PART I: Questions/Responses from Pre-Bid Webinar

1. Can you confirm that after award MCE will provide contacts for existing (NEM) customers and fit projects to add storage to?

   Verbal response provided during Webinar: Will provide written answer

   Written response: MCE intends to support successful implementation of the program by providing lead generation and marketing support, including existing NEM customers. Note that the focus for RFP #2019-04 is on deploying behind-the-meter (BTM) battery energy storage systems (BESS) for customer resiliency (backup power during grid outages). Feed-in Tariff (FIT) projects are front-of-the-meter (FTM), and will not be eligible for participation in MCE’s BTM BESS Resiliency program.

2. What if existing PG&E substation capacity limits the ability of batteries to provide dispatchable services to MCE, such as several community critical facility sites in West Marin? Does that limit disqualify these sites?

   Verbal response provided during Webinar: I think we need to think about that a little bit more… We are not wanting to disqualify sites yet. So, let’s see what’s in the proposal, we’ll see what we have to work with. We’ll provide a more detail response to that one, after we give it a bit more thought.

   Written response: To the extent there is a hosting capacity constraint along a feeder or at a substation, it could create constraints on dispatching the battery for upstream or wholesale market services. Such resources may be valuable for demand reduction and/or load shifting to ease these constraints, however, and they may be combined into a larger virtual power plant to supply services to the grid. MCE will work closely with the selected provider(s) to develop appropriate screening criteria to support cost-effective customer targeting and acquisition (i.e., grid segment and substation hosting capacity), as well as opportunities to optimize a network of storage resources to provide grid services.

3. Can Admin Services provide any additional insight into to the dispatchability requirements (or preferences) of any proposed storage assets?

   Verbal response provided during Webinar: Again, the purpose for this RFP is resiliency, so we are looking predominantly resiliency on this. We want to make sure that customers can benefit from this but the idea for this RFP is to try and identify, particularly NEM customers where we can leverage the battery for things such as resource adequacy, mitigating critical peaks, doing load shapes and shifting in that nature to help us with our operational risk and cost to help us keep our cost lower for all customers. The priority really is going to be for the resiliency benefit for the customer and then for the benefits
we can get for supporting our grid operation and risk management but also providing support for our customers and because we are providing very large incentives for priority customers and we are looking at rates incentives for all other customers we want to ensure that we get benefits from these assets and that’s where we’re looking at opportunities to directly monitor and send dispatch signals to the storage units. This is sort of testing the waters proof of concepts so we’d like to see what your proposals are till we evaluate this to see what the feasibility is. This is a little bit exploratory, so we welcome all proposals. Just be clear in your proposal on how you want to justify the value of the battery within the context of what we’re aiming for.

**Written response:** MCE encourages Respondents to propose an approach that meets the stated criteria cost-effectively, and that yields some level of monitoring and dispatchability by MCE. The dispatchability requirement is detailed in the Individual Project Criteria section of the RFP (on page 6).

4. **Would the review team consider a proposal for a mobile energy storage asset? Currently mobile storage does not qualify for SGIP incentives, would an exemption for a mobile use case be considered?**

Verbal response provided during Webinar: Yes, we would consider that and in the RFP we specifically say that if you want to request for an exemption from SGIP requirements put that into your proposals, be very clear about that.

5. **How is a small/medium business defined? Are some businesses too large to qualify?**

Verbal response provided during Webinar: We’ll provide written clarification.

**Written response:** Small and Medium Business (SMB) is defined as MCE customers on SMB rate schedules (generally including: A-1, B-1, A-6, B-6, A-10, B-10, as well as SBM taking voluntary service under E-19, and B-19).

6. **The RFP requests a "programmatic approach." Does this mean you are requesting a program implementer offering program services to all MCE customers, and not a project developer bringing specific project sites?**

Verbal response provided during Webinar: Yes, we are not necessarily looking for specific project sites as a response to this solicitation, but more of the programmatic approach.

