



Summer and Winter 2018 Regional Renewable Choice Request for Offers

Using the Renewable Auction Mechanism Tool

August 24, 2018
(Launch Date)

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

Table of Contents

I. OVERVIEW 1

OVERVIEW 1

SCHEDULE 1

 1. *Schedule Overview*..... 1

 2. *RFO Process* 2

DISCLAIMERS FOR REJECTING OFFERS AND/OR TERMINATING THIS RFO..... 3

II. RFO GOALS 4

III. ELIGIBILITY 5

PROJECT DESIGN ELIGIBILITY REQUIREMENTS: RRC 5

PROJECT VIABILITY ELIGIBILITY REQUIREMENTS..... 6

 1. *Interconnection*..... 6

 2. *Site Control* 8

 3. *Experience* 8

 4. *Commercialized Technology*..... 8

 5. *Commencement of Commercial Operation Deadline* 8

 6. *Demonstration of Community Interest*..... 8

 7. *Securities Opinion* 9

PARTICIPATION IN OTHER PROCUREMENT PROGRAMS 10

PARTICIPATION IN FUTURE SOLICITATIONS 10

IV. EVALUATION CRITERIA 10

LEAST-COST-BEST-FIT 10

RESOURCE ADEQUACY BENEFIT 13

SUPPLY CHAIN RESPONSIBILITY 13

V. GUIDELINES FOR OFFER DEVELOPMENT 13

PRICE 13

TIME OF DELIVERY 14

PPA TERMS AND CONDITIONS 14

VI. INFORMATION REGARDING INTERCONNECTION TO PG&E’S ELECTRIC SYSTEM AND INTERCONNECTION SCREENS..... 16

VII. REQUIRED INFORMATION..... 17

SUBMISSION OVERVIEW..... 17

REQUIRED FORMS..... 17

VIII. OFFER SELECTION 19

IX. REGULATION..... 19

CONFIDENTIALITY..... 19

CHANGES TO RFO 20

X. COMMUNICATIONS 21

XI. SUBMISSION OF SIGNED PPAS 21

XII. PROCUREMENT REVIEW GROUP REVIEW 21

XIII. REGULATORY APPROVAL 22

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

XIV. PARTICIPANT’S WAIVER OF CLAIMS AND LIMITATIONS OF REMEDIES..... 22
XV. TERMINATION OF THE RFO-RELATED MATTERS 23
XVI. PARTICIPANT’S REPRESENTATIONS AND WARRANTIES 23

List of Appendices

- Appendix A: Offer Form
- Appendix B: Power Purchase Agreement and Riders
- Appendix C: Site Control Questionnaire and Attestation
- Appendix D: Acknowledgement and Commitment of Site Owner Letter

I. Overview

Overview

Pacific Gas and Electric Company (“PG&E”) is issuing a Regional Renewable Choice (“RRC”) Request for Offers (“RFO”) using the Renewable Auction Mechanism Tool (“RAM Tool”) as a part of its Green Tariff Shared Renewables (“GTSR”) program, in compliance with California Public Utilities Commission (“CPUC”) Decisions 15-01-051 and D.16-05-006 “Decision Addressing Participation Of Enhanced Community Renewables Projects In The Renewable Auction Mechanism And Other Refinements To The Green Tariff Shared Renewables Program” under application A.12-01-008. Regional Renewable Choice is PG&E’s unique program name for the Enhanced Community Renewables (“ECR”) component of the GTSR program. This protocol outlines the parameters governing the solicitation.

PG&E seeks Offers for the sale of Product¹ for a contract term of 10, 15, or 20 years. All Projects must be new facilities and must be commercially operational no later than 36 months following final and non-appealable CPUC Approval of the PPA associated with the Project.

PG&E reserves the ability to place some Offers on a waiting list to account for the potential that some selected Offers could be withdrawn prior to submission of signed PPA.

For the purpose of this solicitation, reference to the term “PPA” may jointly refer to PG&E’s RAM 6 PPA and Regional Renewable Choice Rider.

Schedule

1. Schedule Overview

The final RFO schedule is subject to change to conform to any CPUC requirement and otherwise at the discretion of PG&E at any time. PG&E will endeavor to notify Participants of any schedule change via notification on PG&E’s RFO Website.²

As further described below, Participants may register at PG&E’s RFO website to receive notice of these and other RFO changes by electronic mail. PG&E will have no liability or responsibility to any Participant for any change in the schedule or for failing to provide

¹ Product means the electricity generated by a Project (the eligible renewable energy resource described in an Offer, together with all capacity and ancillary products, services or attributes which can be produced by or associated with the Project, and any other attributes required by the California Public Utilities Commission (“CPUC”) and/or the California Energy Commission (“CEC”).

² <http://www.pge.com/rfo>

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

notice of any change.

The expected launch for the Summer RRC RFO is August 24, 2018 if the Commission approves the Advice Letter on or before August 22, 2018. Otherwise, the launch for this solicitation will be within 7 days after the Advice Letter is approved.

The expected launch for the Winter RRC RFO is November 15, 2018. If a Resolution is issued on Advice Letter 3920-G/5206-E prior to the Winter RRC RFO launch, PG&E reserves the right to file a Supplemental Advice Letter to update the Protocol and solicitation documents in accordance with any Resolution issued.

The expected schedule for these RFOs is (all times are in Pacific Prevailing Time (“PPT”)):

Summer RFO Date/Time³	Winter RFO Date/Time⁴	Event
Ongoing	Ongoing	Participants may register online to receive notices regarding the RFO.
August 24, 2018	November 15 or within 15 days after conditions have been met.	PG&E issues the RFO (Issuance Date).
August 30, 2018	TBD	Participants' Conference for RFO (via webinar).
September 18, 2018	TBD	Offers Due. Offer(s) must be submitted to the online platform at Power Advocate. Offer evaluation begins.
October 30, 2018	TBD	PG&E selects offers. PG&E notifies Selected Participants and any Waitlisted Participants (Notification Date).
November 6, 2018	TBD	Submittal of Signed PPA. Selected Participants that wish to continue participation in PG&E's RFO must return a signed PPA and required documentation as shown in Appendix VIII of the PPA via Power Advocate.
December 31, 2018	TBD	Demonstration of Community Interest
January 31, 2019	TBD	PG&E executes PPAs (Execution Date).
March 1, 2019	TBD	Advice Letter Filing for executed PPAs.

