Public Facility Resilience

2020 Request for Information

Issuance Date: Monday, May 4, 2020

Response Deadline: May 22, 2020; 3:00 PM PT

Purpose

Due to the ongoing potential of a major earthquake in the Bay Area, and increasing power outages due to the incumbent Investor Owned Utility ("IOU") Pacific Gas and Electric Company ("PG&E") Public Safety Power Shutoff events ("PSPS"), investment in increased resilience at public facilities is required to ensure social continuity and community safety in time of grid outage. To that end, on behalf of our public sector partners, East Bay Community Energy and Peninsula Clean Energy ("Joint CCAs"), are seeking responses to this Request for Information ("RFI") from qualified distributed solar photovoltaic and battery energy storage developers or vendors ("Respondents"). The outcome of this RFI will inform development of a Request for Proposal ("RFP") solicitation that will be issued by the Joint CCAs summer 2020.

Background and Objectives

As the Load Serving Entities ("LSE"), or electricity providers in our respective service areas, the Joint CCAs have a shared commitment to serving our communities' needs and delivering cleaner electricity at a lower cost than PG&E. LSE-specific background information is provided below.

East Bay Community Energy ("EBCE"): EBCE is a Joint Powers Authority ("JPA") formed on December 1, 2016. The County of Alameda provided initial start-up funds to EBCE for the launch period and since then EBCE has closed an additional $50,000,000 unsecured credit facility with Barclays Bank (March 2018). The maximum debt outstanding reached approximately $28 million in 2018. EBCE has since repaid the County of Alameda in full for the start-up loan costs of approximately $4.8 million, and in fully repaid the funds drawn on the Barclays credit facility, eliminating all outstanding debt. As of August 1, 2019, EBCE has approximately $100 million in unrestricted cash and available credit lines, which translates to over 90 Adjusted Days of Liquidity on Hand.

EBCE launched Phase I of its service implementation with commercial, industrial, and municipal accounts on June 1, 2018. Phase II for residential accounts was launched November 1, 2018. Phase III was launched in April of 2019 and enrolled all Net Energy Meter ("NEM") customers.

Since its formation, the JPA has consisted of the County of Alameda and all but three of its cities. These include the City of Alameda which has its own municipal utility, and the cities of Newark and Pleasanton. In 2019, the cities of Newark and Pleasanton formally joined EBCE's JPA, along with the City of Tracy in neighboring San Joaquin County. Expansion of EBCE service to these cities (i.e., initial account enrollments) are scheduled to begin in 2021.

EBCE currently serves over 550,000 customer accounts representing a population of over 1.3 million people, 50,000 businesses, and approximately 6,100 gigawatt hours ("GWh") of annual load. By 2022 EBCE estimates it will serve an estimated 628,000

customer accounts across all jurisdictions representing a population of over 1.5 million people and a combined load of 7,200 GWh/year.

Peninsula Clean Energy: Formed in February 2016, Peninsula Clean Energy is a JPA consisting of the County of San Mateo and all twenty of its towns and cities. Peninsula Clean Energy was the fifth CCA to launch in California and began serving customers in October 2016. As of May 1, 2017, Peninsula Clean Energy service was rolled out to all eligible customers in San Mateo County.

Peninsula Clean Energy plans for and secures commitments from a diverse portfolio of energy-generating resources to reliably serve the electric energy requirements of its customers over the near, mid, and long-term planning horizons. In May 2019, Peninsula Clean Energy received an investment grade credit rating of Baa2 from Moody's and in April 2020, Peninsula Clean Energy received an investment grade credit rating of BBB+ from Fitch. As of December 31, 2019, Peninsula Clean Energy had an unaudited cash balance of $175.4 million, of which $162.4 million was unrestricted. The unrestricted cash balance represented 264 days of cash on hand, well in excess of Peninsula Clean Energy's Board updated policy requirement of 180 days. Peninsula Clean Energy's financial statements including its fiscal year 2018-2019 audited financials are available on Peninsula Clean Energy's website.

