



2019 System Reliability

Request for Offers

Distributed Generation Enabled

Microgrid Services Phase

Solicitation Protocol

December 11, 2019

Table of Contents

| | |
|---|-----------|
| I. Introduction and Overview | 1 |
| I.A. Overview | 1 |
| I.B. System Reliability RFO Website and Communication | 2 |
| I.C. Expected Schedule | 2 |
| II. Solicitation Goals | 3 |
| II.A. PG&E Resource Needs | 3 |
| II.B. Project Types | 4 |
| III. Distributed Generation Enabled Microgrid Services | 5 |
| III.A. Minimum Requirements for DGEMS | 5 |
| III.B. PG&E Distributed Generation Enabled Microgrid Services Sites | 7 |
| III.C. Renewable Natural Gas Supply | 7 |
| IV. Eligibility Requirements | 8 |
| IV.A. Eligible Resources | 8 |
| IV.B. Project Size | 8 |
| IV.C. Site Control | 8 |
| IV.D. Certain Performance and Operational Requirements | 8 |
| IV.E. Electric Interconnection | 9 |
| IV.F. Gas Interconnection [If Applicable] | 9 |
| V. Credit | 9 |
| VI. Terms for RFO Participation | 10 |
| VI.A. Agreement by Participant | 10 |
| VI.B. PG&E’s Reservation of Rights | 11 |
| VI.C. Safety | 12 |
| VII. Notice of Intent Submittal Process | 13 |
| VIII. Offer Submittal Process | 14 |
| VIII.A. Submittal Process Overview | 14 |
| VIII.B. Need for Complete Offer Packages | 15 |
| VIII.C. Number of Offers and Variations Allowed Per Seller | 15 |
| VIII.D. Additional Offer Information | 15 |

IX. Pricing 16

X. Evaluation of Offers 16

XI. Confidentiality Agreement..... 16

XII. Procurement Review Group Review ~~18~~17

XIII. Execution of Agreement 18

XIV. Approvals 18

XV. Waiver of Claims and Limitations of Remedies ~~19~~18

XVI. Termination of the RFO-Related Matters ~~20~~19

LIST OF APPENDICES

| | |
|-------------|---|
| Appendix A1 | Notice of Intent Form |
| Appendix A2 | Offer Form |
| Appendix B | Supplemental Project Information |
| Appendix C | FERC Order 717 |
| Appendix D | Confidentiality Agreement |
| Appendix E1 | System Reliability RFO – DGEMS Term Sheet |
| Appendix E2 | System Reliability RFO – DGEMS Tolling Power Purchase Agreement |
| Appendix E3 | System Reliability RFO – DGEMS Capacity Storage Agreement |
| Appendix E4 | System Reliability RFO – DGEMS Renewable Power Purchase Agreement |
| Appendix E5 | System Reliability RFO – DGEMS EPC Term Sheet |
| Appendix F | Substation Information |

I. Introduction and Overview

I.A. Overview

Pacific Gas and Electric Company (“PG&E”) is issuing the 2019 System Reliability Request for Offers (“RFO” or “Solicitation”) in the initial phase seeking offers (“Offers”) to procure energy resources to provide Distributed Generation Enabled Microgrid Services (“DGEMS”).

One of the top priorities for PG&E is to minimize impacts on customers from Public Safety Power Shutoff (“PSPS”) events.¹ PG&E is pursuing and implementing solutions to narrow the scope of future PSPS events and reduce the number of customers impacted. In addition to efforts such as conducting high-resolution weather monitoring and targeted sectionalizing of the electric grid, PG&E is looking to procure energy resources that can provide DGEMS that can serve customer demand in targeted locations during future PSPS events. In addition to these microgrid services, these resources must provide broader reliability to the larger system when not responding to local PSPS events.

PG&E is seeking DGEMS projects with a preferred online date of June 1, 2020, and no later than September 1, 2020. Procurement in the RFO will qualify towards the minimum procurement requirement of 716.9 MW per the California Public Utilities Commission (“CPUC”) Decision D.19-11-016 (the “Decision”).² Subsequent to this RFO, PG&E will seek to procure additional system-level qualifying resource adequacy (RA) capacity to come online between August 1, 2021 and August 1, 2023 to meet any residual amount necessary for PG&E to obtain the minimum of 716.9 MW of new resources required by the Decision.³

This Solicitation Protocol sets forth the terms and conditions by which PG&E will seek Offers. An entity submitting an Offer in response to this RFO agrees to be bound by all the terms, conditions and other provisions of this RFO and any changes or supplements to it that may be issued by PG&E. The obligations of the Participant are further described in Section V.A, Agreement by Participant.

¹ For public safety, it may be necessary for PG&E to turn off electricity when gusty winds and dry conditions, combined with a heightened fire risk, are forecasted. This is called a “Public Safety Power Shutoff” or “PSPS” event.

