
SDG&E 2013 Energy Request for Proposals Pre-Bid Conference

*A WebEx pre-bid conference held on May 8, 2013 from
10AM (PPT) – 1PM (PPT).*

Audience link: http://icsus.meeting-stream.com/050813_Sempra_1613698/

Participant dial in (toll-free): (866) 814-1916

Conference Outline

Agenda	Speaker(s)	Group(s)	Time
1. Agenda Review & Legal Disclaimers	Maria Boldyreva	Analytics	10:00-10:05
2. Background & Overview	Dan Baerman	Director of Origination	10:05-10:10
3. Independent Evaluator's Role	Harry Judd / Kevin Carden	Accion Group	10:10-10:25
4. Supplier Diversity & Eligibility	Brad Mantz	Origination	10:25-10:40
5. Credit Application	Judy Delgadillo	Credit	10:40-10:50
[Hold for Questions]			10:50-11:05
6. Overview of Products	Ryan Miller	Trading	11:05-11:20
7. Upfront Collateral / MtM Methodology	Remi Raphael	Enterprise Risk	11:20-11:40
[Hold for Questions]			11:40-12:10
8 . Bid Submittal Process	Leilan Johnson	Analytics	12:10-12:20
9. Evaluation Process	Jennifer Montanez	Energy Risk	12:20-12:35
10. Timeline to Close / Next Steps	Maria Boldyreva	Analytics	12:35-12:40
[Hold for Questions]			12:40-1:00

Q&A Questions Instructions

Questions will be taken and answered three times throughout the conference

Participants should also email their questions to the EnergyRFP mailbox at EnergyRFP@semprautilities.com. Deadline to submit questions is May 9, 2013.

After the Conference (May 10), SDG&E will compile and post a Q&A document on SDG&E's website at: www.sdge.com/energyrfp

- Responses will be posted, at SDG&E's discretion, on SDG&E's website along with the presentation

Legal Disclaimers: Anti-Trust Guidelines & Document Conflict

Anti-trust:

All participants in today's meeting shall comply with anti-trust guidelines. These guidelines direct meeting participants to avoid discussions of topics or behavior that would result in anti-competitive behavior, including restraint of trade and conspiracy to create unfair or deceptive business practices or discrimination, allocation of production, imposition of boycotts and exclusive dealing arrangements.

Document Conflict:

This presentation is intended to be a summary level discussion of the information and requirements established in the 2013 RFP Materials. To the extent that there are any inconsistencies between the information provided in this presentation and the requirements in the RFP Materials, the RFP Materials shall govern.

Background and Overview

Dan Baerman

Background and Overview

Driven by SDG&E's energy position at SP-15, SDG&E is looking to mitigate energy price risk at the lowest possible cost

This RFP is meant to include credit worthy CAISO market participants capable of entering into an inter-SC trade ("IST") to effect the transactions

Solicitation Term:

