

**SAN JOSE CLEAN ENERGY
REQUEST FOR OFFERS TO SELL TO SJCE FOR ITS 2019 3,250 GWh PHASE 2 ROLL OUT
NP15 FIRM ENERGY OR
GREENHOUSE GAS FREE OR LOW CARBON ENERGY OR
PORTFOLIO CONTENT CATEGORY 2 or 3 RENEWABLE ENERGY PRODUCTS
AND
RESOURCE ADEQUACY PRODUCTS**

San José Clean Energy (“SJCE”) is the largest single city Community Choice Aggregation (“CCA”) program in California. SJCE is seeking proposals from suppliers to sell to SJCE substantial volumes of products in 2019 to supply SJCE’s phase 2 roll out serving approximately 3,250 GWh of annual load. SJCE seeks proposal for sales of the following energy and capacity products to SJCE during 2019: CAISO NP15 Firm energy, Greenhouse Gas Free (“GHG-Free”) or Low Carbon energy, Portfolio Content Category 2 Renewable Energy Products (“PCC2 RECs”); Portfolio Content Category 3 Renewable Energy Products (“PCC3 RECs”), and Resource Adequacy products (“RA”). While SJCE plans to purchase each of the products requested herein, SJCE reserves the right to reject any or all offers received.

PRODUCT DESCRIPTION

CAISO NP15 Firm Energy

SJCE is seeking proposals from suppliers to sell to SJCE CAISO NP15 Firm energy quantities to supply SJCE’s phase 2 roll out serving approximately 3,250 GWh during 2019 for the periods listed in the CAISO NP15 Firm Energy Bid Form attached to this RFO. Energy transacted through this RFP shall be scheduled as Inter-SC Trades in the CAISO Day-Ahead Market.

GHG-Free Energy and PCC2 or PCC3 RECs

SJCE is seeking proposals from suppliers to sell to SJCE GHG-Free energy or Low Carbon energy) and PCC2 or PCC3 RECs to SJCE during the period of January 1, 2019 through December 31, 2019.

GHG-free energy is energy from non RPS-eligible facilities that produce energy without producing GHG and provide adequate documentation of such production and delivery.

SJCE will accept Low Carbon energy bids from asset-controlling suppliers (“ACS”) approved and registered by the California Air Resources Board, with a CARB approved emission factor.

Please note that the majority of additional RPS RECs SJCE seeks are not needed for RPS compliance. If bidding PCC2, please include a price that assumes the RECs will not be used to meet SJCE’s RPS compliance obligation.

Table 1 below describes the quantities of each product that SJCE intends to purchase through this active solicitation:

TABLE 1

Product
GHG-Free energy or Low Carbon energy: 1,143,543 MWh
Portfolio Content Category 2 (PCC2) or 3 (PCC3): 544,000 MWh

Resource Adequacy Products

SJCE is seeking proposals from suppliers to sell Resource Adequacy products to SJCE as further described in Table 2 below:

TABLE 2

Showing Month	System RA (MW)	Local RA PG&E GBA (MW)	Local RA PG&E Other (MW)	Flexible RA (MW)
Feb-19	0.0	77.0	162.0	8.0
Apr-19	26.4	0.0	0.0	7.0
May-19	57.9	12.0	10.1	8.0
Jun-19	21.1	0.0	0.0	1.0
Jul-19	574.5	4.7	132.1	51.1
Aug-19	27.4	0.0	0.0	0.0
Sep-19	784.3	30.0	158.1	147.1
Oct-19	320.8	16.0	153.9	99.1
Dec-19	0.0	5.0	5.3	0.0

SUBMISSION OF OFFERS

Please submit all offers to sell products described herein pursuant to the format described below for each respective product requested.

All offers to sell products described herein to SJCE must be submitted via email to the following SJCE contacts on or prior to November 20, 2018 at 5:00 PM Pacific:

- Jeanne Solé (SJCE): jeanne.sole@sanjoseca.gov
- Kelly Morris (SJCE): kelly.morris@sanjoseca.gov
- Tony Zimmer (NCPA): tony.zimmer@ncpa.com
- Ken Goeke (NCPA): ken.goeke@ncpa.com
- Bernard Erlich (NCPA): bernard.erlich@ncpa.com
- **John Stevens (E3): john.stevens@ethree.com**

Upon receipt of any offers submitted in response to this RFO, SJCE will evaluate such offers during the subsequent several weeks and determine if SJCE will seek to enter into any confirmation for a transaction at the conclusion of this solicitation. SJCE will allow bidders for CAISO NP15 Firm Energy to submit best and final offers no later than November 27 at 1:00 PM Pacific.

