



DESERT COMMUNITY ENERGY BOARD MEETING AGENDA

**Wednesday, April 5, 2023
3:00 p.m.**

**Palm Springs City Hall
Large Conference Room
3200 E. Tahquitz Canyon Way
Palm Springs CA 92262**

Members of the public are encouraged to submit comment in connection with the Desert Community Energy meeting by email to: cvag@cvag.org by 5:00 p.m. on the day prior to the Board meeting. Comments intended to be read aloud into the record should be no more than 300 characters in length.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

1. **CALL TO ORDER** – Chair Lisa Middleton, Councilmember, City of Palm Springs

2. **ROLL CALL**

A. **Member Roster**

P4

3. **AGENDA MODIFICATIONS (IF ANY)**

4. **PUBLIC COMMENTS ON AGENDA ITEMS**

Any person wishing to address the Desert Community Energy Board on items appearing on this agenda may do so at this time. Please limit comments to 3 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

5. **BOARD MEMBER / EXECUTIVE DIRECTOR COMMENTS**

6. **CONSENT CALENDAR**

A. **Approve Minutes from the February 6, 2023 Board Meeting**

P5

B. **Receive and file the Triennial Data Privacy Audit Report**

P9

7. **DISCUSSION / ACTION**

A. **SCE's Market Offer of Long-Term Renewable Energy – David Freedman**

P14

Recommendation: Approve DCE's participation in Southern California's Edison's long-term market offer of its Power Charge Indifference Adjustment Long-Term Renewable Energy Portfolio and the Long-Term Energy as well as the REC Sales Agreement with Southern California Edison in connection with the offer, and authorize the Executive Director to execute the necessary documents should DCE's bid be accepted

B. **Carbon Free Commercial Customer Recognition Program – Brian Rix of Burke Rix Communications**

P30

Recommendation: Information

8. **INFORMATION**

A) Attendance Record

P32

- | | |
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| B) Unaudited Year-to-Year Financial Report as of February 28, 2023 | P33 |
| C) 2022 Annual Supplier Diversity Report | P35 |
| D) Renewable and Mid-Term Reliability 2023 Request for Proposals | P52 |

9. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person wishing to address the Board on items not appearing on this agenda may do so at this time. Please limit comments to 2 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

10. ANNOUNCEMENTS

The next DCE meeting will be held May 15, 2023 at 3:00 p.m. at the Large Conference Room at Palm Springs City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs, 92262.

11. ADJOURNMENT



DESERT COMMUNITY ENERGY BOARD MEMBER ROSTER

Voting Members	Seat on Committee	Representative
City of Palm Desert	Vice Chair	Veronica Chavez Finance Director <i>Alternate: Mayor Kathleen Kelly</i>
City of Palm Springs	Chair	Lisa Middleton Councilmember <i>Alternate: Mayor Pro Tem Jeffrey Bernstein</i>
DCE Staff		
Tom Kirk, Executive Director		
Kenyon Potter, Director of Energy & Sustainability		
David Freedman, Program Manager		
Liz Barnwell, Management Analyst		
Janice Reitman, Accounting Manager		

ITEM 6A

Desert Community Energy Board Meeting Minutes February 6, 2022



Held via Zoom videoconference

The audio file for this meeting can be found at: <http://www.desertcommunityenergy.org>

1. CALL TO ORDER

The meeting of the DCE Board was called to order by Assistant Executive Director Erica Felci at 3:00 p.m. via Zoom videoconferencing, pursuant to Assembly Bill 361.

2. CLOSED SESSION

A. Public Comment for Closed Session Items Only:

None

B. Closed Session

Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
Number of potential cases: 1

The DCE Board of Directors entered the closed session at 3:00 p.m. and adjourned the closed session at 3:15 p.m.

3. RECONVENE TO REGULAR SESSION & ROLL CALL

A. Report on Action from Closed Session

Executive Director Tom Kirk stated there was no reportable action from the closed session.

B. Member Roster

Roll call was taken, and it was determined that a quorum was present.

Members Present

Councilmember Lisa Middleton
Veronica Chavez

Member Jurisdiction

City of Palm Springs
City of Palm Desert

4. AGENDA MODIFICATIONS (IF ANY)

Mr. Kirk announced that Agenda Item 8E would be continued to a future Board meeting.

5. PUBLIC COMMENTS ON AGENDA ITEMS

None

6. BOARD MEMBER / DIRECTOR COMMENTS

Mr. Kirk welcomed the new Board

7. CONSENT CALENDAR

Mr. Kirk noted the new Board members did not have to attend the previous meeting to approve the minutes and noted they were compiled by staff as they always have been.

IT WAS MOVED BY COUNCILMEMBER MIDDLETON AND SECONDED BY FINANCE DIRECTOR CHAVEZ TO:

A. Approve Minutes from the November 18, 2022 Board Meeting

B. Reaffirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of Desert Community Energy

THE MOTION CARRIED WITH 2 AYES.

**Councilmember Middleton
Finance Director Chavez**

**Aye
Aye**

8. DISCUSSION / ACTION

A. Election of DCE Officers – Tom Kirk

Mr. Kirk opened the floor for nominations. Members made one nomination for each officer role.

IT WAS MOVED BY FINANCE DIRECTOR CHAVEZ AND SECONDED BY COUNCILMEMBER MIDDLETON TO ELECT PALM SPRINGS COUNCILMEMBER LISA MIDDLETON AS CHAIR OF THE DCE BOARD.

THE MOTION CARRIED WITH 2 AYES.

**Councilmember Middleton
Finance Director Chavez**

**Aye
Aye**

Chair Middleton took over running the remainder of the meeting agenda.

IT WAS MOVED BY COUNCILMEMBER MIDDLETON AND SECONDED BY FINANCE DIRECTOR CHAVEZ TO ELECT PALM DESERT FINANCE DIRECTOR VERONICA CHAVEZ AS VICE CHAIR OF THE DCE BOARD.

THE MOTION CARRIED WITH 2 AYES.

**Councilmember Middleton
Finance Director Chavez**

**Aye
Aye**

B. DCE 2023 Legislative Platform – Peter Carlstrom

Management Analyst Peter Carlstrom provided the staff report. Member discussion ensued.

IT WAS MOVED BY FINANCE DIRECTOR CHAVEZ AND SECONDED BY COUNCILMEMBER MIDDLETON TO ADOPT DCE’S 2023 LEGISLATIVE PLATFORM TO EXPAND DCE’S ADVOCACY EFFORTS AND SUPPORT INITIATIVES THAT ARE IN ALIGNMENT WITH DCE’S MISSION

THE MOTION CARRIED WITH 2 AYES.

Councilmember Middleton	Aye
Finance Director Chavez	Aye

C. Contract Amendments with Deer Creek Solar I, LLC for Deer Creek Solar +Storage Project – David Freedman

Program Manager David Freedman presented the staff report. Member discussion ensued with staff addressing questions on the amendment.

IT WAS MOVED BY FINANCE DIRECTOR CHAVEZ AND SECONDED BY COUNCILMEMBER MIDDLETON TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AMENDMENTS TO THE RENEWABLE POWER PURCHASE AGREEMENT AND RENEWABLE ENERGY PURCHASE AND SALE AGREEMENT WITH DEER CREEK SOLAR I

THE MOTION CARRIED WITH 2 AYES.

Councilmember Middleton	Aye
Finance Director Chavez	Aye

D. DCE Financial Outlook – Jaclyn Harr

Jaclyn Harr of The Energy Authority provided an update on DCE’s financials and a preview of the upcoming year. Member discussion ensued.

No vote was taken as this was an informational item.

E. Carbon Free Commercial Customer Recognition Program – Burke Rix Communications

This item was postponed to a future Board meeting.

F. Schedule of DCE Board Meetings – Erica Felci

Ms. Felci sought Board feedback on a meeting schedule. The Board concurred that the next meeting would be at 3 p.m. on March 20 via Zoom webinar.

9. INFORMATION

The following items were included in the agenda packet for members’ information :

- A. Attendance Record**
- B. CPUC Net Energy Metering 3.0 / Net Billing Tariff Decision**
- C. Unaudited Year-to-Year Financial Report as of December 31, 2022**
- D. Mid-Term Reliability 2023 Request for Offers**
- E. January 2023 Rate Adjustment Summary**

10. PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

11. ANNOUNCEMENTS

Based on Board guidance on Agenda Item 8F, the next DCE meeting will be held at 3 p.m. on March 20 via Zoom webinar.

12. ADJOURNMENT –

Chair Middleton adjourned the meeting at 3:44 p.m.

Respectfully submitted,

Erica Felci, Assistant Executive Director

ITEM 6B

Desert Community Energy Board April 5, 2023



STAFF REPORT

Subject: Triennial Audit of Data Privacy and Data Security

Contact: Kenyon Potter, Director of Energy & Sustainability (kpotter@cvaq.org)

Recommendation: Receive and file the Triennial Data Privacy Audit Report

Background: Pursuant to Decision 12-08-45 (the “Decision”), the California Public Utilities Commission (CPUC) requires each Community Choice Aggregator (CCA) to perform an independent audit every three years and submit a report to the CPUC relating to the CCA’s data privacy and data security policies and procedures relating to customer data. Rule 9(d) in the Decision provides that “Each Community Choice Aggregator or Electrical Service Provider (when providing service to residential or small commercial customers) shall conduct an independent audit of its data privacy and security practices in conjunction every three years following 2012 and at other times as required by order of the Commission. The audit shall monitor compliance with data privacy and security commitments, and the Community Choice Aggregator or Electrical Service Provider (when providing service to residential or small commercial customers) shall report the findings to the Commission.” Customer data is “Covered Information” as defined by the Decision.

DCE engaged Armanino LLP to perform agreed-upon procedures to verify DCE’s internal privacy and data security policies regarding “Covered Information” as defined by the Decision, for the period from inception of operations, April 13, 2020, through December 31, 2021. The audit reported compliance of all required internal data privacy and security practices with one exception: there were several findings relating to IT security. Staff developed a remediation plan and has promptly addressed all the reported findings to tighten IT protocols and to improve data security. Due to the sensitive nature of the vulnerabilities, it is common practice among CCAs to keep the detailed report internal.

The DCE’s Triennial Data Privacy Audit Report (attached) was issued and sent to the CPUC on March 15, 2023. The next triennial audit covering calendar years 2022 through 2024 is not due until April 1, 2025.

Fiscal Analysis: Armanino’s fees for the audit services were \$45,000. This cost was included in DCE’s Fiscal Year 2022-23 budget.

Attachment: Independent Service Auditor’s Agreed-Upon Procedures Report

Independent Service Auditor's Report on Applying Agreed- Upon Procedures for Data Privacy and Data Security

April 13, 2020 to December 31, 2021

REPORT PREPARED FOR

Independent Service Auditor's Report



Desert Community Energy
73-710 Fred Waring Drive, Suite 200
Palm Desert, CA 92260

We have performed the procedures enumerated below, which were agreed to by Desert Community Energy ("DCE") and the California Public Utilities Commission ("CPUC"), solely to assist DCE with respect to complying with the third-party verification requirements of Decision 12-08-045 (the "Decision") as it relates to DCE's internal privacy and data security policies and procedures regarding "Covered Information" as defined in the Decision, for the period from inception of operations, April 13, 2020 to December 31, 2021.