- *July 1, 2013 through December 31, 2017 (54 months)*

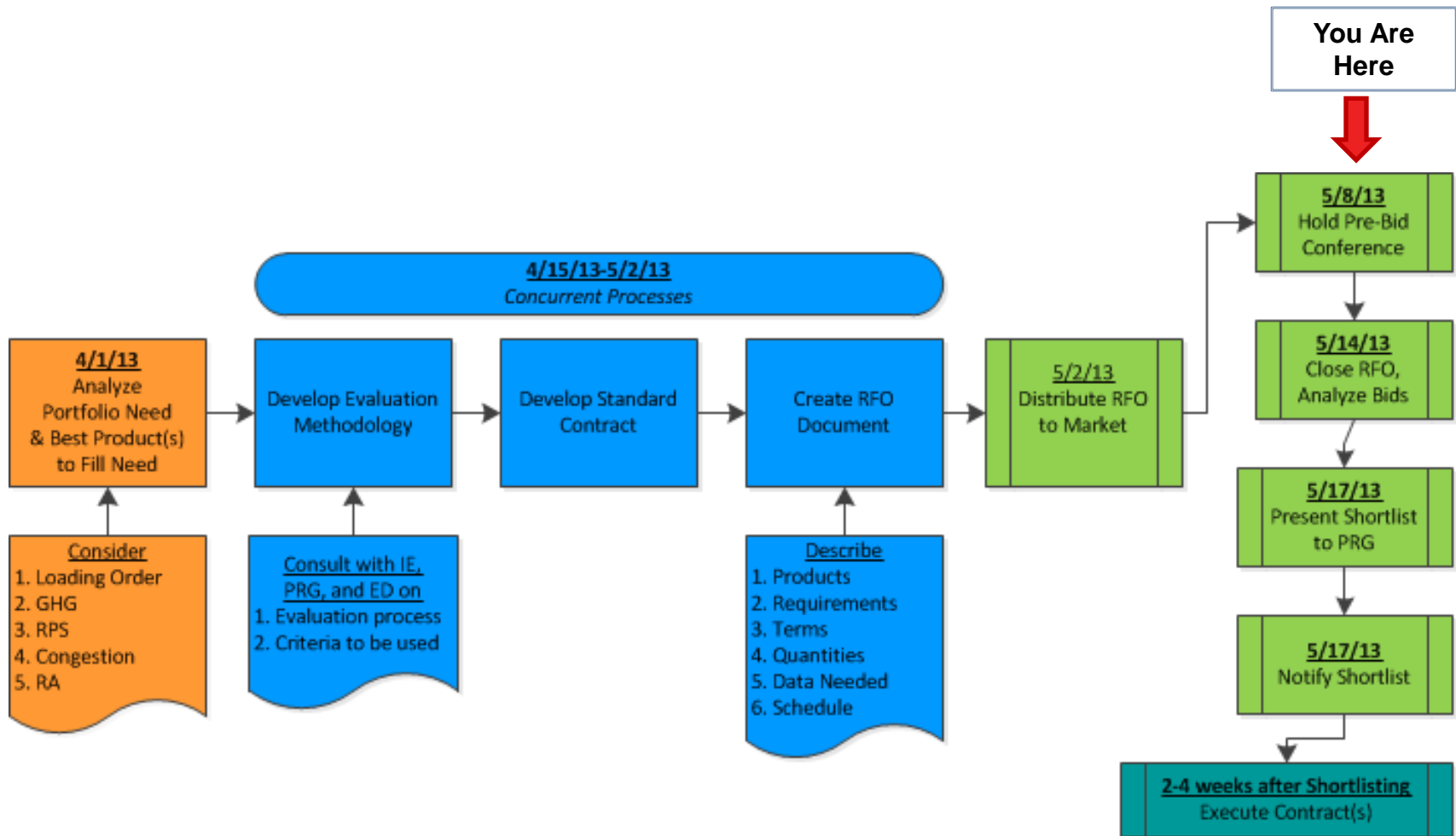
Products:

- *RFP seeks SP-15 energy or call options targeting 225 MW nominal capacity*
- *Up to 450 MW of nominal capacity would be considered under certain circumstances*
- *RA not being sought, but would be valued in any bid where it was provided*

Combinations:

- *Bidders can show any combination of products which fit within the quantity & term limits*