² CPUC issued final Decision on November 13, 2019. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M319/K825/319825388.PDF>

³ Per the Decision, PG&E may be required to procure additional capacity should Community Choice Aggregators (CCAs) and Direct Access customers within PG&E’s service territory elect not to self-procure its required capacity. In the event that PG&E is required to procure additional capacity on behalf of other CCAs or DAs, PG&E may expand the scope of this RFO, seek to execute agreements for additional capacity, and/or launch additional RFOs.

I.B. System Reliability RFO Website and Communication

PG&E has established a website at www.pge.com/rfo/systemreliabilityrfo where Participants may access and download all RFO documents, announcements and Q&As that are posted.

To ensure the accuracy and consistency of information provided to all Participants, PG&E encourages Participants to submit any inquiries via e-mail to SystemReliabilityRFO@pge.com and CC the Independent Evaluator (“IE”), Wayne Oliver of Merrimack Energy Group, Inc., at MerrimackIE@merrimackenergy.com. With respect to a matter of general interest raised by any Participant, PG&E may, without reference to the inquiring Participant, post the question and PG&E’s response on PG&E’s website. PG&E will attempt to respond to all inquiries but may decline to respond to any particular inquiry.

All correspondence will be monitored by the IE, Wayne Oliver of Merrimack Energy Group, who was selected to oversee this Solicitation. The IE is an independent, third-party evaluator who is required by the CPUC to monitor and evaluate certain competitive solicitations.

I.C. Expected Schedule

The expected schedule for the RFO is listed in Table I.1 below. All deadlines occur at 5:00 P.M. Pacific Prevailing Time (“PPT”), unless otherwise noted.

PG&E is targeting third-party owned and Utility-owned energy resources capable of providing DGEMS by June 1, 2020, but no later than September 1, 2020.

Table I.1: PG&E System Reliability Solicitation DGEMS Phase Schedule

| | |
|--|---------------------------------|
| Participants are invited to register online to receive notices regarding the RFO at www.pge.com/rfo | Ongoing |
| PG&E issues RFO | December 11, 2019 |
| Participants’ Webinar | December 13, 2019 |
| Supplemental Solicitation Information Provided | December 2019 - January 2020 |
| Deadline for PG&E to receive Notice of Intent by 3:00 P.M. PPT | December 17, 2019 |
| Deadline for PG&E to receive Offers by 1:00 P.M. PPT | January 17, 2020 |
| PG&E notifies selected Participants of their Qualified Offer(s) | Q1 January 28, 2020 |
| Agreement Execution, which shall be subject to CPUC and Bankruptcy Court Approvals as provided in the Agreement. | Q2 February 18, 2020 |

| | |
|---|--------------------------------------|
| PG&E submits Agreements for CPUC and Bankruptcy Court Approvals | Q2 February 24, 2020 |
|---|--------------------------------------|

The schedule and documents associated with the RFO are subject to change at PG&E’s sole discretion at any time and for any reason. PG&E will endeavor to notify Participants of any changes to the RFO, but shall not be liable for any costs or liability incurred by Participants or any other party due to a change or for failing to provide notice or acceptable notice of any change.

PG&E reserves the right to execute agreements resulting from this RFO (each an “Agreement”) with any individual Participant at any time. PG&E has a preference for projects that can agree to terms in an expedited fashion. Except for the terms that bind the Participants to their Agreement, PG&E’s obligations under an Agreement will be conditioned upon PG&E’s receipt of CPUC Approval and Bankruptcy Court Approval (collectively, “Approvals”) within a stated period of time, as described further in Section XIV, Approvals. PG&E reserves the right to seek Approvals of certain Agreements prior to execution of others. PG&E will seek expedited CPUC approval to allow for adequate construction time, but Participants should recognize that the CPUC’s approval timeline is outside of PG&E’s control.⁴ Participants should factor the CPUC’s approval process into their project development timelines and proposals.

II. Solicitation Goals

II.A. PG&E Resource Needs

PG&E seeks solutions of all technology types at identified locations capable of providing Distributed Generation Enabled Microgrid Services (DGEMS) and that are also eligible to count towards PG&E’s procurement responsibilities as specified under the Decision. In order to provide DGEMS, Offers must be capable of operations in accordance with all of the requirements summarized in Section III and Section IV.

PG&E seeks Agreements from rapidly-deployable resources that are able to be online by June 1, 2020. PG&E will also consider Offers which are able to be online between June 1 and September 1, 2020.

PG&E seeks Projects capable of providing Resource Adequacy (“RA”) prior to August 1, 2021. Consistent with the IRP Decision, PG&E will also consider Offers with RA delivery dates prior to August 1, 2023, while providing DGEM services no later than September 1, 2020.

⁴ Rule 12.1(c) of the Commission’s Rules of Practice and Procedure.