DCE has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Covered Information. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) We obtained the following documents from DCE:

- Notices sent to all customers from which DCE collected Covered Information
- Latest privacy policy (Version 18-04) provided to customers
- NDA terms and conditions (SCE Form 14-769) prescribed by CPUC for any DCE staff and consultants that have access to Covered Information
- Examples of Professional Services Agreements with customer service vendor including provisions for appropriate use of customer data
- Internal privacy and data security policies
- Results from and management responses to penetration tests on the environments where Covered Information are stored and processed
- Categories of third parties to which DCE disclosed Covered Information for a primary purpose
- List of third parties to which DCE disclosed Covered Information for a secondary purpose, if any
- List of disclosures pursuant to legal requests, if any
- List of security breaches, if any
- Inventory of internal and external computer systems

2) We performed the following procedures with respect to these documents:

a) Data Security and Information Technology Environment and Controls:

- i) DCE contracts with Calpine Energy Solutions LLC ("Calpine") which serves as the primary processor of Covered Information, and DCE relies on Calpine to provide logical and physical security controls over Covered Information for primary processing. Per inquiry with DCE and based on our procedures, it was noted that only certain Covered Information is captured and stored on DCE systems. The scope of our procedures included DCE's network and did not include the processing performed by Calpine.
- ii) Internal and external penetration tests were performed by third-party IT specialists to determine whether DCE implemented technical and physical safeguards to protect Covered Information from

unauthorized access, destruction, use, modification, or disclosures. We obtained the work of the IT Specialists that reported the results of their procedures performed as follows:

- (1) Based on the penetration testing performed by IT Specialists, it was noted that technical safeguards were in place to protect Covered Information, though certain vulnerabilities were identified in the reviewed and communicated to DCE by the IT Specialists. It is important to note that DCE personnel are currently staffed with a management agreement contract with Coachella Valley Association of Governments (CVAG) which maintains its own independent IT control environment. CVAG's IT control environment was included in this review. DCE and CVAG also use an IT Managed Service Provider (MSP) to administer and monitor systems. We only reviewed systems specific to DCE and CVAG and interviewed personnel from the MSP that support DCE and CVAG. Findings noted as "High" or "Critical" risk by the IT Specialists were reviewed by DCE and remediation plans were defined to address the issues noted.
- iii) Ascertain that upon any breach affecting 1,000 or more customers, DCE notified the CPUC within two weeks of the detection, or within one week of notification.
 - (1) DCE management stated that no breaches affecting customers occurred during the period from April 13, 2020 to December 31, 2021. As such, this step was not applicable and was not performed.
- b) Transparency
 - i) Ascertain that a privacy notice was provided to customers from which DCE collected Covered Information.
 - (1) We noted that DCE's privacy notices are available on its website at <https://desertcommunityenergy.org/customer-privacy/>. DCE also provides its Privacy Notice to newly registered customers as a part of its onboarding process. Any changes to this policy between notification periods will be communicated through DCE's website.
 - (2) We inspected the latest privacy notice and ascertained that it contained the language described in the Decision.
- c) Use and Disclosure
 - i) Ascertain that authorizations were obtained from customers for the disclosure of Covered Information to third parties for a primary purpose, other than to an entity exempted under Decision 12-08-045, Attachment B, 6(b) and 6(c).
 - (1) DCE stated that they did not disclose Covered Information to third parties for a primary purpose, other than to an entity or entities exempted under Decision 12-08-045, Attachment B, 6(b) and 6(c), during the period April 13, 2020 to December 31, 2021. As such, this step was not applicable and was not performed.
 - ii) Ascertain that authorizations were obtained from customers for the disclosure of Covered Information to third parties for a secondary purpose.
 - (1) DCE stated that they did not disclose Covered Information to third parties for a secondary purpose throughout the period April 13, 2020 to December 31, 2021. As such, this step was not applicable and was not performed.
 - iii) Ascertain that a notice was provided to the applicable customer within seven days for the disclosure of Covered Information as a result of a subpoena or legal proceedings.
 - (1) DCE stated that they did not disclose Covered Information to third parties as a result of a subpoena or legal proceeding during the period April 13, 2020 to December 31, 2021. As such, this step was not applicable and was not performed.
- d) Data Minimization

- i) Ascertain that Covered Information was maintained for only as long as reasonably necessary or as authorized by the CPUC to accomplish a specific primary purpose or for a specific secondary purpose authorized by the customers.
- (1) We determined through inquiry with management and review of DCE's Record Retention Policy that DCE retains Covered Information for a duration only as long as reasonably necessary for business and legal purposes.

We were engaged by DCE to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on DCE's compliance with the requirements of Decision 12-08-045. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of DCE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of DCE and the CPUC and is not intended to be and should not be used by anyone other than those specified parties.

ARMANINO LLP

Armanino LLP
San Francisco, California
March 8, 2023

ITEM 7A

Desert Community Energy Board April 5, 2023



STAFF REPORT

Subject: SCE's Market Offer of Long-Term Renewable Energy

Contact: David Freedman, Program Manager (dfreedman@cvag.org)

Recommendation: Approve DCE's participation in Southern California's Edison's long-term market offer of its Power Charge Indifference Adjustment Long-Term Renewable Energy Portfolio and the Long-Term Energy as well as the REC Sales Agreement with Southern California Edison in connection with the offer, and authorize the Executive Director to execute the necessary documents should DCE's bid be accepted

Background: At its July 2022 meeting, the Board approved a Voluntary Allocation Agreement with Southern California Edison (SCE) for long-term load share resources offered by SCE under the Voluntary Allocation & Market Offer (VAMO) process ordered by the California Public Utilities Commission (CPUC). This process requires the Investor-Owned Utilities (IOUs) to offer Power Charge Indifference Adjustment (PCIA)-paying, load-serving entities (LSEs) like DCE voluntary allocations of PCIA-eligible Renewables Portfolio Standard energy (RPS Energy), and then sell any unallocated RPS Energy through a Market Offer process.

As indicated at the July 2022 meeting, DCE staff and The Energy Authority (TEA) have continued to review opportunities to purchase additional renewable resources in SCE's Market Offer of RPS Energy unsold in the Voluntary Allocation. A promising opportunity has emerged, and staff is returning to the Board for approval of DCE's new purchases.

Pursuant to CPUC Decision 22-11-021 issued on November 17, 2022, SCE is now offering to all LSEs the remaining PCIA-eligible RPS Energy not accepted during its Voluntary Allocation process and not sold in its short-term Market Offer that occurred earlier this year. SCE is offering for sale a "slice" of its remaining PCIA-eligible RPS Energy portfolio with remaining contract terms of greater than 10 years. Buyers may submit proposals to purchase from SCE up to 35% of its bundled long-term RPS Energy and associated renewable energy certificates (RECs) as long-term contracts. The RECs received by the buyer will be the output of the slice of SCE's long-term PCIA-eligible RPS Energy portfolio that the buyer successfully bids for, not a specified quantity of RECs. The delivery term for such RPS Energy will be from CPUC approval of the buyer's Energy and REC Sales Agreement (Sales Agreement) with SCE through May 31, 2040, which is the end of the term of the longest contract in SCE's PCIA-eligible RPS Energy portfolio.

TEA has recommended to DCE staff that DCE participate in SCE's long-term Market Offer. Such participation requires Board approval because the bid is for a long-term resource exceeding the Executive Director's 24-month maturity limit under DCE's Energy Risk Management Policy. Also, under SCE's Market Offer terms, by submitting a proposal to SCE, DCE represents and warrants that it agrees with the terms of the Sales Agreement without modification.

Upon Board approval, DCE will submit the bid to SCE on DCE's behalf before the April 11 deadline. TEA in consultation with DCE staff will determine the exact quantity (in percentage of

SCE's RPS Energy portfolio offered for sale) and the REC price (in \$/Megawatt hour) to bid based on market conditions and DCE's future RPS Energy needs considering responses to DCE's Renewable and Mid-Term Reliability Resources Request for Proposals discussed elsewhere in this agenda. Any additional purchase of RPS Energy in SCE's long-term Market Offer would be beneficial for DCE customers, as it would allow for future procurement of new RPS Energy resources and help ensure that DCE meets its SB 350 long-term contracting requirements in the 2021-2024 and subsequent RPS compliance periods.

Under SCE's current Market Offer schedule, it expects to notify bidders no later than May 31, 2023 if they have been awarded RPS Energy, and to execute Sales Agreements with successful bidders no later than June 30. The Sales Agreement will serve as a Confirmation under the Edison Electric Institute Master Power Purchase and Sale Agreement and related contract cover sheet with SCE that the DCE Board approved in September 2022 in connection with DCE's Resource Adequacy Confirmation with SCE. The CPUC approved the Sales Agreement on February 10 in SCE's Advice Letter 4922-E, and it is largely like the Voluntary Allocation Agreement that DCE signed with SCE. The pro forma Sales Agreement included in Advice Letter 4922-E is attached to this staff report.

With this item, DCE staff recommends approval of DCE's participation in SCE's long-term Market Offer and the Sales Agreement with SCE should DCE's bid be accepted. Staff will update the Board following notification from SCE on the bid.

Fiscal Analysis: TEA is collecting data on where the REC market is trading in the lead-up to the April 11 due date of the Market Offer before finalizing a price at which DCE will make the offer. Staff will provide a verbal presentation an upper limit of the cost of this procurement at the April 5 Board meeting. The projected cost will be determined if DCE submits a successful bid. Given the nature of the product being contracted for, this cost would likely be a subset of currently expected renewable and carbon free procurement.

Attachment: SCE Long-Term Market Offer Pro Forma Energy and REC Sales Agreement

Southern California Edison

[Insert Name of Buyer]

LONG-TERM ENERGY AND REC SALES AGREEMENT

between

SOUTHERN CALIFORNIA EDISON COMPANY

and

[INSERT NAME OF BUYER]

*{SCE DRAFTING NOTE: FOR ALL TRANSACTIONS IN WHICH THE PARTIES ARE ENABLED UNDER AN EEI AGREEMENT, PLEASE DELETE ALL LANGUAGE THAT APPEARS BRACKETED IN **GREEN**. FOR ALL TRANSACTIONS IN WHICH THE PARTIES ARE ENABLED UNDER AN ISDA AGREEMENT, PLEASE DELETE ALL LANGUAGE THAT APPEARS BRACKETED IN **RED**.}*

[This Long Term REC Sales Confirmation (“Confirmation”) confirms the transaction (“Transaction”) between **Southern California Edison Company** (“Seller” or “SCE”) and **[Insert name of Buyer]** (“Buyer”), each individually a “Party” and together the “Parties”, effective as of **[Date]** (the “Confirmation Effective Date”). This Transaction is governed by the ISDA 2002 Master Agreement between the Parties, effective as of **[Date]**, along with the Schedule and any amendments and annexes thereto (the “Master Agreement”), and including, the Power Annex, the Credit Support Annex, Paragraph 13 of the Credit Support Annex and any other Credit Support Document. The Master Agreement and this Confirmation shall be collectively referred to herein as the “Agreement”. Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or the Tariff. If any defined term in this Confirmation conflicts with the same defined term in the Tariff or Master Agreement, the definition set forth in this Confirmation shall supersede.]

[This Long Term REC Sales Confirmation (“Confirmation”) confirms the transaction (“Transaction”) between **Southern California Edison Company** (“Seller” or “SCE”) and **[Insert name of Buyer]** (“Buyer”), each individually a “Party” and together the “Parties”, effective as of **[Date]** (the “Confirmation Effective Date”). This Transaction is governed by the Edison Electric Institute (“EEI”) Master Power Purchase and Sale Agreement between the Parties, effective as of **[Date]**, along with the Cover Sheet, any amendments and annexes thereto (the “Master Agreement”), and including, the EEI Collateral Annex to the Master Agreement along with the Paragraph 10 to the Collateral Annex between the Parties (such Paragraph 10 and the Collateral Annex are both referred to herein as the “Collateral Annex”) (the Master Agreement and the Collateral Annex shall be collectively referred to as the “EEI Agreement”). The EEI Agreement and this Confirmation shall be collectively referred to herein as the “Agreement”. Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the EEI Agreement or the Tariff. If any defined term in this Confirmation conflicts with the same defined term in the Tariff or EEI Agreement, the definition set forth in this Confirmation shall supersede.]