2. RFO Process

³ Dates after the notification date are subject to change.

⁴ Dates after the notification date are subject to change.

Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)

- a. Registration. Participants may register online to receive announcements and updates about this RFO. Go to the RRC RFO Website and click on RFO Participant Registration. Alternatively, go to www.pge.com/rfo.
- b. Participants' Webinar. PG&E will hold a Participant Webinar to review key Protocol and PPA items related to this solicitation.
- c. Offers Due. Participant's Offer must be submitted via Power Advocate and must include all of the documents described in Section VII. By responding to this RFO, the Participant agrees to be bound by all of the terms, conditions and other provisions of this RFO and any changes or supplements to it that may be issued by PG&E.
- d. PG&E Selects Offers. Participants whose Offers have been selected will be notified via email. PG&E may select Offers within the Product Categories described below according to the evaluation criteria described in Section IV. Some of the next-best Offers beyond those selected may be placed on a waiting list to be selected in order of priority should any selected Offers fail to complete the RFO process.
- e. Submission of Signed PPA. Participants with selected Offers must submit a signed PPA with all required documentation in accordance with the timeline described above. If a Participant fails to submit a signed PPA with required documentation for one or more selected Offers as described above, PG&E will disqualify the originally selected Offer and will select the next-best Offer on the waiting list. A waitlisted Participant whose Offer is selected must return a signed PPA and the required documentation in accordance with the timeline described above.
- f. Demonstration of Community Interest. All waitlisted and selected Projects must meet the requisite demonstration of community interest within 60 days of the Notification Date. This means that all projects, whether selected or waitlisted, will need to meet the same deadline. If a selected Project fails to meet the requisite demonstration, it will not be eligible to execute a PPA and PG&E will revert to its waitlist. The waitlisted project that is then selected will need to have satisfied this requirement.
- g. Execution and Regulatory Approval. Once PG&E has fully executed each of the PPAs resulting from this RFO, it will submit all such PPAs to the CPUC for approval via a Tier 2 advice filing.

Disclaimers for Rejecting Offers and/or Terminating this RFO

This RFO does not constitute an offer to buy and creates no obligation to execute any PPA or to enter into a transaction under a PPA as a consequence of the RFO. PG&E shall retain the right at any time, at its sole discretion, to reject any Offer on the grounds that it does not conform to the terms and conditions of this RFO and reserves the right to

Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)

request information at any time during the solicitation process.

PG&E retains the discretion, subject to, if applicable, the approval of the CPUC, to: (a) reject any Offer on the basis, including but not limited to the basis that an Offer is the result of market manipulation or is not cost competitive or any other reason; (b) modify this RFO with the approval of the CPUC, the form PPA as it deems appropriate to implement the RFO and to comply with applicable law or other decisions or direction provided by the CPUC; and (c) terminate the RFO should the CPUC not authorize PG&E to purchase Products in the manner proposed in this RFO. In addition, PG&E reserves the right to either suspend or terminate this RFO at any time if such suspension is required by or with the approval of the CPUC. PG&E will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this paragraph to any Participant, whether submitting an Offer or not.

PG&E will not execute a PPA with any Project with an offer price that exceeds 120% of the maximum executed pre-TOD contract price from the 2017 PV Solicitation As-Available Peaking category. For Environmental Justice (“EJ”) eligible projects, PG&E will not execute a PPA with any Project with an offer price that exceeds 200% of the maximum executed contract price from the 2017 PV Solicitation As-Available Peaking category. The maximum offer award price is confidential pursuant to the confidentiality provisions that govern the RAM/PV program.

II. RFO Goals

PG&E is seeking to procure 197.59 MW in this solicitation. There will be two separate ‘buckets’ in the RRC RFO as follows (see Section III below for eligibility criteria):

- “Environmental Justice” (“EJ”) bucket. Any RRC EJ qualifying project located in an eligible EJ census tract and affirming participation in the EJ bucket on in the RRC Offer Form.⁵
- “RRC Main” bucket. Any RRC eligible project that is not participating or making an offer in the EJ bucket.

Each bucket will offer three Product Categories. In addition to the product definitions set forth in the PPA, and without implying any amendment to those product definitions, RRC Projects must fall within one, and only one, of the following Product Category definitions:

- “Baseload” Projects will have a generation profile demonstrating an annual capacity factor of 80% or greater (e.g., geothermal/biomass).
- “As-Available Non-Peaking” Projects will have a generation profile demonstrating intermittent energy delivery with an annual capacity factor of 80%

⁵ Offers participating in the EJ bucket are prohibited from participating in the Main bucket.

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

or less and less than 95% of the expected output in the peak⁶ and shoulder⁷ periods (e.g., wind).

- “As-Available Peaking” Projects will have a generation profile demonstrating intermittent energy delivery with an annual capacity factor of 80% or less and 95% or more of the expected output generated in the peak and shoulder periods (e.g., solar).

Additionally, as more particularly described in the PPA, each Offer should be identified as a Full Buy/Sell transaction. Excess Sale transactions are not permitted:

- “Full Buy/Sell” transaction means 100% of the energy production, net of station use, is sold by the generator to PG&E.

III. Eligibility

PG&E is seeking Projects that meet the specific eligibility requirements below. The Participant’s Offer must demonstrate that the Project meets each of the items in this Section III for the RRC program and EJ Projects must meet specific EJ criteria. A project offering into the EJ bucket is not eligible for the Main bucket. PG&E will not be entertaining any storage related offers in this solicitation and will select from eligible Offers only.

All Projects must have the capability to comply with Section 3.1(q) (Seller Equipment Required for Curtailment Instruction Communications) of the PPA.

Offers consisting of Distributed Energy Resource Providers are eligible to offer into the solicitation provided they meet all requirements outlined in this solicitation Protocol, RAM PPA, and satisfy all CAISO Tariff requirements.