RFP Schedule





ACCION GROUP

Role of the Independent Evaluator

Harry Judd / Kevin Carden

www.acciongroup.com

ACCION'S Recent IE Experience

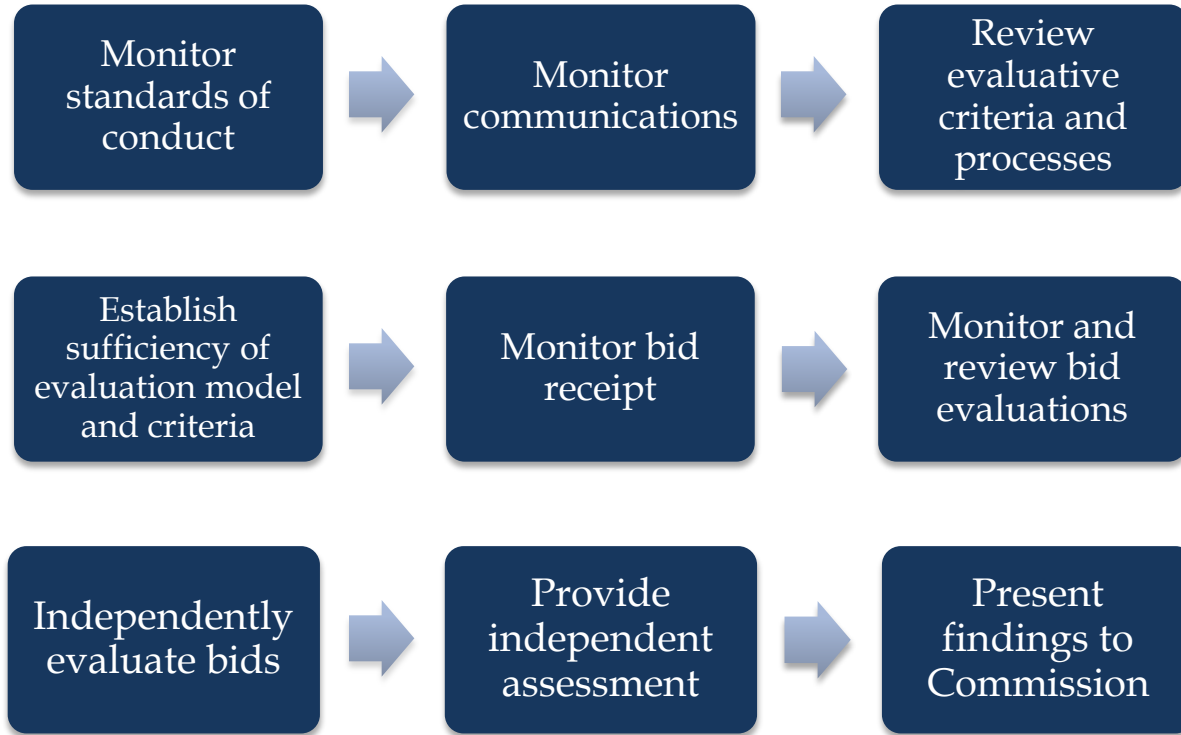
STATE	TERM OF SERVICE (YEARS)	CAPACITY SOUGHT	FUEL SOURCE	INITIAL YEAR
Arizona	Seasonal - 3	2,800 MW	Open	2003
Arizona	Open	Open	Renewable	2006
Arizona	10	175,000 MWh	Renewable	2007
Arizona	Open	90 MW	Open	2007
Arizona	30	230 kW, 115 kW	Open	2008
Arizona	10	250,000 kW	Renewable	2008
Arizona	1, 2, 3, 5, 10, 15, 20	25 MW Increments	Open	2008
Arizona	2, 3, 5	10 MW Increments	Open	2008
Arizona	10	150,000 MWh	Renewable	2010
Arizona	20-Oct	100,000 MWh	Wind	2012
Arizona	10 - 20	50,000 MWh	Solar	2012
Arizona	20-30	200,000 MWh	Renewable	2012
Arizona	Open	100,000 MWh	Wind	2011
California	15	260 MW	Renewable	2012
California	10, 15, 20	518.8 MW/year	Renewable-RAM	2011
California	10, 15, 20	186 MW	Renewable-RAM	2012
California	10, 15, 20	230 MW	Renewable-RAM	2013
California	10, 15, 20	MW	Renewable-RAM	2013
Colorado	1 - 25	290 MW	All Source	2015
Colorado	5 - 20	30 MW	Wind	2014

Extensive Experience Serving as Independent Evaluator

STATE	TERM OF SERVICE (YEARS)	CAPACITY SOUGHT	FUEL SOURCE	INITIAL YEAR
Florida	5	500 MW	Open	2009
Florida	Open	800 - 1,000 MW	Open	2014
Georgia	7, 15, 21, 30	1,200 MW	Open	2009
Georgia	7, 15, 30	2,000 MW	Open	2010
Georgia	40	1,250 MW (self-build)	Natural gas	2011
Georgia	20	80,000 MWh	Renewable	2011
Georgia	5, 10, 15, 30	1,300 MW	Open	2012
Georgia	5, 10, 15	800 - 1,200 MW	Open	2013-14
Georgia	5, 10, 15	1,000 MW	Open	2015
Georgia	40	600 - 1,200 MW	Open/Nuclear incl.	2016-17
Georgia	10	100 kW - 1,000 kW	Solar	2012
Hawaii	Open	20 - 25 MW	Open/Renewable pref.	2008
Hawaii	Life cycle	Inter-island Transmission	Wind	TBD
Hawaii	20	80 MW	Renewable - FIT	2010
Oregon	Open	50 MW	Open	2009
Oregon	5 - 30	1,700 MW	Open/ IGCC requested	2012-13-14
Oregon	5 - 20	2,000 MW	Open - No coal	2010
Oregon	5 - open	410 MW	Open - Renewable	2010 - 14
Oregon	20-Oct	300-500 MW	Baseload Energy	2014
Oregon	5 - 20	200 MW	Capacity	2013
Oregon*	TBD	122 MW	Renewable	2015



Role of the Independent Evaluator



Expertise = Fair Approach

Accion's RFP and evaluation process:

