



REQUEST FOR PROPOSAL No. 17-3

For

**East Bay Community Energy Authority
Wholesale Power Services**

RESPONSE DUE

by

5:00 p.m.

on

Friday, October 27, 2017

For complete information regarding this project, see RFP posted at ebce.org or contact the EBCE representative listed below. Thank you for your interest!

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TABLE OF CONTENTS

Overview	3
RFP Schedule	4
Scope of Services	4
Portfolio Management and Procurement Services	4
CAISO Scheduling Coordination Services	5
Advisory Services	5
Credit Solution	6
Evaluation Criteria	7
Financial and Operational Capabilities	7
Respondent Proprietary Information	7
Proposal Format	8
Reservation of Rights	8
Proposal Delivery	8

Overview

East Bay Community Energy Agency (EBCE) is a California joint powers agency located within Alameda County, formed for the purpose of implementing a Community Choice Aggregation (CCA) Program. EBCE member organizations include eleven cities and town located within the County of Alameda (County) as well as the unincorporated area of the County. The CCA program works in partnership with Pacific Gas & Electric and is intended to serve the electric power supply needs of eligible residential, commercial, municipal and industrial customers within EBCE's service territory.

At full enrollment, total annual energy consumption for EBCE's CCA Program is projected to be approximately 6,200 GWh (about 700 MW) servicing in the range of 575,000 customer accounts. These estimates assume 10% of prospective EBCE customers will opt-out of (i.e., not participate in) the CCA Program, electing instead to continue bundled service with PG&E. This is a conservative estimate, noting that newer and currently operational CCAs have an average 93%-95% customer retention rate (5% -7% opt out).

EBCE, by this Request for Proposals (RFP), is seeking responses from interested and qualified parties, which may include but is not limited to: electric service providers, public power organizations, joint action agencies, power marketers, independent power producers, scheduling coordinators, and other energy-related vendors and/or consultants to provide the following suite of wholesale power services, either on an "a la carte" or integrated services basis:

- Portfolio Management and Procurement Services
- CAISO Scheduling Coordinator Services
- Rate Design/Setting and other Energy-Related Advisory Services
- Long Term Procurement Planning
- Credit Solution

Requested services are to be provided during the remainder of the Program implementation period, anticipated to be less than twelve (12) months, followed by a 36 – 60 month initial Program operating period expected to commence on or about May 1, 2018. Responders should clearly identify proposed contract duration(s) within their proposals. Potential responders are invited to respond to EBCE's service needs by particular service category(ies) and/or to perform all services categories as a "package" from within proposer's organization or by way of formal collaboration with other entities. If a team approach is proposed, the lead entity for the team should be clearly identified. The team lead will serve as the responsible party, will be the contract counterparty with EBCE, and will serve as primary contact for team members.

Proposers may submit more than one approach to developing/servicing the CCA Program, and if more than one approach is submitted this should be clearly identified in proposer's transmittal cover letter. As a result of this RFP process, EBCE may choose to: 1) select a single firm to implement the entire range of Proposal Requirements; 2) select one or more firms, each of which would implement one or more tasks; or 3) select a team of individual firms that present a proposal for the full Proposal Requirements. Further, EBCE reserves the right to reject any and all responses to this RFP.

If multiple entities are selected, cooperation and coordination among the various organizations will be required to smoothly and reliably implement and operate EBCE's CCA Program.

EBCE has separately initiated a process seeking Data Management and Call Center vendors for its CCA Program and these functions are not part of this RFP. However, responders to this RFP will necessarily need to collaborate with EBCE's selected Data Management and Call Center vendor, as well as other vendors selected by EBCE to perform related CCA business support services.

Additional information regarding EBCE's history, formation, purpose, membership and CCA Program parameters can be found at EBCE's website, ebce.org (wherein EBCE's CPUC submitted Implementation Plan and other formative documents are available).

Responders selected pursuant to this RFP will assist EBCE with reliably meeting the electric supply and operational requirements of EBCE's CCA Program. Responsive proposals will accommodate EBCE's anticipated May 1, 2018 service commencement date.

Updated RFP Schedule

Release RFP: October 4, 2017 /Second Release: October 19, 2017

Updated Proposal Due Date: Friday, October 27, 2017

Proposed Decision and Contract Timing: Mid/late November, 2017

Please note that proposals may be submitted before the established due date. In addition, EBCE may choose to accept additional proposals after the established due date at its sole discretion.

Scope of Services

The scope of services outlined below details the wholesale power services requirements of EBCE during the balance of the implementation phase, as well as during the operational phase. Proposers must demonstrate their qualifications and capabilities to provide the requested services and be clear about the method of compensation. Proposers should address how they will work with EBCE to meet the needs of ongoing CCA operations after launch and how Proposer's approach would be economically and operationally advantageous to EBCE.