Project Design Eligibility Requirements: RRC

1. Only new generation facilities are eligible. Facilities must be certified as an Eligible Renewable Resource (“ERR”)⁸ and be in compliance with the Green-e® Energy National Standard. PG&E encourages new resources to apply for pre-certification.

⁶ **Peak** = hours ending 16-21 (Pacific Prevailing Time (PPT)) all days in the applicable Monthly Period.

⁷ **Shoulder** = hours ending 7 - 15, all days in the applicable Monthly Period.

⁸ The CEC is responsible for certifying ERRs for purposes of compliance with the RPS program. The CEC has published Guidebooks to explain its criteria for RPS eligibility and process for ERR certification. The CEC’s “Renewable Portfolio Standard Eligibility Guidebook” 7th Edition publication number CEC-300-2010-007-CMF, January edition, is available at:

<http://www.energy.ca.gov/renewables/documents/>.

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

2. The Project must be located within PG&E's service territory and directly interconnected to PG&E's electric transmission or distribution system.
3. EJ Project: Project must be located within a census tract identified herein as Appendix E.
4. Neither the Project's nameplate capacity nor the Offer's contract capacity may be less than 0.5 MW. Neither the Project's nameplate capacity nor the Offer's contract capacity may be greater than 20 MW. For EJ Projects, neither the Project's nameplate capacity nor the Offer's contract capacity may be less than 0.5 MW or greater than 1 MW.
5. All waitlisted and selected Projects must meet the requisite demonstration of community interest within 60 days of the Notification Date. This means that all projects, whether selected or waitlisted, will need to meet the same deadline. If a selected Project fails to meet the requisite demonstration, it will not be eligible to execute a PPA and PG&E will revert to its waitlist. The waitlisted project that is then selected will need to have satisfied this requirement.
6. Facilities must begin delivery within 36 months of the Effective Date.
7. The California Public Utility Commission's final GTSR Decision 15-01-051 states that PG&E must review all developer marketing materials before they are used to market to customers.

Project Viability Eligibility Requirements

1. Interconnection

In order to participate in this RFO, Participants must have an executed Interconnection Agreement, a completed Phase II interconnection study⁹ (or equivalent¹⁰), or documentation showing that the Project passed the Distribution Provider or CAISO Fast Track screens¹¹ at the time of Offer submittal.

Participants that offer in to the RFO must remain active in the applicable interconnection queue until the project's required network upgrades have been completed. Participants must submit the applicable interconnection study with any applicable appendices with the Offer. If an interconnection agreement for the Project exists, it should be submitted along with the most recent interconnection studies.

⁹ Passing of an Electrical Independence Test is not sufficient unless the Project has a completed Phase II interconnection study or equivalent

¹⁰ For example, a Facilities Study.

¹¹ Submission of an Interconnection Request into a Fast Track process is not sufficient unless the project has passed the Fast Track screens or has a completed study equivalent to a Phase II interconnection study.

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

PG&E is accepting offers for projects with Full Capacity Deliverability Status (“FCDS”), Partial Capacity Deliverability Status (“PCDS”), and energy-only (“EO”) status.

Participants offering fully or partially deliverable resource must provide documentation that the Project has received the FCDS or PCDS or provide documentation that the project is in the process of obtaining that deliverability, including any submitted requests for deliverability to the CAISO. The Participant must provide evidence of at least one of the following:

- a) An executed Interconnection Agreement or Amendment to an Interconnection Agreement that reflects the offered deliverability status¹²;
- b) Application for deliverability with a **completed** deliverability study (i.e., Phase II study or equivalent) with a deliverability status that matches the Offer;
- c) A **completed** deliverability assessment in the annual process that indicates that the project is deliverable pursuant to ISO Tariff Section 9.2 of Appendix DD; or
- d) Documentation that the Project has **received** deliverability through the CAISO’s Deliverability for Distribution pursuant to ISO Tariff Section 40.4.6.3.

Providing documentation that an application or request for FCDS or PCDS has been submitted through any CAISO annual process is **not** sufficient **unless** there is a finding of deliverability at the time of Offer submittal. Projects offered in as fully-deliverable must be fully deliverable by the date of deliverability designated in the Offer and need not be fully deliverable as of commercial operation.

Projects offering as energy-only do not have to pursue any deliverability studies.

*In addition, projects must provide an acknowledgment that they understand they will be in default under the PPA if the CAISO does not act as expected and they miss their online date after excused delays. For further information, refer to Section 12 of the CAISO Business Practice Manual (BPM) for Generator Management.*¹³

Projects must obtain a wholesale interconnection agreement under FERC jurisdiction prior to operation. Note that Electric Rule No. 21 is not under FERC jurisdiction and does not result in a wholesale interconnection agreement under FERC jurisdiction. Wholesale procedures, both the CAISO and PG&E Wholesale Distribution Tariff generation interconnection procedures, can also be viewed on the PG&E website at: <http://www.pge.com/wholesale/>.

¹² Where the Interconnection Agreement does not reflect the Deliverability offered, the Participant must provide additional documentation from the CAISO verifying the deliverability

¹³ <http://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Generator%20Management>

2. Site Control

Participants must attest that they have secured site control for the entire Delivery Term of their Project as part of their Offers. Requirements to demonstrate such site control are detailed in Appendix C to this solicitation. Examples of site control include: (1) ownership of the site, a leasehold interest, or a right to develop a site for the purpose of constructing a generating facility; (2) an option to purchase or acquire a leasehold site for purposes of constructing a generating facility; and (3) any other business relationship that, in the sole discretion of PG&E, amounts to the same right to develop property as provided in examples (1) or (2) above, between the Participant and another entity that has the right to sell, lease, or grant the right to possess or occupy the site for such a purpose.

Please note that these site control requirements may differ from those required in the interconnection process to achieve a deemed complete status.

3. Experience

A minimum level of developer experience is required for participation in this solicitation. Specifically, the Participant and/or a member of Participant's project development team must have either completed or begun construction of at least one other project of similar technology and capacity. PG&E considers a project to have begun construction if the developer has issued a full notice to proceed to its EPC contractor.

4. Commercialized Technology

The Participant must show that the Project employs technology currently in use at a minimum of two operating facilities of similar capacity worldwide.