Format CAISO NP15 Firm Energy Offers

All offers to sell CAISO NP15 Firm energy submitted by prospective suppliers in response to this RFO shall be submitted in the CAISO NP15 Firm Energy Bid Form attached to this solicitation.

Format of GHG-Free Energy, PCC2 and PCC3 RECs Offers

All offers to sell PCC2, PCC3 RECs and GHG-Free energy submitted by prospective suppliers in response to this RFO shall be submitted on your companies' respective letterhead, shall include the applicable GHG-Free Energy, Low Carbon Energy, or PCC2, PCC3, GHG-Free Bid Form, and shall include at a minimum the following information: (i) (a) attribute price (\$/REC or \$/GHG-free attribute) plus index price or (b) fixed price bundled with REC or GHG-free attribute (\$/MWh), (ii) contact information, (iii) minimum and maximum monthly quantities offered, (iv) vintage, and, when applicable the information listed below:

- a Facility name;
- b Resource ID;
- c WREGIS ID;
- d CEC certification No.
- e If ACS the CARB approved emission factor
- f Delivery point and generation profile if providing energy

As stated above, if bidding PCC2, please provide a price assuming the REC will not be used to meet SJCE's RPS compliance obligation if it is different from the price for RECs used to meet SJCE's RPS compliance obligation.

If bidding Low Carbon energy bids from an asset-controlling supplier ("ACS") please provide the CARB approved emission factor.

Resource Adequacy Products

All offers to sell Resource Adequacy products submitted by prospective suppliers in response to this RFO shall be submitted in the Resource Adequacy Product Bid Form attached to this solicitation.

ADDITIONAL INFORMATION ON THE SJCE WEBSITE

Please check the SJCE website for updated information including compilations of responses to supplier questions (if any) at: <https://www.sanJosecleanenergy.org/energy-procurement>

MASTER AGREEMENT & CONFIRMATION

SJCE intends to transact under the WSPP Agreement or an EEI-based agreement. SJCE will post on its website its preferred form of transaction confirmations for most of the products requested herein. Parties are encouraged to submit any proposed changes to these forms (or alternative preferred enabling agreements and/or confirms) to Stephen Hall

Steve.Hall@troutmansanders.com, Jeanne M. Solé Jeanne.Sole@sanjoseca.gov, Kelly Morris (SJCE): Kelly.morris@sanjoseca.gov, Ken Goeke Ken.Goeke@ncpa.com, and Bernard Erlich Bernard.Erlich@ncpa.com, on or before submitting their bids.

In addition, SJCE may only transact with qualifying counterparties pursuant to its Risk Management Policies. Parties are encouraged to contact Jeanne M. Solé at Jeanne.Sole@sanjoseca.gov and Kelly Morris at kelly.morris@sanjoseca.gov as soon as possible if they intend to respond to this RFO and have not been qualified by SJCE's Finance Department.

SJCE provides the following information to interested suppliers to facilitate their assessment of SJCE as a counterparty:

- Attached please find our W9.
- San José Clean Energy is housed in the City of San José's Department of Community Energy. The program is provided for in San José's municipal code Title 26, available at the following link:
https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT26COEN
- San José Clean Energy's Implementation Plan is available at <http://www.sanjoseca.gov/DocumentCenter/View/71410>
- San José Clean Energy's risk management policy was approved by San José City Council and is available at <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3478118&GUID=32319D40-8EA7-4D1A-9E48-B1CC78BB2E5E&Options=&Search>
- SJCE's initial funding plan is described in a memo to City Council in August 2017. The SJCE has followed through with this plan:
http://sanjose.granicus.com/MetaViewer.php?view_id=&event_id=2699&meta_id=650894
- The ordinance establishing the Department's initial funding is attached.
- The City of San José is the signatory to WSPP Agreement and will be the signatory to the confirmations.
- The Department of Community Energy is an enterprise department of the City of San José. Please see below language that we have added to our draft confirmation to explain this arrangement.