II.B. Project Types

PG&E is seeking Offers for either of the following two project types, (1) Third-Party Owned Projects and (2) EPC Projects. The following section describes the project types and their associated form Agreements. Form Agreements will be provided to Participants who have submitted a Notice of Intent along with other RFO Supplemental Information. All final Agreements will be conditioned upon receipt of satisfactory CPUC and Bankruptcy Court Approvals.

1. Third-Party Owned Projects (Third-Party DGEMS Agreement)

PG&E will consider Offers for third-party owned Projects of all generation technologies that will deliver standard market products (including Capacity Attributes, Energy, Green Attributes) during ordinary operations, and will provide DGEMS when called upon by PG&E during PSPS events (“Third-Party Owned Projects”).

Under the terms of the form Agreement for Third-Party Owned Projects (“Third-Party DGEMS Agreement”), the services provider (“Seller”) will sell and deliver, and PG&E (“Buyer”) will purchase and receive, DGEMS and market products at the Contract Capacity from the Project during the delivery term. Furthermore, all Third-Party Owned Projects must be able to provide RA as well as energy and ancillary services through participation in the California Independent System Operator (“CAISO”) controlled grid with PG&E, or its designee, as the Scheduling Coordinator. PG&E will only accept delivery terms of ten years. A term sheet or form of the Third-Party DGEMS Agreement will be made available to Participants with other Supplemental Solicitation Information at a later date, following PG&E’s receipt of a Notice of Intent.

As further described in Section IV (Eligibility Requirements), Third-Party Owned Projects must be interconnected to one of the substations designated by PG&E in Appendix F. PG&E has a preference for Third-Party Owned Projects sited on land provided by PG&E, as identified in Appendix F, which may be updated from time to time. Participants may also propose a Project on a site they provide, provided the site and interconnection are safe to energize during potential PSPS events, as specified in Requirement 8 in Section III.A of this Protocol. All Participants proposing new sites must be able to demonstrate control of the site at the time of Offer submission. Third-Party Owned Projects shall not be located inside PG&E substations.

2. Engineering, Procurement, and Construction Projects (EPC Agreement)

PG&E will consider Offers for the engineering, procurement and construction of projects (“EPC Projects”) for distributed energy resources that can participate in CAISO markets and are capable of providing DGEMS. Design specifications for EPC Projects are summarized in Appendix E5 and will be supplemented with additional information at a later date during the RFO. EPC Projects will be owned and operated by PG&E.

A term sheet or form of Agreement for EPC Projects (“EPC Agreement”) will be made available to Participants with other Supplemental Solicitation Information at a later date in December 2019 following PG&E’s receipt of a Notice of Intent. In addition, a long-term Agreement for operation and maintenance of the Project will be developed along with the EPC Agreement.

As further described in Section IV (Eligibility Requirements), EPC Projects must be interconnected to one of the substations designated by PG&E in Appendix F. All EPC Projects shall be sited on land owned by PG&E, as identified in Appendix F, which may be updated from time to time. EPC Projects may be located on land inside or outside PG&E substations.

III. Distributed Generation Enabled Microgrid Services

All Offers must meet the following minimum technical requirements to be considered. Additional technical specifications will be provided at a later date as part of the Supplemental Solicitation Information.

III.A. Minimum Requirements for DGEMS

Projects must be able to provide reliable and safe power to the localized islanded grid or “Microgrid” during PSPS events as specified in the requirements below.

1. PROTECTION REQUIREMENTS: Protective relaying scheme that protects the system from abnormal voltage and frequency conditions. Generators must have ability to generate short circuit fault duty for various fault types to allow traditional overcurrent protection to be used to successfully detect and clear utility primary faults. Generator must have ability to generate 3phase short circuit of at least 250% of nameplate MVA rating. Generator must have ability to sustain 3phase fault duty for 10 seconds, Line-Line (L-L) fault duty for 5 seconds and Line-Ground (L-G) fault duty for 2 seconds. Generator and Step-up Transformer must be designed such that Faults within the island are cleared to ensure the safe operation of the generator while serving the utility loads.

PG&E require that generator over and undervoltage protection settings are set as follows; under voltage alarm = 94% of nominal voltage, Under voltage trip = 88% of nominal voltage, Over-voltage Alarm = 108% of nominal voltage. Over-voltage trip = 115%.

PG&E require that generator frequency protection settings are set as follows; Under-frequency Alarm = 97%, Under-frequency trip = 95%, Over-frequency Alarm = 103%. Over-frequency Trip = 105%. Generators are required to maintain frequency within these ranges.

Customer is responsible for the protection of their own equipment.

