



**Request for Offers:
RA with Dispatchable Energy**

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RFO Overview

San José Clean Energy (“SJCE”) is the City of San José’s electricity supplier. SJCE is a program operated by the Community Energy Department of the City of San José. The San José City Council unanimously voted to create SJCE in May 2017. SJCE began delivering power to residents and businesses in February 2019. SJCE provides cleaner electricity, at lower rates than the incumbent investor-owned utility (“IOU”), Pacific Gas and Electric Company (“PG&E”). SJCE 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. For more information on SJCE, please go to www.sanjosecleanenergy.org.

Products Solicited

The goal of this Request for Offers (“RFO”) is to solicit offers for RA Capacity with Dispatchable Energy. Only with Bidders written consent, SJCE may share results with additional CCAs that could be interested in participating in joint procurement of products bid into this solicitation.

RA Capacity with Dispatchable Energy

SJCE is seeks proposals from power suppliers for the resource adequacy and dispatchable energy capacity from a physical resource. With SJCE’s input, Seller shall manage fuel supply and schedule dispatched energy to San Jose Clean Energy as a Physical Inter-SC trade (IST) in the day-ahead and/or hour-ahead market.

Product(s)	Description
Product Overview	Dispatchable Energy or Dispatchable Energy with Resource Adequacy Capacity Attributes
Delivery Point	CAISO, Resource pNode
Energy Settlement	DAM Physical IST
Minimum Volume	5 MWs
Maximum Volume	150 MWs
Preferred Resources	Existing Resources Only
Delivery Period	Calendar Year, May-October, July-September
Term	1 Year, 3 Years, 5 Years, 7 Years, 10 Years ¹ , 15 Years
Fuel Notice Period	Annual, Monthly, Daily
Earliest Start Date	August 1, 2022
Latest Start Date	December 31, 2024 ²
Offer Parameters³	
Dispatch Right Charge	Fixed Price (\$/kW-month)
Resource Adequacy Price	Fixed Price (\$/kW-month)
Transaction Rate	Fixed Price (\$/mmBtu)
Variable O&M Charge	Fixed Price (\$/MW-hour)
Start Up Cost	Fixed Price (\$ per start)
Fuel Supply	See Below
Heat Rate	mmbtu/kWh
Reference Carbon Allowance Costs	MTCO _{2e} / MWh ⁴ (see below)
Dispatch Capacity	MW
RA Capacity	MW NQC

Fuel Supply: Seller shall make arrangements to procure, manage and fix the fuel supply and cost at the Buyers request. Seller shall propose the cadence and schedule to fix fuel supplies for a given operating period. In all cases, for procured fuel and subject to the operating limits of the resource, Buyer shall inform Seller on a day ahead basis of the hourly energy schedule (to be delivered to SJCE as a Physical IST), or request the Seller liquidate fuel supply without scheduling a Physical IST (credited on monthly invoice).

¹ Terms of ten (10) or more years will require City of San Jose Council Approval

² Start Dates beyond 12/31/2024 are not preferred, but are welcome to participate

³ See Offer Form for complete list of offer parameters.

⁴ Buyer may elect to manage

Carbon Allowances: Seller may procure Carbon Allowances at Buyers request, or Buyer may procure Carbon Allowances and make these available to Seller.

Hybridization and/or retrofitting for green hydrogen: SJCE supports hybridization and/or retrofitting of existing fuel-based resources to burn a green hydrogen blend in order to reduce green house gas emissions of fuel-based resources. If these components can be added to an offer at an additional cost, please indicate this in your offer and provide the alternative pricing, terms, and green-house gas reduction benefits of these features.

Alternative Offers: SJCE has developed an approach that is workable for SJCE to compensate a fuel-based resource. SJCE welcomes and will review alternative offers to compensate a supplier for a fuel-based resource for Dispatchable Energy, and/or a non-fuel based resource, such a battery storage project, for Dispatchable Energy.

RFO Process and Timeline

Timeline

Date	Description
May 31, 2022	RFO Launch
June 06, 2022 5PM PT	“Q&A Deadline” Deadline to submit questions to SJCE. Responses will be posted to the SJCE website as soon as practical
June 15, 2022 5PM PT	“Submission Deadline” Final Offers submitted to SJCE
June 24, 2022 5PM PT	SJCE will inform respondents of acceptance, shortlist or rejection of offers. ⁵
July 2022	Execution of agreement(s) ⁶

SJCE will not consider offers received after the Submission Deadline.

Submission of Offer(s)

Only electronic submittals will be accepted via e-mail sent to RFO@sanjosecleanenergy.org

Bidders should include the following in their response:

- Completed Offer Workbook
- Completed Supplemental Questionnaire
- Redlined Term Sheet

The submission of a response shall be deemed a representation and certification by the Participant that they have investigated all aspects of the RFO, that they are aware of the applicable facts pertaining to the RFO process, its procedures, and requirements, and that they have read and understood the RFO. No request for modification of the response shall be considered after its submission on grounds that Participant was not fully informed as to any fact or condition.