Portfolio Management and Procurement Services

Respondent will assist EBCE's development and implementation of its portfolio management strategy, including assistance with drafting, implementing and complying with its Energy Risk Management Policy. Respondents are expected to help develop and participate in a risk management process, as well as produce, maintain and publish reports tracking EBCE's compliance with portfolio exposure, market risk and credit limits. Respondent will assist EBCE management and staff to present results to the Board.

Respondents will be expected to identify and present risk-mitigation strategies to EBCE's risk management team and leadership. EBCE staff and Board will work closely with Proposer to identify risk sensitive areas likely affecting EBCE's Program. Particular attention will be paid to proposed approaches to manage the risk to rate competitiveness posed by the Power Charge Indifference Adjustment and how to incorporate those approaches within EBCE's procurement strategies.

Responders to this RFP will also be expected to procure and/or negotiate power contracts on EBCE's behalf, or assist EBCE in procuring all requisite energy, capacity, renewable and GHG-free products to meet EBCE's power supply portfolio requirements while fully complying with applicable regulatory and legislative mandates, CAISO rules and practices, and EBCE's Program goals and objectives, including its enterprise risk management policy. Activities will include issuing RFPs for multi-year off-take agreements, reviewing and evaluating bids and negotiating bilateral power-purchase agreements with third-party power providers.

CAISO Scheduling Coordination Services

Scheduling Coordinator (SC) services include short-term load forecasting (i.e., week-ahead, day-ahead, and hour-ahead), scheduling of load into the CAISO day-ahead market, validating CAISO statements for load settlements, minimizing and managing real-time imbalance exposure, accepting Inter-SC Trades, and managing a Congestion Revenue Rights ("CRR") portfolio and bidding into the various CRR auctions.

EBCE currently neither owns nor has generating resources under its operational control and therefore is not requesting generation scheduling services as part of this RFP, but all respondents must possess the capability and experience to schedule future renewable generation projects that may be under contract with EBCE in the future. Additionally, SCs will be required to submit regulatory compliance filings, such as monthly RA compliance reports to the CAISO on behalf of the EBCE Program.

Respondents offering to provide SC services must be certified by the CAISO as a scheduling coordinator, or must name a certified scheduling coordinator that will be contractually responsible for scheduling loads and resources throughout the proposed delivery term. If respondent is not a certified CAISO scheduling coordinator and will be naming a third-party to serve in this capacity, EBCE requires such respondents to submit proposals that are co-signed by the anticipated scheduling coordinator, verifying the intended business relationship and the anticipated scope of services to be provided.

Respondents offering to provide SC services must describe the methodologies that will be used for load forecasting and CRR portfolio management as well as all information systems that will be utilized in providing SC services to EBCE and identification of those to which EBCE personnel will have access. Proposals must describe the process and methods to be used for validating CAISO charges and credits that will be passed through to EBCE.

It is also expected that the SC will be responsible for satisfying the CAISO's various financial requirements and obligations (i.e., collateral obligations).

Advisory Services

There are a number of activities with which EBCE will require assistance that are related to wholesale power services. A list of activities is provided below.

Regulatory and Legal Compliance

Coordinate with EBCE management and staff to ensure compliance with all regulatory requirements pertaining to CCAs, such as RPS, resource adequacy, energy storage implementation and re-certification of implementation plan when necessary. This function would also involve monitoring ongoing regulatory proceedings at the CPUC (as well as proposed laws at the legislature) that may materially affect CCA functions and competitiveness, and providing comments and testifying at

these forums when appropriate. Of particular concern would be impacts on CCA fees, such as the departing load charge and changes around the cost allocation mechanism.

Financial planning

Assist EBCE with financial planning including development of annual budgets and making budget presentations to the Board of Directors as appropriate. This task also includes managing/supporting the rate-setting process and presenting proposed rates to the Board for approval.

Proposer will need to conduct an analysis to assist EBCE in establishing a rate regime that meets the annual budgetary revenue requirement developed by the Program. This will include recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other debt-service requirements. EBCE anticipates a rate structure similar to PG&E's rate schedules. Included in the rate structure should be consideration of policies that further encourage renewable energy development, including but not limited to:

- a) A feed-in-tariff program to incentivize renewable energy projects within the Program service territory;
- b) A net energy metering tariff that encourages solar installation on the customer side of the meter;
- c) A 100% renewable, opt-in choice. Customers would be offered a 100% renewable energy option at a premium price, based on the costs of a 100% renewable supply.