2. SYNCHRONIZING REQUIREMENTS: In order to synchronize in and parallel with the PG&E system, generators must have the ability to achieve successful synchronization with the utility source. Synch check relays will also be required to provide close supervision for generator breakers when connecting to the utility source.
3. LOAD REQUIREMENTS: Meet the substation peak load with no transmission energy supply for four consecutive days (96 hours) or two consecutive days (48 hours) without any customer load drop.
 - a. While in Microgrid operations, the Project's generation must be able to follow load to meet customer demand while maintaining appropriate power quality (defined in Voltage and Frequency Requirements), and be able to meet peak and minimum Microgrid load throughout Microgrid operation.
4. VOLTAGE REQUIREMENTS: Maintain steady state generator terminal voltage within 1% of setpoint using automatic voltage regulation (AVR) base.

Ability to set generator terminal voltage within specified range on a 480V. Maintain service voltage levels to customers within the service voltage ranges of +/- 5% specified within PG&E Electric Rule 2.

5. FREQUENCY REQUIREMENTS: Maintain nominal frequency at 60Hz as specified within PG&E Electric Rule 2.
6. BLACK START REQUIREMENTS: The Project must provide black start capability and must be able re-energize previously de-energized distribution feeders with no additional energy sources (distribution or transmission sources) and must be capable of handling

high in-rush current with no external sources to assist. The block cold load capability for generators must be a minimum 60% of the generator name plate capacity.

7. COLD LOAD PICK-UP REQUIREMENTS: The Project must be able to provide Cold Load Pick-up with the capability of adding dead load segments of distribution grid and maintain electrical properties, while in island operation.
8. SITING REQUIREMENTS: The Project must be sited and interconnected to the substation in a fashion that allows for safe power delivery to the substation that is not subject to de-energization due to Public Safety Power Shutoff. Projects must also adhere to fire protection clearance standards.
9. METERING REQUIREMENTS: Project Must have metering and SCADA equipment for real-time monitoring of breakers, disconnect switches, MW, MVAR, voltage and current at the interconnection.

Project needs to fully participate in the CAISO market when not providing Microgrid services, including the provision of RA.

III.B. PG&E Distributed Generation Enabled Microgrid Services Sites

PG&E has identified substations where it is seeking Third-Party Owned and EPC Projects to be built. The list of available substations is available in Appendix F. PG&E has a preference for Offers at each site that are sized to serve the full customer load as specified in Appendix F, but will consider Offers for smaller sized projects which have lower Contract Capacity than the substation Peak Load values listed in Appendix F.

III.C. Renewable Natural Gas Supply

If a Project consists of a generation technology that utilizes natural gas fuel, PG&E will provide pipeline quality natural gas to the Project, as well as the delivery of an equivalent volume of renewable natural gas (“RNG”) to PG&E’s gas pipeline transmission and distribution systems consistent with the requirements for new resources in the Decision.

For technologies that require the use of natural gas, the Seller must ensure that the project can be connected to the local gas distribution/transmission pipeline in the Project's location. Further detail on gas interconnection may be found in Section IV.F. Gas Interconnection. In the event that gas pipeline interconnection cannot be completed to support day one operations, the Participant must design and construct the project to allow for natural gas to be delivered by PG&E via tanker truck. Additionally, it will be the responsibility of the Participant to plan for any required natural gas storage facilities to be built at the Project site.

IV. Eligibility Requirements

This Solicitation is for resources capable of providing DGEMS able to be online by June 1, 2020. PG&E will also consider Offers which are able to be online between June 1 and September 1, 2020.

IV.A. Eligible Resources

This Solicitation will accept Offers from all resource types that can meet the minimum technical requirements listed in Section III.A. All Offers must be for resources that are incremental to the Integrated Resource Planning Baseline Resource List to be eligible.⁵ Consistent with PG&E's procurement requirements under the Decision, PG&E will provide and deliver RNG to facilities which utilize natural gas as a fuel.

IV.B. Project Size

PG&E has a strong preference for Projects which are sized to fully meet the minimum technical requirements at each location as specified in Section III.A and Appendix F.

IV.C. Site Control

Projects are required to be sited on land provided by PG&E. Additional information on PG&E provided sites and utilization by Participants will be provided at a later time, including any requirements related to use of the PG&E provided sites.

IV.D. Certain Performance and Operational Requirements

Offers must meet the requirements set forth in this Solicitation Protocol (including, without limitation, Section III.A) and the Decision. PG&E expects all resources to count towards PG&E's

⁵ CPUC IRP Website with Baseline list of resources: <https://www.cpuc.ca.gov/General.aspx?id=6442463413>

procurement responsibilities as specified in the IRP Decision. Although PG&E is seeking Offers for Projects that will be capable of participating in the CAISO market, PG&E is aware that the expedited schedule of the Solicitation may present challenges in the ability to deliver all market products as of the initial online date.

IV.E. Electric Interconnection

At the time of Offer submittal, Participants must have documentation showing that any Third-Party Owned Projects are on track to be interconnected to meet the 2020 online date.

