MCE Request for Proposals #2019-04
BTM Battery Energy Storage Resiliency Program

Pre-bid Informational Webinar
December 4, 2019
I. Welcome & Introductions
II. Background & Context
III. MCE’s Goals for this RFP
IV. Program Design Elements
V. Proposal Process & Timeline
VI. Questions
Open & Public Process

This webinar is intended to provide an opportunity for interested parties to learn about MCE’s Request for Proposals (RFP) #2019-04.

The webinar will be recorded and posted to MCE’s solicitation web page to facilitate remote viewing by any who are unable to attend the webinar.

Participants may submit questions during this Webinar using the Chat Box function, and there will be time for responding to submitted questions at the end of the Webinar. All questions submitted during the Webinar will be included in the Response to Questions.

Written questions regarding RFP #2019-04 may also be submitted via email until 5:00 p.m. (PST) on December 5, 2019 to: contracts@mcecleanenergy.org.

Responses to written questions submitted prior to the deadline will be emailed to the RFP distribution list (including Participants of this Webinar), & also posted to MCE’s solicitation web page (mcecleanenergy.org/opportunities/) by 5:00 p.m. on December 10, 2019.
Welcome & Introductions
OUR MISSION

Address climate change by reducing greenhouse gas emissions

Renewable Energy
Stable, Competitive Rates
Local Economic & Workforce Benefits
Energy Efficiency
How Electric Service Works

MCE Generation  PG&E Delivery  Same Service
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>2008</td>
<td>MCE formed</td>
</tr>
<tr>
<td>2010</td>
<td>Service launched</td>
</tr>
<tr>
<td>2019</td>
<td>Serving 470,000+ customer accounts</td>
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</table>
34 Member Communities

Marin County  
+ 11 cities

Napa County  
+ 5 cities

Solano County  
+ 1 city

Contra Costa County  
+ 13 cities
<table>
<thead>
<tr>
<th>MCE Impact Across California</th>
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<tbody>
<tr>
<td>Eliminated over 340K metric tons of GHGs through 2018</td>
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<tr>
<td>Default service is 60% renewable since 2017 and 99% carbon-free by 2022</td>
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<tr>
<td>MCE customers have saved over $50M since 2010</td>
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<tr>
<td>Committed over $1.5B to build new CA renewable projects</td>
</tr>
<tr>
<td>31 MW new renewable projects built in our service area</td>
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1. 60 contracts
2. **ZERO** unbundled renewable energy certificates (RECs) after 2018
3. Half of the Deep Green premium supports local projects
4. **Over 34,000** rooftop solar customers, over 330 MW of local renewable generation
5. One of California’s **most generous Feed-In Tariff** programs
6. **Local projects** within MCE’s service area 31 MW
• Allocated $535,000 to fund solar rebates
• Helped fund 231 projects → 593 kW of new, local solar
• Single-family program offers $900 supplemental rebate to California’s Single-Family Affordable Housing (SASH) program run by GRID Alternatives

Low-income solar rebates (2012-2019)
The Face of Local Energy Projects

Throughout our Service Area
Workforce Development

Community Investment
• $45,000
Social Impact
• 330 job hours
• 50% local hire requirement at MCE Solar One

Community Investment
• $140,000
Social Impact
• 400 multifamily units received upgrades
• 1,369 job hours

Community Investment
• $275,000 allocated
Social Impact
• 95 job hours
• 31 local on-the-job training hours

Community Investment
• $535,000 allocated
Social Impact
• 231 free or very low cost solar systems installed

Community Investment
• $240,000
Social Impact
• 1,798 job hours
• 62 people trained

Community Investment
• $15,000
Social Impact
• 23 local energy efficiency providers cross-trained to provide comprehensive health & safety services
MCE Customers at a Glance

**Accounts**
- Non-Residential: 11% (50,827)
- Residential: 89% (422,726)

**Loads**
- Non-Residential: 53%
- Residential: 47%

**Energy Mix**
- Deep Green: 2% (9,958)
- Local Sol: <0.1% (179)
- Light Green: 98% (463,416)
MCE Team and Roles

Dawn Weisz

Vicken Kasarjian

Alice Havenar-Daughton

Heather Shepard

Jim Baak

Catalina Murphy
Background & Context
Need for Enhanced Resiliency

• **Emergency Preparedness**- protecting vulnerable customers and critical facilities
  • Wildfires
  • Mudslides
  • Earthquakes

