of delivery (“TOD”) period by the Product Payment Allocation Factors set forth in the PPA

¹Developer is entitled to repayment with interest over a 5-year period following initial operation. Interest will be calculated in accordance with FERC’s regulations at 18 C.F.R. §35.19a(a)(2)(iii).

Offer Price Assumptions (cont'd)

- The Offer price must be developed with consistent assumptions, taking into account, among other factors, the following:
 - Distribution loss factors (“DLFs”)
 - Offer price should not include DLFs
 - SCE will incorporate them as applicable
 - Collateral requirements
 - Development security
 - Performance assurance
- Fixed price offers only
- 10, 15, or 20-year contract options

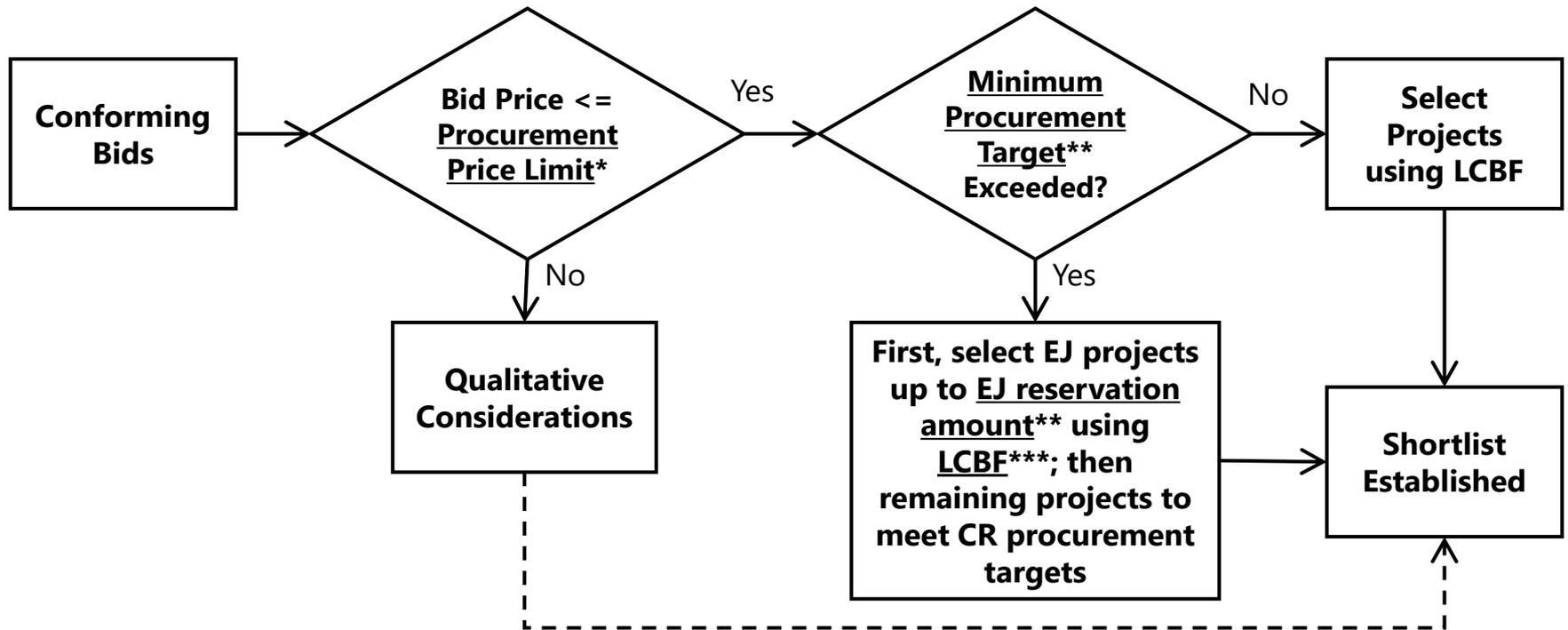
Evaluation & Selection

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Evaluation & Selection



* Procurement Price Limit: Price cap is 120% for CR and 200% for CR-EJ of the maximum executed contract price in the most recent Green Tariff program (D.16-05-006)

** Minimum Procurement Target: 45MW for CR-EJ and 158MW for total, below price caps

*** LCBF: Least Cost, Best Fit (LCBF) Methodology was approved by CPUC in D. 17-12-007 (SCE's 2017 RPS Plan)

Evaluation & Selection (cont'd)