For EPC Projects, PG&E will coordinate all activities to achieve interconnection approval.

Sellers are reminded that PG&E is releasing this RFO in its merchant function and in that function PG&E has no obligation nor ability to influence the Participating Transmission Operator or Utility Distribution Company. PG&E in its merchant function is not responsible or liable for delays in interconnection or transmission or distribution service or inability to obtain retail electric service for any Project. For more information, please refer to the Separation of Functions section of the applicable Agreement.

IV.F. Gas Interconnection [If Applicable]

In the event that a Project will require delivery of natural gas via a new gas interconnection with PG&E, Participants must initiate the interconnection process. At the time of Offer submittal, Participants must have documentation showing that any Third-Party Owned Projects are on track to be interconnected to meet the 2020 online date. As described in Section III.C, PG&E will provide trucked fuel on an interim basis prior to Project's gas interconnection. PG&E prefers Projects who will complete interconnection to the local gas pipeline by August 1, 2020 and will consider Offers for Projects who can complete interconnection to the local gas pipeline prior to August 1, 2023.

For EPC Projects, PG&E will coordinate all activities to achieve interconnection approval.

V. Credit

Upon execution of an Agreement with PG&E, the Participant must post collateral to PG&E. The Agreement will require that the Participant post collateral with PG&E prior to and following commercial operation of the facility

VI. Terms for RFO Participation

VI.A. Agreement by Participant

Each Participant submitting an Offer shall provide their electronic signature of a duly authorized officer of Participant in the Offer Form. By providing such signature the Participant (a) 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 by PG&E, and (b) makes the following representations and warranties:

1. Participant has read, understands, and agrees to be bound by all terms, conditions and other provisions of the RFO.
2. Participant has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFO and all Appendices to the RFO.
3. Participant is not PG&E, an affiliate of PG&E, PG&E Corporation, or any of their affiliates.
4. Participant has obtained all necessary authorizations, approvals and waivers, if any, required of Participant as a condition of: (i) submitting its Offer and, if Participant's Offer is selected; (ii) executing an Agreement with PG&E in the form submitted with its Offer, or at the conclusion of negotiations.
5. Participant is submitting its Offer subject to all applicable laws including, but not limited to, the Federal Power Act and all amendments thereto, and Public Utilities Code section 454.5, and all amendments thereto.
6. Participant represents that it has carefully considered the terms and conditions of its Offer and that it is submitting its Offer in good faith, such that PG&E may reasonably expect Participant to enter into a definitive Agreement, and to negotiate, if requested by PG&E, as provided in Section XIII, Execution of Agreement, below.
7. Participant has not engaged in and will not engage in communications with any other Participant in the RFO concerning any terms contained in Participant's Offer, unless explicitly authorized by PG&E, and has not engaged in activities in violation of State or Federal antitrust laws or other unlawful or unfair business practices in connection with the RFO (“Prohibited Communication Activities”).

Notwithstanding the foregoing, Participant may engage in communications with its advisors, counsel, experts or employees who have a need to know the content of the

communications and have agreed to keep such information confidential (collectively, “advisors”). In addition, Participant may engage in communications with other Participants submitting an Offer in the RFO and their advisors (“Other Participants”), so long as: (1) such Other Participants are under common ownership and control with Participant; (2) Participant and Other Participants do not engage in Prohibited Communication Activities; and (3) in the event Participant and Other Participant share a common advisor, Participant has, prior to sharing communications with such Other Participant and the common advisor, provided PG&E with (a) notice of such Other Participant and common advisor and (b) an attestation that Participant has not and will not engage in Prohibited Communication Activities with either the Other Participant or the common advisor.

8. If Participant’s Offer is selected as a Qualified Offer, then Participant agrees to acknowledge acceptance of a Confidentiality Agreement, to negotiate in good faith, and to inform PG&E if the Project that is the subject of the Offer selected for execution has been submitted into another solicitation with PG&E or any other entity.
9. If a Participant is submitting an Offer jointly with other entities, and the Offer is selected as a Qualified Offer, PG&E may require additional representations and warranties, along with additional documentation, from all entities involved in the joint Offer (see Section VIII.D, Additional Offer Information, below).
10. Participant will promptly notify PG&E of any change in circumstances that may affect its ability to fulfill the terms of its Offer, at any time from Offer submission to PG&E’s acceptance of the Offer, as evidenced by PG&E’s execution of an applicable Agreement, or Participant’s withdrawal of the Offer.

A BREACH BY ANY PARTICIPANT OF THE REPRESENTATIONS AND WARRANTIES IN SECTION V.A OF THIS SOLICITATION PROTOCOL, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO PG&E UNDER APPLICABLE LAW, IS 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.