- Treat all bidders in the same way
- Affiliates are held to the same standards as bidders
- Bidders have access to same information at the same time
- Test evaluation models before the receipt of bids
- Evaluate all bids using the same standards, evaluation models, and methodology
- Review all proposed evaluation modeling changes for fairness & necessity



Eligibility & Supplier Diversity

Brad Mantz

RFP Requirements

- FERC Market Based Rate Authority
- CAISO Registered and approved Scheduling Coordinator (“SC”) or have secured the services of a Scheduling Coordinator
- Submittal of credit application & credit information as soon as possible but no later than the RFP due date
- In Order to qualify as a DBE transaction, the DBE must be a 51% owner/partner in the transaction per G.O. 156.
- Supplier Clearinghouse (WMBE or Minority Firms) or CA GSA Certification (SDVBE)* are required

**Certification does not guarantee any business enterprise the right to bid or receive a contract.*

Diverse Business Enterprise (DBE) and (SDVBE) Initiative

General Order (GO) 156

-Adopted by the California Public Utilities Commission in 1986 & requires utilities to report on their natural gas, electric and indirect spends on procurement with DBE firms

-And to promote greater competition among utility suppliers by expanding the available supplier base and to encourage greater economic opportunity for women, minority, and disabled veteran owned businesses historically left out of utility procurement

-During 2012, SDG&E was the first IOU in California to complete electric market transactions in three categories with DBE's (Wholesale, REC's and Renewable Projects) with DBEs

Currently at SDG&E

-"Advancing supplier diversity is more than just a priority for San Diego Gas & Electric® (SDG&E®); it's become part of our company's DNA." – Jessie Knight, CEO, SDG&E

--36% of our goods and services procurement dollars went to diverse business enterprises (DBEs) in 2012

-36% of our gas procurement dollars went to DBE firms in 2012

*-1% of our electric procurement dollars went to DBE firms in 2102**

**2012 was the first year the CPUC required utilities to report their electric procurement spend.*

Supplier Diversity Resources

Websites

- <http://www.sempra.com/about/supplier-diversity/>
- <http://www.cpuc.ca.gov/puc/supplierdiversity/>

SDG&E and Electric and Fuel Procurement (E&FP) Supplier Diversity Team:

- Brad Mantz
Energy Contracts Originator, E&FP
Emantz@semprautilities.com
858-654-1588
- Erica Beal
SDG&E -DBE Program Manager
Ebeal@semprautilities.com
858-636-5538

Credit Application

Judy Delgadillo

Credit Application – General Information

CREDIT APPLICATION FOR RFP

General Information

Legal Company Name _____

Doing Business As (DBA) _____

Credit Support Provider (Legal company name of Guarantor) _____

Street Address _____

City _____

State _____

Zip Code _____

Federal Tax ID # _____

Organized & existing under the laws of: (State) _____

Year Incorporated/Established _____

Primary Contacts:

Credit Issues Contact:

Name _____ Title _____ Phone _____ FAX _____ E-Mail _____

Business Issues Contact:

Name _____ Title _____ Phone _____ FAX _____ E-Mail _____

RFO Service Type: _____

Estimated Volumes of Service Offered (May need to attach separately): _____

Credit Application – Financial Statements

Please provide the following information with this application:

- *Most recent three (3) fiscal years', CPA-audited, financial statements including notes to the financial statements.*
- *When using a credit support provider, include most recent three (3) fiscal years', CPA-audited, financial statements of the credit support provider.*
- *No need to attach financial statements when they are available on the web, provide address: _____*

General Certification

The undersigned declares that the statements set forth herein are true and complete. The undersigned on behalf of Applicant hereby authorizes Utility to obtain verification from any source named herein as to the accuracy of the information provided and to obtain credit information regarding Applicant as part of its approval process.

The undersigned on behalf of Applicant hereby releases, discharges, exonerates and covenants not to sue any person, company or governmental organization providing information to Utility in connection with its approval process, any recipient of such information conducting a review of such information in connection with this application, including Utility or its representatives, and its officers, agents, employees and independent contractors, from any and all liability of every nature and kind arising from or in connection with the furnishing, receipt and review of such information.

Official Signature: _____
(Must be signed by an authorized person of the Applicant)

Typed Name: _____ Title: _____ Dated: _____

Questions?

