



SAN DIEGO GAS AND ELECTRIC COMPANY
RESOURCE PLANNING DEPARTMENT
8315 CENTURY PARK COURT, CP21C
SAN DIEGO, CA 92123

SDG&E's Request for Proposal

Seeking

Utility-Owned Photovoltaic Systems via Turnkey Build-Own-Transfer Agreements

ISSUED

APRIL 3, 2015

OFFERS DUE

MAY 13, 2015

RFP WEBSITE

<http://www.sdge.com/SolarEnergyProjectRFP>

EMAIL QUESTIONS/COMMENTS TO

SDGESolarEnergyProjectRFP@SempraUtilities.com

Table of Contents

SECTION	Page
I. <u>Eligibility</u>	1
II. <u>Program Introduction</u>	1
A. Introduction	
B. Cost Cap	
III. <u>Turnkey RFP Process</u>	2
A. Overview	
B. Solicitation Schedule	
C. Turnkey RFP Protocols	
D. Turnkey RFP Participation	
E. Disclaimers for Rejecting or Terminating Turnkey RFP	
F. Information Submitted by Bidder	
G. Use of an Independent Evaluator and Procurement Review Group	
H. Turnkey RFP Communication	
I. DBE Contracting	
IV. <u>RFP Evaluation Process and Criteria</u>	6
A. Evaluation Process and Criteria	
B. Ranking Metrics	

I. Eligibility

This Request for Proposal (“RFP”) affords existing uncommitted photovoltaic (“PV”) projects and PV projects that are well along the way in completing permitting and interconnection studies by year end an opportunity to sell their project in a build-own-transfer (“BOT”) transaction to SDG&E under a program that ends April 2016. Projects must be no less than 1 MWdc and no greater than 5 MWdc and be interconnected to the San Diego Gas & Electric Company (“SDG&E”) distribution system. Projects must be in commercial operation by April 11, 2016. There are no exceptions to the above. Interested Bidders must have all permits in hand and interconnection study process completed by year end, and can be fully constructed by mid-April 2016.

II. PROGRAM INTRODUCTION

A. Introduction

SDG&E began a five-year program to develop up to 26 MW¹ of utility-owned solar PV generation (“UOG”) installation in its service territory in 2011. Over the past three years, regulatory direction regarding the program continued to evolve and implementation of this program will help SDG&E meet its obligations under California's Renewable Portfolio Standard.

26 MW UOG PV Program

The overall program plan (“Program”) as approved by the California Public Utilities Commission (“CPUC”) in Decision 10-09-016 (the “Decision”) consists of the following:

- Sites will be in SDG&E’s service territory and interconnected to its distribution system. Each ground-mounted PV facility will be approximately 1 MW to 5 MW in size.
- Potential sites for this solicitation should be well advanced in the development process for environmental permitting and interconnection as commercial operation must occur by April 2016 to conform with the CPUC Decision.
- The Program is open to all commercially proven PV solutions and technologies with substantial operating experience in the field.
- SDG&E will be responsible to build generation tie lines and interconnection equipment from the project’s designated point of interconnection² to SDG&E’s grid, the cost of which will be charged to the

¹ Unless stated otherwise, capacity is listed in direct current (“dc”).

² Point of interconnection is to be determined as part of each project’s interconnection study.

- turnkey vendor³ as a project cost per normal interconnection tariffs. The turnkey vendor shall be responsible for all interconnection costs.
- The turnkey vendor will obtain all permits and will undertake engineering, equipment procurement, construction, and commissioning.
 - The turnkey vendor will be responsible for all property-related expenses. This includes all environmental permitting and any related mitigation, and administrative permitting as appropriate.
 - Projects must be union built and preference will be to those that utilize local resources (equipment and/or labor sourced within SDG&E's service territory).

B. COST CAP:

SDG&E desires costs at or below \$2.50/Wac at time of asset transfer and O&M shall be provided for the term of the 10 year warranty at a cost not to exceed \$25/kWdc-yr (\$April 2011) escalated at Consumer Price Index (CPI) (U.S. Bureau of Labor Statistics with the series ID CUUR0400SA0).

Contract awards will be based on the PV technology's potential to deliver a competitive levelized cost of electricity (LCOE) at a cost at or below a desired all-in installed cost of \$2.50/Wac. Separately, SDG&E shall incur and be responsible for its own time, and Owner's Engineer costs. Sales tax, property tax prior to transfer and, interest during construction shall be the responsibility of the turnkey vendor.

³ "Suppliers", "Bidders", "Vendors", "Developer", and "Contractor", regardless of case, shall be used interchangeably herein.