VI.B. PG&E’s Reservation of Rights

This RFO is an invitation to submit Offers to PG&E; it does not constitute an offer to buy and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of the RFO. PG&E reserves the right to request information from a Participant at any time during the solicitation process. PG&E reserves the right, in its sole

discretion, to reject any Offer at any time for any reason, including but not limited to grounds that the Offer does not conform to the terms and conditions of this RFO or contains terms that are not acceptable to PG&E. PG&E also retains the discretion, in its sole judgment, at any time; (a) to formulate and implement new or additional criteria for the evaluation and selection of Offers; (b) to negotiate with any Participant or withdraw PG&E's Qualified Offer selection; or (c) to modify this RFO as it deems appropriate to implement the RFO and to comply with applicable law or other direction provided by the CPUC. In addition, PG&E reserves the right to either suspend or terminate this RFO at any time for any reason. 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 third party, including any Participant. PG&E will not reimburse the Participant for its expense of participating in this RFO under any circumstances.

VI.C. Safety

PG&E is committed to providing safe utility (electric and gas) service to its customers. As part of this commitment, PG&E requires that the Participants recognize safety is of paramount importance. In connection with this Solicitation and executed Agreement, Participants will be required to meet certain safety standards, provide safety information related to the technology for the Project, and provide information regarding safety history, including for the entities that will construct, operate, or maintain the Project(s). Per Appendix B of this Solicitation, Participants are required to identify in their Offers known safety-related hazards and risks associated with their technology and Participant's ability to mitigate safety risks and comply with applicable safety-related codes and standards identified by the Participant.

Upon execution of an Agreement, RFO participants will be required to complete PG&E's safety registration and prequalification process with ISNetworld ("ISNet"), PG&E's primary contractor safety management system. To complete this requirement, Participant's should go to www.isn.com, and register the project entity who will be party to the Agreement, or, if the project entity has not yet been formed, Participants may register the parent organization to undergo prequalification during the RFO. Participants will be required to submit company information related to safety performance and practices for evaluation by ISNet based on criteria described in Section 3 of PG&E's Contractor Safety Program Requirements, which can be found at: www.pge.com/contractorsafety. As the prequalification process can take several weeks and active follow-up thru ISNet, PG&E recommends Participants familiarize themselves with ISNet and PG&E's Contractor Safety Program prequalification requirements.

A Participant's obligations with respect to safety may vary based on the particular Agreement and Project and product type, as well as the commercial relationship of the entities involved in the transaction. Each of the Agreements contain specific requirements intended to ensure that the Participant and the entities that construct, operation, or maintain the Project, as applicable,

do so in a safe, reliable and efficient manner that protects the public health and safety of California residents, business, employees, and the community. Participants will be responsible for any fees and costs associated with meeting PG&E’s safety requirements in the Solicitation and the Agreement. Prior to a Participant submitting an Offer, PG&E recommends that Participants review the safety provisions in the form of Agreement and PG&E’s Contractor Safety Program Requirements.

VII. Notice of Intent Submittal Process

Participants must submit their Notice of Intent by Tuesday, December 17, 2019 at 3:00 P.M. (PPT), as specified in Table I.1, PG&E System Reliability Solicitation DGEMS Phase Schedule. The Notice of Intent will be non-binding and will help PG&E plan expeditiously for expected project sites and types. Following receipt of a Notice of Intent, PG&E will provide a participant access to applicable form agreements and supplemental technical information.

Submitting Documents: The Notice of Intent for this RFO *must* be submitted electronically through Power Advocate. Prior to submitting an Offer, Participants must register with Power Advocate. PG&E strongly encourages Participants to register with Power Advocate well before Offers are due. PG&E will post detailed instructions on the System Reliability RFO website for submitting Offer(s) and using the online platform. Power Advocate registrants should be listed under the entity submitting the Offer, not its consultants.

Power Advocate Link: <https://www.poweradvocate.com/pR.do?okey=99884&pubEvent=true>

Power Advocate functions in most browsers; however, it may not work as well in browsers older than Internet Explorer version 8.

The Notice of Intent should be uploaded as a “Commercial and Administrative” document type in Power Advocate.

Table VII.1: System Reliability RFO DGEMS Notice of Intent

| Appendix | Title | Description | Format |
|----------|-----------------------|------------------------------------|----------|
| A1 | Notice of Intent Form | Provide the requested information. | MS Excel |

VIII. Offer Submittal Process

VIII.A. Submittal Process Overview

All Offers must be received by January 17, 2020 at 1:00 P.M. (PPT), as specified in Table I.1, PG&E System Reliability Solicitation DGEMS Phase Schedule. Only Participants who submit the Notice of Intent and acknowledge the resource can meet the DGEMS requirements, noted in Section III.A, will be given access to the Power Advocate link below to submit an Offer.