Overview of Products

Ryan Miller

Product Types

Fixed Price

- Same Price and volume for entire term
- Scheduled as an IST for all entire delivery period

Two Types of Call Options

- Energy Call Option
 - SDG&E will have the right to call on energy at a set price
- Heat Rate Call Option
 - SDG&E will have the right to call on energy at the Strike Heat Rate multiplied by the Platt's Gas Daily SoCal Border Index plus variable charge (if applicable).
- SDG&E must call by 6:30 am PPT to exercise
- Option Exercise Possibilities
 - Daily
 - Day before delivery 7 days a week
 - In accordance with WECC Prescheduling Calendar
 - Calendar can be found:
<http://www.wecc.biz/committees/StandingCommittees/OC/ISAS/041812/Lists/Minutes/1/2013%20Scheduling%20Calendar%20for%20Approval.pdf>
 - Exercise Possibilities for multiple day scheduling
 - » Same Volume for multiple days
 - » Differing volumes for multiple days
- When called by SDG&E power will be scheduled as an IST

Delivery Periods & Location

Delivery Periods

- On Peak (6x16)
 - Monday - Saturday
 - HE 7-22 (6am to 10pm PPT)
- Super Peak (6x8)
 - Monday - Saturday
 - HE 13-20 (Noon to 8pm PPT)
- Off Peak (6x8, 1x24)
 - Monday-Saturday
 - HE1-6,23-24 (Midnight to 6am and 10pm-Midnight PPT)

And

- Sunday
 - All 24 hours
- 7x24
 - 7 days a week
 - All 24 hours

Scheduled as an IST at the SP15 EZ Gen Hub

- Scheduled by seller or a designee

25 MW increments up to 225 MW

Upfront Collateral & Mark to Market Methodology

Remi Raphael

Mark-to-Market Methodology

Throughout the term of the contract, the Current Mark-to-Market (MtM) value is calculated based on market data (forward prices) and by taking the sum of the present values for each remaining full month in the Term of the Transaction using the corresponding equation below:

- Fixed Price:

$$\text{Current Mark-to-Market Value} = \sum_{i=1}^n \text{PVi} ((\text{Pti} - \text{Ki}) * \text{Qi})$$

- Energy Option : The MtM of a Energy Call Option will be calculated based on its intrinsic value calculation

$$\text{Current Mark-to-Market Value} = \sum_{i=1}^n \text{PVi} (\text{Max} (0, \text{Pti} - \text{Ki}) * \text{Qi})$$

- Heat Rate Option : The MtM of a HR Call Option will be calculated based on its intrinsic value calculation

$$\text{Current Mark-to-Market Value} = \sum_{i=1}^n \text{PVi} (\text{Max}(0, \text{Pti} - ((\text{Gti} * \text{SHRi}) + \text{Vi})) * \text{Qi})$$

A positive Current Mark-to-Market Value implies Buyer has the potential for realization of market gains and thus has exposure to Seller's default or non-performance.

- If the product being valued is a super-peak product, then the on-peak price will be multiplied by 1.20.
- If the product being valued is 24x7, then hourly weighted on-peak and off-peak prices are used.

Pricing Collateral Requirements

Initial Collateral Requirement is the amount of SDG&E's exposure, at the time of the execution of the transaction, to the Seller's default or non-performance.

Initial and on-going Collateral requirements can be satisfied by the combination of:

- Unsecured Credit: granted by SDG&E to the Seller based on credit worthiness*
- Secured Credit:*
 - Cash posted by the Seller*
 - Letter of Credit posted by the Seller*

Offers are first valued and ranked based on the assumption that an unsecured credit will be granted for the full amount of collateral requirements.

However, Seller is also required to submit an added cost of collateral per \$100,000 of exposure for the initial collateral requirement if SDG&E's decides to not extend unsecured credit to the Respondent.

This collateral cost (for secured credit) will be factored in the ranking of offers after a credit review of the Respondent credit-worthiness is determined.

Fixed Independent Amount

The initial collateral requirement (Fixed Independent Amount) is determined at the time of execution:

- SDG&E will determine the Fixed Independent Amount based on market data (forward prices, volatilities, and correlations)
- Fixed Independent Amount will remain intact until the expiration of the transaction

However, based on MtM exposure (described in Mark-to-Market Methodology), SDG&E would require the seller to post additional collateral:

- Seller must maintain collateral in the amount of the greater of the Fixed Independent Amount or the Mark-to-Market Exposure)
- Collateral requirement may be satisfied by the combination of: Unsecured Credit and Secure Credit
- **Minimum Transfer Amount is set at \$100,000**
- **Rounding Amount is set at \$ 10,000**

Credit & Margining

Contract Highlights:

- Utilizing EEI Master Power Purchase & Sale Agreement. Terms will be set up for these transactions only. Any future transactions outside RFP will require a new contract.
- Set up so that there may be one-way margining.
- The requirement to post additional collateral will be based on: (1) the Fixed Independent Amount determined by SDG&E at execution, (2) the overall MtM exposure determined by SDG&E throughout the term, (3) the collateral threshold for unsecured credit based on the counterparty's or guarantor's credit rating, and (4) amount of already posted collateral.