Southern California Edison

[Insert Name of Buyer]

ARTICLE 1 COMMERCIAL TERMS

Seller: SOUTHERN CALIFORNIA EDISON COMPANY		Buyer:
Trading:	<div><div>Seller</div><div>Buyer</div></div> <div>Day Ahead: 626-307-4425 Real Time: 626-307-4453</div> <div>Contact information is for convenience and is subject to change by notice.</div>	
Scheduling:	<div><div>Seller</div><div>Buyer</div></div> <div>Day Ahead: 626-307-4425 Real Time: 626-307-4453</div> <div>Contact information is for convenience and is subject to change by notice.</div>	
Product:	<p>The Product is the Contract Quantity of California RPS-Eligible Electric Energy and associated Green Attributes.</p> <p>During the Delivery Period, Seller shall deliver and sell, and Buyer shall purchase and receive, the Product, subject to the terms and conditions of this Confirmation. Seller shall not substitute or purchase any Green Attributes from any generating resource other than the Project for delivery hereunder.</p>	
Project:	<p>All Product sold hereunder shall be from one or more of the generating facilities listed in <u>Exhibit A</u> (collectively, the “Project”), subject to any such generating facility no longer being part of the Project pursuant to Section 3.3.</p> <p>The Parties acknowledge and agree that the Project consists of one or more generating facilities and that Seller is permitted to utilize any one or more of these generating facilities in order to satisfy its obligations hereunder.</p> <p>The Parties further acknowledge and agree that, with respect to Section 3.2(a) of this Confirmation, Product shall solely be limited to the actual Product generated and delivered by the generating facility(ies) used to satisfy the Contract Quantity, and that Buyer is not entitled to any additional Product or other attributes related to the Product produced by the generating facility(ies) in the Project above and beyond the Contract Quantity.</p> <p>Subject to Buyer’s consent, not to be unreasonably withheld, Seller may include additional generating facility(ies) in the Project such that Seller is permitted to utilize such additional generating facility(ies) to satisfy its obligations hereunder, provided that Seller notifies Buyer of the additional generating facility(ies) at least two (2) Business Days prior to such addition.</p>	
Contract Quantity:	<p>“Contract Quantity” shall be equal to [REDACTED] percent of the total California RPS-Eligible Electric Energy generated by the Project and measured at the CAISO revenue meter of each</p>	

Southern California Edison

[Insert Name of Buyer]

	generating facility making up the Project over the Delivery Period, subject to any reductions of Contract Quantity pursuant to Section 3.3.
Contract Price:	<p>“Contract Price” shall be Index.</p> <p>“REC Price” shall be \$[]/MWh.</p>
Term:	The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until delivery by Seller to Buyer of the Contract Quantity of the Product has been completed during the Delivery Period and all other obligations of the Parties under this Agreement have been satisfied, unless terminated earlier due to failure to satisfy the Conditions Precedent or as otherwise provided in the Agreement (“Term”).
Delivery Period:	Subject to the occurrence of the Condition Precedent Satisfaction Date, the delivery period of this Transaction shall commence on the later of (i) [] and (ii) the Condition Precedent Satisfaction Date, and shall continue through [] (“Delivery Period”).
Delivery Point:	Seller shall deliver the Product at the Pricing Nodes applicable to the Project. Seller shall convey title to and risk of loss of all CAISO Energy to Buyer at the Delivery Point.
Scheduling Obligations:	Seller, or a qualified third party designated or otherwise agreed to by Seller, shall act as Scheduling Coordinator for the Project. Buyer authorizes Seller, or its third party Scheduling Coordinator designee, to deliver the California RPS-Eligible Electric Energy to the CAISO at the Delivery Point as an agent on Buyer’s behalf.
Scheduling Period:	“Scheduling Period” means each hour of the Delivery Period.
Seller Regulatory Obligations:	Within ninety (90) days after the Confirmation Effective Date, SCE shall file with the CPUC the appropriate request for CPUC Approval. <i>{SCE Comment: Please note that CPUC D.07-11-025 does not allow for any extensions to the ninety (90) day filing requirement}</i> SCE shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. As requested by SCE, Buyer shall use commercially reasonable efforts to support SCE in obtaining CPUC Approval. SCE has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Agreement or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party.
Conditions Precedent:	The commencement of delivery of the Product and the obligation of Buyer to pay for the Product shall be contingent upon CPUC Approval of this Confirmation (the “Condition Precedent”). Either Party, in its sole discretion, has the right to terminate this Confirmation upon notice in accordance with [Section 10.7][Section 12] of the Master Agreement, which such notice will be effective one (1) Business Day after such notice is given, if: (i) CPUC Approval of this Confirmation has not been obtained by SCE on or before the date that is three hundred sixty five (365) days after the date that SCE files the request for CPUC Approval, and (ii) a notice of termination in accordance with [Section 10.7][Section 12] of the Master Agreement is given on or before the date CPUC Approval is obtained.

Southern California Edison

[Insert Name of Buyer]

	<p>Any termination made by a Party under this “Conditions Precedent” section shall be without liability or obligation to the other Party.</p> <p>Notwithstanding any other provision in this Confirmation, Seller will have no obligation to transfer Product to Buyer and Buyer shall have no obligation to receive or pay for the Product unless and until the Condition Precedent has been met.</p>
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ARTICLE 2 DEFINITIONS

“ACH” means the electronic funds transfer system operated by the National Automated Clearing House, or any successor entity.

“Agreement” has the meaning set forth in the preamble of this Confirmation.

“Buyer” has the meaning set forth in the preamble of this Confirmation.

“CAISO” means the California Independent System Operator, or its successor.

“CAISO Energy” means “Energy” as defined in the Tariff.

“Calculation Period” means each calendar month during the Delivery Period.

“California RPS-Eligible Electric Energy” means electric energy from an ERR.

“CEC” means the California Energy Commission or its regulatory successor.

“Condition Precedent” has the meaning set forth in Article 1 of this Confirmation.

“Condition Precedent Satisfaction Date” means the date on which CPUC Approval has been obtained or the Condition Precedent has been waived by SCE in its sole discretion.

“Confirmation” has the meaning set forth in the preamble of this Confirmation.

“Confirmation Effective Date” has the meaning set forth in the preamble of this Confirmation.

“Contract Price” has the meaning set forth in Article 1 of this Confirmation.

“Contract Quantity” has the meaning set forth in Article 1 of this Confirmation.

“CPUC” means the California Public Utilities Commission or its regulatory successor.

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

- (a) Approves this Agreement in its entirety[, including payments to be made by the Buyer, subject to CPUC review of the Buyer’s administration of the Agreement] *{SCE Note: Delete if Buyer is an LSE that is a not an IOU}*; and
- (b) Finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer’s compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the RPS, CPUC Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

“Day-Ahead Market” has the meaning set forth in the Tariff.

Southern California Edison

[Insert Name of Buyer]

“Delivered Energy” means the CAISO Energy from the Project that is delivered and scheduled into either the Real Time-Market and/or Day-Ahead Market by Seller on behalf of Buyer at the Delivery Point.

“Delivery Point” has the meaning set forth in Article 1 of this Confirmation.

“Delivery Period” has the meaning set forth in Article 1 of this Confirmation.

“EEI Agreement” has the meaning set forth in the preamble of this Confirmation. *{SCE Drafting Note: Delete this term if using the ISDA and not the EEI.}*

“ERR” has the meaning set forth in Section 5.1(a) of this Confirmation.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as:

- (1) Any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants;
- (2) Any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere;¹
- (3) The reporting rights to these avoided emissions, such as Green Tag Reporting Rights.

Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of energy.

Green Attributes do not include:

- (i) Any energy, capacity, reliability or other power attributes from the Project,
- (ii) Production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation,
- (iii) Fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or
- (iv) Emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits.

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

Southern California Edison

[Insert Name of Buyer]

If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero (0) net emissions associated with the production of electricity from the Project.

“Index” means, for each Scheduling Period, the applicable CAISO market price for the CAISO Pricing Node for the applicable portion of the Project for each applicable period as published by the CAISO on the CAISO website; or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

“Master Agreement” has the meaning set forth in the preamble of this Confirmation.

“Monthly Cash Settlement Amount” has the meaning set forth in Article 4 of this Confirmation.

“Pricing Node” has the meaning set forth in the Tariff.

“Product” has the meaning set forth in Article 1 of this Confirmation.

“Project” has the meaning set forth in Article 1 of this Confirmation.

“Real-Time Market” has the meaning set forth in the Tariff.

“REC Price” has the meaning set forth in Article 1 of this Confirmation.

“Renewable Energy Credit” or “REC” has the meaning set forth in CPUC Decision 08-08-028, as such definition may be modified by the CPUC or applicable law from time to time.

“RPS” means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 *et seq.*, and any decisions by the CPUC related thereto.

“Scheduling Period” has the meaning set forth in Article 1 of this Confirmation.

“Seller” has the meaning set forth in the preamble of this Confirmation.

“Tariff” means the California Independent System Operator Corporation Tariff, Business Practice Manuals (BPMs), Operating Agreements, and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC, if applicable.

“Term” has the meaning set forth in Article 1 of this Confirmation.

“Transaction” has the meaning set forth in the preamble of this Confirmation.

“Vintage” means the calendar year the WREGIS Certificate is associated with through the generation of electric energy.

“WREGIS” means the Western Renewable Energy Generation Information System or other process recognized under applicable laws for the registration, transfer or ownership of Green Attributes.

“WREGIS Certificate” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules.

“WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS, as amended, supplemented or replaced from time to time.

Southern California Edison

[Insert Name of Buyer]

ARTICLE 3 CONVEYANCE OF RENEWABLE ENERGY

3.1 Seller's Conveyance of Electric Energy

Beginning on the first day of the Delivery Period and throughout all applicable months of the Delivery Period, Seller shall deliver and sell, and Buyer shall purchase and receive, the electric energy associated with the Product, subject to the terms and conditions of this Confirmation.

3.2 Seller's Conveyance Of Green Attributes

(a) Green Attributes

Seller hereby provides and conveys all Green Attributes associated with the electricity generation from the Project being delivered to Buyer pursuant to Section 3.1. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

The Green Attributes are delivered and conveyed upon completion of all actions described in Section 3.2(b) below.

(b) Green Attributes Initially Credited to Seller's WREGIS Account

- (1) During the Delivery Period, Seller, at its own cost and expense, shall maintain its registration with WREGIS. All Green Attributes transferred by Seller hereunder shall be designated California RPS-compliant, subject to confirmation by the CEC. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.
- (2) Subject to Section 4.1, for each applicable month of the Delivery Period, Seller shall deliver and convey the Green Attributes associated with the electric energy delivered pursuant to Section 3.1 above within thirty (30) days after: (A) of the creation of the WREGIS Certificates for the Green Attributes for the generating facilities where SCE is the WREGIS Account Holder, or (B) of SCE's receipt of the WREGIS Certificates for the generating facilities for which SCE is not the WREGIS Account Holder. Seller shall deliver and convey such Green Attributes by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to the WREGIS Certificates shall transfer from Seller to Buyer; provided further, that if Seller fails to properly transfer such WREGIS Certificates to Buyer in accordance with the above due to an error or omission of an administrative or clerical nature and if such failure can be cured with no harm to Buyer, then Seller may cure such failure within thirty (30) days after notice of such failure.
- (3) In addition to its other obligations under this Section 3.2, Seller shall convey to Buyer WREGIS Certificates from the Project that are of the same Vintage as the California RPS-Eligible Electric Energy that was provided under Section 3.1 of this Confirmation.

Southern California Edison

[Insert Name of Buyer]

3.3 Reduction of Contract Quantity and Removal of Generating Facility

The Parties acknowledge and agree that: (a) Seller has the right, at any time and in its sole discretion, to modify, terminate, or assign to a third party any contract it has for California RPS-Eligible Electric Energy from the Project, and (b) some contracts for California RPS-Eligible Electric Energy from the Project may terminate on their own terms during the Delivery Period. If a contract is so modified, terminated or assigned to a third party, the Contract Quantity will be adjusted accordingly, and, if the contract is terminated or assigned to a third party, the generating facility corresponding to such contract shall cease to be part of the Project under this Agreement. Seller shall provide notice to Buyer of any modification, termination, or assignment of any contract within a reasonable amount of time after such modification, termination or assignment has occurred.

ARTICLE 4 COMPENSATION

4.1 Monthly Cash Settlement Amount

Buyer shall pay Seller the “Monthly Cash Settlement Amount”, in arrears, for each Calculation Period in the amount equal to the sum, of (A) plus (B) minus (C), where:

- A = the sum, over all hours of the Calculation Period, of (i) the applicable Contract Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market; and
- B = the REC Price multiplied by the quantity of Green Attributes (in MWhs) that will be conveyed as described in Section 3.2 and that are associated with the Delivered Energy in the Calculation Period; and
- C = the sum, over all hours of the Calculation Period, of (i) the applicable Contract Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market.

Such Monthly Cash Settlement Amount constitutes payment for the Product, including the Green Attributes, for such applicable Calculation Period. Buyer shall be obligated to make such payments with respect to each applicable Calculation Period notwithstanding the fact that the Green Attributes associated with a particular Calculation Period shall be delivered or credited to Buyer’s WREGIS account subsequent to the conclusion of the applicable Calculation Period in accordance with Section 3.2(b) of this Confirmation, provided that if Seller fails to comply with the provisions of Section 3.2(b), Buyer shall be entitled to exercise all rights and remedies available to Buyer under this Agreement for Seller’s failure to deliver the Product. Notwithstanding anything to the contrary in this Agreement, Seller will not be required to deliver the Green Attributes for a Calculation Period if Buyer has not paid the Monthly Cash Settlement Amount for such Calculation Period.

