



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

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## RFO Overview

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San José Clean Energy ("SJCE") is the City of San José's electricity supplier. SJCE is a program operated by the Community Energy Department ("CED") of the City of San José. CED plans for and secures commitments from a diverse portfolio of energy generating resources to reliably serve the electric energy requirements of the SJCE customers over the near-, mid-, and long-term planning horizons. For more information on SJCE, please go to [www.sanjosecleanenergy.org](http://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, CED 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

CED seeks proposals from power suppliers for the resource adequacy, dispatchable energy and ancillary service capacity from a physical resource to serve SJCE customers. CED’s preferred arrangement is that Seller acts as the scheduling coordinator, managing fuel supply, and under CED’s direction, optimizes the value of the value of the resource’s energy generation and ancillary service capacity across the day ahead and real time markets.

Product(s)	Description
Product Overview	Energy Generation, Ancillary Service Capacity, Resource Adequacy Benefits, and any other revenue generating capability associated with the Facility.
Delivery Point	CAISO, Resource pNode
Minimum Volume	25 MWs
Maximum Volume	150 MWs
Preferred Resources	Existing Resources Only
Delivery Period	Full Calendar Year or seasonal
Term	1 Year, 3 Years, 5 Years, 7 Years, 10 Years <sup>1</sup> , 15 Years
Fuel Notice Period	Annual, Monthly, Daily
Earliest Start Date	November 1, 2023
Latest Start Date	December 31, 2025 <sup>2</sup>
<b>Offer Parameters<sup>3</sup></b>	
Dispatch Right Charge	Fixed Price (\$/kW-month)
Resource Adequacy Price	Fixed Price (\$/kW-month)
Fuel	(Index Price + Fixed Price Adder) (\$/MMBtu)
Variable O&M Charge	Fixed Price (\$/MW-hour)
Start Up Cost	Fixed Price (\$ per start)
Fuel Supply Hedging	See Below
Heat Rate	mmbtu/kWh
Reference Carbon Allowance Costs	MTCO <sub>2e</sub> / MWh <sup>4</sup> (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.

**Carbon Allowances:** Seller may procure Carbon Allowances at Buyers request, or Buyer may

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

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

<sup>3</sup> See Offer Form for complete list of offer parameters.

<sup>4</sup> Buyer may elect to manage

procure Carbon Allowances and make these available to Seller.

**Hybridization and/or retrofitting for green hydrogen:** CED 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. Retrofitting to burn green hydrogen must include a realistic approach for security green hydrogen at a reasonable price.

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:** CED has developed an approach that is workable for CED to compensate a fuel-based resource. CED 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
July 14, 2023	RFO Launch
July 28, 2023 5PM PT	<b>“Q&amp;A Deadline”</b> Deadline to submit questions to SJCE. Responses will be posted to the SJCE website as soon as practical
August 11 , 2023 5PM PT	<b>“Submission Deadline”</b> Final Offers submitted to SJCE
August 25, 2023 5PM PT	SJCE will inform respondents of acceptance, shortlist or rejection of offers. <sup>5</sup>
October 2023	Execution of agreement(s) <sup>6</sup>

CED reserves the right to 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](mailto: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.

<sup>5</sup> Shortlisted projects will be subjected to contracting, credit and collateral review and if appropriate collateral requirements.

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

## Interpretation

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San José 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](mailto:RFO@sanjosecleanenergy.org). Clarification shall be provided by posting to the SJCE website.

## Supplier Diversity

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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 Sand Jose will be required to complete a Supplier Diversity questionnaire. SJCE will NOT consider race, sex, color, ethnicity, or national origin in procurement decisions.

CED 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

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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

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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

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All agreements entered into by San José for SJCE pursuant to this 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 San Jose in substantial conformity with the selected proposal, as mutually modified during negotiations with CED. Attachment, Term Sheet for RA with Dispatchable Energy, outlines San Jose's standard terms and conditions as part of the agreement between San Jose and the successful Participant. CED 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, for contracts ten years or longer, approved by the City of San José's City Council.

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

[www.sanjoseca.gov/DocumentCenter/View/39975](http://www.sanjoseca.gov/DocumentCenter/View/39975)



## Public Nature of Proposal Material

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All correspondence with CED 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 CED 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"), CED 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

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CED 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, CED 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 San Jose's execution of a binding agreement. Notwithstanding anything to the contrary, including the WSP Agreement, no proposal, bid, offer, or proposed transaction (however described) shall be binding upon San Jose except pursuant to a written agreement signed by San Jose and the counterparty. San Jose will not be liable at any time for any costs the prospective supplier may incur in preparing or submitting its response to this RFO.

The unsuccessful Respondent may dispute a notice of award. The written protest must be submitted to the City Manager or designee no later than 10 calendar days after the notice of award is issued, and must detail the grounds and factual basis including all supporting information. Protests will not be considered for disputes of requirements or specifications. Protests should be submitted by email to: [protestSJCE@sanjosecleanenergy.org](mailto:protestSJCE@sanjosecleanenergy.org), with a copy to the Procurement Contact specified for this solicitation. Protests must be addressed to the following:

City of San José City Manager's Office  
Attention: Kip Harkness, Deputy City Manager  
200 East Santa Clara Street, 18th Floor Tower  
San José, CA 95113

## Communications

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All RFO documents are available on SJCE's website at [www.sanjosecleanenergy.org/energy-procurement](http://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](mailto:RFO@sanjosecleanenergy.org)