⁵ Shortlisted projects will be subjected to contracting, credit and collateral.

⁶ Agreements ten (10) or more years require council approval; execution shall be subject to council session availability.

Interpretation

SJCE shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by SJCE or its representatives.

Should there be a need to clarify this RFO or any of its attachments, requests for clarification may be sent via e-mail at RFO@sanjosecleanenergy.org.

Supplier Diversity

Pursuant to California Senate Bill 255, Community Choice Aggregators (CCAs) are required to report to the California Public Utilities Commission on their diverse suppliers, as defined by CPUC General Order 156. Consistent with the California Public Utilities Code and California Public Utilities Commission policy objectives, respondents that execute an agreement with SJCE will be required to complete a Supplier Diversity questionnaire. SJCE will NOT consider race, sex, color, ethnicity, or national origin in procurement decisions.

SJCE encourage all eligible parties to get certified with the CPUC as a woman, minority, disabled veteran and/or LGBT owned business enterprise (WMDVLGBTBE).

For overview information on the CPUC Supplier Diversity Program, please visit the program homepage (<https://www.cpuc.ca.gov/supplierdiversity/>). For information on the certification process and requirements, please visit the Certifications page (<https://www.cpuc.ca.gov/Certifications/>).

Grounds for Disqualification

All RFO Participants are expected to have read and understand the "Procurement and Contract Process Integrity and Conflict of Interest", Section 7 of the Consolidated Open Government and Ethics Provisions adopted on August 26, 2014 ("Section 7"). A complete copy of the Resolution 77135: <http://www.sanjoseca.gov/DocumentCenter/View/35087>.

Any RFO Participants who violates Section 7 will be subject to disqualification. Generally, the grounds for disqualification include:

1. Contact regarding procurement with any City official or employee or Evaluation team other than the RFO procurement contact designated in this RFO.
2. Evidence of collusion, directly or indirectly, among RFO Participants regarding the amount, terms, pricing, or conditions of a proposal.
3. Influencing any City staff member or evaluation team member throughout this RFO process, including the development of specifications.
4. Evidence of submitting incorrect information in the response to this RFO or misrepresent or fail to disclose material facts during an evaluation process.

In addition to violations of the Section 7, the following conduct may also result in disqualification:

1. Offering gifts or souvenirs, even of minimal value, to City officers or employees.
2. Existence of any lawsuit, unresolved contractual claim or dispute between RFO Participant and the City.
3. Evidence of RFO Participant's inability to successfully complete the responsibilities and obligations of a proposal.
4. RFO Participant's default under any City agreement, resulting in termination of such Agreement.

Code Adherence and Policies

RFO Participant shall agree to abide by all laws, rules and regulations of the United States, State of California, Santa Clara County, and the City of San José.

Terms and Conditions of Agreement

All agreements entered into by SJCE pursuant to a solicitation are subject to the Appropriation of Funds, Designated Fund, and Limited Obligations provisions set forth in the Term Sheet, Attachment. These provisions are non-negotiable.

Participant shall enter into a contract with SJCE in substantial conformity with the selected proposal, as mutually modified during negotiations with SJCE. Attachment, Term Sheet for RA with Dispatchable Energy, outlines SJCE's standard terms and conditions as part of the agreement between SJCE and the successful Participant. SJCE reserves the right to negotiate project deliverables and associated costs.

All agreements will require the Participant to adhere to the terms of any applicable proposal and to act in accordance with all applicable laws and regulations. An agreement shall not be binding or valid unless and until it is executed by authorized representatives of the City and approved by the City of San José's City Council. The City Council may also authorize the Director of Community Energy or her designee to negotiate and execute power supply contracts.

SJCE's municipal advisor letter can be found at the following location:

www.sanjoseca.gov/DocumentCenter/View/39975

Public Nature of Proposal Material

All correspondence with SJCE including responses to this RFO 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 response which contains language purporting to render all or significant portions of their response "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 response as "confidential". All responses received via this RFO will be subject to public disclosure.

In order to designate information as confidential, the Respondent 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. Respondent should not 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 respondents as confidential information (such designated information, the "Confidential Information"), SJCE will notify the respondent as soon as practical that such request has been made. The respondent 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 respondent takes no such action after receiving the foregoing notice from the City, 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 respondent of the required disclosure, such that the respondent 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.

Disclaimer

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 Deputy Director of Power Resources, Jeanne Solé, no later than ten (10) calendar days after notice that the proposer was unsuccessful, 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 RFO 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 of Community Energy | City of San José, Department of Community Energy
200 East Santa Clara Street, San Jose, CA 95113

Please submit an electronic version of the protest to Lori Mitchell at:

protestSJCE@sanjosecleanenergy.org

Communications

All RFO documents are available on SJCE's website at www.sanjosecleanenergy.org/energy-procurement

All announcements and updates will be posted on the website. Questions and all other communications should be sent to RFO@sanjosecleanenergy.org