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[Insert Name of Buyer]

4.2 **Payment**

Notwithstanding any provision to the contrary in [Section 6.2 of the Master Agreement] [Part 6(d)(ii) of the Power Annex], payments of each Monthly Cash Settlement Amount by Buyer to Seller under this Confirmation shall be due and payable on or before the later of the twentieth (20th) day of the month in which the Buyer receives from Seller an invoice for the Calculation Period to which the Monthly Cash Settlement Amount pertains, or within ten (10) Business Days, or, if such day is not a [Business Day] [Local Business Day], then on the next [Business Day] [Local Business Day], following receipt of an invoice issued by Seller for the applicable Calculation Period.

Payment to Seller shall be made by ACH, or in another form reasonably requested, pursuant to the following:

JP Morgan Chase Bank
New York, NY
ABA: []
ACCT: []

4.3 **Invoicing**

Invoices to Buyer will be sent by hard copy or PDF format to:

[]
Attn:
Phone:
Email:
Facsimile:

For purposes of this Confirmation, Buyer shall be deemed to have received an invoice upon the receipt of either the hard copy or PDF format of the invoice, whichever comes first.

4.4 **Billing Period**

Notwithstanding [Section 6.1 of the Master Agreement] [Part 6(d)(i) of the Power Annex], for the purposes of the Transaction memorialized in this Confirmation, the provision set forth below will apply. This provision does not change the Billing Period applicable to any other Transaction entered into between the Parties under the Master Agreement.

The calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and as otherwise specified in this Agreement). As soon as practicable after the end of each month, Seller will render to Buyer an invoice for the payment obligations, if any, determined hereunder for the preceding month.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 **Seller's Representation, Warranties, and Covenants Related to Green Attributes**

- (a) Seller, and, if applicable, its successors, represents and warrants that throughout the Term of this Agreement that:

Southern California Edison

[Insert Name of Buyer]

- (i) The Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and
- (ii) The Project’s output delivered to Buyer qualifies under the requirements of the RPS.

To the extent a change in law occurs after execution of this Confirmation that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

“Commercially reasonable efforts” shall not require Seller to incur out-of-pocket expenses in excess of \$25,000 in the aggregate in any one calendar year.

- (b) Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the WREGIS will be taken prior to the first delivery under this Agreement.
- (c) In addition to the foregoing, Seller warrants, represents and covenants, as of the Confirmation Effective Date and throughout the Term, that:
 - (i) Seller has the right to sell all right, title, and interest in the Product agreed to be delivered hereunder;
 - (ii) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;
 - (iii) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;
 - (iv) the electric energy generated with the Green Attributes delivered under this Confirmation was not and will not be separately sold, marketed, reported, or otherwise represented as renewable energy, renewable electricity, clean energy, zero-emission energy, or in any similar manner;
 - (v) the Project is registered with WREGIS, and all electrical output from the Project is reported to WREGIS; and
 - (vi) the Project meets the criteria in either (A) or (B) :
 - (A) The Project either has a first point of interconnection with a California balancing authority, or a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area; or
 - (B) The Project has an agreement to dynamically transfer electricity to a California balancing authority.
- (d) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Period of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the RPS, as set forth in CPUC Decision 08-08-028, and as may be modified by subsequent decision of the

Southern California Edison

[Insert Name of Buyer]

CPUC or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

- (e) Seller makes no representation, warranty or covenant with respect to any portfolio content category designation pursuant to California Public Utilities Code Section 399.16 nor any eligibility of the Product to qualify as excess procurement pursuant to California Public Utilities Code Section 399.13(a)(4)(B).
- (f) If and to the extent that the Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below as of the Confirmation Effective Date and throughout the Delivery Period:
 - (i) The original upstream third party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1)(A);
 - (ii) This Agreement transfers only electric energy and Green Attributes that have not yet been generated prior to the commencement of the Delivery Period;
 - (iii) The Delivered Energy transferred hereunder is transferred to Buyer in real time; and
 - (iv) If the Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

ARTICLE 6 GOVERNING LAW

6.1 Applicability to Transactions under this Confirmation

Notwithstanding [Section 10.6] [Section 13] of the Master Agreement, for the purposes of the Transaction memorialized in this Confirmation, the provision set forth below will apply. This provision does not change the Governing Law applicable to any other Transaction entered into between the Parties under the Master Agreement.

6.2 Governing Law

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

Southern California Edison

[Insert Name of Buyer]

ARTICLE 7 CREDIT AND COLLATERAL

7.1 General Provisions

To the extent that there are conflicting credit terms between the Master Agreement and this Confirmation, the credit and collateral terms set forth in this Confirmation shall prevail. All implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.

7.2 Collateral Requirements

For purposes of determining the [Collateral Requirement] [Credit Support Amount], Parties agree that the amount of Exposure for this Transaction is \$0. In no event shall SCE post or maintain a [Collateral Requirement][Credit Support Amount] to Buyer.

ARTICLE 8 CONFIDENTIALITY

Notwithstanding [Section 10.11 (Confidentiality) of the Master Agreement and Cover Sheet] [Part 5(a) of the Schedule]², the Parties agree that a Party may also disclose the terms of this Transaction to WREGIS.

ARTICLE 9 TERMINATION

9.1 Termination Payment

If this Confirmation is terminated for any Event of Default, such termination shall be treated in accordance with [Sections 5.2 and 5.3] [Sections 6(a) and 6(e)] of the Master Agreement and the corresponding [Termination Payment] [Early Termination Amount] may be netted against other Transactions between the Parties under the Master Agreement.

[Signatures are on the following page]

² SCE Drafting Note: Please reference the appropriate section related to "Confidentiality" from the Schedule to the ISDA Master Agreement.

Southern California Edison

[Insert Name of Buyer]

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE:

{COUNTERPARTY LEGAL NAME},

a *{type of organization}.*

By: _____

Name: *{Name of Authorized Signer}*

Title: *{Title of Authorized Signer}*

Date: _____

**SOUTHERN CALIFORNIA EDISON
COMPANY,**

a California corporation.

By: _____

Name: *{Name of SCE Signer}*

Title: *{Title of SCE Signer}*

Date: _____

Southern California Edison

[Insert Name of Buyer]

EXHIBIT A

{SCE COMMENT: Generating Facility information to be populated as necessary.}

<u>Name of Facility</u>	<u>Resource Type</u>	<u>CEC ID</u>	<u>WREGIS ID</u>	<u>CEC RPS Eligibility Date</u>	<u>End of Delivery Term</u>

ITEM 7B

Desert Community Energy Board April 5, 2023



STAFF REPORT

Subject: Carbon Free Commercial Customer Recognition Program

Contact: Kenyon Potter, Energy & Sustainability Director (kpotter@cvag.org)

Recommendation: Information

Background: Since DCE's launch in 2020, the Board has expressed an interest in providing recognition to businesses that choose to remain Carbon Free customers. The DCE Board was scheduled to get an update on the effort at its February meeting, but due to time constraints the item was continued to the April Board meeting.

DCE staff has been working with DCE's marketing consultant Burke Rix Communications to embark on a pilot program to reach out to businesses that already promote themselves as environmentally conscientious and to ascertain feedback from these businesses on concepts for a Carbon Free recognition program.

The efforts to shape this program date back a year. On April 13, 2022, DCE staff met with staff from Visit Greater Palm Springs and Palm Springs Convention Center & Bureau of Tourism along with then-DCE Board Chair Geoff Kors and Palm Springs Councilmember Lisa Middleton, the City's then-alternate to and current representative on the DCE Board, to discuss creating a program to recognize small, medium, and large commercial customers enrolled in DCE's Carbon Free program for doing their part for the environment.

In November 2022, staff provided a brief update to the DCE Board on its activities to formulate a recognition program and planned to come back with an update on staff activities relating to the business recognition program. Staff has continued to research what other Community Choice Aggregation programs (CCAs) are doing to recognize carbon-free businesses and have learned that several CCAs have welcome kits for new commercial businesses. These CCAs also work with their respective business community leaders to showcase carbon-free businesses on websites and social marketing as well as performing other marketing activities including encouraging cross-promotion between businesses, many of which have innovative marketing strategies.

Burke Rix has outlined a marketing plan that will include welcome kits/mailouts, videos showcasing carbon-free businesses, and social media to recognize Carbon Free businesses in part based on what other CCAs in California are doing to recognize carbon free businesses to aid these businesses in reaching their target audiences.

Among the goals DCE staff are focusing on for the recognition program:

- Encouraging Palm Springs businesses, including hotels, that opted down to DCE's Desert Saver program to opt back up to the Carbon Free program;
- Motivating these businesses and hotels as well as those remaining enrolled in the Carbon Free program to implement more energy efficiency and renewable measures to mitigate climate change impacts; and


- Developing and fostering opportunities to become a green destination for Coachella Valley visitors.

Staff are working with Burke Rix on a more fully developed Carbon Free Recognition Program and will report back to the DCE Board at a future meeting including program materials and partnership opportunities.

Fiscal Analysis: The costs associated with developing the Carbon Free Recognition Program are covered under the existing Burke Rix contract and staff time.

ITEM 8A**DESERT COMMUNITY ENERGY BOARD
FY2022-2023 ATTENDANCE RECORD**

Voting Members	JUL*	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
City of Palm Desert	✓	*	✓	✓	✓	*	*	✓	*			
City of Palm Springs	✓	*	✓	✓	✓	*	*	✓	*			

Absent 
No Meeting *

* July was a special meeting. The regular July meeting was cancelled.

Desert Community Energy
Unaudited Statement of Net Position Prev Year Comparison
As of February 28, 2023

	Feb 28, 23	Feb 28, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1100 · Unrestricted Funds				
1105 · Operating Account -8099	200,000	2,463,123	(2,263,123)	(92%)
1107 · ICS Account -0995	0	519,313	(519,313)	(100%)
1109 · DDM Marketplace Sweep - 0991	669,392	0	669,392	100%
1115 · Lockbox -4446	201,662	254,721	(53,059)	(21%)
Total 1100 · Unrestricted Funds	1,071,054	3,237,157	(2,166,103)	(67%)
1199 · Restricted Funds				
1110 · Money Market -5470	405,344	1,747,209	(1,341,865)	(77%)
1120 · FSR Letter of Credit Collateral	147,000	147,000	0	0%
Total 1199 · Restricted Funds	552,344	1,894,209	(1,341,865)	(71%)
Total Checking/Savings	1,623,398	5,131,366	(3,507,968)	(68%)
Accounts Receivable				
1221 · Accounts Receivable	12,589,830	7,955,802	4,634,028	58%
1223 · Accrued Accounts Receivable	1,661,495	924,906	736,589	80%
Total Accounts Receivable	14,251,325	8,880,708	5,370,617	60%
Other Current Assets				
1225 · Allowance for Doubtful Accounts	(2,589,992)	(1,329,222)	(1,260,770)	(95%)
1240 · Prepaid Expenses	2,947	0	2,947	100%
Total Other Current Assets	(2,587,045)	(1,329,222)	(1,257,823)	(95%)
Total Current Assets	13,287,678	12,682,852	604,826	5%
Other Assets				
1170 · Deposits/Bonds	310,584	0	310,584	100%
Total Other Assets	310,584	0	310,584	100%
TOTAL ASSETS	13,598,262	12,682,852	915,410	7%
LIABILITIES & NET POSITION				
Liabilities				
Current Liabilities				
Accounts Payable				
2110 · Accounts Payable	1,831,409	4,068,402	(2,236,993)	(55%)
2112 · Accrued Accounts Payable	(13,583)	61,255	(74,838)	(122%)
2120 · Due to Other Governments	170,836	563,921	(393,085)	(70%)
Total Accounts Payable	1,988,662	4,693,578	(2,704,916)	(58%)
Other Current Liabilities				
2230 · Taxes payable				
2231 · Utility Users Tax (UUT)	76,952	1,407,115	(1,330,163)	(95%)
2232 · Electric Energy Surcharge	15,738	16,241	(503)	(3%)
Total 2230 · Taxes payable	92,690	1,423,356	(1,330,666)	(93%)
2260 · Vendor Security Deposits				
2262 · PPA Development Security	225,000	1,680,000	(1,455,000)	(87%)
2263 · Contract Development Deposit	180,000	0	180,000	100%
Total 2260 · Vendor Security Deposits	405,000	1,680,000	(1,275,000)	(76%)
Total Other Current Liabilities	497,690	3,103,356	(2,605,666)	(84%)
Total Current Liabilities	2,486,352	7,796,934	(5,310,582)	(68%)
Long Term Liabilities				
2300 · Non-current Liability				
2350 · Loans Payable - Long Term	0	2,417,106	(2,417,106)	(100%)
Total 2300 · Non-current Liability	0	2,417,106	(2,417,106)	(100%)
Total Long Term Liabilities	0	2,417,106	(2,417,106)	(100%)
Total Liabilities	2,486,352	10,214,040	(7,727,688)	(76%)
Net Position				
31000 · Restricted Net Position	147,000	147,000	0	0%
32000 · Unrestricted Net Position	4,724,389	5,127,861	(403,472)	(8%)
Net Position	6,240,521	(2,806,048)	9,046,569	322%
Total Net Position	11,111,910	2,468,813	8,643,097	350%
TOTAL LIABILITIES & NET POSITION	13,598,262	12,682,853	915,409	7%