Questions?

Bid Submission Process

Leilan Johnson

Registration and Logging On

Ways to Register:

1. Receive an invitational email from SDG&E followed by a link to access PowerAdvocate®
2. Register as a first-time user on www.PowerAdvocate.com
 - Request for access using the Referral Information

Referral Information

Are you registering for a specific Event: * Yes
 No, I would simply like to register.

Who referred you to this Event: *

Name of that individual's company: *

Name or description of the Event: *

3. Request for access using the PowerAdvocate® link located at: <https://www.poweradvocate.com/pR.do?okey=35697&pubEvent=true>

How to Log On:

1. Launch a web browser and go to: www.poweradvocate.com, and then click on the orange **Login** button.
2. Enter your account **User Name** and **Password** (both are case-sensitive)
3. Click **Login**.

The Supplier Dashboard

What information is displayed on my Dashboard?

Your Dashboard displays all bid events to which you have been invited.

Dashboard Company Filter: All Companies Fill-In Data Sheets

Event / Buyer	Msg	Open	Close	Download Documents	Upload Documents	Commercial	Technical	Pricing
190 -cbl-1: 190 First St. Cable/Wiring Electric Power Utility		05/16/10 8:00 AM EDT	06/08/10 4:00 PM EDT	1	2	3	4	5
T42g: Colorado River Sluice Gates Great Western Utilities	1/1	04/04/10 10:00 AM EDT	06/30/10 4:00 PM EDT	1	2	3	4	5
1998-01: Grid Expansion Electric Power Utility		09/01/10 8:00 AM EDT	12/29/10 4:00 PM EST	1	2	3	4	5

Open and Pending Pre-Bid events

Pending (not Pre-Bid) and Closed events

Buying entity

Event name/number

Number of unread/total messages; click to access the Messaging tab.

The numbers on the Dashboard represent a general workflow, though you can work in any order:


- 1 Download the bid package.
- 2 Upload bid documents, proposals, etc.
- 3 4 5 Fill in online datasheets if present.

Accessing the RFP Event and Submitting Documents

How to Access the RFP Event from Dashboard:

1. To download the RFP package, click **1** or the **1. Download Documents** tab.
 - RFP Document
 - Participation Summary Form
 - Credit Application
 - PPA Cover
 - Transaction Documents (3)
2. To upload documents, click **2** or the **2. Upload Documents** tab.
 - Select the “Commercial and Administration” Document Type, then click **Browse** to navigate to your document and click **Open**. Finally, click **Submit Document**.
 - Transaction Documents (.doc or docx)
 - Credit Application (.pdf)
 - Participation Summary Form (.xls or .xlsx)

Company Information


1. To access and complete the Company Information Form, click  or the **3. Commercial Data** tab.
 - The following information will be required:
 - Primary Contact Information
 - Secondary Contact Information
 - Bidder Contact Information
 - Credit Ratings
 - Is the Bidder an affiliate of SDG&E?
 - Does the bidder have one or more contracts with SDG&E?
 - Is the Bidder a certified Diverse Business Entity (DBE)?

Tips

- Multiple users from the same company cannot simultaneously fill out a datasheet — when one user saves, others' work will be lost.
- Be sure to click **Save Data** before navigating elsewhere, or data may be lost. Save your work often.
- There is no **Submit** button. Data is automatically submitted when the bid closes.
- The buyer may block access to datasheets once the bid closes.

Pricing Offer Forms

As part of the RFP bid package for submittal, Bidders must complete at least one bid in the Pricing Offer Forms for at least one of the three products: Heat Rate Option, Energy Call Option, Fixed Price Energy. The maximum number of bids is 325 per product type.

1. To access Pricing Offer Forms, click  or the **5. Pricing Data tab**.
 - To enter pricing data for Heat Rate Option, click on tab:
 - 1. Heat Rate Option Offer Form**
 - To enter pricing data for Energy Call Option, click on tab:
 - 2. Energy Call Option Offer Form**
 - To enter pricing data for Fixed Price Energy, click on tab:
 - 3. Fixed Price Energy Offer Form**

Tips

- Multiple users from the same company cannot simultaneously fill out a datasheet — when one user saves, others' work will be lost.
- Be sure to click **Save Data** before navigating elsewhere, or data may be lost. Save your work often.
- There is no **Submit** button. Data is automatically submitted when the bid closes.
- The buyer may block access to datasheets once the bid closes.