III. TURNKEY RFP PROCESS

A. Overview

SDG&E is issuing this Request for Proposal (“Turnkey RFP”) for suppliers interested in permitting, engineering, procuring, constructing and commissioning all system components and then selling the BOT asset to SDG&E upon successful completion of the performance testing. The Turnkey vendor shall be responsible for O&M under the O&M agreement.

B. Solicitation Schedule

The Turnkey RFP schedule is subject to change at SDG&E’s sole discretion at any time. SDG&E will notify Bidders of any schedule change.

The expected schedule for this Turnkey RFP process is:

Task	Week	Target Date
Notice to potential respondents, posting of RFP to SDG&E website, post technical specifications to PowerAdvocate	1	April 3, 2015
Post O&M contract to PowerAdvocate	2	April 7
Bidder’s conference~ Location to be posted on SDG&E RFP website.	3	April 14
Post BOT Contract to PowerAdvocate	5	April 29
Q&A Question submittal/response deadlines	5	May 1/May6
Bids Due~ No later than 5 PM PST	7	May 13
Evaluation completed	9	May 27
Notice To Shortlisted Bidders	9	May 29
Contract Negotiations completed & executed	12	June 16
Advice Letter Filed	13	June 22
CPUC Approval	25	September 21
Notice to Proceed	25	September 22
Interconnection agreements & environmental permitting completed	39	December 31, 2015
Commercial Operation	53	April 11, 2016

C. Turnkey RFP Protocols:

1. SDG&E shall use the PowerAdvocate platform to provide the following documents:
 - a. BOT Contract

- b. Performance Specifications
- c. O&M Contract
- d. Executable bid forms
- e. Attestation template

2. Milestones and Milestone Payments:

Local jurisdictional environmental permits, unappealable by December 31, 2015

Executed interconnection agreements by December 31, 2015

Commercial operation: April 11, 2016

Completion of performance testing and acceptance of results: May 21, 2016

SDG&E shall not make contract or monetary commitments until after receipt of CPUC approval of contract(s). Payment by SDG&E for asset(s) will be made only after commercial operation is achieved and performance testing results have been accepted by SDG&E.

- 3. Questions and Answers (Q&A): Questions to SDG&E must be submitted to the RFP e-mail address (SDGESolarEnergyProjectRFP@SempraUtilities.com)
- 4. SDG&E will compile questions received and issue answers to all Bidders during the Q&A period via the RFP website (<http://www.sdge.com/SolarEnergyProjectRFP>)
- 5. Bidders with confidential questions must explain why the questions and response must be confidential. SDG&E encourages all questions to be non-confidential
- 6. Amendments to Turnkey RFP: SDG&E reserves the right to amend this Turnkey RFP during the Bidder response period.
- 7. Turnkey RFP Submittal Deadline. Bidder's proposal must be submitted to SDG&E via PowerAdvocate by the event close date/time and include, without limitation, the information and documents requested by the Turnkey RFP.
- 8. Attestation. Bidder shall provide attestation that bid conforms with Turnkey RFP, BOT contract, performance specifications, and O&M contract with exceptions specifically noted. SDG&E will strongly disfavor

changes to either contract or the performance specifications. Changes allowed during contract negotiations shall not result in a higher cost than bid or higher risk to SDG&E.

9. SDG&E Selects Bidder for Interview. SDG&E may conduct interviews with the top Bidders whose proposals received the highest evaluated scores. SDG&E may request Bidder to furnish additional information, as is necessary in the opinion of SDG&E, to clarify the Bidder's Proposal.
10. Negotiate and Execute Agreement. SDG&E and preferred Bidder will negotiate and finalize agreement. In the course of negotiation, if the parties cannot agree on the terms of the Agreement, SDG&E reserves the right to cease negotiation with Bidder at any time and to select an alternate Bidder. The final contract will use SDG&E's contract format including, but not limited to, the Performance Specification and SDG&E's standard Terms and Conditions.

D. Turnkey RFP Participation

Bidders are to follow directions and submit the required documents as directed in this Turnkey RFP. Each Bidder will be required to attest that it has read the entire Turnkey RFP package including the BOT contract, performance specifications, and O&M contract. Such attestation is mandatory, failure to provide such attestation may result in elimination of the bid from further consideration. Bidders are required to indicate any exceptions in the documents in redline form; however, SDG&E anticipates accepting few, if any, exceptions to these documents submitted in response to the Turnkey RFP.

SDG&E will evaluate the proposals and may, at its sole discretion, request that any Bidder travel to SDG&E's corporate headquarters in San Diego for an interview. Each Bidder is solely responsible for all its expenses related to its proposal or any other expenses incurred in connection with this Turnkey RFP, including travel costs.