7. Note- MCE has combined the following questions about lead generation, customer acquisition, and marketing under Question #7 here due to their common theme:

*Can you detail marketing help that MCE will provide to leads for sites that are qualified and would be potentially interested in microgrid?*

*Would MCE provide interval data to target appropriate leads?*

*MCE prefers providing the proposed incentives to customers with installed PV systems. What details on existing PV customers will MCE be willing/allowed to share?
Written response: MCE is seeking comprehensive proposals that include strategies and
detailed plans for lead generation, customer acquisition, outreach and engagement.
Please share any assumptions used or support needed from MCE as part of your customer
outreach and engagement plan. MCE intends to execute non-disclosure agreements with
successful respondents, prior to award of the contract, to enable sharing of customer data
including meter-based interval data. Respondents will be given the opportunity to make
reasonable refinements to their price proposal after reviewing the data, subject to MCE
approval. MCE would provide support to enable effective customer outreach and
engagement, ensure branding and customer experience are consistent with MCE’s value
proposition and partner with successful respondents to finalize messaging and outreach
materials.

8. Is there any desired storage size for individual sites, by type: residential, small or
   medium business?

Verbal response provided during Webinar: Again, the proposal is largely based on the
Self-Generation Incentive Program. However, we’re not limiting the size in terms of the
capacity of the storage to just 2 – 4 hours, so if there is a need for a community service
that may require longer duration storage than would normally be allowed under SGIP,
then we would certainly consider that – Yes.

9. Will the list of attendees be provided?

Verbal response provided during Webinar: Yes, we will be posting the list of attendees
along with the webinar recording and a PDF of the webinar presentation on the website,
on the solicitation page.

10. For submittal is this for presold concrete projects that are already on the ground with
    MCE? OR for potential projects that could be sold based on the incentives made
    available by MCE?

Verbal response provided during Webinar: To answer the first question – yes, we are
looking for potential projects, not ones that are already on the ground and not necessarily
identified in the response to this solicitation. But we are looking for storage that could be
added to existing solar.

And to the second part to that the MCE rebate be added on top of the SGIP rebate – yes,
but with the clarification that up to total of project cost. We will provide no more than the
100% total of the project cost and again our incentives are limited to just the priority
customer market segments.

11. Is there a specific software that MCE would prefer to send dispatch signal?
Verbal response provided during Webinar: At this point we don’t have a preference we’d like to see what you have to propose in your bid. We will consider any bids and are encouraging people to be creative about what you want to present – we’ll consider any software platform at this time.

12. Can we assume that participants in the program would be eligible for all other program offerings, and do you have a preference for more comprehensive projects that include BTM storage?

Verbal response provided during Webinar: It would help if you can provide clarification of what you mean by “other program offerings.” If you’re referring to our programs, like our electric vehicles then yes, we are looking to leverage other programs, other incentives to make the solution most cost effective and provide the greatest amount of benefits beyond that, if you could provide some additional details we can provide a more detailed response.

13. Is MCE’s preference to award to a few entities or to enter into an agreement with one single provider?

Verbal response provided during Webinar: We are not limiting it to one. That will be a decision that comes out of the review of proposals, but it is not limited to an agreement with one provider.

14. What is the timeline or goal for implementation and deployment?

Verbal response provided during Webinar: Ideally, we’d like to have some projects before the next fire season, however, we realize that there are permitting difficulties that might make that more challenging. Essentially, we’d like to get this out as soon as possible. We are trying to provide some relief from Public Safety Power Shutoffs as soon as possible, given the context of a new SGIP program and new funding becoming available on April 1st, and local jurisdiction permitting for energy storage for backup and resiliency purposes. We realize this is more challenging and that there are some elements of this that are unique and that are a little different from other RFPs that you may have seen recently that are primarily focused on resource adequacy, but we’d like to be open to as many innovative and creative solutions and let us know when you think this could be accomplished so if you could put that in your proposal that would give us a better idea of what’s feasible and when it might be. With the caveat that we’d like to provide some relief for these PSPS and provide resiliency benefits as soon as practical.