5. Commencement of Commercial Operation Deadline

Projects must achieve commercial operation within 36 months of the Effective Date of the associated PPA, subject to a six-month extension for the specific reasons described in the PPA. Sellers can submit a one-time request for this extension by providing a notice 60 days prior to the Guaranteed Commercial Operation Date. Sellers that cannot place the Project into commercial operation by this deadline will be in default under the PPA.

6. Demonstration of Community Interest

All waitlisted and selected Projects must meet the requisite demonstration of community interest within 60 days of the Notification Date. The community interest

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

requirements are as follows:

- Projects sized 3 MW and above up to 20 MW must have minimum number of unique subscribers equivalent to the nameplate capacity of the project (i.e., 3 subscribers for 3 MW projects but 20 subscribers for 20 MW projects).
- Projects sized 0.5 MW up to 3MW must have a minimum of 3 unique subscribers
- At least 50% (by number of customers) and at least 1/6th (by load) of the ‘demonstrated community interest’ in the project must come from residential customers.
- ‘Demonstrated Community Interest’ means that Projects must provide (a) documentation that community members have committed to enroll in 30% of the project’s capacity or (b) documentation that community members have provided expressions of interest in the project sufficient to reach 51% subscription rate.
- Allowing third-party institutional customers to guarantee subscription levels for new projects may be sufficient to establish community interest. In particular, if the guarantee is from a municipality working to develop ECR projects in its community, then this guarantee is a sufficient demonstration of community interest.
- Customers included in the demonstration of community interest must meet all eligibility requirements outlined in the E-ECR tariff including that the subscription level for a single service agreement may not exceed the equivalent of 2 MW of load per year.
- The Community Interests forms are located on PG&E’s website at www.pge.com/rfo

7. Securities Opinion:

Pursuant to *D. 17-07-007* “DECISION MODIFYING THE AMLAW 100 SECURITIES OPINION REQUIREMENT FOR ENHANCED COMMUNITY RENEWABLES PROJECTS UNDER THE GREEN TARIFF SHARED RENEWABLES PROGRAM IN D. 15-01-051”, the Participant is required to provide a securities opinion from a law firm which meets the following standards:

- a) The lawyer primarily responsible for the issuance of the opinion has, within the last eight (8) years, practiced federal and California securities law as a significant portion of their practice (meaning at least five (5) full-time years), and such experience included registering or qualifying offerings or sales of securities, effecting private placements of securities, and/or advising issuers or sellers of securities with respect to exemptions from qualification and registration requirements;
- b) The lawyer primarily responsible for issuance of the opinion is licensed to practice law in California and the lawyer’s license is active and not under suspension; and
- c) The law firm issuing the opinion carries a minimum of ten million dollars

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

(\$10,000,000.00) in professional liability insurance coverage that includes coverage for securities practice.

The securities opinion must state that the arrangement complies with Section 3.1(c)(iii) of the RRC Rider and Amendment to 2015 PG&E RAM Power Purchase Agreement. The securities opinion using the stated criteria is required to be met prior to PPA execution.

Participation in Other Procurement Programs

Neither the Participant nor the owner of the site may sell any Product from the Project, either currently or at any time during the term of the PPA, pursuant to the California Solar Initiative Program (“CSI”) or the Net Energy Metering tariff. For Projects up to 5 MW, the owner of the site will be required to sign the letter, attached here as Appendix D to this solicitation, acknowledging familiarity with CSI and NEM and committing to the limitation on participation noted above.

Participation in Future Solicitations

A Participant may submit offers for a Project in a future solicitation notwithstanding the Participant’s withdrawal of the Project’s Offer from this RFO prior to the execution of a PPA. Additionally, Offers that are not selected in this RFO may be offer again into future solicitations.

IV. Evaluation Criteria

Once Participants have met the eligibility requirements set forth in Section III, above, PG&E will use the evaluation criteria discussed in Section IV as the factors in selecting Offers.

PG&E will use the Commission approved least-cost –best-fit methodology, pursuant to D.14-11-042.

Least-Cost-Best-Fit

PG&E will evaluate and select eligible Offers based on least-cost best-fit (LCBF)¹⁴ criteria, which includes Market Valuation, Transmission Network Upgrade Costs, Location, PAV and Supplier Diversity.

¹⁴ Attachment K from the 2014 RPS RFO Protocol outlines a complete and detailed description of PG&E’s Least Cost Best Fit Evaluation Criteria and is available at: http://www.pge.com/includes/docs/pdfs/b2b/wholesaleelectricssolicitation/RPS2014/Attachment_K_LCBF_01052015.pdf. Note that Table 1 may be updated.

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

Each Offer will be assessed on each of the criteria described in this section.

A. Market Valuation

Market Valuation compares an Offer's costs to its market value. Pursuant to D.12-11-016, NMV is calculated for each Offer as follows:

Net Market Value: $R = (E+C)-(P+T+G+I)$

Adjusted Net Market Value: $A = R+S$

Where:

E = Energy Value

C = Capacity Value

P = Post-Time-Of-Delivery (TOD) Adjusted Power Purchase Agreement (PPA) Price

T = Transmission Network Upgrade Cost

G = Congestion Cost

I = Integration Costs¹⁵

S = Ancillary Service Value

The risks and uncertainties associated with an Offer's costs and benefits will be considered as part of Market Valuation. These costs and benefits do not include the costs and benefits associated with an Offer's impact on PG&E's portfolio.

1. Energy Value

PG&E will assess the market value of the energy deliveries based on the hourly generation profile of the Offer, initial energy delivery date, delivery term of the Transaction, and delivery location. The market value of the energy will be based on the appropriate forward price curves for the corresponding Trading Hub. The Loss multipliers will be used to incorporate losses specific for the location. With Buyer Curtailment, the energy value will include the expected value of Buyer Curtailments for avoiding (presumably negative) wholesale market spot price for the generation from the project.