Bidder's Proposal must remain valid for a period of not less than sixty (60) days from the Proposal submission due date. SDG&E agrees, and requires that each Bidder agree, to act in good faith in its performance of obligations under this Turnkey RFP and, in each case in which SDG&E's or Bidder's consent or agreement is required or requested hereunder, such consent or agreement shall not be unreasonably withheld or delayed.

Bidder's submitted information in this Turnkey RFP should be an accurate reflection of the Bidder's capabilities, offerings, and services. Bidder must be able to substantiate any data provided in this Turnkey RFP. If the Bidder provides

inaccurate information in this Turnkey RFP process, SDG&E may choose to disqualify the Bidder.

Bidders are solely responsible for any costs they incur to respond to this Turnkey RFP or to participate in demonstrations or meetings in the Turnkey RFP evaluation process. SDG&E will not pay for any costs incurred by Bidders in the Turnkey RFP response preparation or any associated RFP evaluation activity. SDG&E is not liable for costs incurred by Bidders prior to issuance of a contract.

E. Disclaimers for Rejecting or Terminating Turnkey RFP

SDG&E RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THIS TURNKEY RFP AT ANY TIME BEFORE OR AFTER THE PROPOSAL DUE DATE, OR TO REJECT ANY OR ALL PROPOSALS SUBMITTED IN RESPONSE TO THIS TURNKEY RFP FOR ANY REASON OR FOR NO REASON. SDG&E WILL NOT BE LIABLE, BY REASON OF SUCH WITHDRAWAL OR REJECTION, TO ANY BIDDER SUBMITTING A PROPOSAL IN RESPONSE TO THIS TURNKEY RFP.

BIDDER ACKNOWLEDGES AND AGREES THAT ANY SELECTION OR AWARD PURSUANT TO THIS TURNKEY RFP DOES NOT CONSTITUTE A COMMITMENT BY SDG&E UNTIL AFTER CPUC APPROVAL OF EXECUTED CONTRACTS.

By responding to the Turnkey RFP and registering for access to the RFP site on PowerAdvocate, Bidder agrees to be bound by all terms, conditions and other provisions of the Turnkey RFP and any changes or supplements to it that may be issued by SDG&E.

F. Information Submitted by Bidder

1. Proposal Format. SDG&E requests the following format and sequencing of proposal information:
 - a. Cover letter with attestations
 - b. Table of Contents
 - c. Executive Summary
 - d. Bid Forms (pricing, performance, warranty/guarantee).
 - e. Project Team, Team Experience, and Corporate Experience
 - f. Local Content Plan for equipment, labor, and/or services
 - g. Company Financials
 - h. Company Programs
 - i. DBE Plan (identify expected % of total project performed by DBE, list DBE if known and services/products supplied by DBE)
 - j. Project references with cost & schedule performance identified (at least four references, projects must be greater than 500 kW)

- k. Subcontracting & Partnership Plan (identify expected subcontractors or areas for which Bidder will subcontract)
 - l. Acceptance of or exceptions to Performance Specifications (redline and/or separate document, if needed)
 - m. Acceptance of or exceptions to BOT Contract terms and conditions (redline and/or separate document, if needed)
 - n. Acceptance of or exceptions to O&M Contract terms and conditions (redline and/or separate document, if needed)
2. Proposal Submittal. Electronic responses shall be submitted via PowerAdvocate. Three bound hardcopies of items a through k and redline pages for items item l through n shall be delivered to:

San Diego Gas & Electric
c/o Pat Charles
8315 Century Park Court CP21D
San Diego, CA 92123

Proposals must be submitted to PowerAdvocate no later than the due date. Hard copies must be submitted by close of business the following business day.

3. Proprietary Data and Confidentiality.
- a. Proprietary Data: Documents and data submitted for this Turnkey RFP become the property of SDG&E upon submission, and will be retained by SDG&E in the document record for this Turnkey RFP. Bidders are cautioned to clearly label all proprietary data as such. SDG&E agrees to exercise reasonable efforts to protect all information received, provided it is expressly understood by Bidder that by submitting such information, Bidder agrees that SDG&E shall not be liable in the event that such information is disclosed.
 - b. Confidentiality: SDG&E considers this Turnkey RFP and all information provided via PowerAdvocate as CONFIDENTIAL. All information supplied to Bidders by SDG&E must be considered confidential and shall not be provided or disclosed to any third parties without express written permission from SDG&E. Bidders shall exercise the same degree of care to protect the confidentiality of this Turnkey RFP and its contents, as they would exercise in protecting their own similar confidential information. By receipt and possession of this Turnkey RFP, Bidder agrees to take all reasonably necessary steps to prevent the disclosure or use of this Turnkey RFP and its contents by any person, association or entity, except Bidder's own affiliates, employees and consultants who require access to the Turnkey RFP in the preparation of a proposal. Excluded from these confidentiality requirements are those portions of the Turnkey RFP which: (a) are now available to the general public or later become available to the

general public without fault of Bidder, or (b) is hereafter furnished to Bidder by a third party as a matter of right and without restriction of nondisclosure, or (c) is required to be disclosed by legal process or governmental or regulatory authority, or (d) was in the rightful possession of Bidder or was disclosed to Bidder prior to receipt of this Turnkey RFP without obligation of confidentiality.