On the issue of dispatchability and control, we realize this might take a little longer, and again, this is part of a longer-term goal for our resiliency es and micro and this is an opportunity to establish a relationship with one or more vendors who we feel are good and to understand and prove how these resources can be used for resiliency/backup and for grid support services.

15. Do you have a preference for % residential systems vs non-residential? How will you prioritize between the two?
Verbal response provided during Webinar: Assuming we are talking about our priority segments, we do not have a preference on residential vs. non-residential as long as they qualify for one of those priority segments and we will not be necessarily prioritizing between those two priority segments. We recognize that there may be different strategies to reach those two groups but those are both our priority segments. Our prioritization here is between those priority segments and the non-priority segments.

Just to reiterate, our goal is 50%, or 5 MWh, at a minimum for the priority target segments and up to, but no more than 50%, for a maximum of 5 MWh for the non-priority customers.

16. **Does the 15% local workforce screening criteria apply to the bidder’s workforce specifically, or to proposals for the use of local trade partners during the delivery phase? Or both?**

Written response: The maximum of 15 points for Alignment with MCE’s Local Hiring, Workforce Diversity, and Union Preferences applies to the complete proposal, including the Prime and any included subcontractors. Respondents should provide sufficient detail in the Proposed Approach section of the proposal to facilitate MCE’s evaluation of the proposal’s alignment with MCE’s Sustainable Workforce and Diversity Policy (Appendix D, page 37).

17. **Can we bid a battery chemistry that is best suited to providing long duration back up, but not suitable for the SGIP application per cycle life count and round-trip efficiency?**

Verbal response provided during Webinar: Yes – we are looking for innovative battery types – long duration for resiliency. It does not have to meet all of the SGIP requirements, so it’s not limited to the cycling requirements, unless you are also applying for SGIP funds then you have to meet whatever requirements will be enforce by the April 1 new SGIP program rules. But for our program, we are looking for any battery chemistry for longer duration. So, we will consider longer duration.

I believe the SGIP primarily targets 2 – 4 hours storage at 100% of the funding and 4 to 6 hours for 50% of the funding. We can supplement that and we can also provide additional funding for longer duration if there’s a justified need for that battery chemistry and that applications. So yes, we will allow that.

I would frame that as an Exemption Request from SGIP criteria. We are looking for these types of ideas and are happy to consider an exemption when it’s reasonable and it has a good use case.

18. **Will you quantify and score the ability to provide Grid Services in the future as part of this award? If so, how will that be done?**

Verbal response provided during Webinar: We can provide additional detail in a written comment. The short answer is we would consider that and we would encourage you to make a case for that. Let us provide a little more detail in the written responses.

Written response: Respondents should quantify any projected grid services you anticipate resulting from your proposed approach, including indications of the timing of delivery of
those services. MCE will prioritize immediate or near-term delivery of grid services over mid- or long-term delivery.

19. Requiring a signed Participating Contractor Obligations Form to be included with the response to be considered complete, seems to limit the business models of potential respondents, to firms that do installing?

Written response: The Participating Contractor Obligation Form (Appendix B) applies to the Prime bidder (or “Contractor”), and is not applicable to subcontractors. It is the responsibility of the Prime Contractor to ensure that these obligations are fulfilled throughout the contract period. Important Note- MCE will consider requests for exemptions from specific line items in the Participating Contractor Obligation Form (Appendix B).

20. Can you provide us any insight to the MCE cost that might go beyond the BTM customers cost for power energy for example: What are examples of grid services that MCE pays for that could use the battery system?

Verbal response provided during Webinar: We will provide a written response.

Written response: MCE is open to proposals that leverage additional value streams to produce additional value for MCE and/or its customers. One example would be the inclusion of Resource Adequacy (RA) - including: System RA, Flex RA, and Local RA - which MCE procures annually and a network of dispatchable BESS could provide. There are other forms of grid services that MCE doesn’t procure directly, such as critical peak management, ramping support, load shaping, etc., that may provide additional value and may be included in the proposal.