Peninsula Clean Energy currently provides electricity service to approximately 300,000 customer accounts. This represents a population of over 700,000 people with 3,600 GWh of clean electricity annually.

CCA Value: The Joint CCAs bring immense value to Solar + Storage Respondents. As not-for-profit public entities, CCAs supply the electricity needs of residential, commercial, industrial and public sector customers. By aggregating the load of these customers, CCAs procure wholesale power at competitive rates. The incumbent IOU, PG&E, continues to own the transmission and distribution grid infrastructure and delivers the electricity procured by CCAs to customers.

The Joint CCAs are empowered to procure renewable energy in excess of state mandates and have collectively signed long-term renewable energy contracts totaling nearly 850 megawatts ("MW"). EBCE also has 113.75 MW of energy storage capacity contracted, and PCE is currently negotiating similar contracts. In conjunction with our fellow CCAs statewide, we now represent the largest driver of clean energy growth in California. Like the IOUs and other LSEs, CCAs are required to contribute to a safe and reliable power grid. To that end, the Joint CCAs have each worked to procure our share of Resource Adequacy capacity in addition to energy contracts.

Formed by local governments (i.e., cities, towns and counties) as JPAs, the Joint CCAs are governed by locally elected public officials and have a unique relationship with our public sector customers. The Joint CCAs each manage interaction with our customers, have access to all customer interval data, and use that data to inform development of

unique customer programs that help meet local climate goals while enhancing community resilience and grid reliability.

Over the last twelve months, the Joint CCA's *Critical Municipal Facility Resilience* program ("Program") has identified, in coordination with our public sector partners, 500+ sites across Alameda and San Mateo counties designated to serve the community in time of emergency and/or grid outage. These facilities include but are not limited to community centers, libraries, schools, administrative buildings, emergency operation centers, and police and fire stations. Each of these facilities provides a specific function to the community in time of emergency such as cooking and food distribution, shelter, family reunification, and more.

With the support of the technical consulting firm Arup, the Joint CCA's completed hazard and solar potential assessments at each of these sites. Arup has also completed a high-level estimate of the size of solar photovoltaic and battery energy storage systems ("Solar + Storage") needed at each site to serve critical loads in time of grid outage while addressing daily demand charges.

Based on preliminary analysis, the following aggregate Solar + Storage systems capacities are needed to meet critical loads across a distributed set of facilities in Alameda and San Mateo counties:

- Solar PV: 10-15 MW
- Battery Storage: 6-10 MW / 25-30 megawatt hours ("MWh")

In addition to the Program's assessment of public sector critical facilities in Alameda County, EBCE and Google have analyzed the solar potential of all other non-critical public facilities countywide. In total the Google SunRoof analysis determined there is 70 MW of solar potential. EBCE intends to include some or all of this additional capacity in the summer 2020 RFP.

The objective of this RFI is for the Joint CCAs to gain information and evaluate options to procure Solar + Storage across a portfolio of public sector facilities located in Alameda and San Mateo Counties. As part of that process, the Joint CCAs are issuing this RFI to distributed Solar + Storage developers and vendors to better determine the procurement pathways that will lead to efficient Solar + Storage system deployment. The information provided by Respondents will inform development of an RFP solicitation that will be issued by the Joint CCAs on behalf of our public sector partners in summer 2020.

Information Requested

Respondents are asked to please provide input on all sections of this RFI. The Joint CCAs for example are not seeking responses that solely provide information on a Respondents experience (see Section 5). Respondents are asked to limit responses to **10-12 pages.**

Section 1: Value of Aggregated Procurement

A number of collaborative solar procurement initiatives led by local governments (ex. R-REP) have been launched over the last decade to accelerate deployment of distributed solar photovoltaics and address significant barriers to renewable energy adoption by cities, counties, school districts, and others including resource limitations and lack of staff expertise. Similar to these efforts, the goal of the Joint CCA's is to reduce the cost and complexity of Solar + Storage project deployment for both our public sector partners and the developer/vendor community, while enhancing community resilience throughout our service areas.