2. Capacity Value

The value of capacity associated with each Offer will be determined based on the projected monthly quantity of qualifying capacity. Resources with an expected finding of full capacity deliverability from the CAISO will be attributed the full capacity value. To the extent that an Offer provides flexible capacity, the capacity that is expected to count for flexible RA will be evaluated at the projected monthly premium for flexible RA and added to the Capacity Benefit. It will be assumed that the qualifying capacity is zero for

¹⁵ Integration Costs are assumed to be zero for baseload resources.

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

energy-only deliveries.

3. Ancillary Services

Ancillary Services (A/S) value will be assessed based on the A/S capability of the Offer. For Offers that provide PG&E the ability to schedule A/S and receive market revenues, the incremental benefit of having A/S capability will be captured; however, to avoid double counting capacity value, the capacity that is providing A/S will not be counted towards providing energy value.

4. Post-Time-Of-Delivery (TOD) Adjusted Power Purchase Agreement (PPA) Price

PG&E will calculate the Post-TOD Adjusted PPA Price, including debt equivalence costs, based on the hourly generation profile of the Offer, initial energy delivery date, delivery term of the Transaction, and the Offers contract price. For Dispatchable products, fixed payment calculated from the fixed capacity and Offer's fixed capacity price (\$/kW-yr) under the Offer will also be added to the Post-TOD Adjusted PPA price after being levelized by the energy quantity.

5. Transmission Network Upgrade Cost

PG&E will use results from Participants' interconnection studies to calculate the Transmission Network Upgrade Cost adder. The refundable portion of the costs of Network Upgrades are included in transmission rates and paid by customers. Transmission cost adders reflect the cost of incremental, refundable Network Upgrades borne by customers. For projects that are fully deliverable, PG&E will consider the refundable portion of both Reliability and Delivery Network Upgrades. For energy-only Projects, PG&E will consider only the refundable portion of Reliability Network Upgrades when calculating a transmission adder.

6. Congestion Cost

Congestion cost will be calculated based on the hourly generation profile of the Offer, initial energy delivery date, delivery term of the Transaction, and delivery location. The Congestion Cost will be positive if the project is located in an area where the transmission lines are constrained due to serving loads outside of the area from the generation within the area. The Congestion Cost will be negative if the project is located in an area where the transmission lines are constrained due to serving loads within the area from the generation outside of the area. Congestion Cost multipliers will be used to incorporate congestion costs specific for the location.

B. Portfolio Adjusted Value

Portfolio Adjusted Value ("PAV") consists of several components, however with respect to the RRC RFO, location will be the primary qualitative consideration.

Resource Adequacy Benefit

For Projects that provide full or partial deliverability, PG&E will assume that new resources achieve full or partial capacity deliverability status on the date of the deliverability stated in the Offer, and the applicable RA benefit will be included from this date through the remaining term.

As described in Resolution E-4489, PG&E will evaluate the capacity benefits of a proposal by applying the monthly Net Qualifying Capacity (“NQC”) to PG&E’s forecast of avoided capacity costs.

Supply Chain Responsibility

PG&E is committed to supply chain responsibility which includes supplier diversity, sustainability, and ethical supply chain practices.

The Supplier Diversity Program, launched in 1981, aims to provide diverse suppliers with economic opportunities to supply products and services to PG&E. The Supplier Sustainability Program, launched in 2007, encourages supplier responsibility, excellence and innovation.

Promoting an ethical supply chain means that Health and Safety, Labor Issues, Human Rights, Ethical Business Conduct and Conflicts of Interest are important considerations in supplier selection. PG&E will determine how an Offer will assist PG&E in reaching its enterprise-wide supply chain responsibility goals.

It is the policy of PG&E that Diverse Business Enterprises (“DBE”) such as Women-, Minority- and Service Disabled Veteran-owned Business Enterprises (“WMDVBE”) and Lesbian, Gay, Bisexual, and Transgender-owned Business Enterprises (“LGBT”) shall have the maximum practicable opportunity to participate in the performance of Agreements resulting from this Solicitation. PG&E encourages Participants to carry out PG&E’s policy and contribute to PG&E’s supplier diversity goal. If Participant is selected and an Agreement is negotiated, the Agreement will include a requirement to make good faith efforts toward meeting the contracted supplier diversity target, and successful participant(s) will be expected to report payments made to DBEs to support the project upon request but no less than annually.

V. Guidelines for Offer Development

Price

Participants must submit with their Offer their best and final price using the Energy Pricing Sheet of the Offer Form in Appendix A to this solicitation. PG&E will not

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

consider updated or “refreshed” price offers submitted after the Offer submittal deadline. The Product price must be stated in annual \$/MWh and may be escalated over the term of the PPA. Product quantities can vary annually to reflect degradation of the facility, if applicable.

PG&E encourages Participants to review the payment process in Article 4 and Article 6 of the RRC PPA. PG&E only pays Sellers under certain circumstances for unsubscribed energy which can be either the Unsubscribed Energy Price or the PPA price pursuant to the Minimum Subscription Requirement. For purposes of offer evaluation, PG&E will levelize offer prices after applying the applicable standard Time of Delivery (“TOD”) factors as specified below to compare all offers on a consistent basis.

The price submitted by Participant for an Offer must include, without limitation, the following: (a) all awards, subsidies, and tax credits with respect to the Project, (b) all other benefits that Participants expects to apply, (c) any costs incurred by Participant, including any interconnection costs, (d) the acceptance, without reservation or revision, of the non-price terms and conditions in the PPA and fuel acquisition costs, and (e) the assumption that the Product price will be adjusted in each hour of delivery by the Time of Delivery (TOD) factors set forth in the table below by PG&E.

Time of Delivery

Time of Delivery (TOD) Periods and Factors

TOD FACTORS FOR EACH TOD PERIOD			
Period	1. Peak	2. Mid-Day	3. Night
A. July - September	1.546	0.653	1.222
B. October - February	1.505	0.753	1.299
C. March - June	1.315	0.200	1.016

TOD factors shown are consistent with factors approved in PG&E’s 2017 RPS Plan.

Definitions:

1. **Peak** = hours ending 18-22 (Pacific Prevailing Time (PPT)) all days in the applicable Monthly Period.
2. **Mid-Day** = hours ending 09-17 PPT for all days in the applicable Monthly Period.
3. **Night** = hours ending 23-08 PPT all days in the applicable Monthly Period.

