

SDGE&E's 2018 IDER RFO

Questions & Answers (FAQs)

1. General

1.1. What units should I enter into the offer form and/or Term Sheet?

Respondents should enter their total contract costs in \$s per month in the offer form and Term Sheet. The total \$s required by the project should be inclusive of any fuel, VOM, or other projects costs the bidder would like to be included in the bid as SDG&E will not pay for those separately. Respondents must make sure the information entered into the Offer Form and Term Sheet are identical. [The term sheet says capacity rate \$/month (or day). Payment is contract capacity x capacity rate.]

1.2. Why does my project need to be online by February 1, 2020 if the required distribution capacity is not needed until June?

SDG&E is requiring Respondents to have their projects online early enough so there is sufficient time to test the project and work out any issues before the more critical distribution capacity requirement begins.

1.3. For an Energy Storage Resource, does the RFO require us to put charged energy back on the grid? Or can we sell it to a Third Party?

The resource will have to respond when dispatched by SDG&E's distribution operations team and provide the required distribution capacity. SDG&E will only be buying the resource's distribution capacity, you may sell all other attributes to other parties. The resource will be subject to current applicable rules and tariffs (e.g. Rule 21).

1.4. Are there limits around times my energy storage device may charge?

There may be limits to when and what levels an energy storage device may charge. For example, the device must be ready to provide the required distribution capacity during the appropriate time periods. In addition, all resources will be subject to requirements associated with standard interconnection review, e.g. Rule 21, WDAT.

1.5. Is SDG&E bidding into this RFO as well?

No, SDG&E is not entertaining utility owned offers in this RFO.

1.6. Will there be any compensation for services offered beyond the capacity requirement in Appendix B?

No.

1.7. What are the payment dates associated with the offer?

SDG&E is purchasing distribution capacity, not equipment. Therefore, Respondents will be paid when they deliver the required distribution capacity, not before, during the deferral periods.

To clarify, the term sheet lists out construction milestone date requirements, not payment dates. Construction milestone dates are different than payment dates, they are used to gauge project viability and ensure the project will meet the required online dates of the RFO.

1.8. Would SDG&E consider signing contracts with multiple vendors to aggregate up to the necessary capacity instead of requiring all the capacity from a single company?

SDG&E will only be contracting with one counter-party per circuit to ensure the safety and reliability of the system. Multiple counterparties on one circuit could lead to potential system shortfalls if one of the resources does not perform. Further, the aggregation of projects or resources will not be facilitated by SDG&E; Respondents are responsible for assembling their offers and any necessary partnership agreements, with a single respondent assuming the role of 'prime contractor' for purposes of this RFO. SDG&E heard this concern at the bidder's conference, and will discuss other potential structures for future RFOs, but the process for this RFO will not change.

1.9. Are Respondents restricted to a single bid per circuit?

No, there is no restriction on the number of bids per circuit. There is a restriction on the number of contracts executed per circuit, please see question 1.8.

1.10. Why is SDG&E only pursuing a DER solution?

The intent of this RFO is to pursue firm distribution capacity from DERs for both circuits 303 and 783. Other solutions are not allowed in this RFO.

- 1.11. Given that the threshold for default is 99% of committed capacity, and no value is provided for capacity above 100%, can you clarify if SDG&E applies a derating or discount factor to technologies, and if so what are these for given technologies, so that respondents can size their bids appropriately?

SDG&E does not apply a de-rate factor against any Respondent, regardless of technology. In general, SDG&E is technology agnostic and believes the most economical solution that provides equivalent services should be pursued. Bidders must size their system appropriately to provide the MW in Appendix B.

- 1.12. Footnote 4 on page 7 of 45 of the RFO protocols refer to Appendix A that is supposed to show approved valuation components SDG&E will consider. Where in the RFO is this Appendix A?

That footnote references Appendix A of the IDER Decision 16-12-036, not Appendix A of the RFO protocols.

- 1.13. The first sentence in Section 2 references a 2017 IDER RFO and there are two Section "2"s, are those typos?

Yes. The document has been fixed and updated on the website.

- 1.14. Could you clarify what happens with the \$50,000 shortlist acceptance fee, if and once a contract is signed?

At bidder's request, it can be rolled into the contract security or returned.

- 1.15. How would you like us to describe the excess capacity above the minimum requirement?

Please describe aspects of increased attributes (e.g., capacity, generation, reliability, etc.) in the offer form on the project description tab in cells C41, C46, C53, C58 and C62.

- 1.16. Did you delete your website?

No, It can be accessed here <https://www.sdge.com/2018IDERRFO> or from SDG&E's main RFO webpage: <https://www.sdge.com/request-proposals>.