Submitting Documents: All Offers for this RFO **must** be submitted electronically through Power Advocate. Prior to submitting an Offer, Participants must register with Power Advocate. PG&E strongly encourages Participants to register with Power Advocate well before Offers are due. PG&E will post detailed instructions on the System Reliability RFO website for submitting Offer(s) and using the online platform. Power Advocate registrants should be listed under the entity submitting the Offer, not its consultants.

Power Advocate Link: <https://www.poweradvocate.com/pR.do?okey=99885&pubEvent=true>

Power Advocate functions in most browsers; however, it may not work as well in browsers older than Internet Explorer version 8.

Each Offer should be uploaded as a “Commercial and Administrative” document type in Power Advocate. If submitting more than one Offer, each Offer should be in separate zip files. Please make sure that file names for your submittals do **not** contain any special characters such as * & #, and please keep file names short, but do include short references to Participant’s name (such as an acronym) and the appendix (e.g., App B). For Offer Forms contained within each Offer submittal, please make sure the Offer Form file name is **the same as the Offer ID** for each offer as created in the corresponding form.

Electronic Document Formats: Electronic documents must be submitted as Microsoft Word, Microsoft Excel, or pdf files. However, maps or drawings may be in alternate formats (e.g., jpg, kmz) as appropriate. To the extent possible, pdf files should be provided in a searchable format. The Participant should not provide documents in other electronic formats, unless specifically requested.

Offers must contain all required information noted in Table VIII.1 below and must be organized in accordance with these instructions.

Table VIII.1: System Reliability RFO DGEMS Phase Offer Package

| Appendix | Title | Description | Format |
|-----------------|----------------------------|---|---------------|
| A2 | Offer Form | Provide the requested information. | MS Excel |
| B | Supplemental RFO Documents | Describe the proposed Project, format as single spaced, and include the requested information. | MS Word |
| C | FERC 717 Waiver | Authorizes the disclosure of Participant’s transmission-related information to PG&E’s marketing or merchant business unit (“PG&E Merchant”). | MS Word |
| E1-5 | Form Agreement | Participants must submit applicable Form Agreement and must include <u>all edits</u> necessary to accurately describe the proposed Project at time of Offer submittal. For more information, please refer to Section X. Evaluation of Offers. | MS Word |

VIII.B. Need for Complete Offer Packages

Each Participant’s Offer must be complete at the time of submission. Participant’s failure to provide all required information may prevent PG&E from being able to consider an Offer for execution.

Due to the time-sensitive nature of this RFO, PG&E will not be able to engage with Sellers that submit incomplete Offers or inaccurate Offer information.

VIII.C. Number of Offers and Variations Allowed Per Seller

Participants may submit up to 5 offer variations per substation. Participants may vary any attributes of the offer provided the total variations submitted at a single substation does not exceed this limit. Participants are encouraged to consider submitting Offer variations that provide pricing discounts if they are awarded Projects at multiple sites.

VIII.D. Additional Offer Information

Note on Joint Offers: If a Participant is submitting a joint Offer with another Participant, each Participant will need to be registered as a separate Participant in Power Advocate from any

other entity submitting an Offer and PG&E may require additional documentation or conditions, such as retaining separate legal counsel, restricting the sharing of certain information, or requiring all parties to the joint Offer to execute a modified Confidentiality Agreement and agree to, and execute, modified terms for RFO participation, similar to those set forth in Section VI.A, Agreement by Participant.

Note on Multiple Variations: Participants should address any potential changes to the Project due to multiple variations in the Appendix B. A separate Offer Form is required for each variation, but an entirely new offer package is not required. There is no need to submit an unchanged, duplicate Appendix if the information is the same, but please provide a short note indicating which sections are duplicative over multiple variations.

Note on Third-Party Owned and EPC Offers: For all Offers, any operational limitations on the energy resource due to technology constraints or other factors must be specifically identified in the Offer Form (Appendix A2) and the Project Description (Appendix B), and must be substantiated in terms of operational criteria, technical limitations, permit requirements, or environmental regulations.

IX. Pricing

Participants are required to provide a complete Offer package, and include pricing in their Offer Form.

X. Evaluation of Offers

PG&E will apply qualitative and quantitative criteria to evaluate the submitted Offers.

Qualitative criteria may include, but may not be limited to, the following: project viability, safety factors, Participant's development experience, Participant's financial strength, Participant's supply chain responsibility, and Participant's submittal of offers to develop projects at multiple sites.

Quantitative evaluation will be primarily determined by a least-cost ranking of Offers.

XI. Confidentiality Agreement

Except with PG&E's prior written consent, no Participant shall disclose its participation in this Solicitation (other than by attendance at any meeting held by PG&E with respect to the Solicitation) or collaborate on, or discuss with any other Participant or potential Participant bidding strategies or the substance of any Offer(s), including without limitation the price or any other terms or conditions of any Offer(s).