PPA Terms and Conditions

PG&E strongly encourages all Participants to review the form PPA and expects all

Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)

Participants to be able to perform ALL obligations under the PPA. For the purpose of this solicitation, reference to the term “PPA” may jointly refer to PG&E’s RAM 6 PPA and RRC Rider.

Any successful Offers must be formalized by the execution of a final PPA. PG&E has provided a form PPA in Appendix B to this solicitation, and the summary of certain terms within the PPA provided in this section of the protocol is not meant to provide a substitute for a careful review of the actual PPA. In the case of any conflict between this protocol and the PPA, the PPA will control.

The terms and conditions of the form PPA are non-negotiable. All project-specific information should be included in the cover sheet.

The delivery term of any executed PPA will be 10, 15, or 20 years, which will commence on the Initial Energy Delivery Date.

The PPA requires PG&E’s counterparty to submit a project development milestone timeline (Section B(i)(b) in the Cover Sheet of the PPA) upon execution of the PPA and to provide progress reports to PG&E (as outlined in Section 3.9(a)(vii) and 3.9(a)(viii) in the PPA) on the Project’s progress towards the achievement of the development milestones until the project begins energy deliveries.

For Projects being offered as fully or partially deliverable, the PPA includes an estimate of when full or partial capacity deliverability status will be attained. Seller is contractually bound by the estimate. If Seller has not achieved full or partial capacity deliverability status consistent with that in the Offer by the designated time, then the Seller will be subject to contractual penalties.

The PPA requires a Participant to post collateral in the form of cash or letter of credit from a reputable U.S. bank in the following amounts and by the time discussed below:

Project Development Security: \$60 per kW for As-Available facilities or \$90 per kW for Baseload facilities, respectively, due within five (5) Business Days following CPUC approval of the PPA. The development deposit will be refunded upon Commercial Operation Date or applied to the subsequent Performance Deposit.

Delivery Term Security: \$120 per kW for As-Available facilities or \$180 per kW for Baseload facilities, respectively, as a condition precedent to the Initial Energy Delivery Date until the end of the Term.

Term Security: \$20/kW for RRC Projects with Contract Capacity of three (3) MW and under multiplied by the capacity of the Project, within thirty (30) days following the Effective Date of the PPA until the end of the Term.

Under the PPA, the Project Development Security will be retained by PG&E in the event that the Project should fail to come online by the contractual deadline. Delivery Term

Security and Term Security will be held throughout the delivery term.

VI. Information Regarding Interconnection to PG&E's Electric System and Interconnection Screens

Many factors influence the feasibility and cost of interconnecting generating facility systems to an electric system. These factors include, but are not necessarily limited to, the size and type of the system, substation and circuit load and capability, voltage regulation and voltage flicker. Nonetheless, in an effort to assist developers in selecting appropriate sites for their Projects and in accordance with the RAM Decision, PG&E has created a web-based map that provides an extensive amount of substation and circuit information. This map and supporting documentation allows developers to determine, among other information, the available capacity of any particular distribution or transmission circuit on PG&E's service territory, defined as the total capacity less allocated capacity. For security purposes, access to the map requires registration with PG&E.

The map is a tool intended to assist Participants to identify and/or evaluate potential Project locations. However, PG&E does not guarantee that conditions in these areas will remain the same or that property suitable for participation in this RFO is available. In addition, actual interconnection requirements and applicable costs will be determined from further detailed studies that will consider a Participant's specific Project location, size, and application date relative to PG&E's electric system and other projects in the same vicinity.

Electric Generation Interconnection Services

New facilities must achieve commercial operation within 36 months of the Effective Date of the associated PPA.

Sellers are responsible for understanding the relevant interconnection procedures and ensuring they can interconnect within the mandated timelines.

Information regarding interconnection to the PG&E Electric Grid is available at the following site: <http://www.pge.com/wholesale/>. Any interconnection questions should be directed to PG&E's Electric Generation Interconnection department at the email address: wholesalegen@pge.com.

Any application for interconnection to the transmission system must be directed to the CAISO in accordance with the CAISO Tariff. For more information, please refer to the CAISO Tariff via the CAISO website at:

<http://www.caiso.com/planning/Pages/GeneratorInterconnection/Default.aspx>.

VII. Required Information

Submission Overview

All Offer submittal information pertaining to this RFO will be hosted on the Power Advocate site.

In order to participate in the Summer RFO, Participants must register through Power Advocate at the following Public Registration Link:

<https://www.poweradvocate.com/pR.do?okey=82643&pubEvent=true>

In order to participate in the Winter RFO, Participants must register through Power Advocate at the following Public Registration Link:

<https://www.poweradvocate.com/pR.do?okey=82644&pubEvent=true>

PG&E strongly encourages Participants to register with Power Advocate well before Offers are due. PG&E will be posting the detailed instructions for submitting Offer(s) and using the on-line platform on PG&E's website prior to Offer submittal.

Electronic Documents: The electronic documents for the attachments must be in a Microsoft Word, Excel file or Adobe Acrobat PDF file as applicable. The Participant should not provide documents in other electronic formats and versions. For each document, please include a company name in each file name. **Telephonic, hardcopy or facsimile transmission of an Offer is not acceptable.**

Required Forms

The following documents, which are located in the Appendices to this solicitation, must be completed and included with each Offer:

1. **Completed Offer Form, Developer Experience Form and Supply Chain Responsibility Form (Appendix A to this solicitation).** Participant must provide a complete Offer form. Please provide all applicable information requested in the form and include the Project's expected generation profile, CAISO or utility cost estimate for the needed network upgrade costs. Participant must also include the interconnection queue position, and if any plans to engage in activities that support PG&E's supply chain responsibility goals on the Offer form. Format: MS Excel
2. **A Completed PPA Cover Sheet (Appendix B to this solicitation).** The cover sheet includes spaces for contract capacity, project vintage, milestones, and supply chain responsibility commitment. Other mark-ups are not permitted and will result in rejection of the Offer. Format: MS Word