Desert Community Energy
Unaudited Changes to Net Position Prev Year Comparison
July 2022 through February 2023

	<u>Jul '22 - Feb 23</u>	<u>Jul '21 - Feb 22</u>	<u>\$ Change</u>	<u>% Change</u>
Revenue				
5010 · Electricity Sales				
5011 · Carbon Free	34,201,419	24,288,692	9,912,727	41%
5012 · Carbon Free- CARE / FERA	(326)	1,715,310	(1,715,636) ¹	(100%)
5013 · Desert Saver	7,330,958	2,447,692	4,883,266	200%
Total 5010 · Electricity Sales	41,532,051	28,451,694	13,080,357	46%
5100 · Other Revenue				
5120 · Energy Market Settlements	920,457	830,995	89,462	11%
5125 · Resource Adequacy	118	0	118	100%
5150 · Other Revenue	460,346 ²	609,655	(149,309)	(24%)
Total 5100 · Other Revenue	1,380,921	1,440,650	(59,729)	(4%)
5900 · Investment Revenue	8,598	2,693	5,905	219%
Total Revenue	42,921,570	29,895,037	13,026,533	44%
Gross Profit	42,921,570	29,895,037	13,026,533	44%
Expense				
4100 · Cost of Electricity				
4105 · Electricity Purchase	22,442,705	20,325,253	2,117,452	10%
4110 · Resource Adequacy Settlement	6,862,012	5,282,121	1,579,891	30%
4115 · Low Carbon Settlement	0	1,113,500	(1,113,500)	(100%)
4120 · Renewable Energy Cr. Settlement	134,106	918,988	(784,882)	(85%)
4125 · Market Charges	4,143,563	2,685,096	1,458,467	54%
Total 4100 · Cost of Electricity	33,582,386	30,324,958	3,257,428	11%
4200 · Accounting / Bank Services	24,909	31,592	(6,683)	(21%)
4353 · Insurance	5,893	7,793	(1,900)	(24%)
4423 · Office Supplies	1,200	0	1,200	100%
4425 · Legal Services	58,282	51,183	7,099	14%
4431 · Professional Services	82,428	55,591	26,837	48%
4432 · Consultants	1,498,359	1,138,706	359,653	32%
4433 · Outreach Services	36,935	27,929	9,006	32%
4435 · Technology Costs (IT)	2,590	859	1,731	202%
4440 · Postage	11,735	13,688	(1,953)	(14%)
4441 · Printing	13,250	15,607	(2,357)	(15%)
4450 · Sponsorships	1,603	0	1,603	100%
4452 · Marketing	4,947	0	4,947	100%
4455 · Customer Programs	0	21,899	(21,899)	(100%)
4500 · Registrations/Memberships	63,497	63,169	328	1%
4600 · Miscellaneous	283	0	283	100%
4610 · Interest Expense	46,655	94,540	(47,885)	(51%)
4750 · Bad Debt Expense	1,246,096	853,570	392,526	46%
Total Expense	36,681,048	32,701,084	3,979,964	12%
Excess of Revenue over Expenses	6,240,522	(2,806,047)	9,046,569	322%

¹ CARE/FERA was discontinued and converted to Desert Saver.

² Includes \$457,546 in 2022 California Arrearage Payment Program (2022 CAPP) funds for applicable customers.

In addition to this financial statement, DCE Board agenda packets have regularly included an unaudited financial statement with year-to-date allocations divided between DCE as a whole and any member jurisdiction where DCE is actively serving customers. As there is only one city where DCE has launched, DCE staff is currently evaluating better ways to present that information. DCE staff intends to bring forward an update for consideration at a future meeting.

ITEM 8C

Desert Community Energy Board April 5, 2023



STAFF REPORT

Subject: 2022 Annual Supplier Diversity Report

Contact: Elizabeth Barnwell, Management Analyst (ebarnwell@cvaq.org)

Recommendation: Information

Background: Community Choice Aggregators (CCAs) like DCE are required to submit an Annual Supplier Diversity Report to the California Public Utilities Commission (CPUC) that details a plan for increasing procurement from small, local, and diverse business enterprises as well as details procurement efforts related to Women, Minority, Disabled Veteran, Lesbian Gay Bisexual Transgender Business Enterprises. The CPUC oversees the voluntary Supplier Diversity Program, under General Order 156 (GO 156), which promotes efforts to increase the number of utility contract dollars spent on underserved or marginalized groups. In the 2023 Annual Plan, there are a couple of acronyms commonly used, those being MCE, which stands for Marin Clean Energy, and BE or BEs, which stands for business enterprise or enterprises.

On March 1, 2023, DCE submitted the 2022 Annual Supplier Diversity Report to the CPUC. DCE's 2022 Annual Report includes its annual plan for 2023 to increase procurement from certified, as well as local, small, and diverse businesses. DCE described its continuing efforts to expand opportunities to diversify its procurement and reiterated its commitment to furthering equal access to economic opportunity for business enterprises owned by diverse and other underserved or marginalized groups. The majority of DCE's purchases are power contracts. However, DCE staff is working to identify ways to procure additional goods and services including subcontracting in its quest to be more inclusive. Thus, DCE staff seeks to purchase locally whenever possible to benefit businesses and residents, including those who have suffered from economic marginalization.

As part of the Supplier Diversity Program, the CPUC maintains a Supplier Clearinghouse, which provides participating utilities and covered entities, including Community Choice Aggregators (CCAs), a resource to identify firms from a Certified Suppliers List in order to meet procurement goals established by GO 156. By participating in this program, local companies will be identified as eligible, certified suppliers in a centralized supplier database. The Supplier Clearinghouse publishes a directory for use by participating covered entities and the public to allow them to search for suppliers that help meet required procurement goals. The Clearinghouse provides certified suppliers numerous opportunities for networking and visibility through marketing activities, events, and bid announcements.

It should be noted that, in compliance with Proposition 209, CCAs as local government entities do not explicitly give preferential treatment to bidders based on race, sex, color, ethnicity, or national origin. Proposition 209 limits CCAs as public agencies from engaging in several of the activities associated with supplier diversity under GO 156.

The CPUC develops and distributes the annual Supplier Diversity Report template to CCAs and utility companies and some of the report sections and tables do not apply either to CCAs in general or DCE specifically and thus are either identified as not being applicable or are intentionally left blank, an example being most of the sections of the table found in Section 9.1.2 of DCE's 2022 report. Other tables, such as that found in Section 9.1.9, are automatically populated with zeros and it is the reporting entity's responsibility to fill in any applicable data.

The 2022 Supplier Diversity Report identifies that DCE currently has a contract with one local diverse business enterprise that is certified through the CPUC Supplier Clearinghouse as a LGBT business enterprise. In recent procurement efforts, DCE staff has identified other local businesses and provided them with the information necessary to register in the Clearinghouse. The 2022 report also describes DCE's efforts to recruit employees from diverse backgrounds, including those who represent underserved members of the community, for the Community Advisory Committee. DCE staff recognizes there is more work to do to support small, local, and diverse businesses within the region and is looking at ways to assist local diverse business that are interested in gaining certification to be listed on the state's Supplier Clearinghouse database. Opportunities to collaborate with local chambers of commerce, business networks, and others are being explored.

The 2022 Annual Report also describes DCE's plans to expand supplier diversity and support local and small businesses, including the following:

- Encourage local firms and existing vendors to pursue certification, which will include offering workshops in 2023 as well as technical assistance to diverse business enterprises;
- Participate in diverse organizations and chambers of commerce;
- Participate in local, state, national supplier diversity events;
- Work with staff and consultants to enable them to become familiar with supplier diversity requirements and work toward achieving established goals;
- Improve DCE's ability to track spending on supplier diversity and regularly report results to DCE Board of Directors;
- DCE has created a GO 156 page on its website to provide an opportunity for businesses to check eligibility and register; the page also allows DCE opportunities to respond to diverse business enterprise prospective supplier inquiries;
- Have supplier diversity training at a DCE all-staff meeting; and
- Work with prime suppliers to optimize diverse participation and accurately report. This includes training prime suppliers in certification requirements so they can educate their subcontractors to certify.

GO 156 also requires that each utility and other covered entity set substantial and verifiable short-term (one year), mid-term (three years), and long-term (five years) goals for the utilization of eligible suppliers under the CPUC's Supplier Diversity Program. DCE staff is working on recommendations for DCE's supplier diversity goals and will continue providing updates to the Board.

Fiscal Analysis: There is no cost to DCE for this information item. The cost of performing supplier diversity activities is covered in the DCE budget.

Attachment: GO 156 Supplier Diversity Report

Supplier Diversity 2022 Annual Report

Report to the
California Public
Utilities Commission

Desert Community Energy
March 1, 2023



**DESERT
COMMUNITY
ENERGY**

The **POWER** of choice

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TABLE OF CONTENTS

2022 Annual Report	1
9.1.1 Diverse Program Activities	2
9.1.2 Summary of Purchases	4
9.1.3 Diverse Supplier Program Expenses	6
9.1.4 Description of Progress in Meeting or Exceeding Set Goals	6
9.1.5 Summary of Prime Contractors Utilization of Diverse Supplier Subcontractors.....	7
9.1.6 List of Diversity Complaints Received.....	7
9.1.7 Description of Efforts to Recruit Diverse Suppliers in Low Utilization Areas	7
9.1.8 Retention of All Documents/Data	7
9.1.9 Description of Supplier Diversity Activities and Progress in Power (Energy) Procurement	7
2023 Annual Plan.....	10
10.1.1 Diverse Annual Short-, Mid- and Long-Term Goals by Product and Service Category.....	10
10.1.2 Description of Diverse Internal and External Activities for 2023.....	10
10.2 Plans to Encourage Prime Contractors to Subcontract Small, Local, and Diverse Businesses.....	11
Conclusion.....	12

2022 Annual Report

Desert Community Energy (DCE) is a local government, not-for-profit Joint Powers Authority established in 2017 to provide a Community Choice Aggregation (CCA) program for member agencies. Current members are the cities of Palm Springs and Palm Desert. DCE began serving load in the City of Palm Springs in April 2020, serving approximately 40,000 residential, commercial, industrial, and agricultural accounts. DCE's goals include: 1) reducing greenhouse gas emissions related electricity use; 2) providing electric generation at competitive, stable rates; 2) offering programs to reduce energy consumption; and 3) stimulating and sustaining the local economy by developing local jobs in renewable energy; and promoting long-term electric rate stability, energy security, and reliability for customers through local control of electric generation resources.

The California Public Utilities Commission (CPUC) General Order 156 (GO 156) emphasizes preferential purchasing for diverse business enterprises. In compliance with Proposition 209, CCAs as local government entities do not explicitly give preferential treatment to bidders based on race, sex, color, ethnicity, or national origin. To comply with Proposition 209, CCAs may collect this information only after contracts are signed, and responses are kept separate from procurement decision makers, so that this information does not influence any current or future solicitation or selection process. Proposition 209 limits CCAs as public agencies from engaging in several of the activities associated with supplier diversity under GO 156. However, DCE recognizes there is more to do to support small, local, and diverse businesses within our region. Consistent with the requirements of Senate Bill 255, this report describes DCE's continued efforts to plan for and implement practices to increase procurement from small, local, and diverse businesses, as well as report to the Commission on its procurement from these sources.

