



## 2020 DCE Long Term Renewable Energy Request for Offers Responses to Question – FAQ

June 8, 2020

- 1) Q: Can you confirm that standalone storage assets cannot participate in this RFO?  
A: That is correct. The principal purpose of this RFO is to procure long term renewable energy. While storage assets can provide additional benefits to renewable generating resources in terms of RA, energy delivery optimization, and other ancillaries, they cannot provide renewable energy on their own, and therefore are not being considered in this RFO unless paired with a renewable generating resource.
  
- 2) Q: Is this new RFO for existing and operational facilities? Or do you accept proposals from new facilities?  
A: Both existing/operational facilities and new facilities are allowed to offer into this RFO.
  
- 3) Q: It's unclear from the term sheet language if the language is attempting to place the risk of CAISO economic curtailments on the Seller or the Buyer. Please clarify. Thank you.  
A: The language in question is reproduced below. Buyer will be liable for economic curtailments. Seller will be liable for non-economic curtailments, such as those ordered by CAISO or transmission provider to ensure grid reliability.

<b><i>Curtailment Rights</i></b>	<p><i>In the event the Facility is curtailed due to Force Majeure, by the CAISO or the transmission owner, or for any reason other than Buyer's action or inaction, Seller shall not be liable for failure to deliver such curtailed energy and Buyer shall not be obligated to pay for such curtailed energy.</i></p> <p><i>Notwithstanding the foregoing, Buyer may curtail deliveries of Delivered Energy at any time and for any duration, including if such curtailment is due to Buyer's self-schedule (or lack thereof) or economic bid into the CAISO, and all such events (absent a simultaneous curtailment order described in the previous paragraph) shall be defined as "Buyer Curtailment Orders." All energy not generated due to such events defined as "Deemed Generated Energy." Buyer shall pay Seller the PPA Price for all Deemed Generated Energy, except as set forth in the Annual Excess Energy provision.</i></p>
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4) Q: What are “Pre-COD deliveries”? Does it only apply to the existing facilities? How can a new facility offer Pre-COD deliveries?

A: Pre-COD renewable deliveries are deliveries of renewable energy prior to the COD of the project specified in the contract. These deliveries can be provided from a portfolio of eligible resources and/or from another project that the developer owns, and which is already operating. This is most likely to apply to new or developing facilities; for example, if COD of a new facility is expected to be 1/1/2024, “Pre-COD Deliveries” could be delivered from other resources between 1/1/21 and 12/31/23.

5) Q: What is the maximum MWac size that is acceptable for this solicitation? Is it 80 MWac?

A: There is no maximum MWac size specified for this RFO. The maximum annual generation allowed is 200,000 MWh. It is also permissible to have a project that is larger than that, but only offer a portion of it into this RFO.

6) Q: Can bidder combine two or more projects with different POIs, but in the same County as one bid? For example, a 10 MW facility with a 20 MW facility with separate POIs and different locations as one 30 MW facility consisting of two phases.

A: As long as your facilities can meet the eligible project criteria separately, then pricing is requested to the project node of each facility. If your facilities do not share the same project node then they are considered separate projects for the purposes of this RFO, and we request that you submit separate bids for each. DCE reserves the right to review each project independently and prefers to contract as such. If, in addition, you would like to propose an arrangement for the tying of multiple PPAs into one offer, please further explain the terms and conditions of this alternate proposal in your proposal narrative.

7) Q: What is relation between the Delivery start date and Pre-COD delivery date?

A: For offers that do not include Pre-COD deliveries, the Delivery Start Date will occur no earlier than COD of the developing facility. If an offer does include Pre-COD Deliveries, then it is expected that Pre-COD Deliveries will begin on the Contract Start Date and continue until the developing facility achieves COD. If that is not the case, then please explain further in your proposal narrative. We realize this is contrary to the language in the originally distributed term sheet, so we will post a revised term sheet to the DCE website, which strikes the following language from the Contract Start Date term, “Contract Start Date shall not occur until COD has been declared.”

8) Q: With regards to Eligible Co-Located Energy Storage Resource, DCE expects to receive all products and full output and control of co-located storage facility. The question is are we required to have ac-coupled system in place?

