MCE Open Season 2020 Request for Offers
Questions & Answers / FAQs

Updated 2/7/2020

1. Q: Where can I locate relevant presentations and forms for this RFO?
   A. All RFO documentation, including presentations and proforma contracts, can be found on MCE’s Energy Procurement Website: http://mcecleanenergy.org/energy-procurement/

2. Q: Could MCE sign a non-disclosure agreement to protect financial/credit information provided as part of the open season?
   A. MCE cannot sign a non-disclosure agreement covering information provided as part of the Open Season. As a public agency, MCE is subject to the Public Records Act. Materials that fall under the category of “pre-negotiation” or “negotiation” are not subject to the Public Records Act and will not be disclosed. In the event that Seller contends that any information disclosed or required to be disclosed by Seller pursuant to the Open Season process is confidential, Seller should clearly identify such documents as such before transmitting the same to MCE. In the event that any claim or action is filed against MCE pursuant to the Public Records Act seeking the disclosure of any records or documents provided by Seller which were marked confidential hereunder, MCE shall notify Seller in writing of such fact and Seller shall thereupon defend, save harmless and indemnify MCE from all costs and expense in connection with said claim or litigation, including attorney’s fees, and agrees to abide by the final decision of a court of competent jurisdiction in connection therewith. Clearly mark any material that you wish MCE to review, but not be subject to public disclosure as “CONFIDENTIAL”.

3. Q: May a respondent request a meeting before the submittal deadline to introduce itself to MCE, provide project details, ask questions, etc.?
   A. No. Prior to bid submittal, MCE staff will not schedule any meetings with project developers. In an effort to maintain procedural fairness and integrity for all prospective respondents, no requests for meetings and/or calls will be accepted.

4. Q: Can MCE provide any guidance related to product pricing that may be considered during the Open Season process?
   A. MCE will not discuss contract pricing prior to the response deadline. All Open Season participants should deliver the best, commercially viable project proposal for MCE’s consideration.

5. Q: Does MCE engage in bilateral agreements or is all energy procurement conducted through competitive processes?
   A. Our Open Season and Feed-In Tariff programs are the primary venues for all long-term renewable energy procurement. Projects greater than 5 MW, located within the MCE service territory may qualify for bilateral negotiation. During the administration of MCE’s Open Season process, bilateral contracting discussions are rarely considered.

6. Q: In the situation where the project may have more than one off-taker, does MCE require additional facilities other than a separate CAISO revenue meter?
   A. All projects must conform to CAISO requirements, including having CAISO metering dedicated to the project on the high side and separate step-up transformer for scheduling and settlement in order to ensure accurate accounting for delivered energy volumes, associated capacity benefits and related renewable attributes.

7. Q: Can you provide insight into how PCC 1 REC volumes may increase over time or differ from MCE’s Integrated Resource Plan projections due to potential MCE membership expansion?
A. At this point in time, MCE’s projected open positions for renewable energy do reflect planned increases in electric load due to inclusion of new member communities, which may occur in the future. Projected resource needs reflected in MCE’s current Open Season materials are based upon MCE’s recently adopted Integrated Resources Plan (IRP; 2020 update), which reflects the resource requirements of MCE’s current customer-base (as represented within its membership).

8. Q: Have the noted procurement targets been broken down by delivery profile, including base-load, peak and intermittent? Are baseload resources evaluated differently than intermittent resources?
A. At this point in time, MCE has not specified procurement targets for specific delivery profiles. However, MCE is interested in assembling a diverse renewable energy resource portfolio, including a variety of generating technologies and delivery characteristics, and will consider this overarching interest when evaluating responses submitted under the current Open Season process.

9. Q: Are there any development stage criteria that have been established for projects participating in MCE’s 2020 Open Season process (i.e., interconnection or permitting progress)? Is there a preference for new versus existing generation?
A. MCE has established specific criteria for assessing project development progress. Such requirements are specified in MCE’s Open Season Request for Offers Procedural Overview and Instructions, which is available on MCE’s procurement website. As reflected in such document, all offers must demonstrate/document a clear and reasonable development schedule in consideration of the proposed commercial operation date by including the following with their offer:
   a) Interconnection status, including completed Phase I or equivalent studies (and related results), queue positions and copies of executed interconnection agreements, if any.
   b) Siting and permitting status, including documentation of site control, zoning, applicable permits, a notice of determination regarding CEQA/NEPA status from the appropriate planning authorities, and the expected date of permit receipt for all outstanding permits.

10. Q: Based on the amount of time (a few months) between RFO response submission and when MCE intends to transact, does MCE expect participants to submit a price that is non-binding and subject to market movement, management approval, and finalization of documentation?
A. For the requested renewable energy products, MCE expects to receive firm/binding energy pricing, subject to final agreement on contract terms and conditions. If respondents choose to provide alternative pricing options (in addition to the required energy pricing options), MCE will also evaluate such alternative proposals.