Except as provided below, all information and documents clearly identified by Participant as “Confidential” on the page(s) on which confidential information appears shall be considered confidential information. PG&E shall not disclose such information and documents to any third parties except for PG&E’s or PG&E Corporation’s, officers, directors, 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 below. PG&E may use Confidential Information, consolidated with other market information and not specifically attributed to the Provider, to analyze or forecast market conditions or prices, for its own internal use or in the context of regulatory or other proceedings.

It is expressly contemplated that materials submitted by a Participant in connection with this RFO will be provided to the CPUC, its staff, the Independent Evaluator, ~~and~~ PG&E’s Procurement Review Group (“PRG”), county and municipal agencies and governing bodies with jurisdiction over the project location(s) (“Municipalities”), and joint powers authorities acting as community choice aggregators with service territories covering the project location(s) (“CCAs”). PG&E will seek confidential treatment pursuant to D.08-04-023, General Order 66-~~DE~~, and Public Utilities Code section 583, to the extent each may be applicable, with respect to any Participant-supplied non-public RFO information and documents (“Participant’s Confidential Information”) that are submitted by PG&E to the CPUC for the purpose of obtaining CPUC Approval. PG&E will also seek confidentiality and/or non-disclosure agreements with the PRG, Municipalities and CCAs applicable to the Participant’s confidential information. PG&E cannot, however, ensure that the CPUC will afford confidential treatment to a Participant’s confidential information, or that those confidentiality agreements or orders will be obtained from and/or honored by the PRG, Municipalities, CCAs or the CPUC.

With respect to any information or documents provided by the Participant, PG&E shall have the right to disclose to the CPUC, its staff, the Independent Evaluator, the PRG, CAISO, other control area operator or balancing authority and any other entity in order to comply with any applicable law, regulation, or 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 the Participant and without liability or any responsibility of PG&E to the Participant.

Participant must acknowledge acceptance of the Confidentiality Agreement in the form attached as Appendix D if an Offer(s) is selected the Qualified Offer list to continue to participate in the RFO. Depending upon Participant’s submittal in response to Appendix B, PG&E may require additional confidentiality obligations with collaborating entities.

XII. Procurement Review Group Review

PG&E will submit the results of the Solicitation and its recommendations to its PRG. 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 CPUC Approval.

XIII. Execution of Agreement

By submitting an Offer, Participant agrees, if its Offer is selected as a Qualified Offer that it is prepared to negotiate and execute a definitive Agreement consistent with the form of Agreement submitted with the Participant's Offer, including the data which must be consistent with the Offer Form and containing such other terms and conditions acceptable to PG&E and the Participant. PG&E's selection of a Participant's Offer will not constitute an agreement by PG&E to any of the Participant's form of Agreement submitted.

XIV. Approvals

After Agreement execution, PG&E will submit executed Agreements to the CPUC for approval via a Tier 3 Advice Letter filing. PG&E will also be submitting executed Agreements to for Bankruptcy Court Approval via a motion.

The effectiveness of any executed Agreement is expressly conditioned on PG&E's receipt of final and non-appealable CPUC approval and Bankruptcy Court approvals of such Agreement.

Whether an Agreement goes into effect or not is expressly conditioned on PG&E's receipt of Approvals, as more specifically defined in each of the Agreements. At a minimum PG&E will require a finding from the CPUC that PG&E's entry into the Agreement satisfies PG&E's compliance with the Decision, that the terms are reasonable, and that PG&E will recover the costs incurred under the Agreement in its rates, as well as approval by the Bankruptcy Court for PG&E's entry into the Agreement. Additionally, most Agreements will be subject to a no-fault termination if Approvals do not occur within a specified period, as set forth in each of the applicable Agreements; Approvals typically require the approval of the Agreement by the CPUC and the Bankruptcy Court to be final and non-appealable without any modifications that are unacceptable to either of the parties.

XV. 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 Solicitation, the Solicitation Protocol and/or any attachments to the Solicitation 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 Solicitation is 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:

http://docs.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 PG&E’s filing seeking CPUC Approval of one or more Agreements entered into as a result of the Solicitation, that the sole basis for any such protest shall be that PG&E allegedly failed in a material respect to conduct the Solicitation 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 Solicitation that the CPUC determines was not previously conducted in accordance with the Solicitation 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 Solicitation and any related regulatory proceedings related to the Solicitation, will continue as if the protest had not been filed, unless the CPUC has issued an order suspending the Solicitation or PG&E has elected to terminate the Solicitation.

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 from the Solicitation.

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.

XVI. 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 provide adequate ratepayer benefit.

PG&E reserves the right to terminate further participation in this process by any Participant, to accept any Offer or to enter into any definitive Agreement, to evaluate the qualifications of any Participant, and to reject any or all Offers, all without notice and without assigning any reasons and without liability to PG&E or anyone acting on PG&E's behalf. PG&E shall have no obligation to consider any Offer.

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.