• **Long-duration grid outages**- i.e., Public Safety Power Shutoff (PSPS) events
Opportunity for MCE

- Enhance local resiliency & reliability
- Support MCE’s portfolio decarbonization strategies
- Support MCE’s DER deployment strategies
- Provide new tools and resources to support MCE’s operations & risk management strategies
Opportunity for MCE Customers

- **Affordable access** to BTM energy storage systems
- **Enhanced resiliency** (backup power during grid outages) and other benefits
- **Streamlined end-to-end process** from initial evaluation to installation, operation, and maintenance
- Eligible for future **rate-based incentive**
- **Ongoing cost-savings** through BESS management
- Supporting local **GHG reductions**
Opportunity for Bidders

• MCE intends to provide significant financial incentives for qualified projects in Priority market segments*

• Familiar performance-based incentive structure

• Active lead generation & marketing support from MCE

• Optional On-bill Repayment mechanism

• Optional potential to leverage MCE’s investment-grade credit rating & other financial mechanisms (i.e., lockbox)

*Important note- MCE does not intend to offer these financial incentives to Non-priority market segments at this time.
MCE’s Goals for Energy Storage
MCE’s Overarching Vision for Energy Storage

• 5-year target for energy storage deployments = 70 MWh
• Increase Local Resiliency/Reliability
• Protect Vulnerable Customers & Critical Facilities
  • Backup power during grid outages (incl., PSPS)
  • Opportunities for Cost savings
• Support MCE Decarbonization Efforts
  • Shift NEM surplus generation to evening ramp hours
• Support MCE Operations and Risk Management
  • Reduce Procurement Costs (i.e., beneficial load-shaping)
  • Active Risk Management (i.e., critical peak load management)
  • Generate Revenue through CAISO Market Participation
MCE’s Goals for this Request for Proposals

• Enhance local resiliency & reliability
• Prioritize vulnerable customers & agencies providing resiliency
• Support improvement of overall grid health
• Identify well-qualified industry partner(s) to support implementation of Phase I of MCE’s BTM Energy Storage program
• Ensure that BESS projects that receive MCE’s financial incentives support MCE’s dispatchable DER deployment strategies
• 2-year (Phase I) energy storage deployment target = 10 MWh
MCE-provided Financial Incentive

• **Familiar incentive framework** (based on SGIP)

• **Significant financial incentives** for priority customers
  
  • Final incentive levels are to be determined, but are intended to be on par with SGIP
  
  • Bidders are encouraged to illustrate projected costs, tradeoffs, & outcomes at three (3) distinct incentive levels: $0.25/Wh, $0.35/Wh, and $0.45/Wh

• Structured to work as an **SGIP match or alternative**
MCE-provided Financial Incentive continued

• Intended to be **Cumulative (“Stacked”)** with other incentives (i.e., ITC and SGIP)*

• Customers in Priority market segments will be eligible for the MCE-provided incentive

• Customers in Non-priority market segments will **not be eligible** to receive the financial incentive

*Important Note - the total cumulative incentive amount may not exceed 100% of the total installed cost of the BESS
Project Eligibility Criteria

• Projects must be sited within **MCE’s service territory**

• Priority **Residential** customers must meet one of the following:
  • Located in state-designated Disadvantaged Community (DAC)
  • Qualify as low-income
  • Have a medical need

• Priority **Small & Medium Businesses** must meet one of the following:
  • Located in state-designated DAC
  • Be located in state-designated Tier 2 or Tier 3 High Fire Threat District (HFTD)

• Priority **Local Government Agency** customers must provide critical support services during grid outages (i.e., PSPS events)
• Projects must meet **SGIP technology requirements**\*.
• Projects must be connected to a meter that is on an **MCE NEM tariff agreement** (either currently or planned).
• Projects must provide **reliability/resiliency benefits** (backup power during grid outages).
• Projects must provide **load-shaping benefits** to MCE.
• Projects must be configured to provide some level of **monitoring and dispatchability** by MCE.
• Projects enrolled in any 3\(^{rd}\) party market participation programs must provide a **pathway for transitioning** to any market participation programs offered by MCE in the future.