- 1.17. Do I need to fill in the credit amounts in the term sheet?

No, you don't need to put a value in the term sheet for the credit amounts

- 1.18. Will the security amounts be determined before or after the \$50,000 shortlist fee is due?
Before.

2. Circuit, Interconnection, Customer Information

- 2.1. Will we be shown a map of exactly where the circuit is and how do we confirm if a residential or commercial customer is on that circuit?

Detailed maps are not publicly available for grid security. To see an outline of where projects can interconnect to, please go to:

<https://www.sdge.com/generation-interconnections/enhanced-integration-capacity-analysis-ica>

and follow the instructions on the website. Note the website is intended to provide an initial screening of interconnection.

After executing a contract and executing an NDA, SDG&E will work with the winning bidder to provide additional detail for their project.

For DR and EE, each customer's bill has their circuit number on it, and the customers can provide this to a given Respondent prior to executing a contract. As described in the RFO, customer data is available to the winning bidders, upon request, after contracts are signed, including SDG&E's non-disclosure agreement, in accordance with the standard privacy practices of SDG&E. For more information go to (the link which is also in the RFO):

<https://energydata.sdge.com/showDataAccessAndRelease>

Signing a contract with SDG&E is not a guarantee of meeting all requirements for data sharing. Certain criteria must be met by the receiver of the data, including meeting system and cyber security requirements to protect SDGE's customers' data, so please read the policies carefully. If a contract is signed and requirements are met, SDG&E can provide more detailed data to the vendor, including a list of the customers on the circuit, broken out by customer class.

- 2.2. I went to the maps indicated and they show an approximate outline of circuits 303 and 783 taking service from the Cannon Substation. This outline isn't quite correct, for example the Cannon substation has a feeder to the north along the coast that ties into 303, so is this an approximation?

Portions of each circuit are excluded from the map which are not suitable (e.g. would not provide distribution capacity at the location needed) in support of this RFO.

- 2.3. If I have a resource within 20-miles of the listed circuits, will my project still qualify?

No. Please see answer 2.1

2.4. If a customer signs a “Green Button” form to release their information, is it okay to utilize that data?

Yes, customers may release their data to third parties with appropriate required consent in the Green Button platform.

2.5. Is the customer information listed in the RFO accurate a fair representation of the magnitude?

The customer data listed in the RFO is at a level of detail that ensures customer privacy is protected and SDG&E is not able to provide more specific data without an executed contract.

2.6. Will SDG&E be providing more granularity for the distribution planning assumptions contained within the RFO protocols and bidder’s conference slide deck? Is that data incremental or cumulative? Can you comment in a little more detail about the source of load growth on Circuit 783?

No further breakdown or detail will be provided. The data is incremental, not cumulative

2.7. For an aggregated resource, are Respondents required to submit a separate interconnection request for each resource or is there a single aggregated interconnection process?

All resources must submit separate and unique interconnection requests.

2.8. What is the “disconnect” expectation for resources like EE?

The ability to disconnect a resource is dependent on the deployed solution, but in general disconnects relate to generating resources and energy storage. SDG&E will not make a pre-determination about whether disconnects are necessary for individual projects; SDG&E will make this determination after the firm offers are received. [The interconnection agreement, if there is one, will handle physical disconnects. There will be no physical disconnect (or even dispatch down) option in the IDER contract.]

2.9. I’ve heard that other IOUs may have different customer privacy policies regarding customer information. Will SDG&E modify their customer privacy policy?

SDG&E will not make a determination about other company’s policies. SDG&E takes customer privacy very seriously; please see question 2.1 for SDG&E’s current customer privacy policy.

2.10. Please confirm that the capacity requirements in Appendix B are hour beginning and whether they are incremental or cumulative?

SDG&E confirms the data is hour beginning and is cumulative

2.11. Do resources need Permission To Operate (“PTO”) by 2/1/2020?

Yes, resources must be ready for full operation by 2/1/2020, including their interconnection PTO.

2.12. When should a Respondent use Rule 21 vs. WDAT interconnection process?

Respondents must examine the various tariffs and make their own determination as to what their preferred method of interconnection should be. For the purpose of this RFO, SDG&E does not have a preference which solution is put forward. As a reminder, any resource intending to sell into the CAISO market will need to proceed with the WDAT interconnection process.

2.13. Are the stipulations for remote disconnect included as part of the Rule 21 Tariff or is that requirement in excess of the tariff?

These requirements are in excess of the tariff to ensure system safety and reliability.

2.14. If a resource has built in anti-islanding measures and is under 1 MW would it still need additional remote disconnect features?