11. Q: Can you describe your bid ranking methodology? For instance, would a PCC1 offer with a 1-year delivery term (2020, for example) rank lower than a longer-term offer; alternatively, would a project with a buyout option rank higher for MCE than a similar offer without a buyout option.
A. In an effort to avoid proposals that may attempt to “game” a prescribed ranking or weighting methodology, MCE has determined that it will not publish such information for the current Open Season. Respondents are encouraged to prepare their best product offer(s), including any/all project attributes that may provide value/benefit to MCE. All responses will be evaluated in consideration of the various criteria that have been identified in MCE’s Open Season materials. As noted in MCE’s Open Season Procedural Overview and Instructions, offers of varying term lengths, energy quantities, product types and project locations will all be considered (subject to specified bid criteria).

12. Q: The “single, flat price/MWh throughout the contract term” without an escalator makes it difficult to maintain operations and maintenance in the out years. Is the price submitted firm?
A. All long-term offers must include a firm/binding, fixed price option. Once the minimum bid requirements have been satisfied, a respondent may propose alternative pricing mechanisms of its choosing to MCE.

13. Q: Can you please advise on where I can find attachment forms A-H that need to accompany the Excel Offer Form. They don’t appear to have been posted to the site at this time.
A. Attachments such as the Single Line Diagram (attachment H) are provided by the respondent. MCE does not provide a template for these attachments.

14. Q: What is the process for certifying products as “renewable”? What are the criteria that will be used to make such determinations?
A. Any generating resource supplying renewable products must be certified as California RPS Eligible by the California Energy Commission (CEC) and must be registered with the Western Renewable Energy Generation Information System (WREGIS) to enable renewable energy certificate transfers to MCE.

15. Q: Is there a requirement for bid bond? We know the shortlist bond is $3/kW of contract capacity, but is there any other bond requirement between the shortlist and the in-service date of the project?
A. There is no deposit required to submit a project to Open Season. There is a $3/kW of contract capacity posting required if the project is shortlisted which is refundable if the project is not ultimately awarded a contract. Once a contract is executed, the relevant agreement indicates additional credit/security requirements.

16. Q: If an item on the Offer Form is not applicable, should we leave it blank or mark “NA”?
A. If an item is not applicable, please mark N/A.

17. Q: What is MCE’s preference for the delivery point to be at CAISO NP-15 node/hub, rather than at the generator’s CAISO node?
A. In an effort to avoid proposals that may attempt to “game” a prescribed ranking or weighting methodology, MCE has determined that it will not publish such information for the current Open Season. Respondents are encouraged to prepare their best product offer(s), including any/all project attributes that may provide value/benefit to MCE. All responses will be evaluated in consideration of the various criteria that have been identified in MCE’s Open Season materials. As noted in MCE’s Open Season Procedural Overview and Instructions, offers of varying term lengths, energy quantities, delivery points and project locations will all be considered (subject to specified bid criteria).

18. Q: Can you confirm that the RFO respondents have flexibility and choice of whether or not to move forward at the point of shortlist notification?
A. While MCE expects that respondents submitting offers into Open Season are serious about their intent to participate, shortlisted bidders may choose to terminate participation upon shortlist notification. Once shortlisted, the shortlist deposit may be forfeited if a party withdraws.

19. Q: Will MCE accept SP15 delivery? Would SP 15 delivery be a considered less valuable?
A. SP 15 offers will be considered, but MCE will take into account potential congestion, which may reduce the value of the offer to MCE.

20. Q: Why does MCE prefer initial delivery dates by June 1st?
A. For projects that achieve COD in 2021, 2022 or 2023, MCE has a preference for a COD of June 1st or earlier in order to count such projects towards its CPUC-mandated incremental capacity requirements (per the 11/7/19 CPUC Decision associated with R. 16-02-007)

21. Q: Will you accept offers from existing projects that have an expired PPA?
A. Yes, MCE will consider offers from existing projects.

22. Q: On the offer form when the question is about how many MW, should it be MW DC or MW AC?
A. AC.

23. Q: Would MCE consider a portfolio of existing projects?
A. Yes, please complete the applicable offer form sections and in the project name area, list "Portfolio."
24. Q: There was a mention that you have an interest in supply shapes that complement your solar PV shape. Do you have a monthly or hourly profile of your non-solar open position? I believe your IRP just shows annual open generation needed.
A. Generally speaking, MCE is seeking resources that deliver energy in non-solar hours in order to complement its existing portfolio, which currently contains a significant volume of Solar PV resources.