A: No, AC coupling is not required. In respondent’s offer form on tab 2: “Facility Information”, please indicate whether the storage device will be AC coupled or DC coupled.

If project includes storage, please complete this section:

Total Storage Capacity (MW):	
Duration (hours):	
Grid charging capable? (Y/N):	
ITC eligible? (Y/N):	
Storage device coupling? (AC/DC):	
Regulation service eligible?:	
Max rate of discharge:	
Roundtrip efficiency:	
Parasitic losses:	
Minimum SOC:	
Max # of cycles per year:	

9) Q: Can projects charge from the grid? Please clarify. There is no mention of “No Grid Charging” in the RFO and/or the term sheet.

A: Grid charging does not preclude a respondent from offering into this RFO as long as respondent can certify that such an arrangement does not violate the requirements for Eligible Renewable Energy Resources as outlined in the RFO Solicitation Protocol and would not result in the generation of carbon emissions. In respondent’s offer form on tab 2: “Facility Information”, please indicate whether the storage device will or will not have the capability to charge from the grid:

If project includes storage, please complete this section:

Total Storage Capacity (MW):	
Duration (hours):	
Grid charging capable? (Y/N):	
ITC eligible? (Y/N):	
Storage device coupling? (AC/DC):	
Regulation service eligible?:	
Max rate of discharge:	
Roundtrip efficiency:	
Parasitic losses:	
Minimum SOC:	
Max # of cycles per year:	

10) Q: What is Storage Facility Loss Factor? How is this related to annual degradation which is not allowed as per the RFP?

A: The Storage Facility Loss Factor is the guaranteed round-trip efficiency of the storage facility, i.e. the minimum allowable percentage of energy that should be obtained by fully discharging the storage facility, in relation to the amount of energy used to fully charge the storage facility. Degradation is the reduction in the capacity of the storage facility over time, which, as you state, is not allowed as per this RFP.

11) Q: Regarding the Excess Energy, how can the delivered energy be more than the contract capacity?

A: Delivered Energy is a MWh measure, whereas Contract Capacity is a MW measure. If the actual capacity factor of the facility is higher than anticipated, Excess Energy can result. The aim is to have respondents choose Contract Capacity and Expected Renewable Energy values that result in a low probability of enforcing Output Guarantee Shortfall Damages or Excess Energy.

12) Q: How is the Excess Energy related to the Annual Excess Energy? If for each delivery period (say each month) the payment is zero for excess energy, how does the annual excess energy come into play. Please clarify.

A: Excess Energy applies over any settlement interval [e.g. one hour], whereas Annual Excess Energy applies over each Contract Year. As with the response to FAQ #11, the actual capacity factor, if greater than anticipated, can cause Excess Energy or Annual Excess Energy to apply.

13) Q: Would DCE consider a slice of a renewable portfolio which consists of solar and wind? This would be a shaped firm day ahead schedule based on a portfolio slice.

A: As stated in FAQ #6, pricing is requested to the project node of each facility, provided that if each facility cannot meet the eligible project criteria on its own, DCE will consider the arrangement you specified above. Keep in mind that such a response would be subject to the same evaluation criteria as a singular resource specific project and would be expected to meet the eligible project criteria as specified in the RFO Solicitation Protocol. DCE would also expect the resources utilized to be named in the PPA.

14) Q: Can a respondent submit a portfolio consisting of multiple community-scale projects which together provide greater than 5 MW of capacity and 15 GWh/year production?

A: As stated in FAQ #6, pricing is requested to the project node of each facility, provided that if each facility cannot meet the eligible project criteria on its own, DCE would encourage responses from distributed, community-scale projects – especially those located in or near DCE's service area. DCE is willing to consider aggregations of such projects that meet the minimum capacity requirement provided that each project independently meets the requirements of the Term Sheet, will sign a PPA with DCE, and will be a Participating Generator in the CAISO market.

15) Q: Will DCE be posting security (pre-COD amounts, and post-COD amounts)?

A: As stated in section 3.13 of the RFO Solicitation Protocol, DCE does not intend to post collateral as part of this solicitation.