*Important note- bidders may request reasonable exemptions to this SGIP eligibility requirement in your proposal.*
Required Program Submittals

- Division of Responsibility (DOR) Matrix (*prior to contract execution*)
- Safety Plan
- Progress Reports (*Monthly/Quarterly*)
- Proposed System Specifications and Design Calculations
- Itemized Project Financials (*Pro Forma*)
- Customer Cost-Benefit Analysis (*Pro Forma*)
- Site-specific Drawings and Construction Plans
- Permits and Application Records
- Interconnection Agreement and Application Records
- Measurement and Verification Checklist
- Commissioning and Testing Report (*including BESS cycling profile*)
- Copies of all project-related Warrantees
- Invoices (*Monthly/Quarterly*)
MCE is currently evaluating options for providing ongoing value to participating customers through rate-based incentive structures.

Initial thinking is to offer something simple and easy to administer that will stimulate customer interest (monthly discount?)

MCE encourages bidders to recommend appropriate and effective rate-based incentive structures and level(s)
Optional On-Bill Repayment & Other Financial Mechanisms

MCE is interested in removing upfront cost barriers for participating customers in Priority Market Segments, therefore MCE is open to proposals that leverage:

- On-Bill Repayment (OBR)
- MCE’s Investment-grade Credit Rating
- Other Financial Mechanisms (i.e., loan-loss reserve funds, lockboxes, etc.)
Priority Market Segments
Minimum 50% of BESS Deployed

- Vulnerable/Disadvantaged **Residential NEM** Customers
  - Ex: DAC, CARE, FERA, Medical Baseline, Medical Necessity (SGIP defined)

- **Small/Medium Businesses** in DACS or HFTD Tiers 2/3

- **Local Government Agencies** providing critical emergency services (regardless of location)
  - Ex: Police, Fire, Designated Shelters, Schools, Hospitals, water/wastewater treatment, etc.
Non-Priority Market Segments
Maximum 50% of BESS Deployed

- Includes all other NEM customer categories, regardless of location
- $/Wh incentives do not apply to Non-priority customers
- Eligible for rate-based incentive (to be developed)
- MCE will provide customer leads & co-branding
- Customers receive resiliency & cost savings in exchange for MCE monitoring & dispatchability
## Market Segment Statistics

<table>
<thead>
<tr>
<th>County</th>
<th>MCE Accounts</th>
<th>Residential</th>
<th>Non-Residential</th>
<th>NEM</th>
<th>CARE</th>
<th>Medical Baseline&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contra Costa</td>
<td>313,438</td>
<td>285,422</td>
<td>28,016</td>
<td>25,053</td>
<td>52,137.0</td>
<td>9,539</td>
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<tr>
<td>Marin</td>
<td>94,851</td>
<td>82,438</td>
<td>12,413</td>
<td>5,643</td>
<td>8,551.0</td>
<td>1,125</td>
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<tr>
<td>Napa</td>
<td>55,820</td>
<td>46,670</td>
<td>9,150</td>
<td>3,943</td>
<td>7,760.0</td>
<td>1,320</td>
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<tr>
<td>Solano</td>
<td>10,293</td>
<td>8,799</td>
<td>1,494</td>
<td>739</td>
<td>979.0</td>
<td>258</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>474,402</strong></td>
<td><strong>423,329</strong></td>
<td><strong>51,073</strong></td>
<td><strong>35,378</strong></td>
<td><strong>69,427.0</strong></td>
<td><strong>12,242</strong></td>
</tr>
</tbody>
</table>

<sup>1</sup> Medical Baseline data is from an earlier period and provided for informational purposes.
MCE Low Income Customers
High Fire Threat Districts
State-designated DAC Map
Proposal Process & Timeline
Proposal Requirements

1. Narrative Proposal
2. Work Plan
3. Price Proposal
4. Standard BESS Design(s)
5. Completed Bidder Qualification Form (Appendix A)
6. Completed Participating Contractor Obligations Form (Appendix B)
7. Short Form Contract Review/Redline (Appendix C) [Optional/Encouraged]
# RFP Milestones & Timeline