In this third year of submitting the GO156 report, DCE continues to improve our understanding of the evolving GO156 requirements and opportunities to increasing diversify in our procurement. DCE is committed to expanding equal access to economic opportunities for minority business enterprise (MBE), women-business enterprise (WBE), LGBT business enterprise (LGBTBE), persons with disability business enterprise (PDBE), disabled veteran business enterprise (DVBE), and other underserved or marginalized groups. DCE also continues efforts to include local and small businesses in our procurement. The majority of DCE's purchases are power contracts and because the Coachella Valley is a small region, and participation by local and small businesses as prime contractors in grid scale energy project development has challenges since securing capital for a project requires a demonstration of financial strength. Yet, there may be opportunities for subcontracting and consulting on these projects. As noted, one of the goals of DCE is to keep profits in our local communities to benefit businesses and residents, including those who have endured economic inequity marginalization.

9.1.1 Diverse Program Activities

In 2022, DCE engaged in the following activities oriented toward increasing supplier diversity:

1. Crafting this Annual Supplier Diversity Report and Plan.
2. Continued familiarizing staff with the history, requirements, and intent of Senate Bill 255 and General Order 156. This included educating employees on GO156 and providing training to aid in conducting appropriate outreach.
3. Continued working with other CCAs as members of CalCCA to share best practices in how to maximize supplier diversity in our communities, given the constraints of Proposition 209.
4. Reviewing information provided by CPUC staff regarding updated compliance with GO 156 and additional opportunities available to CCAs to diversify procurement.
5. Continued working to develop an action plan to diversify our business enterprise (BE) opportunities.
6. Conducted outreach to diverse businesses via a booth at 3 community events and provided information on supplier diversity and the Clearinghouse.
7. Plan to increase our efforts in 2023 to expand on diversity and inclusion goals, including procurement, community relations, board representation, and hiring/contracting practices.

In 2023, DCE will continue to dedicate resources to working with our existing and future suppliers on opportunities to expand institutional diversity and inclusion. The Coachella Valley is a diverse region with many business owners who fall within the GO 156 parameters but may not know about the Clearinghouse or realize their eligibility for registration and inclusion. DCE plans to do outreach via social media, its website, and attendance at various community events where information will be shared and opportunities to get registered will be offered. We will also encourage our current and future contractors to utilize locally diverse subcontractors to open more opportunities for them as well.

Hiring Practices. DCE staffing is provided by the Coachella Valley Association of Governments (CVAG) through a management services agreement, approved by the DCE Board. Thus, DCE does not directly employ staff. However, CVAG is an equal opportunity employer and recruiting and hiring practices are established to strive for diversity, consistent with the requirements of Proposition 209. Recruitment outreach opportunities to access a diverse pool of potential job applicants are utilized.

Community Advisory Committee. DCE has a Community Advisory Committee (CAC) made up of representatives from the member cities. Recruiting efforts focused on reaching out to individuals from diverse backgrounds, particularly someone who could represent underserved members of the community. These efforts resulted in the appointment and retention of a Spanish speaking representative who brought some strong suggestions for outreach to help DCE reach diverse parts of the community. In 2023, DCE anticipates continuing its outreach efforts to recruit underserved members of the community to participate in the CAC.

Request for Offers. Since its launch in April 2020, DCE has issued two Request for Offers (“RFOs”) for long term projects that could provide renewable energy: an RFO for Long Term Renewable Energy projects issued in May 2020 (“2020 RFO”), which resulted in four Power Purchase Agreements (“PPAs”) and an all-source solicitation for projects to support its Mid-Term Reliability procurement requirement (“MTR RFO”).

DCE executed three PPAs under the 2020 RFO for wind projects developed and operated by Terra-Gen within the Palm Springs City limits. DCE also signed a PPA for Vesper Energy’s Deer Creek Solar I project, a solar + storage project located in Tulare County, California. As part of the MTR RFO, DCE executed a PPA with Cape Generating Station 1 LLC, a subsidiary of Fervo Energy, for a geothermal project located in Beaver County, Utah. The other contract obtained through the MTR RFO is an agreement with a subsidiary of OhmConnect for demand response Resource Adequacy.

With the completion of these agreements, DCE moved closer to meeting renewable energy goals and helping build new incremental renewables in California. In addition, DCE has partnered and is seeking new partnerships with locally diverse developers for distributed energy resource (DER) projects within our region and in so doing, generate new jobs and opportunities. Completing renewable procurement within the local community is consistent with DCE’s Board’s direction and overall goals for securing local carbon free and renewable energy.

9.1.2 Summary of Purchases

DCE has a commitment to purchasing from small, local, diverse businesses to the extent possible within our region. This section summarizes the 2022 results of DCE's procurement in the requested categories. It should be noted that the majority of DCE's procurement is through wholesale power contracts. As a result, opportunities to directly engage with local and small businesses is more limited. Many of the electric generation resources are developed, owned, and operated by large corporations with sufficient capital to manage these projects. Still, DCE has been successful in procuring wind energy from projects within the local community (please see section 9.1.1) from a local developer. Even with challenges of achieving opportunities in power purchases, DCE was able to procure 6.9% of its products and services through registered, diverse suppliers. In 2023 and beyond, DCE will continue working on developing opportunities to increase local procurement and supplier diversity opportunities and thereby increase the percentage of diverse spending.

Supplier Diversity Results of Goods and Services (non-power purchases) if Procured

			2022 Report							
			Direct Spend ¹ \$	Sub Spend ² \$	Total \$	%	Product Spend \$	Service Spend \$	Total \$	%
1	Minority Male	African American								
2		Asian Pacific American								
3		Hispanic American								
4		Native American								
5		Total Minority Male								
6	Minority Female	African American								
7		Asian Pacific American								
8		Hispanic American								
9		Native American								
10		Total Minority Female								

11	Total Minority Business Enterprise (MBE)								
12	Women Business Enterprise (WBE)								
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	55,078.56		6.9%			53,794.56		6.9%
14	Disabled Veteran Business Enterprise (DVBE)								
15	Persons with Disabilities Business Enterprise (DBE)								
16	8(a)*								
17	Total Supplier Diversity Spend	53,794.56		6.9%			53,794.56		6.9%
18	Net Procurement**	794,256.95							
19	Net Product Procurement	1,116.92							
20	Net Service Procurement	793,140.03							
21	Total Number of Diverse Suppliers that Received Direct Spend	1							

NOTE:

* 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625(GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

¹ Direct - Means Direct Procurement: when a CCA directly procures from a supplier.

² Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a CCA, procures from a subcontractor to fulfil its contractual obligation(s).

% - Percentage of Net Procurement.

Description of Diverse Suppliers with Majority Workforce in California

As noted above, the majority of DCE's purchases are power contracts. One of the goals of DCE is to keep profits in our local communities to benefit businesses and residents, including those who have endured from economic marginalization. In 2022, DCE currently only had one locally based diverse supplier, and most of its workforce is also local. Further, this supplier registered in the Clearinghouse prior to contracting with DCE. In 2023, DCE is working to increase the number of suppliers which fall under one or more GO 156 diversity categories.

9.1.3 Diverse Supplier Program Expenses

DCE has spent \$22,670 to implement a supplier diversity program based on GO 156. The chart below includes expenses related to marketing and outreach costs for events, salaries for staff dedicated to supplier diversity programs, plans, and reporting, and costs for training staff on supplier diversity initiatives and reporting. In 2022, there were no specific trainings on GO 156 so there was nothing to include in this report. In 2023, DCE is planning at least two training and education/outreach workshops and that expenditure will be included in the 2023 report.

Expense Category	2022
Wages	\$12,330
Other Employee Expenses	\$7,472
Program Expenses	\$2,118
Reporting Expenses	\$0
Training Expenses	\$0
Consultant Expenses	\$750
Other Expenses	\$0
Total	\$22,670

9.1.4 Description of Progress in Meeting or Exceeding Set Goals

This section is not applicable to CCAs.

9.1.5 Summary of Prime Contractors Utilization of Diverse Supplier Subcontractors

In 2022, DCE worked with primary contractors to fully utilize diverse suppliers when possible. Efforts included encouraging contractors to subcontract with diverse suppliers in product procurement. In 2023 and beyond, DCE will work with primary contractors to identify ways to enhance supplier diversity including subcontracting and encourage them to have all tiers of subcontractors participate in the Clearinghouse certification process.

9.1.6 List of Diversity Complaints Received

DCE did not receive any formal complaints this reporting cycle.

9.1.7 Description of Efforts to Recruit Diverse Suppliers in Low Utilization Areas

This section is not applicable to CCAs.

9.1.8 Retention of All Documents/Data

This section is not applicable to CCAs.

9.1.9 Description of Supplier Diversity Activities and Progress in Power (Energy) Procurement

DCE did not procure energy storage systems, vegetation management, or renewable and non-renewable energy from a CPUC Supplier Diversity Program certified entity during reporting year 2022, nor did DCE have any owned power plants or power purchase agreements that would require us to procure fuel for generation during 2022 (Table 9.1.9 on next page.)

			Direct Power Purchases \$	Direct Fuels for Generation \$			Totals \$ ¹			% ²
			Renewable and Non- Renewable Power Products	Diesel	Nuclear	Natural Gas	Direct ³	Sub ⁴	Total \$ ⁵	
1	Minority Male	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2		Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3		Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4		Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5		Total Minority Male	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6	Minority Female	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
7		Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
8		Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9		Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10		Total Minority Female	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
11	Total Minority Business Enterprise (MBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
12	Women Business Enterprise (WBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Disabled Veteran Business Enterprise (DVBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
15	Persons with Disabilities Business Enterprises (DBE)		\$0	\$0	\$0	\$0	0	0	0	

16	8(a) ⁶		\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Total Supplier Diversity		\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Net Power Procurement		\$33,540,411						
19	Net Direct Power Purchases		\$33,540,411						
20	Net Direct Fuels for Generation		\$0						
21	Total Number of Diverse Suppliers		0						

NOTES:

¹ Excludes purchases from the California Independent System Operator (CAISO), utilities, federal entities, state entities, municipalities and cooperatives.

² % - Percentage of Net Procurement

³ Includes Direct Power Purchases and Direct Fuels for Generation. Direct - Means Direct Procurement: when a CCA directly procures from a supplier.

⁴ Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a CCA, procures from a subcontractor to fulfil its contractual

obligation(s).

⁵ "Total" does not include pre-commercial development (COI subcontracting values.

⁶ 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business

Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11615 (GO 156 Section 1.3.13).

2023 Annual Plan

10.1.1 Diverse Annual Short-, Mid- and Long-Term Goals by Product and Service Category

This section is not applicable to CCAs.

10.1.2 Description of Diverse Internal and External Activities for 2023

PLANNED EXTERNAL PROGRAM ACTIVITIES FOR 2023	
Proposed Activity	Description
Host our own version of Certify and Amplify	Using MCE's Certify and Amplify workshop as a model, continue working on developing an online Supplier Clearinghouse certification training, which can be recorded and saved to the DCE website for later viewing. The purpose of the workshop is to explain the process and benefits of certification for diverse BEs, as encouraged by GO 156. The goal is to focus on Coachella Valley and Riverside County businesses. DCE intends to collaborate and leverage existing relationships with local Chambers of Commerce, business networks, and SCE to maximize the benefit of this event to our community.
Provide technical assistance to diverse BE's: Encourage local firms and existing vendors to pursue certification	Assist local diverse BEs that are interested in gaining certification to be listed on the state's Supplier Clearinghouse database. Be available to answer technical questions on certification requirements and assist with the required submission of required materials.
Participate in diverse organizations and chambers of commerce	Identify local diverse organizations and chambers of commerce that would be interested in hearing about GO 156 and the State's Supplier Clearinghouse; this may involve being a speaker at a regular meeting or providing information on the benefits of certification.
Participate in local, state, national supplier diversity events	Similar to the activity above, identify events (preferably local, but also regional and statewide) where DCE can engage with diverse supplier groups, such as the Desert Business Organization, National Business Inclusion Consortium, the Western Regional Minority Supplier Development Council, and the Women's Business Enterprise Council.