Example - Heat Rate Option Offer Form

Sempra Energy

35697 : 2013 SDGE Energy RFP

Open: 05/02/13 02:00:00 PM PDT Close: 05/14/13 01:00:00 PM PDT Time Remaining: 6 days 20 hours 27 mins 15 secs

Buyer Contact: Leilan Johnson

1. Download Documents 2. Upload Documents 3. Commercial Data 4. Technical Data **5. Pricing Data** Messaging

1. Heat Rate Opt ... 2. Energy Call O ... 3. Fixed Price E ...

Save Data Your information can be changed after it is saved. If you leave this page without saving it first, you will lose all unsaved data.

Heat Rate Option Offer Form

Respondents must enter bid pricing information below.

Bid No.	Contract Capacity (MW)	Start Date	End Date	Delivery Period	Payment Premium (\$/KW-Months)	Heat Rate	Variable Charge	Added Cost (\$)*	Added Cost Unit
0	Select One	MM/DD/YYYY	MM/DD/YYYY	Select One	0	0	0	0	Select One
0	Select One	MM/DD/YYYY	MM/DD/YYYY	Select One	0	0	0	0	Select One
0	Select One	MM/DD/YYYY	MM/DD/YYYY	Select One	0	0	0	0	Select One
0	Select One	MM/DD/YYYY	MM/DD/YYYY	Select One	0	0	0	0	Select One

Save Data Back to Top

Bid No.	Contract Capacity (MW)	Start Date	End Date	Delivery Period	Payment Premium (\$/KW-Months)	Heat Rate	Variable Charge	Added Cost (\$)*	Added Cost Unit
0	Select One	MM/DD/YYYY	MM/DD/YYYY	Select One	0	0	0	0	Select One

Example – Energy Call Option Offer Form

35697 : 2013 SDGE Energy RFP
Sempra Energy

Open: 05/02/13 02:00:00 PM PDT Close: 05/14/13 01:00:00 PM PDT Time Remaining: 6 days 19 hours 49 mins 54 secs

Buyer Contact: Leilan Johnson ✉

1. Download Documents
2. Upload Documents
3. Commercial Data
4. Technical Data
5. Pricing Data
Messaging

1. Heat Rate Opt ...
2. Energy Call O ...
3. Fixed Price E ...

Save Data Your information can be changed after it is saved. If you leave this page without saving it first, you will lose all unsaved data.

Energy Call Option Offer Form


Respondents must enter bid pricing information below.

Bid No.	Contract Capacity (MW)	Start Date	End Date	Delivery Period	Payment Premium (\$/KW-Month)	Contract Price (Energy Strike Price)	Added Cost (\$)*	Added Cost Unit
0	Select One ▼	MM/DD/YYYY	MM/DD/YYYY	Select One ▼	0	0	0	Select One ▼
0	Select One ▼	MM/DD/YYYY	MM/DD/YYYY	Select One ▼	0	0	0	Select One ▼
0	Select One ▼	MM/DD/YYYY	MM/DD/YYYY	Select One ▼	0	0	0	Select One ▼
0	Select One ▼	MM/DD/YYYY	MM/DD/YYYY	Select One ▼	0	0	0	Select One ▼

Save Data
Back to Top

Bid No.	Contract Capacity (MW)	Start Date	End Date	Delivery Period	Payment Premium (\$/KW-Month)	Contract Price (Energy Strike Price)	Added Cost (\$)*	Added Cost Unit
0	Select One ▼	MM/DD/YYYY	MM/DD/YYYY	Select One ▼	0	0	0	Select One ▼

Example – Fixed Price Energy Offer Form

 Dashboard Profile Company Help Logout

35697 : 2013 SDGE Energy RFP **Sempra Energy**

Open: 05/02/13 05:00:00 PM EDT Close: 05/14/13 04:00:00 PM EDT Time Remaining: 7 days 0 hour 11 mins 47 secs

Buyer Contact: Leilan Johnson ✉

Status 1. Download Documents 2. Upload Documents 3. Commercial Data 4. Technical Data **5. Pricing Data** Messaging

1. Heat Rate Opt ... 2. Energy Call O ... **3. Fixed Price E ...** Printable

Your information can be changed after it is saved. If you leave this page without saving it first, you will lose all unsaved data.