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Timeline</th>
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<tbody>
<tr>
<td>Solicitation Released</td>
<td>11/25/19</td>
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<tr>
<td>Pre-bid Web Conference (2:00 – 4:00 PM PST)</td>
<td>12/4/19</td>
</tr>
<tr>
<td>Respondent’s Questions Due (by 5:00 PM PST)</td>
<td>12/5/19</td>
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<tr>
<td>MCE Responses to Questions Provided</td>
<td>12/10/19</td>
</tr>
<tr>
<td>Proposals Due (by 5:00 PM PST)</td>
<td>1/6/20</td>
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<tr>
<td>Interviewees Notified</td>
<td>1/10/20</td>
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<tr>
<td>Interviews</td>
<td>1/17/20 – 1/24/20</td>
</tr>
<tr>
<td>Successful Respondents Notified</td>
<td>1/31/20</td>
</tr>
</tbody>
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*Table 1: RFP Schedule*
## Evaluation Criteria

<table>
<thead>
<tr>
<th>Gating Criteria</th>
<th>Screening Outcome</th>
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<tbody>
<tr>
<td>Completeness of Response* (*Note- all Requirements must be fulfilled in order for a proposal to be scored)</td>
<td>PASS / FAIL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Maximum Points Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Approach</td>
<td>25</td>
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<tr>
<td>Qualifications and Professional References</td>
<td>25</td>
</tr>
<tr>
<td>Overall Price Proposal and Customer Cost/Benefit</td>
<td>20</td>
</tr>
<tr>
<td>In-person Interview Performance</td>
<td>20</td>
</tr>
<tr>
<td>Workforce and Safety Standards</td>
<td>10</td>
</tr>
<tr>
<td>Alignment with MCE's Local Hiring, Workforce Diversity, and Union Preferences (See Appendix D)</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Available Points</strong></td>
<td><strong>115</strong></td>
</tr>
</tbody>
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APPENDIX D: MCE SUSTAINABLE WORKFORCE AND DIVERSITY POLICY: 011

It is a priority interest of MCE to support sustainable workforce opportunities, local economic sustainability, and diversity inclusion through contracting for power resources, procuring goods and services, and implementing hiring initiatives within a framework of competitive service and the promotion of renewable energy, customer programs, and greenhouse gas reduction.

MCE will facilitate and encourage diversity and a sustainable workforce through its support for:

1. Fair compensation in direct hiring, renewable development projects, customer programs, and procurement services;
2. Development of locally generated renewable energy within the MCE service area;
3. Direct use of union members from multiple trades;
4. Quality training, apprenticeship, and pre-apprenticeship programs
5. Direct use of businesses local to the MCE service area
6. Development of California based job opportunities
7. Business and workforce initiatives located in low-income and disadvantaged communities;
8. Direct use of Disabled Veteran-owned Business Enterprises (DVBE) and LGBT-owned Business Enterprises (LGBTBE);
9. Direct use of green and sustainable businesses; and
10. Use of direct hiring practices that promote diversity in the workplace.
RFP Updates

- **CORRECTED RFP Document** *(released 11/27/19)*
- **Addendum #1 - Errata Sheet** *(released 11/27/19)*
- **Addendum #2 - Bidder Qualification Form**
  - *in Microsoft Word format* *(pending)*
- **Addendum #3 - Responses to Questions**
  - *(pending by 12/10/19)*
Questions
Webinar Participant Questions

• Please remember to submit any questions you have using the Chat Box function

• The presenters will now respond to questions submitted until the Webinar concludes at 4pm

• MCE will include questions submitted during the Webinar in the Responses to Questions that will be distributed by December 10th

• Note that similar questions may be combined to make best use of available time and resources
Submitting Written Questions

Please submit all questions by email to MCE Contracts Manager at contracts@mcecleanenergy.org no later than December 5, 2019 by 5:00 p.m. (PST).

Important Note- the subject line of the email must read “MCE RFP #2019-04: BTM BESS Resiliency Program Question.”

MCE will distribute written responses to questions no later than 5:00 p.m. on December 10, 2019.
Thank You!

RFP #2019-04 Contact
MCE Contracts Manager: contracts@mcecLEANenergy.org