PLANNED INTERNAL PROGRAM ACTIVITIES FOR 2023	
Proposed Activity	Description
Grow DCE's team, enhance training and knowledge efforts on supplier diversity, and set goals for each department to work toward achieving established goals.	DCE is a small agency with limited staff and therefore utilize consultants for most services. In 2023, we will be hiring and training new team members who will become familiar with supplier diversity requirements, setting goals (qualitative and quantitative), further developing the activities contained in these tables, and crafting strategies to achieve diversity goals. This team will also be increasing its community visibility to conduct outreach and education on supplier diversity.
Track DCE's spend and report results to DCE's Board of Directors.	DCE will develop mechanisms to better track spending with diverse BEs. Staff will prepare a report summarizing this annual GO156 submission and deliver the report to DCE's Board of Directors.
Share upcoming contracting opportunities with Supplier Clearinghouse database with a priority on local suppliers; respond to diverse BE prospective supplier inquiries	Whenever a purchasing or contracting opportunity arises, DCE staff will reach out to local businesses with GO156 certification first, then consider other GO156 suppliers for the given purchase/contract. DCE will update its website and will create a user-friendly online form whereby certified contractors can enter their e-mail address to be included in upcoming contract and procurement opportunities. In addition, the online form will provide an opportunity for diverse suppliers interested in becoming certified to receive information on the process and registration.
Have supplier diversity training at DCE all-staff meeting	Staff will deliver a high-level presentation during an all-staff meeting to educate staff on GO156 background, CPUC requirements, DCE efforts, and the importance of supplier diversity.
Work with prime suppliers to optimize diverse participation and accurately report. Train prime suppliers in certification requirements so they can educate their subcontractors to certify.	Staff with direct relationships with prime contractors will provide information to said primes to encourage them to certify as well as educate their subcontractors to certify.

10.2 Plans to Encourage Prime Contractors to Subcontract Small, Local, and Diverse Businesses

DCE will work with its current and future contractors to encourage utilization of small, local, and diverse businesses to engage these BEs in all categories which provide subcontracting opportunities. Part of this outreach will include educating contractors on the importance and benefits of engaging the services of Clearinghouse registered and eligible entities.

CONCLUSION

DCE is working to develop a robust action plan to promote supplier diversity and DCE recognizes that more work still needs to be done to align DCE's outreach procedures with its efforts to meet supplier diversity goals. DCE will continue to collaborate with other CCAs and CalCCA to identify program best practices and opportunities for information sharing. DCE appreciates the continued assistance that has been provided by CPUC staff and looks forward to working together to enhance supplier diversity programs in the coming years.

ITEM 8D

Desert Community Energy Board April 5, 2023



STAFF REPORT

Subject: Renewable and Mid-Term Reliability 2023 Request for Proposals

Contact: David Freedman, Program Manager (dfreedman@cvaq.org)

Recommendation: Information

Background: At the February 2023 meeting, staff informed the DCE Board of the launch of a new Request for Proposals (RFP) to satisfy DCE's long-duration storage (eight hours or more) and additional Mid-Term Reliability procurement orders under California Public Utilities Commission (CPUC) Decisions 21-06-035 from June 2021 and 23-02-040, approved on February 23, 2023. This procurement will also help DCE comply with state policy that eligible renewable energy resources and zero-carbon resources supply 90 percent of all retail sales of electricity to California end-use customers by December 31, 2035, 95 percent of all retail sales of electricity to California end-use customers by December 31, 2040, and 100 percent of all retail sales of electricity to California end-use customers by December 31, 2045.

Staff worked with its consultant The Energy Authority (TEA) to prepare and release an RFP on March 6, 2023, which is attached to this staff report. DCE requested proposals for renewable energy and storage projects including for distributed energy resources (DER) such as rooftop solar, with a tiered local preference for projects that placed the highest preference being for Palm Springs area or Coachella Valley, then Riverside County, then Southern California, and then elsewhere in California or outside of California. The RFP includes information for potential respondents that will allow for a detailed quantitative analysis of all proposed projects to support the RFP evaluation and selection as well as term sheets laying out DCE's preferred contracting terms for potential respondents to consider while developing their offer and pricing. Although DCE issued an RFP, it reserved the right to engage other partners that it deems fitting in discussions about partnering as additional off-takers for a project of substantial size.

Responses to the RFP were initially due on March 31, 2023. On March 27, DCE issued an Addendum, attached to this staff report, that extended the submission deadline until April 14. The extension provides bidders time to review the California Independent System Operator's 2022-2023 draft transmission plan that is scheduled to be posted on March 31, 2023. This extension will allow all bidders to have the most up-to-date information in their bids.

An evaluation committee made up of TEA and DCE staff, their technical consultants, and their legal counsel will review responses to the RFP in April and May. Each proposal will be screened for completeness and scored on a weighted criteria basis. DCE staff and TEA intend to identify a short list of proposed transactions around mid-May upon which to conduct a more detailed review and may contact respondents with additional questions and clarifications or to offer to conduct one-on-one meetings with some or all the respondents.

After analyzing the proposals received in the RFP, DCE staff may potentially commence negotiation of commercial terms in May or June. Any contracts associated with the RFP will be brought to the DCE Board for approval before execution.

Fiscal Analysis: The costs associated with launching and administering the RFP are covered under the existing TEA contract and staff time. The procurement activities in the RFP will ensure that DCE is compliant with state requirements and meets the Board's objectives for procurement of local renewable energy and storage resources. DCE staff will work closely with TEA and DCE's legal counsel to determine which contracts from this RFP will best allow DCE to meet the state compliance requirements and Board objectives while balancing fiscal concerns.

Attachments:

Renewable and Mid-Term Reliability Resources 2023 Request for Proposals and Addendum



Cleaner electricity • Local control • Competitive rates

RENEWABLE AND MID-TERM RELIABILITY RESOURCES (2023 EDITION)

REQUEST FOR PROPOSALS

RFP 2023-01

Issued: March 6, 2023

**Responses due: March 31, 2023
5:00 PM PPT**

All responses are to be submitted through the [RFP Website](#).

Disclaimer

The information contained in this Request for Proposals (RFP) has been prepared solely to assist prospective respondents in making the decision of whether or not to submit a proposal. Desert Community Energy (DCE) does not purport this information to be all-inclusive or to contain all the information that a prospective respondent may need to consider in order to submit a proposal. Neither DCE nor its employees, officers, nor consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability, or completeness of the information contained herein, or in any document or information made available to a respondent, whether or not the aforementioned parties know or should have known of any errors or omissions, or were responsible for its inclusion in, or omission from, this document. The Energy Authority (TEA) will be conducting this RFP on behalf of DCE.

Background

DCE is a Joint Powers Authority (JPA)—whose members are the cities of Palm Desert and Palm Springs—that was formed to offer a Community Choice Aggregation (CCA) program. Community Choice Energy (or Aggregation) programs are legal entities that allow communities to source their own electricity, putting an end to the monopolies held by traditional Investor-Owned Utilities. DCE offer customers the choice to buy cleaner electricity at competitive rates, reducing greenhouse gases through development of robust renewable energy infrastructure. This adds to the local job market, while allowing programs like DCE to develop strategies to help customers boost energy efficiency and make clean energy more accessible.

DCE launched and began serving customers in Palm Springs in April 2020. The City of Palm Desert is considering whether it will begin serving customers, with the earliest possible launch date in 2025. DCE contracts with Coachella Valley Association of Governments for administrative services and staff. DCE is governed by a Board of Directors with equal representation by an elected official from each participating city. All meetings are open to the public. DCE may be required to disclose information received pursuant to this RFP in accordance with requirements of the Ralph M. Brown Act or the California Public Records Act ("CPRA"), Cal. Gov't Code § 6250 et seq.

1.0 Purchase Information

1.1 OVERVIEW

DCE is issuing this RFP to meet procurement obligations pursuant to the following:

1. The California Public Utilities Commission's (CPUC) Decision (D.) 21-06-035¹ requires procurement to address mid-term reliability for 2023-2026. Eligible resources will need to meet, at a minimum, System Resource Adequacy requirements which includes receiving Net-Qualifying Capacity (NQC) and the ability to be listed on a Load Serving Entity's (LSE) Resource Adequacy (RA) supply plan. DCE's need at this time for D.21-06-035 resources is only for assets that qualify for the long lead time long duration storage procurement tranche.
2. The CPUC's recently adopted D.23-02-040², requiring the procurement of additional mid-term reliability resources for 2026-2027. This Decision also postpones the required online date of the long lead time resources required in D.21-06-035 until 2028.

¹ <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>

² <https://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=502956567>

*Items 1 and 2 above may be referred to as the “MTR Decisions”.

3. Additional local utility-scale renewable and storage assets generally desired for DCE’s portfolio (not necessarily overlapping with the MTR Decisions’ need).
4. Community-sourced renewable generation or programs that may be load-modifying or supply-side assets, such as:
 - Aggregated distributed generation programs
 - Rooftop solar and/or battery energy storage systems and/or microgrids
 - *DCE is NOT considering demand response programs at this time.

Participants may access and download all RFP documents and posted Q&A at <https://rfpmarketplace.teainc.org> (the RFP Website). Materials are also accessible on the Request for Proposals section of DCE’s website at <https://desertcommunityenergy.org/about/rfp/> (DCE’s RFP Website).

Responses are due by **March 31, 2023 by 5:00 P.M. PPT** unless extended by an Addendum. All responses are to be submitted via the RFP Website.

1.2 ELIGIBILITY REQUIREMENTS

DCE is interested in procuring projects or portions of projects that have an NQC as small as 0.5MW and up to a maximum of 100MW. It is DCE’s preference to contract for RA where applicable to achieve compliance with the MTR Decisions but is also interested in contracting for local resources and programs. DCE is open to considering project proposals that may not meet the deadlines listed below but meet all other eligibility requirements.

1.2a ELIGIBILITY REQUIREMENTS – MTR RESOURCES

Pursuant to the MTR Decisions, DCE is seeking projects that meet the basic requirements of the Decisions, and projects that have the attributes to qualify for the Long Lead-time long-duration storage resource procurement category.

For a Long Lead-time long-duration storage resource to be eligible for the MTR Decisions requirement, the project must:

- Be online by the compliance tranche deadlines of 6/1/2028, with a preference for projects with an earlier COD.
 - Online status includes achieving full operation, receiving NQC, and being eligible to be listed both a CAISO supply plan and a CPUC RA filing.
- Provide incremental RA, and be excluded from the Baseline List of Resources associated with D.21-06-035³, and/or any baseline list published for the latest decision.
- Available to contract with DCE for a term of at least 10 years.
- Long-duration storage resources must have the additional attribute:
 - Able to discharge at maximum capacity for 8 continuous hours from a single storage resource.

For a resource to be eligible for the requirement of procurement of additional mid-term reliability resources for 2026-2027 under D.23-02-040, the project must:

³ https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/d2106035_baseline_gen_list.xlsx

- Be online by the compliance tranche deadlines of 6/1/2026 and 6/1/27, with a preference for projects with an earlier Commercial Operation Date.
 - Online status includes achieving full operation, receiving NQC, and being eligible to be listed both on a CAISO supply plan and a CPUC RA filing.
- Provide incremental RA and be excluded from the Baseline List of Resources associated with D.21-06-035, and/or any baseline list published for the latest decision.
- Be available to contract with DCE for a term of at least 10 years.

1.2b ELIGIBILITY REQUIREMENTS – UTILITY SCALE AND COMMUNITY RESOURCES

DCE is also interested in resources that may not provide value pursuant to the MTR Decisions, but that are local to DCE’s native load and are either utility scale renewables or community programs. DCE would prefer projects that can be online by no later than May 2025 and have terms between 10 and 20 years in length. Submitted projects must also be capable of providing the following products at minimum:

- As-available electric energy delivered via CAISO Day-Ahead scheduling procedures
- PCC1 Renewable Energy Credits
- System RA Capacity

The stress for these projects is on the “local” component. DCE’s preference in decreasing order of interest is as follows:

- Palm Springs area or Coachella Valley
- Riverside County
- Southern California
- Elsewhere in California or outside of California but with direct interconnection into the CAISO to provide RA and PCC1 REC benefits

Eligible technologies include:

- Stand-alone storage
- Solar co-located or hybridized with storage
- Wind co-located or hybridized with storage
- Geothermal
- Small hydro
- Distributed generation (e.g., rooftop solar hybridized with storage)

Projects must meet the eligibility criteria for renewable energy resources as defined in Cal. Pub. Utilities Code § 399.12 and implemented by the California Energy Commission pursuant to its RPS Eligibility Guidebook. Respondents must describe how the deliveries will meet the PCC1 requirements.