Fixed Price Energy Offer Form

Respondents must enter bid pricing information below.

Bid No.	Contract Capacity (MW)	Start Date	End Date	Delivery Period	Fixed Price Bid (\$/MWh)	Added Cost (\$)*	Added Cost Unit
<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼
<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼
<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼
<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼

Bid No.	Contract Capacity (MW)	Start Date	End Date	Delivery Period	Fixed Price Bid (\$/MWh)	Added Cost (\$)*	Added Cost Unit
<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼	<input type="text"/>	<input type="text"/>	<input type="text"/> Select One ▼

More Information & Additional Help

PowerAdvocate Support

- Support@poweradvocate.com
- (857) 453-5800

Online Help

- Access the Help System at any time by clicking on the **Help** button



Dashboard Profile Company **Help** Logout

Event Dashboard

Fill-In Data Sheets

Event	Msg	Open	Close	Download Documents	Upload Documents	Commercial	Technical	Pricing
35697 : 2013 SDGE Energy RFP Sempra Energy		05/02/13 5:00 PM EDT	05/14/13 4:00 PM EDT	1	2	3	4	5

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Evaluation Process

Jennifer Montanez

Valuation Timeline

- Bidding closes (May 14th)
- For each bidder, calculate the NPV on a monthly basis for all submitted bids, then aggregate each bid into a total offer value
- Determine “least cost/best fit (LCBF) principles” using our Portfolio Optimization approach to develop a shortlist
- Provide a preliminary shortlist to Credit department to determine credit worthiness/collateral requirements
- If needed, apply the “cost for collateral” provided by the counterparty to the collateral amount the Credit department requires
 - Revalue the bid in the Portfolio Optimization to determine if it still meets the LCBF principles
- Present the shortlist to the PRG (May 17th) for review

Bid Valuation Methodology

- All bids (Fixed price, HR Call Option, and Energy Call Option) are broken down into Monthly Valuations.
- Using corresponding monthly data inputs (Forward prices, Volatility & Correlation), SDG&E will calculate the monthly Fair Market Value of the bid.
 - Super-Peak Forward Prices are derived from On-Peak Forward prices, based on historical monthly adjustment.
- A net benefit/cost is derived from the monthly valuations, then discounted to Present Value (PV), multiplied by the monthly volume and aggregated into total a bid value.
- The Valuation Methodology uses market observed data and SDG&E's proprietary models to derive shaped power and gas prices, interest rates, implied volatilities and historical correlations.

Bid Ranking Methodology

- SDG&E will rank bids based on “Least-Cost/Best-Fit” (LCBF) principles.
- The LCBF analysis evaluates both quantitative and qualitative aspects of each bid to estimate its value to SDG&E’s customers and its relative value in comparison to other bids.
 - Quantitative
 - The quantitative evaluation of an bid takes into account its mark-to-market value as previously described in the Bid Valuation Methodology section. Cumulative NPV for each offer and product type is computed. The delta equivalence is computed for an option bid and used for Portfolio Optimization only.
 - A portfolio optimization approach is used to identify the combination of bids that minimizes the cost (\$/MWh), meanwhile satisfying pre-defined constraints (volume and time-of-use)
 - Qualitative
 - Adherence to terms and conditions: material changes to the proposed terms and conditions may result in lower scores in the qualitative evaluation of bids.
 - Supplier Diversity: in the event of a tie, a Diverse Business Enterprise will receive qualitative preference if the business has been certified.

Next Steps

Maria Boldyreva

Next Steps

Questions must be submitted no later than May 10, 2013

The RFP will close on May 14, 2013 at 1:00 PM PPT.

Power Advocate will allow forms to be uploaded past the deadline, but late bids will be deemed non-conforming. So, don't be late!

SDG&E will be sharing the results of this RFP with members of its Procurement Review Group (PRG) and will notify shortlisted respondents via E-mail no later than May 17, 2013. Respondents will be given 7 days to respond. An early response means an early start toward finalizing a contract!

Just a reminder:

SDG&E will be utilizing an EEI Master Power Purchase & Sale Agreement. **Terms will be set up for these transactions only.**

Respondents may not make material modifications to the supplied Transaction Documents outside of the defined input terms. Any material modification will have an adverse effect on the qualitative value of the Respondents' submission.

SDG&E will rank offers based first on quantitative criteria, then address qualitative criteria. So, give us your best price!

Questions?