Policy and program development

If requested, assist EBCE with energy efficiency program development and administration, local power development projects, job training and energy storage initiatives. Innovative policies could include, as discussed previously, feed-in-tariff and net energy metering programs.

Integrated Resource Planning

Assist EBCE with developing a long-term integrated resource plan that considers both demand-side reductions (through energy efficiency and demand response) as well as conventional/renewable supply. The resource plan will estimate the percentage of total electricity demand that will come from renewable and non-renewable resources. This should take into consideration SB 350's Integrated Resource Planning requirements and other relevant factors. If requested, the selected Proposer may also work with EBCE to create an action plan for developing local renewable energy projects.

Other Services

Identify other related services and tasks which may not have been included in this RFP which Proposer deems are important to the success of the Program. Comprehensive proposals that identify opportunities above and beyond standard Program operations are encouraged.

Credit Solution

There are a number of short-term financing needs that EBCE will need to fund prior to receipt of Program revenues, including, but not limited to: paying settlements with power suppliers and CAISO, providing credit support to power suppliers and CAISO, paying utility service fees, and posting the CPUC performance bond.

EBCE has separately issued an RFP for credit and banking services that may in part, or whole, meet the EBCE's initial financing requirements; however, EBCE is also interested in learning if respondents to this RFP are interested and able to help support EBCE's wholesale energy market financing requirements, and if so, the cost of such credit solution and proposed terms and conditions.

Evaluation Criteria

Proposals will be evaluated based on the following non-exhaustive factors:

- Qualifications and experience of the respondent's provision of the same or similar services;
- Capability and experience of key personnel as well as direct experience with other public and/or private agencies in similar capacities;
- History of successfully performing services for public and/or private agencies and other CCAs;
- Financial viability of the respondent;
- Cost to EBCE for the services identified in this RFP;
- Proposed approach, including a clearly demonstrated understanding of the intended scope of products and services to be provided;
- Proposer's indicated willingness to work with other EBCE vendors and consultants;
- Ability to meet required timelines or other requirements;
- Existence of and circumstances surrounding any claims and violations against the respondent, its representatives and/or partners;
- Pertinent references.

EBCE reserves the right to consider factors other than those indicated above and to request additional information from any/all respondents as part of the selection process.

Financial and Operational Capabilities

The respondent must provide evidence of financial, technical and operational capabilities for delivery of the requested services.

Respondents must provide the following:

- Audited financial statements for the most recent previous two years or a web-link where such information is accessible.
- If available, a credit rating from two of the following: Standard & Poor's, Moody's, or Fitch Investor Services from the most recent rating agency report.

Respondent Proprietary Information

Information submitted in response to this RFP will be used by EBCE or its designated representatives, including consultants, solely for the purpose of proposal evaluation. Proprietary data should be specifically identified on each applicable page of respondent's proposal; respondents should mark or stamp applicable pages as "Confidential" or "Proprietary." Reasonable care will be exercised so that information clearly marked as proprietary or confidential will be kept confidential, except as otherwise may be required by law or regulatory authority. EBCE, its employees and consultants will not be liable for the accidental disclosure of such data, even if it is marked.

Proposal Format

Proposal information should be organized into the following sections:

Introduction and Executive Summary - Briefly describe the firm, its organization, key personnel, and operations, and provide similar information for any third parties that will be relied upon to provide the proposed services.

Description of Approach to Providing Proposed Services – Describe the proposed approach for delivery of the proposed services. Respondents should clearly state how they intend to interact with EBCE staff and what the obligations and expectations they have of EBCE staff.

Financial, Technical, and Operational Qualifications – Demonstrate the firm’s financial viability, qualifications, and experience in providing the proposed services. Include supporting financial statements, credit reports, references, description of sustainability practices and other relevant information.

Price Proposal – Provide a price for providing each of the requested services.

Reservation of Rights

EBCE reserves the right to change the requirements, due dates, and other CCA Program requirements as may be necessary for the development of the overall CCA Program. Through issuance of this RFP, EBCE makes no commitment to any proposer and provides no guarantee that a contract will be awarded. EBCE reserves the right to discontinue this RFP process at any time for any reason.

Proposal Delivery

Proposals must be received by 5:00 P.M. Pacific Prevailing Time on Friday, October 27, 2017 through electronic submission and shall be directed to the following point of contact:

East Bay Community Energy
Attention: Nick Chaset, Chief Executive Officer
Phone: (510) 670-5936
Email: Nchaset@ebce.org

With copy to:
Stephanie Cabrera, Executive Assistant
Scabrera@ebce.org