4. Supplemental and Additional Information. SDG&E may request that Bidder furnish additional information, after the Turnkey RFP due date, as is necessary in the opinion of SDG&E, to clarify the Bidder's information or to assure that the Bidder's technical competence and business organization qualifies to participate in the Turnkey RFP.
5. Proposal Preparation Cost. Notwithstanding the outcome of this Turnkey RFP, SDG&E shall not be liable for any preparation costs incurred in responding to this Turnkey RFP.

G. Use of an Independent Evaluator and Procurement Review Group

In D.04-12-048, the CPUC ordered, in certain instances, the use of an Independent Evaluator ("IE") in competitive solicitations. In addition, the Decision expressly requires that SDG&E use an IE in solicitations under the Program. Accordingly, SDG&E shall communicate with and seek feedback from the IE during the solicitation developmental stages. All proposal material produced in this solicitation, including RFI documents, RFP documents, Bidder submittals, SDG&E final evaluation worksheets and summaries will be available, under confidentiality provisions, to the IE. The IE's role is to oversee the solicitation process and at the end provide a report to the CPUC as to the fairness and competitiveness of the solicitation. SDG&E may make available to its Procurement Review Group ("PRG") each response to this Turnkey RFP and will review the results of its evaluation and ranking of the proposals with the IE and PRG. The PRG consists of non-market interested parties. SDG&E utilizes the PRG as a means to inform these parties of procurement status and results. The PRG provides SDG&E feedback prior to its submittal of projects or contracts to the CPUC for approval. While PRG members are not bound to positions espoused during the PRG meetings in later CPUC proceedings, this interaction prior to CPUC submittal helps streamline the regulatory process.

H. Turnkey RFP Communication

This Turnkey RFP will be conducted by SDG&E's Electric & Fuel Procurement Department. All communications including, but not limited to, Turnkey RFP documents, information, announcements, and amendments will be posted; likewise, questions or comments between SDG&E and Bidders will be provided to all Bidders. Requested documents and information shall be provided by Bidder to SDG&E's Electric & Fuel Procurement Department. For the purposes of this

Turnkey RFP the Electric & Fuel Procurement point of contact is the RFP e-mail address (SDGESolarEnergyProjectRFP@SempraUtilities.com) which shall be the Bidder's sole point of contact during the RFP process. Bidder shall not contact any other SDG&E employee or consultants for questions regarding the Project during the RFP period. Failure to comply with this requirement may result in disqualification.

For questions or matters of general interest raised by any Bidder during the Q&A period, SDG&E will issue an answer to all Bidders during or shortly after the closing of the Q&A period. SDG&E may, in its sole discretion, decline to respond to any e-mail or other inquiry, and will have no liability or responsibility to any Bidder for failing to do so.

I. Diversity Business Enterprise Contracting

SDG&E recognizes the general market practice of subcontracting for specific items such as balance of system equipment, site engineering, and electrical installation. Such relationships are encouraged so long as they do not absolve the successful Bidder(s) from accepting responsibility for the contracted scope of work and price. In developing its team, the Bidder is encouraged to allow a significant portion of the system's content to be provided by CPUC registered diversity companies (see <http://www.cpuc.ca.gov/puc/supplierdiversity/>)

IV. TURNKEY RFP EVALUATION PROCESS, CRITERIA, AND RANKING METRICS

A. Evaluation Process and Criteria

The goal of the Turnkey RFP is to award contracts to successful Bidders. Award and assignment of contracts will be based on SDG&E's ongoing needs throughout the implementation of this Program. To evaluate the Turnkey RFP, SDG&E will primarily consider performance, pricing, plan to support SDG&E's DBE goals, close conformance to SDG&E's stated terms and conditions, Bidder's financial stability, technical experience, subcontracting and project plan, local content plan, and ability to meet schedules. Additionally, Bidder's submittals will be evaluated to determine their completeness, clarity, and conformance to Turnkey RFP instructions. If it is difficult or overly time-consuming to evaluate Bidder's submittals, then Bidder may be disadvantaged in the evaluation process and may be disqualified.