- Respondents are asked to please provide feedback on the following:

    1. If you have participated in a collaborative solar procurement initiative like R-REP, please describe best practices that stood out, and what improvements would ensure reduced cost and complexity for developers/vendors and public sector site hosts.

    2. What is the value-add to Respondents if the Joint CCAs invest in the upfront customer acquisition, and how might it benefit project deployment costs?

    3. Does Joint CCA identification of electrical and/or roof upgrade needs, development of single line drawings, and/or submitting site interconnection applications in advance of issuance of a competitive RFP add value to Respondents, and if so, how much?
        a. Which of these potential value-adds decrease risk and increase project accuracy for Respondents?
        b. Are Respondents willing to compensate the Joint CCAs for these upfront efforts? For example, could Respondents pay the Joint CCAs back for interconnection application costs if that was an early task of the Joint CCAs?

Section 2: Procurement Models

Distributed Solar + Storage systems on critical public sector facilities will be aggregated into a portfolio-level procurement facilitated by the Joint CCAs in conjunction with our respective public sector partners (e.g., site owners). A number of procurement pathways are under consideration.

- Respondents are asked to provide their perspective on the advantages and disadvantages of each of these options in terms of their preferences, including the impact on project cost, project schedule, ease in contracting, and other key factors that the Respondent identifies.
- Respondents are also asked to identify any other procurement options that are not included in this RFI that they recommend be considered.
- Respondents are asked to identify their preferred option and substantiate why it

would be more effective in advancing project deployment in 2021-2022.

Option A – Central RFP/Individual PPA/Purchase Contracts

- The Joint CCAs issue an RFP on behalf of their public sector partners and select developer / vendor(s).
- Public sector partners negotiate and sign PPA with developer / vendor(s) via CCA RFP process.
- This option will necessitate that the developer/vendor(s) negotiate multiple individual contracts with public sector partners rather than, for example, a single party contract.
- Please comment on Option A and please also describe the willingness and impact of 1) having a buyout option by the public sector partner after the tax period and 2) not having a buyout option by the public sector partner.
- Potential Benefit - The relationship local governments specifically have with the Joint CCAs through the JPA structure enables cities, counties and towns to leverage this procurement process rather than issuing their own individual RFP.

Option B – CCAs as Central PPA Counterparty

- The Joint CCAs issue an RFP on behalf of their public sector partners and select developer/vendor(s).
- The Joint CCAs would sign a PPA with the selected developer/vendor(s) on behalf of its public sector partners (e.g., single party contract).
- The Joint CCAs would sign site lease agreements with public sector partners.
- The Joint CCAs would establish a payment reconciliation process (ex. on-bill or other mechanism) with its public sector partners for the PPA payment the CCA makes to the developer/vendor(s).
- Please comment Option B and please also describe the willingness and impact of 1) having a buyout option by the CCA after the tax period and 2) not having a buyout option by the CCA.
- Potential Benefit – Option B is intended to reduce contracting complexity for both developer/vendor(s) and the Joint CCA's public sector partners.

Option C

- The public sector partner or the CCA purchases the project outright.

Option D - Public Sector Bond Funding

- Some public sector partners (e.g., cities, school districts) have interest in issuing a bond to fund some components of their projects. Note, the timing of bond issuance by these partners is to be determined.
- Please describe how this procurement pathway could impact pricing or other terms offered by developer/vendor(s) through the Joint CCA RFP.
- Potential Benefit – Option D could reduce cost of ownership using tax exempt debt.

The Joint CCAs also have equity and/or debt that can be leveraged to lower the total cost of ownership of these systems.

