

**FILED**  
08  
02:52 PM

## RFO Solicitation Contract Approval Request Template

---

This template should be used whenever a utility submits a conventional (i.e., non-RPS eligible) generation contract for approval by the California Public Utilities Commission. The filing should document each component of the Request for Offers (RFO) process including, but not limited to:

- A copy of the solicitation materials and all revisions to the materials that were communicated to potential bidders;
- A description of the information provided to the Procurement Review Group (PRG) prior to issuance of the RFO;
- A summary of the utility's consultation with the Independent Evaluator (IE), PRG, and the Energy Division (ED) in the design, administration and evaluation aspects of the RFO;
- Detailed bid evaluation summary, including a description of the information provided to the PRG;
- Proposed contracts with winning bidders; and
- IE's report on the RFO process.

Please contact your CPUC contract manager if you have any questions regarding this template.

---

### TOPIC

#### **1. Background**

- A. Commission decision/directive under which the RFO is being performed.
- B. Reference the new generation authorization in the IOU's current LTPP and provide a summary that:
  - 1) Lists all procurement already completed under that authorization (if any), and
  - 2) Demonstrates that the total authorization will not be exceeded with the contracts included in the request.
- C. Describe any changes in the assumptions used to support the LTPP authorization and their impact on the need for these contracts (e.g., are significantly more demand-side or renewable resources coming on-line than forecast, resulting in a lower need for conventional generation than was calculated in the LTPP?).
- D. Other information not requested above but relevant to the origin of the RFO.

## **2. RFO Design Process**

- A. Describe the factors and considerations that contributed to the structure of the RFO.
- B. List the specific product requirements identified in the LTPP and/or bid documents, and explain the need for the selected resource(s) – particularly with respect to how the selected resources are consistent with the renewable and/or GHG-reduction goals of the utility (or of the service area-wide resource mix).
- C. Describe how the PRG, IE, and ED were included in the RFO design process.
- D. Describe the original solicitation documents and any subsequent revisions that were communicated to all potential bidders.
- E. Summarize the solicitation outreach effort.

## **3. Detailed Description of Bid Selection Process**

- A. List and briefly describe all bids received in a matrix that ranks bids and clearly demonstrates who “winners” are.
- B. Categorize rejected or withdrawn bids, and describe efforts made to rectify non-conforming bids.
- C. Describe quantitative and qualitative criteria used to evaluate bids.
- D. Describe the bid evaluation methodology, including Least-Cost Best-Fit evaluation.
- E. Summarize the Selected Offer(s), including the following:
  - 1) Name (identify unit or project)
  - 2) Counterparty
  - 3) Description of technology
  - 4) MW and MWh
  - 5) Location
  - 6) On-line date
  - 7) Contract Term
  - 8) Transmission impacts of project (deliverability issues, needed upgrades, cost of upgrades, contingency factors, etc.)
  - 9) Cost info (e.g., capacity payments, total cost, NPV, etc.)
  - 10) Environmental costs / attributes
  - 11) Greenhouse gas profile
  - 12) Assignment of regulatory risk
  - 13) Terms for contract termination
  - 14) Whether or not and under what circumstances renegotiation of contract terms will be permitted (per and/or in addition to any renegotiation provisions stipulated in the bid documents)
- F. Provide other information relevant to the bidding and selection process (e.g., mutually exclusive bids).

#### 4. Consistency with Commission Decisions

The purpose of this section is to identify how the RFO process complies with procurement-related Commission decisions. Where applicable, specific citations to Commission decisions should be provided. At a minimum, this section should describe:

- A. Whether the solicitation and bid selection were consistent with the IOU's LTPP and solicitation protocol:
  - 1) Identify the Commission decision that approved the IOU's LTPP and explain with specific citations how the IOU adhered to Commission guidelines for conducting RFOs.
  - 2) Evaluate how the bid evaluation process was consistent with the approved IOU LTPP.
  - 3) Explain how the Selected Offer(s) conform to the IOU's portfolio needs, including least-cost/best-fit evaluation.
  - 4) Discuss/explain any discrepancies/ambiguities between the LTPP requirements and this RFO.
- B. Robustness of RFO solicitation.
- C. Confirm consistency with EAP loading order. Specifically, reference the IOU's process for ensuring that renewables, EE, DR, and/or DG did not exist at cost effective prices and/or could not perform as needed for the specific product requested. Identify any significant changes in the cost or functionality of higher loading order resources that have reduced the need for conventional resources that was calculated in the LTPP.
- D. Selected Offer(s)' compliance with the Commission's GHG emission performance standard and consistency with the IOU's overall GHG reduction objectives.
- E. Selected Offer(s)' impact on transmission.
- F. Affiliate Bids and UOG Ownership Proposals (if Applicable)
  - 1) Describe the design and implementation of any Code of Conduct used by the IOU to prevent sharing of sensitive information between staff working with developers who submitted UOG bids and staff who create the bid evaluation criteria and select winning bids, including any violation(s) of that code.
  - 2) Describe other safeguards and methodologies implemented by the IOU, including those stipulated in Commission decisions D.04-12-048 and D.07-12-052 for head-to-head competition between utility ownership and independent ownership bids, to ensure that affiliate and UOG bids were analyzed and considered on as comparable a basis as possible to other bids, that any negotiations with such bids' proponents were conducted as comparably as possible to negotiations with other proponents, and that the utility's final selections in such cases did not favor an affiliate or UOG bid.

- 3) Describe the compliance of the RFO process with these safeguards.
  - 4) If a utility selected a bid from an affiliate or a bid that would result in utility asset ownership, explain and analyze whether the utility's selection of such bid(s) was preferable from the ratepayers' perspective.
- G. Qualitative factors that the IOU considered in its evaluation and selection of bid(s):
- 1) Project viability (including technology or counterparty concerns)
  - 2) Resource diversity
  - 3) Greenfield versus brownfield (including repowering) environmental impacts/benefits
  - 4) Environmental/economic justice
  - 5) Other qualitative factors considered
- H. List and explain any significant negotiated revisions to the RFO solicitation package that were agreed to by the IOU and individual counterparties. Include an explanation (and supporting analysis) of why the negotiated revisions did not sufficiently alter the nature of the product to warrant revisions to or a re-issuance of the RFO bid documents to all bidders (i.e., confirm that the changes would not have resulted in a different bid selection had all parties been afforded the opportunity to bid a similarly nonconforming product).

## **5. Outside Participation and Feedback**

- A. PRG participation:
- 1) Describe all RFO-related information distributed to the PRG.
  - 2) Summarize the PRG's participation in the RFO design, bid evaluation, and bid selection process.
- B. IE participation:
- 1) Cite CPUC decisions requiring the use of an IE and their applicability to this RFO
  - 2) Summarize the IE participation in the RFO development, bid solicitation, and bid selection processes.
  - 3) Attach the IE's report on the solicitation
  - 4) Present and explain the IE costs for the RFO
- C. Provide any other information relevant to outside participation and feedback that is important to evaluation of the RFO process.

**6. Contingencies and Milestones**

Identify any contractual obligations that will impact the schedule for Commission approval (termination clauses, transmission upgrades, etc.). Also describe any milestones and uncertainties regarding technology, regulatory permitting, and online date risk.

**(END OF ATTACHMENT C)**