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

3. **A Completed PPA Appendix XIII of the PPA.** This appendix includes spaces for all of the project specifications. Other mark-ups are not permitted and will result in rejection of the Offer. Format: MS Word.
4. **Site Control Questionnaire and Attestation (Appendix C to this solicitation).** Participant must attest to site control and provide a map showing site location and key project facilities. The map should show the project boundary and gen-tie route from the project to the first point of interconnection with the electric grid. The map should be provided in one of the following file formats: (1) Google kml/kmz, (2) ESRI geodatabase (mdb or .gdb) (3) a shapefile with file extension .shp plus at least the 3 supporting files (.shx, .dbf, .sbn). Format: Applicable GIS data file format
5. **Acknowledgement and Commitment of Site Owner Letter (Appendix D to this solicitation). This only applies to projects that are 5 MW or less.** The owner of the site on which Participant's Project is proposed to be located must attest to familiarity with NEM alternatives, as applicable. The Participant and the owner of the site must also commit not to sell Product from the Project under this program alternative throughout the term of the PPA, if executed. Format: PDF
6. **Interconnection Studies.** Participants must have an executed Interconnection Agreement, a completed Phase II interconnection study¹⁶ (or equivalent¹⁷), or documentation showing that the Project passed the Distribution Provider or CAISO Fast Track screens¹⁸ at the time of Offer submittal. Format: PDF or MS Word.

Participants offering fully or partially deliverable resource must provide documentation that the Project has received the FCDS or PCDS or provide documentation that the project is in the process of obtaining that deliverability, including any submitted requests for deliverability to the CAISO. The Participant must provide evidence of at least one of the following:

- a) An executed Interconnection Agreement or Amendment to an Interconnection Agreement that reflects the offered deliverability status¹⁹;
- b) Application for deliverability with a **completed** deliverability study (i.e., Phase II study or equivalent) with a deliverability status that matches the Offer;
- c) A **completed** deliverability assessment in the annual process that indicates that the project is deliverable pursuant to ISO Tariff Section 9.2 of Appendix DD; or

¹⁶ Passing of an Electrical Independence Test is not sufficient unless the Project has a completed Phase II interconnection study or equivalent.

¹⁷ For example, a Facilities Study.

¹⁸ *Submission* of an Interconnection Request into a Fast Track process is not sufficient unless the project has *passed* the Fast Track screens or has a completed study equivalent to a Phase II interconnection study.

¹⁹ Where the Interconnection Agreement does not reflect the Deliverability offered, the Participant must provide additional documentation from the CAISO verifying the deliverability

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

- d) Documentation that the Project has **received** deliverability through the CAISO's Deliverability for Distribution pursuant to ISO Tariff Section 40.4.6.3.

Providing documentation that an application or request for FCDS or PCDS has been submitted through any CAISO annual process is **not** sufficient **unless** there is a finding of deliverability at the time of Offer submittal. Projects offered in as fully-deliverable must be fully deliverable by the date of deliverability designated in the Offer and need not be fully deliverable as of commercial operation.

Projects offering as energy-only do not have to provide any deliverability studies.

VIII. Offer Selection

PG&E will select Offers according to the evaluation criteria described in Section IV. PG&E plans to notify selected Participants by e-mail according to the schedule described above.

PG&E may place some offers on a waitlist. Any waitlisted Participants would be selected in order of priority should any one of the selected Offers fail to return an executed PPA pursuant to the schedule outlined above.

Selection Process: Environmental Justice Bucket and RRC Main Bucket

Once all of the offers have been ranked using LCBF, PG&E will use the following methodology to select projects between the Environmental Justice bucket and the RRC Main bucket.

If the pricing for EJ Projects falls under the maximum offer award price, PG&E will select highest ranked Offers from the Product Categories in the EJ bucket first up to the solicitation megawatt procurement target. Any remaining capacity under the solicitation procurement target will be awarded to Offers in the RRC Main bucket in order of rank until the solicitation megawatt procurement target is reached.

IX. Regulation

Confidentiality

After contract execution, PG&E plans to submit executed PPAs to the CPUC for approval via a Tier 2 advice letter filing. By participating in the RFO, each Participant acknowledges and expressly authorizes PG&E to publicly disclose the following information as required by the Commission RAM Decision 10-12-048: (1) names of the companies that submitted Offers into PG&E's RFO; (2) number of Offers received by

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

each company; (3) number of Offers received and shortlisted by PG&E; (4) Project size; (5) participating technologies; (6) the number of Projects which passed the project viability screen; (7) location of offers by county level shown in a map format; and (8) the progression of each executed contract's project development milestones.

Except with PG&E's prior written consent, no Participant shall collaborate on or discuss with any other Participant or potential Participant offer strategies, the substance of any Offer(s), including without limitation the price or any other terms or conditions of any Offer(s), or whether an Offer has been selected.

All information and documents in Participant's Offer clearly identified and marked by Participant as "Proprietary and Confidential" on each page on which confidential information appears, shall be considered confidential information. PG&E shall not disclose such confidential information and documents to any third parties except for PG&E's employees, agents, counsel, accountants, advisors, or contractors who have a need to know such information and have agreed to keep such information confidential and except as provided otherwise in this section. In addition, Participant's Offer will be disclosed to the IE.

Notwithstanding the foregoing, it is expressly contemplated that the information and documents submitted by Participant in connection with this RFO may be provided to the CPUC, its staff, and the Procurement Review Group ("PRG"), established pursuant to D. 02-08-071. PG&E retains the right to disclose any information or documents provided by Participant to the CPUC, the PRG, the California Energy Commission ("CEC") and to any other entity in order to comply with any applicable law, regulation, or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over PG&E at any time even in the absence of a protective order, confidentiality agreement, or nondisclosure agreement, as the case may be, without notification to Participant and without liability or any responsibility of PG&E to Participant. PG&E cannot ensure that the CPUC will afford confidential treatment to Participant's confidential information, or that confidentiality agreements or orders will be obtained from and/or honored by the PRG, the CEC, or the CPUC. By submitting an Offer, Participant agrees to the confidentiality provisions described in this section.

The treatment of confidential information described above shall continue to apply to information related to Projects that are selected in this RFO and formalized through execution of a PPA.