Installed price may be a threshold determinant in that bids received with installed cost for PV energy and capacity attributes greater than \$2.50/Wac will be rejected prior to ranking if bids at or lower than \$2.50/Wac are received.

To evaluate the BOT bids, SDG&E will consider the following elements of the proposed documents and data:

1. **Pricing** – Weighted average lifetime levelized cost of energy, installed costs, operating and maintenance costs, cost of spare parts, and energy production; and long term cost consideration for all projects proposed by bidder
2. **Performance**- Total first year capacity delivered on August 25 at 4 PM for all projects proposed by bidder.
3. **Conformance to Performance Specification** – Bidder's proposed materials, equipment and services meet or exceed technical requirements. Exceptions to the performance specifications are expected to be redlined by the Bidder as part of its bid package and will be negotiated after selection. However, SDG&E reserves the right to discuss Bidder's comments and seek changes prior to notice of selection. This does not supplant SDG&E's right later to end negotiations without successful execution of contract.
4. **Proposed Equipment and Related Warranties and Guarantees** – Assess BOT Bidder's proposed equipment. Equivalent substitutions will be allowed during contract implementation with SDG&E approval.
5. **Conformance to SDG&E's stated Terms and Conditions** – Degree to

which the Bidder accepts SDG&E's Contract terms and conditions including but not limited to warranties, remedies, and performance guarantees. As the contracts, inclusive of the performance specifications have been previously approved in substantially the same form and content, exceptions to the BOT contracts and performance specifications are expected to be minimal. However, SDG&E reserves the right to discuss Bidder's comments and seek changes prior to notice of selection. This does not supplant SDG&E's right later to end negotiations without successful execution of contract.

6. **Project Team and Experience** – Extent of project management and installation expertise within the Bidding Team and the Bidder's key personnel. SDG&E will also evaluate the commercial deployment and field-proven quality of proposed technology.
7. **Company Financials** – Bidder's viability in terms of credit, risks, and financial stress, as well as Bidder's bonding capabilities.
8. **Local Content** – Bidder's proposed plan addressing its use of resources (labor and/or equipment) procured locally. Local content (labor and/or equipment sourcing) is not mandatory, but highly encouraged.
9. **Company Programs** – Strength of Bidder's Company Programs including, but not limited to, Safety, Environmental, Change Control (scope, schedule, price), Risk Management, Quality Assurance, and other relevant programs and procedures.
10. **Supplier Diversity** – Bidder's demonstrated commitment to seek maximum practicable opportunities to use DBEs in the performance of work. Bidder will be evaluated on the thoroughness of its plan to carry out SDG&E's policy.
11. **Past Schedule Performance** – Bidder's ability to meet program targets and demonstration of Bidder's planning proficiencies are reflected from past project performance.
12. **Subcontracting & Partnership Plan** – Effective subcontractor management processes, and clear division of responsibilities.
13. **Completeness, Quality and Responsiveness of Proposal** – Degree that Bidder follows the requirements of the Turnkey RFP including, but not limited to, the requested documents, the organization, and format of Bidder's proposal.

B. Ranking Metrics

Installed price will be a threshold determinant in that bids received with installed cost for PV energy and capacity attributes greater than \$2.50/watt will be rejected prior to ranking. Ranking metrics are divided into two groups, quantitative and qualitative categories. Energy pricing shall be based on the estimated Levelized Cost of Energy (LCOE) where the lowest nameplate capacity weighted average LCOE receives the highest ranking. The Performance subpart of the Quantitative Category will be based on cumulative capacity delivered at 4 PM on August 25 assuming no cloud cover and site specific insolation, where the highest capacity value receives the highest ranking.

The total score for each bid will be determined as follows:

$$\text{Score} = (\text{weighted quantitative score} \times 0.5) + (\text{weighted qualitative score} \times 0.5)$$

The highest scoring bid(s) will be selected.

Quantitative Category	Rank (1= Low, 5= High)	Weighting	Score
Pricing (Energy)		50	
Performance (Capacity)		50	
Total Score		100	

Qualitative Category	Rank (1= Low, 5= High)	Weighting	Score
Conformance to Performance Specification		20	
Proposed Equipment and Related Warranties and Guarantees		15	
Conformance to Terms and Conditions		15	
Project Team and Experience		10	
Local Content		10	
Company Financials		5	

Company Programs		5	
Supplier Diversity		5	
Past Schedule Performance		5	
Subcontracting & Partnership Plan		5	
Completeness, Quality and Responsiveness of Proposal		5	
Total Score		100	