25. Q: What information is MCE looking for in the Organizational Chart? Are you referring to what personnel will be working on the specific project or the organizational chart of how the project entity is owned by the developer?
A. MCE is looking for the organizational structure of the project ownership and parent companies. There is no need to include specific individuals related to project development or operations.

26. Q: Will different locations of energy storage sites be valued higher than others?
A. Yes. Preferably located in one of the PG&E Local Resource Adequacy Areas (i.e., Greater Bay Area, Stockton, Sierra, etc.).

27. Q: Could you please help us understand the June 2023 requested COD outside date? Will you consider offers in Dec 2023? Would you be open to “energy only” non FCDS offers (including RECs, but excluding capacity?)
A1. MCE’s preference is for projects that will come online no later than June, 2023. Nevertheless, we will consider projects that achieve COD at a later date.
A2. MCE will not consider long-term “energy only” offers, but will consider temporary delays to related to FCDS implementation.

28. Q: How will answers to the Pollinator Scorecard be used to evaluate projects- is MCE adhering to the minimum point value (70 points)? Are answers binding upon selection? Also, if a project is in a desert/ arid environment where some of the categories are not practical, how will those projects be evaluated?
A. MCE will evaluate submissions using a variety of factors including whether the project has the potential to be pollinator friendly. The evaluation will look at site conditions on a case by case basis to make sure that the requirement is practical in each particular environment.

29. Q: Can you provide some further clarity on your compensation formulas for storage in both the Energy + Storage and the FOM Storage Term Sheets? In both cases you state that the payment is “multiplied by the actual round-trip efficiency”. Is that your intent, or can you provide a formula that denotes a Round-Trip Efficiency Adjustment that is based on the %-age shortfall in RTE?
A1. With respect to “PV + Storage” projects, the Seller will be compensated for Adjusted Facility Energy, where:
   - **Facility Energy** accounts for both the PV Energy and Discharging Energy during a specific interval, as measured at the CAISO meter(s).
   - **Adjusted Facility Energy** represents Facility Energy that is adjusted upward to account for the stated (i.e., specified in the contract) round-trip efficiency losses of the Storage Facility.

A2. With respect to “FOM Storage” projects, the Seller will be compensated as follows:

   For each month of the Delivery, Seller shall be compensated at (a) the Contract Price ($[XX]/kW-month of Storage Capacity) times (b) Storage Capacity, as adjusted for the Storage Capacity Test, times (c) the Efficiency Factor, and (d) subject to the Availability Adjustment.

   The “Efficiency Factor” is based on the actual round trip efficiency (Efficiency Rate) and is determined as follows:
   - If actual round trip efficiency is greater than or equal to the stated Maximum Round-Trip Efficiency (Guaranteed Efficiency Rate): Efficiency Factor equals 100%
• If actual round trip efficiency is greater than or equal to the Minimum Round-Trip Efficiency but less than the stated Maximum Round-Trip Efficiency: Efficiency Factor equals Efficiency Rate
• If actual round trip efficiency is less than the stated Minimum Round-Trip Efficiency: Efficiency Factor equals 0%

“Efficiency Rate” is calculated by dividing the total discharged energy for the month by the total charging energy for the month.

30. Q: The planned size of a PV facility based on which our company has intention to submit a proposal would be slightly below 20MWac. (e.g. 19.95MWac). Would the proposal still be a qualified offer?
A. A 19.95 MWac project will be considered a qualified offer

31. Q: For the projects that only have an interconnection application submitted without any studies (initiated and/or finished), would those be considered for this RFO?
A. Per Appendix A, Item X(b) of the Procedural Overview and Instructions, the project must have one of the following: (a) passed all Fast Track screens, (b) passed Supplemental Review, (c) completed a System Impact Study in the Independent Study process, or (d) completed a Phase 1 Study in the Cluster Study Process with the interconnecting utility.

32. Q: The RFO document requires full ownership by the time the PPA is executed. Based on that information, I would like to know:
i) if any kind of site control document is required for submission;
ii) if the answer is yes, would a letter of intent be enough proof of site control for submission?
A. Per Appendix A, Item X(a) of the Procedural Overview and Instructions, the project must have documentation demonstrating full site control via ownership, lease or an option to lease upon PPA execution. Any site lease shall reflect a term length no less than the delivery term of the PPA.

33. Q: For solar+storage projects, on the tab “4) Generation Profile,” should bidders optimize the 8760 of the as-available solar shape to meet a specified need of MCE? Or in other words, should bidders time-shift the generation profile to meet a delivery profile preferred by MCE or should we simply provide the as-available solar 8760 and assume MCE will optimize the shape using its proprietary methodology given the BESS information provided?
A. Please include the 8760 for the solar generator only. MCE will optimize the combined asset.