- Please provide insight on which of the following Joint CCA participation models provide value.
    - The Joint CCAs invest ownership equity in the project
    - The Joint CCAs raise tax exempt debt to pre-pay a PPA
    - The Joint CCAs act as a billing agent to collect payments through the electricity bill
    - The Joint CCAs provide billing
    - The Joint CCAs provide loan loss or backstop for project payments

Section 3: Foreseeable Challenges

- Respondents are asked to list and elaborate on foreseeable challenges across this scope, including challenges of installing Solar + Storage systems on public sector sites within the Program timeframe below, procurement and financing options, duration of system pricing (e.g., how long will beneficial pricing be available to public sector partners), potential delays due to COVID-19 (e.g., public sector coordination including site visits, permitting, inspection, etc.), IOU interconnection approval, supply chain / hardware availability, etc.

Section 4: Existing Solar PV Systems

A number of public sector facilities may be equipped with existing solar PV systems (both with existing PPAs and municipally owned) or are in the process of procuring solar PV independent of this effort.

- Respondents are asked to describe how the vendor will approach integrating battery storage systems to these existing and planned solar PV systems, and any impacts that may have on procurement and technical feasibility.

Section 5: Respondent Experience

- Respondents are asked to *briefly describe* their experience as it pertains to installing and commissioning distributed Solar + Storage systems in California and other major markets in the U.S. Specifically include experience with regard to the installation of these systems for community resilience and demand charge mitigation at public sector sites**.**

Public Facility Resilience Overview

Project Scale	Respondents should expect to install aggregated distributed Solar + Storage systems on the order of: Public Sector Critical Facilities Alameda County • Solar PV: 10-12 MW • Battery Energy Storage: 20-26 MWh San Mateo • Solar PV: 1-3 MW • Battery Energy Storage: 2-4 MWh Non-Critical Public Facilities (Alameda County only) • Solar PV: 70 MW
Project Installation Timeline	01/01/2021 – 12/31/2022
Workforce Requirement	Please note, due to the JPA relationship between the Joint CCAs and some of our public sector partners, local workforce requirements will apply to a future RFP. Peninsula Clean Energy has adopted local workforce requirements, which can be found here**.** Please comment on any impact this workforce policy has on Respondent project costs.

RFI Requirements

As previously noted, the objective of this RFI is for the Joint CCAs to gain information and evaluate options to procure Solar + Storage across a portfolio of public sector facilities located in Alameda and San Mateo Counties. As part of that process, the Joint CCAs aim to better determine the procurement pathways that will lead to efficient Solar + Storage system deployment.

The information provided by Respondents will inform development of an RFP solicitation that will be issued by the Joint CCAs on behalf of our public sector partners in summer 2020. In turn, the Joint CCA's request that Respondents **provide input on all sections of this RFI**. The Joint CCAs may follow up with Respondents in advance of RFP development to schedule discussions that clarify aspects of submitted RFI responses.

Respondents are **required to include contact information for 1-2 key personal** representing your organization. Please do not include the qualifications of the Respondent team. That level of detail should be reserved for an RFP proposal.

Please limit responses to **10-12 pages**.

RFI Schedule

Event	Target Date
Issuance of RFI	Monday, May 4, 2020
Deadline to submit questions	Thursday, May 7, 2020 at 5:00 PM PT
Responses to questions provided on/before	Tuesday, May 12, 2020 at 12:00 PM PT
RFI Responses due to EBCE	Friday, May 22, 2020 at 3:00 PM PT

Questions on the RFI should be sent to jdenver@ebce.org with email subject line, *"Joint CCA Public Facility Resilience RFI Question - [Respondent Company Name]".* The Joint CCAs will respond to questions on or before **May 12 at 12:00 PM Pacific Time** (PT) via email to all solicitation recipients, as well as online on the EBCE Solicitations page.

Direct RFI responses should be sent to jdenver@ebce.org with email subject line, *"Joint CCA Public Facility Resilience RFI Submission - [Respondent Company Name]".* **Please submit RFI responses no later than May 22 at 3:00 PM PT.**