PART II: Questions Submitted Via Email

21. Could MCE clarify the specific grid services use case contemplated for this project (i.e., why will the batteries be dispatched, and how often will they be cycled for grid services)?

Written response: MCE is interested in developing a network of dispatchable distributed energy resources (DERs)—including behind-the-meter (BTM) battery energy storage systems (BESS)—that can support MCE’s active peak load management, demand response, and portfolio decarbonization strategies. MCE intends to develop the infrastructure and internal capacity to monitor and dispatch the network of BESS deployed as a result of this RFP over time, beginning with simple dispatch for load-shaping purposes (i.e. demand response) and moving towards more sophisticated applications (i.e., CAISO DRAM and/or Ancillary Market participation) as MCE’s capabilities evolve and mature.

MCE is not placing any cycling constraints on the BESS for this RFP outside of what is required by SGIP (if such funding is utilized in the proposal), and is encouraging Respondents to propose a cost-effective approach that leverages your best customer-facing value proposition (including the BESS cycling profile you deem most appropriate). Any dispatch of the BESS assets by MCE would be coordinated with the participating
customer and/or asset owner to provide additional value, and would not take priority over other contracted BESS services.

22. **If the specific use case is not yet defined, could MCE clarify the parameters of the grid services requirement that MCE plans to reserve in the customer offer? (e.g., cap on cycles per year, timing restrictions, etc.) The parameters of the grid services scope of the program will impact the customer offer and price proposal.**

**Written response:** Respondents should propose an approach that leverages all value streams available to the Respondent (i.e., resiliency, demand charge management, TOU rate management, market participation, incentives, etc.) to create a strong customer value proposition that includes backup power during grid outages. MCE does not intend for Respondents to reserve any BESS capacity (i.e., cycles) for grid services, and anticipates that the Respondent will create maximum value for the customer using industry best practices.

MCE’s goal of establishing some level of monitoring and control of the BESS assets deployed through the BTM BESS Resiliency program is meant to support MCE’s DER strategy by establishing the requisite internal systems and capabilities. This is not intended to displace any value stream that a Respondent can provide to the participating customers, but rather is intended to provide an opportunity for MCE to create additional value as the rules for Multi-use Applications (MUA) for energy storage are established. The RFP asks (on page 3) Respondents to propose a process and timeline for enabling MCE’s real-time monitoring and periodic dispatch of the BESS assets deployed as a result of this program, and to detail known challenges, barriers, tradeoffs, and risks that are relevant to achieving this goal. If Respondents propose an approach that leverages value from CAISO market participation (i.e., DRAM, DER Aggregation, Ancillary Markets, etc.), the RFP requires (on page 6) that Respondents provide a pathway for transitioning the projects to enrollment in any market participation program launched by MCE when the internal systems and capabilities are in place for MCE to manage this.

For example, Respondents might propose an approach that leverages the value of an existing Demand Response Auction Mechanism (DRAM) program offered by PG&E (or another 3rd Party). All of the projects that are installed during the 2-year Phase I of the program could be enrolled in the DRAM program, provided that the projects provide resiliency (backup power during grid outages) and meet the other project eligibility criteria provided in the RFP. Some level of remote monitoring and dispatch would be configured to allow MCE to have visibility into the state of charge (SOC) and the capability to do limited dispatch under specific circumstances that do not compromise the ability for the BESS to participate in the DRAM program and meet the related performance requirements. If MCE launches its own DRAM (or other CAISO market participation) program in a subsequent year, customers would have the option of enrolling the BESS asset in MCE’s program.

23. **Does MCE plan to fulfill the forecasting and dispatching scope related to grid services, or should proposals include options for control?**
Written response: As indicated in the RFP (i.e., page 3), Respondents should propose a process and timeline for enabling MCE to monitor and dispatch the BESS assets deployed as a result of this RFP.

24. If a developer / contractor does not submit a proposal for Phase 1, will they be able to submit on subsequent phases?