2.0 RFP Procedure

2.1 SCHEDULE

DCE has established the following schedule for the RFP but reserves the right to amend the proposed schedule at any time.

Issuance of RFP	March 6, 2023
Questions Due	March 15, 2023
Q&A Posted	March 17, 2023
RFP Due Date	March 31, 2023
RFP Evaluation Period	April 2023 – May 2023
Short List Proposals Identified	Early May 2023
Request Additional Detail on Short Listed Proposals	Mid-May 2023
Start Negotiations with Short-Listed Respondents	Late May 2023

2.2 QUESTIONS AND ANSWERS

All inquiries, or questions pertaining to the requirements set forth in the RFP may be emailed to TEARFP@teainc.org by 5:00pm PPT on March 15, 2023. Emails should include the phrase “Renewable and Mid-Term Reliability RFP Questions” in the subject line. Questions and responses will be made public for all participants and posted on the RFP Website and DCE’s RFP Website via addendum. DCE reserves the right to respond to no questions or only a subset of the questions received.

2.3 BINDING PROPOSALS

Respondents must provide the full legal name of the expected counterparty that would be bound by any agreement with DCE resulting from this solicitation. The cover letter provided by the respondent should be on the respondent’s letterhead, signed by an authorized representative of the bidding company.

3.0 Collateral Requirements

3.1 SHORTLIST DEPOSIT

Shortlisted respondent(s) will be required to submit a shortlist deposit. The deposit is intended to secure the obligations of any shortlisted respondent(s) during the negotiating period and to ensure that each offer has been carefully considered. The shortlist deposit will be \$3.00/kW of offered nameplate or RA Capacity.

The shortlist deposit will be returned to the respondent if one or more of the conditions occur:

- Execution of a contract
- Rejection of the respondent’s offer
- Written understanding that successful conclusion of contract negotiation is not achievable, as determined by DCE, or
- DCE terminates this RFP.

Respondent(s) will forfeit its deposit if:

- Material misrepresentations of information related to the respondent's offer are identified,
- Respondent fails to comply with the terms and conditions of this RFP process, or
- Respondent unilaterally withdraws the offer or attempts to materially modify the terms of its offer following the respondent's acceptance of shortlist status and submittal of deposit.

3.2 DEVELOPMENT SECURITY AND PERFORMANCE ASSURANCE

DCE will require collateral to be posted on all executed agreements. The Development Security will be held by DCE until the Commercial Operation Date of the project. The Performance Security must be posted on or before the Commercial Operation Date through the end of the Term. DCE will not post Development Security or Performance Security at any time to any respondent.

Credit/Collateral Requirements:

Product Type	Development Security (\$/kw)	Performance Security (\$/kw)
RA-Only	\$60	\$40
Small Hydro	\$60	\$60
Renewable Generation Paired with Energy Storage	\$60/kw renewable generation + \$90/kw energy storage	\$60/kw renewable generation + \$90/kw energy storage
Geothermal	\$75	\$75
Standalone Energy Storage	\$90	\$90
Distributed Generation and Programs	TBD	TBD

4.0 Bid Submission Instructions

4.1 GENERAL INSTRUCTIONS

Responses to this RFP are due by the deadline listed in the schedule in Section 2.1 and must be submitted through the RFP Website. Submission packages will be deemed complete if they include the following materials:

- Cover Letter (PDF)
- Offer Form (Excel)
- Redlined Term Sheet(s) (Word)
- Organizational Chart and Resumes of Proposing Development Team (PDF)
- Financial Statements (PDF)

COVER LETTER

Respondents are to provide a brief narrative of the project, including a technology description, the location, sizing, pricing, and any relevant high-level details. The cover letter must be signed by an authorized representative of the bidding company. Respondents should provide enough detail, especially for unique or innovative projects, to allow for a meaningful qualitative evaluation of the proposed project. The cover letter should be no longer than 20 pages, and significantly shorter cover letters are preferred.

OFFER FORM

The Excel Offer Form is the primary source of data for evaluating submissions. Completing the Form template is mandatory, and all required fields must be completed for each submission to be considered compliant. Provide a separate Offer Form for each unique configuration that is being offered.

REDLINED TERM SHEET

Term sheets for RA with Energy and RA only are posted on the RFP Website. Respondents are to provide comments and proposed edits in Track Changes indicating limited adjustments to commercial terms presented in the applicable Term Sheet that they wish to negotiate should their project get shortlisted. The Term Sheet should include the primary offer details.

ORGANIZATIONAL CHART AND RESUMES OF PROPOSING DEVELOPMENT TEAM

Please provide information of key staff and experience which may include brief resumes of respondent's relevant personnel and management, and an organizational chart of the proposed development team. The organization and key staff information should be no longer than 20 pages.

FINANCIAL STATEMENTS

Please provide at least two recent years of audited financials. If the respondent is being financed by a parent company of the respondent, please submit financial statements for that entity in addition to those of the respondent.

4.2 Public Nature of Responses

TEA will act as the administrative point of contact during the proposal submission phase of this solicitation. TEA and/or DCE may communicate with respondents during the evaluation and selection phase. All responses to this RFP, as well as records of pre-submittal and post-submittal communications with TEA or DCE, will become the exclusive property of DCE. Responses and communications with TEA and DCE are subject to disclosure in accordance with the CPRA. Respondents should not submit any information or documents that they consider proprietary and that they would not want publicly disclosed.

Exceptions to disclosure may be available to those parts or portions of proposals that are justifiably and reasonably defined as business or trade secrets, and plainly marked by respondents as "Trade Secret", "Confidential", or "Proprietary". TEA and DCE will endeavor to protect any such marked information to the extent permitted under the CPRA. However, TEA and DCE shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the CPRA or otherwise by law.

In the event TEA or DCE receive a CPRA request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "Confidential", "Trade Secrets",

or "Proprietary", respondents agree to defend and indemnify TEA and/or DCE from all costs and expenses, including reasonable attorneys' fees, incurred in connection with any action, proceedings, or liability arising in connection with the CPRA request.

A blanket statement of confidentiality or the marking of each page of the proposal as confidential shall not be deemed sufficient notice of a CPRA exemption, and a respondent who indiscriminately and without justification identifies most or all its proposal as exempt from disclosure or submits a redacted copy may be deemed non-responsive.

5.0 Evaluation and Selection Process

An evaluation committee made up of TEA and DCE staff, their technical consultants, and/or their legal counsel, will review responses to this RFP. Each proposal will be screened for completeness and scored on a weighted criteria basis. TEA and DCE intend to identify a short list of proposed transactions upon which to conduct a more detailed review and may contact respondents with additional questions and clarifications or to offer to conduct one-on-one meetings with some or all the respondents. The opportunity to participate in such meetings, if any, will be communicated separately to individual respondents.

After reviewing the proposals received in this solicitation and any such meetings, DCE may potentially commence negotiation of commercial terms. DCE would then present recommended contract terms to its senior leadership for final approval.

DCE realizes that some offered projects may be larger than DCE can reasonably use for its own procurement purposes. For this reason, DCE reserves the right to engage other partners that it deems fitting in discussions about partnering as additional off-takers for a project of substantial size.

5.1 Completeness

The evaluation committee will screen all RFP responses for completeness and responsiveness to the eligibility requirements stated above. This screening will be on a Pass/Fail basis. Each proposal that is deemed complete and responsive will then be scored using a weighted scoring criteria process.

5.2 Evaluation Criteria

Criteria for selection of proposals will include, but not be limited to, the items listed below. The evaluation committee will evaluate each proposal on a weighted criteria basis to determine the highest scoring proposals. One or more of the highest scoring proposals may be forwarded to DCE's governing board for approval. There is a maximum of 100 points.

Weight/Scoring Criteria

- 1) 40 — Overall price and customer value
- 2) 20 — Respondent experience, qualifications, creditworthiness
- 3) 20 — Environmental impact and environmental benefits of proposed capacity resource
- 4) 10 — Location and economic benefit of proposed capacity products
- 5) 10 — Conformance to DCE's Term Sheets (where applicable)

Total Points Possible: 100

5.3 Respondent Communications

Questions, comments or feedback associated with this RFP must be sent electronically to TEARFP@teainc.org.

5.4 Disclaimer for Acceptance or Rejection of Offers and RFP Termination

By participating in DCE's RFP process, a respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these RFP Instructions. DCE reserves the right to reject any proposal that does not comply with the requirements identified herein, or to waive irregularities, if any. DCE further reserves the right to communicate with individual respondents to ask clarifying questions about their proposals prior to making a short-listing decision. Furthermore, DCE may, at its sole discretion and without notice, modify, suspend, or terminate the RFP without liability to any organization or individual. Any modification to this RFP would be made by Addendum. This RFP does not constitute an offer to buy or create an obligation for DCE to enter into an agreement with any party, and DCE shall not be bound by the terms of any offer or proposal until an agreement has been fully executed. DCE may negotiate and execute contracts with different respondents on differing timelines. If selected, a respondent may be invited to enter into a contract with DCE. Where negotiations do not result in mutually agreeable terms, DCE may choose not to execute a contract with the respondent. DCE shall not be responsible for any of the respondent's costs incurred to prepare, submit, negotiate, or to enter into a power purchase agreement, or for any other activity related to meeting the requirements established in this solicitation. All submittals shall become the property of DCE and will not be returned.

DCE has no obligation to reimburse, compensate, or otherwise pay the costs incurred by respondents to this RFP in evaluating its contents, providing a response, or, if selected by DCE, negotiating, delivering, and executing any definitive agreements that arise from this RFP. Respondents to this RFP are solely responsible for all costs incurred by them when evaluating and responding to this document, and any negotiation costs incurred by the recipient thereafter. DCE may, in its sole discretion and without limitation, refuse to accept any and all proposals and to evaluate proposals and proceed in the manner they deem appropriate which may include deviation from the expected evaluation process, the waiver of any requirements, and the request for additional information. Rejected respondents will have no claim whatsoever against DCE nor its employees, officers, nor consultants.

5.5 Nondiscrimination

In connection with the execution of a contract, respondents shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, political affiliation, ancestry, marital status or disability. This policy does not require the employment of unqualified persons. Parties agree that as a condition precedent to entering into a contract, any respondent is in compliance and will comply during duration of the contract with the non-discrimination provisions set forth under California Law for state contracting parties including, but not limited to, Government Code Section 12990 et seq. and Public Contracting Code Section 10295.35.

5.6 Protest of Award

If an unsuccessful respondent wants to dispute an award or award recommendation, a written protest must be filed with DCE's Executive Director within five (5) business days after posting the Notice of Intent to Award on DCE's website. No verbal protest will be accepted. The protest must be detailed, referencing the solicitation number, project name, and the name of the

administrator listed on the bid documents. The protest must be submitted to DCE's Executive Director via certified mail using the following address:

Executive Director
Desert Community Energy
74-199 El Paseo, Suite 100
Palm Desert, CA 92260

Any entity that submits a bid or proposal may protest a DCE contract award.



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REQUEST FOR PROPOSALS 2023-01

RENEWABLE AND MID-TERM RELIABILITY RESOURCES

ADDENDUM

Addendum Date: March 27, 2023

Purpose: This addendum supplements, amends, and takes precedence over the original Request for Proposals (RFP) and shall be considered when preparing proposals and shall become part of the Contract documents. Offerors shall review the Addendum work and requirements in detail and incorporate any effects the Addendum may have in their scope of services and cost proposal.

Note: All requirements of the RFP documents remain unchanged except as cited herein.

Requests and questions:

The following are responses to the requests and questions received by Desert Community Energy (DCE) as of March 27, 2023.

1. **Question:** *Would DCE be interested in 4-hour battery proposals?*

Response: Yes, DCE will accept and consider proposals with 4-hour batteries.

2. **Question:** *Would DCE be interested in projects interconnecting into Imperial Irrigation District?*

Response: Yes, DCE will accept and consider proposals that interconnect into Imperial Irrigation District.

3. **Question:** *The California Independent System Operator (CAISO) will not post its 2022-2023 draft transmission plan until March 31, 2023. Would DCE consider an extension of the March 31, 2023, due date for proposals until April 14, 2023?*

Response: Yes, DCE has extended the due date for proposals to the RFP to **April 14, 2023, by 5:00 P.M. PPT** to accommodate the CAISO posting schedule. Section 2.1 of the RFP is modified as follows:

2.1 SCHEDULE

DCE has established the following schedule for the RFP but reserves the right to amend the proposed schedule at any time.

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