

2014 RESOURCE ADEQUACY RFP QUESTIONS AND ANSWERS

The below Questions were submitted through the September 6th deadline. In some cases questions were consolidated and/or reworded to remove confidential information, conceal the submitter's identity, and/or for clarity.

- Q1.** With respect to the confidentiality requirements included in Section 10 of the RFP, is the written consent of SDG&E required for a respondent that, in connection with marketing and other energy management services provided to a generating facility, plans to act either directly or through an affiliated company as a sleeve for the generating facility in the RFP? If SDG&E believes that its written consent is required, is SDG&E willing to provide such consent? Under the suggested sleeve structure, the company providing energy management services would need to discuss with the owner of the generating facility the terms on which the owner would be willing to sell RA supplied by the facility. Likewise, if the energy manager expects to participate in the RFP through an affiliated entity, the energy manager will need to provide such terms to its affiliate so that the affiliate can prepare its bids.
- A1. As a general response, you have the latitude to discuss bid proposals with these other parties so long as (i) you disclose to SDG&E the specific parties with whom you plan on having such discussions and (ii) only one of the parties who discuss such proposals may submit any proposals into the RFP. For instance, if a Generator, a Marketer, and a DBE need to discuss bid proposals (including strategy, units, quantity, price, or anything else related to bid proposals) then the RFP would only accept proposals from one of these entities. Accordingly, before getting into bid proposal discussions, it would be a good idea to have established who among you will be making the proposal.
- Q2.** As an MBE that doesn't own generation capacity, we would need to establish a relationship with a generation owner. My question is if we both wanted to submit a bid from a specific source, can our bids be considered mutually exclusive (meaning that if one bid is selected, it cancels the other)? This ensures the unit's capacity is not exceeded during the bidding process. It also addresses a concern from the generator that they would not have to sacrifice any of their capacity by working with a MBE.
- A2. If you were to discuss proposal strategies and pricing with a generator then only one of you could submit a proposal. See Question #1 above.
- Q3.** It was stated yesterday that DBE participation was highly encouraged and that some weighting of proposals with DBE participation was likely to occur. Do you have a weighting percentage for the participation of a FERC authorized, certified DBE firm?
- A3. DBE involvement is a qualitative assessment and as such no specific value has been established.