Written response: The parameters of any subsequent RFP have not been determined by MCE. MCE does not intend to make eligibility to bid on any future MCE RFP’s contingent upon bidding upon this RFP.

25. Can you also please share the number (estimated is fine) of E19 and E20 customers?

Written response: MCE has approximately 1,805 E-19/B-19 customers and 35 E-20/B-20 customers.

26. Participating Contractors Obligations Form Appendix A – Requiring this form to be completed, each point initialed, and signed to have complete proposal (per the current pass/fail criteria), currently limit respondents to companies whose business model has control over each and all of these activities (basically limited to companies that physical visit the site and undertake the physical install)

Could you please expand upon the verbal response provided on the call, and clarify/confirm that your intention is to receive responses from companies with alternative business models, and that MCE removes this requirement from the RFP.

Written response: The Participating Contractor Obligation Form (which is Appendix B, not Appendix A) applies to the Prime bidder (or “Contractor”), and is not applicable to subcontractors. It is the responsibility of the Prime Contractor to ensure that these obligations are fulfilled throughout the contract period. Important Note- MCE will consider requests for exemptions from specific line items in the Participating Contractor Obligation Form (Appendix B).

27. On the pre-bid conference webinar, stated in an answer in response to a question, I believe it was indicated a preference to contract with an organization (or small number - per another question) that can offer a ‘program management” approach capable of overseeing functions that support the lifecycle of customer targeting, customer acquisition, through to project implementation, etc., rather than contracting with multiple discrete “projects”. Is this a correct interpretation of the answer provided on the call? Can you please elaborate?

Written response: During the Pre-bid Webinar MCE staff responded to an audience question regarding clarification of MCE’s goals for RFP #2019-04 to say that MCE is seeking qualified organizations and business entities to support MCE’s programmatic deployment of net new BTM BESS assets, which includes customer acquisition and developing, permitting, financing, and installing BTM BESS in the stated market segments. MCE is not seeking proposals related to pre-existing projects or BESS installations, nor is MCE seeking to contract for services provided by existing BESS projects or installations.
28. On p. 11 of the protocol document under Requirements for Price Proposal Selection, MCE mentions that respondents are to include an “Itemized accounting of any/all costs to be billed to MCE”. Could MCE provide examples of what it contemplates these costs could include, and the anticipated magnitude of these costs on a per-project or per-kWh installed basis?

Written response: MCE is not able to provide examples, but recognizes that some proposed approaches may depend on costs not anticipated by the RFP, and asks Respondents to provide transparency about any/all costs that the Respondent anticipates billing MCE for over the course of implementation of the program.

29. I have a quick question about the incentive such as SGIP. According to recent change of SGIP program, I think if we developed and installed ESS in DAC or High Tier area, the SGIP incentive is amount of more than $0.85/Wh. But, in the bid instruction, they said that SGIP incentive is $0.25/Wh ~ $0.45/Wh. Is there any specific reason that we cannot get 100% of incentive from SGIP Equity budget or SGIP Equity Resiliency Budget?

Written response: The intent is for the MCE-provide financial incentive to make BESS for resiliency accessible and affordable for many MCE customers, including customers that do not meet all of the eligibility criteria for the SGIP Equity Resilience budget. For example, Residential NEM customers in state-designated disadvantaged communities (DACs) would be eligible for the MCE-provided financial incentive regardless of whether they were in a Tier 2 or Tier 3 High Fire Threat District (HFTD). Likewise, local government agency customers located anywhere within MCE’s service territory that are providing critical community services during emergencies and/or grid outages would be eligible for MCE’s financial incentive, whereas the SGIP Equity Resiliency Budget require them to be in a Tier 2 or Tier 3 HFTD.

Note that MCE is not requiring SGIP as a condition of participation in this program. The $/Wh incentive examples provided in the RFP for illustrative purposes are MCE incentives that are intended to be additive to any SGIP incentive levels, and may be viable alternatives for some customers who either do not qualify for, chose not to or otherwise did not receive SGIP incentives.