Yes, SDG&E must be able to remotely disconnect it.

3. Eligibility / Incrementality

- 3.1. For projects in front of the meter (Energy storage, Renewables, DG), can you confirm whether a project needs to have both site control and permit applications submitted by the bid due date or just site control?

Yes, the respondent must show reasonable progress, as defined by the RFP protocols, Section 3, towards developing their project so that SDG&E can have confidence the project is viable.

- 3.2. Do I need to offer capacity on both circuits 303 AND 783 or just one of the circuits?

Respondents do NOT need to offer distribution capacity on both circuits; you may offer capacity on one, or the other, or both. However, SDG&E will only proceed with pursuing a DER solution if solutions are available for both circuits (even if those come from different vendors).

- 3.3. Is SDG&E seeking a different project for each circuit, or could one project of sufficient size and interconnected to a given circuit meet the needs of more than one circuit? For example, could a project interconnected to Circuit 303 meet the capacity needs of 783?

A project interconnected to Circuit 303 could not provide the services required to ensure safe and reliable operation of circuit 783.

- 3.4. Will SDG&E consider bids that meet a portion (but not the entirety) of the Minimum Availability required of the Project during the Deferral Period Windows? For example, if an offer bids a resource that does not meet 100% of capacity needs would SDG&E be amenable to building this into a portfolio of other available resources for that circuit? In addition, does SDG&E's answer change depending on whether the resource can meet the maximum MW during all Exceptional Dispatch Windows?

A Respondent may assemble a group of different types (DR, EE, Renewables, Energy Storage, etc.) of resources in order to meet all the requirements, but as stated in the RFO, SDG&E will only contract with one counterparty per circuit to provide the deferral capacity.

- 3.5. How will my project be reviewed for incrementality?

Each project will be reviewed in detail to determine whether it is additional to SDG&E's current portfolio and forecasting assumptions. Respondents are encouraged to provide a detailed explanation and to the extent possible, demonstrate why the proposed project is incremental to existing programs and offerings. There is an appendix in the RFO protocols that list SDG&E's current portfolio.

- 3.6. How will my project be reviewed for incrementality? Will there be issues if we are utilizing equipment from another program for the purposes of this bid? Are there any options for Dual Participation for DR Resources currently in an SDG&E DR Program?

Each project will be reviewed in detail to determine whether it is additional to SDG&E's current portfolio and forecasting assumptions. Respondents are encouraged to provide a detailed explanation and to the extent possible, demonstrate why the proposed project is incremental to existing programs and offerings. There is an appendix in the RFO protocols that list SDG&E's current portfolio.

- 3.7. Are there any limitations for battery energy storage incentive stacking?

Yes, energy storage resources must show that they are incremental and not sourced through another mechanism. Please see the RFO protocols, Section 3.A.4.

- 3.8. Are EE projects required to own the facilities in which the measures are installed? Is it acceptable that the Offeror not own or operate the equipment associated with the EE measure?

The Respondent may subcontract out work or use different ownership structures to achieve reduction measures, but ultimately Respondent must have direct or indirect operational control of the projects.

- 3.9. What if a Respondent is not able to submit a comprehensive M&V plan? What if a Respondent identifies an EE measure after submitting a bid for which an M&V plan was not included in the offer?

An M&V plan is required for behind the meter resources for all measures that are going to be included as part of a Respondent's solution. Respondents must understand the product(s) they are bidding into this RFO and be able to explain it clearly to SDG&E. SDG&E will make a final determination about the validity of all measures before shortlisting and all relevant information about those measures must be submitted before then.

4. Evaluation

4.1. Would you please clarify what SDG&E is valuing and what SDG&E is paying for?

As stated in the RFO protocols, SDG&E is only procuring, and therefore valuing and paying for, distribution capacity. While SDG&E may assess other attributes, SDG&E is only purchasing distribution capacity. Respondents should try to monetize other attributes separately in an effort to offer SDG&E the lowest possible cost for the distribution capacity.

4.2. How do I submit offers for multiple circuits? What if I want to do both?

Please submit a single offer form per circuit per variation. If you would like to offer a combined package for both circuits, please submit two offer forms, one per circuit, and indicate in the offer forms (in the appropriate box near the top of the Pricing worksheet) whether they are mutually exclusive or inclusive of other offers.

4.3. As a result of the project, if permanent energy consumption is reduced, will that be factored into the evaluation process?

Potentially on a qualitative basis. Please see answer 4.1.

4.4. Is SDG&E taking exclusive rights to all attributes of my project during all hours?

No, SDG&E is only procuring distribution capacity during the times, and in the amounts, as listed in Appendix B. Please also see 4.1.