Note that RRC Projects with executed PPAs are subject to release of production data related to the amount of MWh produced by the Project in aggregate form of 3 or more projects on an annual basis.

Changes to RFO

By responding to this RFO, each Participant agrees to be bound by all terms, conditions and other provisions of this RFO and any changes or supplements to it that may be issued

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

by PG&E.

X. Communications

PG&E has established the RRC RFO website at <http://www.pge.com/en/b2b/energysupply/wholesaleelectricssuppliersolicitation/RFO/RegionalSolarChoice.page> where Participants may register and where all the RFO documents, information, announcements and Q&As are posted and available to Participants.

To promote accuracy and consistency of the information provided to all Participants, PG&E encourages Participants to submit any inquiries via e-mail directed to GTSRprocurement@pge.com for matters related to RRC procurement. With respect to matters of general interest raised by any Participant, PG&E may, without reference to the specific Participant raising such matter or initiating the inquiry, post responses on its website. PG&E may, in its sole discretion, decline to respond to any email or other inquiry without liability or responsibility.

Any exchange of material information regarding this RFO between Participant and PG&E must be submitted to both PG&E and the Independent Evaluator (“IE”). The IE for this RFO is still to be determined.

PG&E may elect to respond to inquiries or comments by individual Participants concerning purely procedural or administrative matters, but may also decline to do so in its sole discretion without liability or responsibility.

XI. Submission of Signed PPAs

Within seven (7) calendar days of Offer selection, Participants that wish to continue in this RFO must submit a signed PPA and required documentation for each selected Project meeting all RFO conditions via the Power Advocate on-line platform.

XII. Procurement Review Group Review

Following completion of the evaluation and rankings of Offers, PG&E will submit the results of the evaluation and its recommendations to its PRG members. PG&E will consider any alternative recommendations proposed by the PRG. PG&E, in its sole discretion, shall determine whether any alternatives proposed by the PRG should be adopted. PG&E has no obligation to obtain the concurrence of the PRG with respect to any Offer.

PG&E assumes no responsibility for the actions of the PRG, including actions that may delay or otherwise affect the schedule for this Solicitation, including the timing of the selection of Offers and the obtaining of Regulatory Approval.

XIII. Regulatory Approval

The effectiveness of any executed PPA is expressly conditioned on PG&E's receipt of final and non-appealable CPUC Approval of such PPA.

XIV. Participant's Waiver of Claims and Limitations of Remedies

Except as expressly set forth in this Protocol, by submitting an Offer, Participant knowingly and voluntarily waives all remedies or damages at law or equity concerning or related in any way to the RFO, the RFO Protocol and/or any attachments to the RFO Protocol ("Waived Claims"). The assertion of any Waived Claims by Participant may, to the extent that Participant's Offer has not already been disqualified, automatically disqualify such Offer from further consideration in the Solicitation or otherwise.

By submitting an Offer, Participant agrees that the only forums in which Participant may assert any challenge with respect to the conduct or results of the RFO is in the proceeding related to D.10-12-048 adopted on December 17, 2010, or through the alternative dispute resolution ("ADR") services provided by the CPUC pursuant to Resolution ALJ-185, August 25, 2005. The ADR process is voluntary in nature, and does not include processes, such as binding arbitration, that impose a solution on the disputing parties. However, PG&E will consider the use of ADR under the appropriate circumstances. Additional information about this program is available on the CPUC's website at the following link:

www.cpuc.ca.gov/PUBLISHED/Agenda_resolution/47777.htm.

Participant further agrees that other than through the ADR process, the only means of challenging the conduct or results of the Solicitation is a protest to an Advice Letter seeking approval of one or more PPAs entered into as a result of the RFO, that the sole basis for any such protest shall be that PG&E allegedly failed in a material respect to conduct the RFO in accordance with this Protocol, and the exclusive remedy available to Participant in the case of such a protest shall be an order of the CPUC that PG&E again conduct any portion of the RFO that the CPUC determines was not previously conducted in accordance with the RFO Protocol. Participant expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorney's fees. Unless PG&E elects to do otherwise in its sole discretion during the pendency of such a protest or ADR process, the RFO and any related regulatory proceedings related to the RFO will continue as if the protest had not been filed, unless the CPUC has issued an order suspending the RFO or PG&E has elected to terminate the RFO.

Participant agrees to indemnify and hold PG&E harmless from any and all claims by any other Participant asserted in response to the assertion of a Waived Claim by Participant or as a result of a Participant's protest to an advice letter filing with the CPUC resulting

**Pacific Gas and Electric Company
Regional Renewable Choice Request for Offers (RRC RFO)**

from the RFO.

Except as expressly provided in this Protocol, nothing herein, including Participant's waiver of the Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of PG&E. Nothing in this Protocol is intended to prevent any Participant from informally communicating with the CPUC or its staff regarding this RFO or any other matter.

XV. Termination of the RFO-Related Matters

PG&E reserves the right at any time, in its sole discretion, to terminate the RFO for any reason whatsoever without prior notification to Participants and without liability of any kind to or responsibility of PG&E or anyone acting on PG&E's behalf. Without limitation, grounds for termination of the RFO may include the assertion of any Waived Claims by a Participant or a determination by PG&E that, following evaluation of the Offers, there are no Offers that are cost competitive.

PG&E reserves the right to terminate further participation in this process by any Participant, to evaluate the qualifications of any Participant, and to reject any or all Offers, all without notice and without liability to PG&E or anyone acting on PG&E's behalf.

In the event of termination of the RFO for any reason, PG&E will not reimburse the Participant for any expenses incurred in connection with the RFO regardless of whether such Participant's Offer is selected, not selected, rejected or disqualified.

Unless earlier terminated, the RFO will terminate automatically upon the execution of one or more PPAs by selected Participants as described herein. In the event that no PPAs are executed, then the RFO will terminate automatically 12 months after the Issuance Date of the RFO.

XVI. Participant's Representations and Warranties

Breach by any Participant of the representations and warranties of the RFO Attachments is, in addition to any other remedies that may be available to PG&E under applicable law, grounds for immediate disqualification of such Participant from participation in the RFO, and depending on the nature or severity of the breach, may also be grounds for terminating the RFO in its entirety.