DESIGNATED FUND AND LIMITED OBLIGATIONS

- (a) Designated Fund. Buyer's payment obligations under this Agreement shall be paid from a Department of Community Energy designated fund that shall be used solely for San José Clean Energy costs and expenses, including the obligations under this Agreement. Subject to the requirements and limitations of applicable law and taking into account other available money specifically authorized by the San José City Council and allocated and appropriated to the San José Clean Energy's obligations, Buyer agrees to establish San José Clean Energy rates and charges that are sufficient to maintain revenues in the designated fund necessary to pay its obligations under this Agreement and all of Buyer's payment obligations under its other contracts for the purchase of energy for San José Clean Energy. Buyer shall provide Seller with reasonable access to account balance information with respect to the San José Clean Energy designated fund during the Term.
- (b) Limited Obligations. Buyer's payment obligations are special limited obligations of the Buyer payable solely from the revenues of San José Clean Energy. Buyer's payment obligations under this Agreement are not a charge upon the revenues or general fund of the City of San José or upon any non- San José Clean Energy moneys or other property of the Community Energy Department or the City of San José.

Here is a link to our municipal advisor letter:

<https://www.sanjoseca.gov/DocumentCenter/View/39975>

Finally, to do business in San José, Sellers who are not already registered will have to register with the City of San José within 90 days of commencing business within the city. Details are available at the following:

<http://www.sanjoseca.gov/BusinessTax>

PUBLIC NATURE OF PROPOSAL MATERIAL

All correspondence with SJCE including responses to this solicitation will become the exclusive property of the City of San José and will become public records under the California Public Records Act (Cal. Government Code section 6250 et seq.) All documents that you send to SJCE will be subject to disclosure if requested by a member of the public. There are a very limited number of narrow exceptions to this disclosure requirement.

Therefore, any proposal which contains language purporting to render all or significant portions of their proposal "Confidential", "Trade Secret" or "Proprietary", or fails to provide the exemption information required as described below will be considered a public record in its entirety subject to the procedures described below. Do not mark your entire proposal as "confidential".

The City will not disclose any part of any proposal before it announces a recommendation for award, on the ground that there is a substantial public interest in not disclosing proposals during the evaluation process. After the announcement of a recommended award, all proposals received in response to this RFP will be subject to public disclosure.

In order to designate information as confidential, the Seller must clearly stamp and identify the specific portion of the material designated with the word "Confidential" and provide a citation to the California Public Records Act that supports keeping the information confidential. Seller should not to over-designate material as confidential. Over-designation would include stamping entire pages or series of pages as confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement ("Requestor") for production, inspection and/or copying of information designated by Seller as confidential information (such designated information, the "Confidential Information"), SJCE will notify the Seller as soon as practical that such request has been made. The Seller shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the City. If the City takes no such action after receiving the foregoing notice from the Seller, the City shall be permitted to comply with the Requestor's demand and is not required to defend against it.

If required by any law, statute, ordinance, a court, Governmental Authority or agency having jurisdiction over the City, including the California Public Records Act, the City may release Confidential Information, or a portion thereof, as required by the Applicable Law, statute, ordinance, decision, order or regulation. In the event the City is required to release Confidential Information, it shall notify the Seller of the required disclosure, such that the Seller may attempt (if it so chooses), at its sole cost, to cause the recipient of the Confidential Information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise becoming part of the public domain.

DISCLAIMERS

SJCE reserves the sole and discretionary right to (i) reject any offers received in response to this RFO for any reason, and (ii) accept any offers received after the deadline for submittals as indicated herein. Additionally, SJCE reserves the right, at its sole discretion, to not enter into any confirmation for the transaction at the conclusion of this RFO. SJCE reserves the right to modify the terms and conditions of this RFO at any time based on changing needs and market feedback. SJCE also reserves the right to rescind this RFO at any time prior to SJCE's execution of a binding agreement. Notwithstanding anything to the contrary, including the WSPP Agreement, no proposal, bid, offer, or proposed transaction (however described) shall be binding upon SJCE except pursuant to a written agreement signed by SJCE and the counterparty. SJCE will not be liable at any time for any costs the prospective supplier may incur in preparing or submitting its response to this RFO.

If an unsuccessful proposer wants to dispute an award or award recommendation, a protest must be submitted in writing to the Director of Community Energy, Lori Mitchell, no later than ten (10) calendar days after announcement of the successful proposer, detailing the grounds, factual basis and providing all supporting information. Protests will not be considered for disputes on the grounds that material provision in this RFP is ambiguous. Failure to submit a timely written protest to the contact listed below will bar consideration of the protest.

The address for submitting protests is:
Attention: Lori Mitchell, Director
City of San José, Department of Community Energy
200 East Santa Clara Street, 14th Floor
San José, CA 95113

Please submit an electronic version of the protest to Lori Mitchell Lori.Mitchell@sanjoseca.gov, and Jeanne M. Solé Jeanne.Sole@sanjoseca.gov