Levelized Costs	Levelized Benefits
<p><u>Contract Payments</u></p> <ul style="list-style-type: none"> • TOD-adjusted, based on the proposed energy price, expected generation profile and contract term <p><u>Transmission Cost*</u></p> <ul style="list-style-type: none"> • Cost adders for required network upgrades based on latest Interconnection Study or Agreement <p><u>Debt Equivalence Cost</u></p> <ul style="list-style-type: none"> • Cost of mitigating contract commitments on SCE's balance sheet <p><u>Integration Cost</u></p> <ul style="list-style-type: none"> • Cost of maintaining a reliable energy supply • \$3/MWh for solar and \$4/MWh for wind for variable cost • Fixed cost based on flexible capacity need and price 	<p><u>Energy Benefits</u></p> <ul style="list-style-type: none"> • Market value of energy based on SCE's internal forecast and the submitted generation profile of the resource <p><u>Capacity Benefits</u></p> <ul style="list-style-type: none"> • Based on SCE's forecast of net capacity value and the expected quantity of Resource Adequacy (RA) • RA quantities are based on Commission's applicable accounting rules (Effective Load Carrying Capacity) <p><u>Congestion**</u></p> <ul style="list-style-type: none"> • Locational benefit resulting from certain resource locations • Incremental Cost Adder for projects that deliver energy

Offers are ranked based on a present value of net levelized benefit:

$$\text{Levelized Benefits} - \text{Levelized Costs} = \text{Net Market Value}$$

*SCE will only consider reimbursable transmission upgrade costs paid for by SCE customers

- All high voltage (>=200kV) related transmission upgrade costs in CAISO area will be shared by Participating Transmission Owners (~43% for SCE's customers)
- All low voltage (<200kV) related transmission upgrade costs in SCE's territory will be paid for by SCE's customers

**Congestion can result in either a positive or negative cash flow

Required Documents

Wil Grady

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Exhibit B: Generating Facility and Site Description

- Exhibit B issues are among the most common reasons offers “fail” during the initial offer screening process
 - Although SCE works with offerors to cure deficiencies, some offers have been disqualified due to inadequate Exhibit B documentation, even after opportunities to cure have been provided
 - Careful attention to this section can save time, hassle, and stress during the RFO process
- What is included in Exhibit B?
 - Generating Facility Description
 - Single Line Drawing
 - Site Plan Drawing
 - Legal Description of the Site
 - Site Map
- Why is Exhibit B important?
 - SCE expects the as-built Generating Facility and Site to be exactly as described

Exhibit B: Generating Facility and Site Description (cont'd)

- **General issues**
 - Project name on PPA does not match project name in some or all Exhibit B docs
 - Equipment and related details are inconsistent among the various Exhibit B docs
 - Mismatch in project size or other major details with Interconnection Study
 - Any known discrepancies should be explained in a letter accompanying the offer
 - If generating facility design varies from what appears in the Interconnection Study, Transmission Provider must provide an assurance letter that design changes will not impact COD or network upgrade cost
- **Site Plan Drawing, Legal Description of the Site and Site Map**
 - Clearly illustrate the boundaries of the site and any adjacent generating facilities
 - Equipment locations must be clear (e.g., inverters, solar arrays, wind turbines, interconnection equipment, etc.)
 - In legal description, only list APNs that are part of the Site or include a note linking the site map to the legal description

Exhibit B: Generating Facility and Site Description (cont'd)

- Single Line Drawing and Process Flow Diagram
 - Be sure to include and adequately describe all major equipment
 - Common missing items are:
 - Interconnection point (substation name, equipment type and number, circuit name, etc.)
 - Transformer specifications
 - Substation station light and power
 - Generating Facility station service (auxiliary) transformer
 - Metering (Transmission Provider, CAISO, SCE, Seller)
 - Number of boilers, steam turbines, generators etc.
 - Typical generating unit diagram
 - Type of generator (synchronous, asynchronous, inverter, etc.)
- Key Takeaways
 - Refer to the RFO Instructions when preparing documents
 - Label everything and err on the side of inclusiveness
 - Pay attention to the details, we look at these documents very closely

Site Control & Supporting Documentation

- Site Control Demonstration
 - The Offeror is required to submit a map showing the boundary of the Site for which Offeror has control as part of the PPA
 - The Offeror must provide to SCE an attestation that Offeror has Site Control* for the Project through any of the following:
 - direct ownership;
 - a lease; or
 - an option to lease or purchase that may be exercised upon execution of the PPA
 - SCE reserves the right to request additional information, as needed to demonstrate that Offeror has Site Control with respect to all portions of the real property on which the Project will be located.
 - Situations are on a case-by-case basis which may include but are not limited to:
 - The existence of easements that may affect Offeror's ability to develop the Project
 - The existence of public roads or other crossings that require a right-of-way grant to develop the Project
- Please thoroughly review all provisions of the Standard Agreement, RFO Instructions, and all other supporting documentation
- Bidders are responsible for being fully aware of all requirements and obligations of the contractual terms and conditions prior to submitting an offer

Final Questions / Conclude Webinar

Thank you!

Energy for What's AheadSM

