



Resource Adequacy Request for Offers

July 17, 2017

Request for Offers

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RA Confirm
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I. Introduction and Overview**A. Overview**

Pacific Gas and Electric Company (“PG&E”) is issuing this Request For Offers (“RFO”). Through this solicitation, PG&E Offers to sell Resource Adequacy (“RA”) products through the end of 2018, and seeks Bids for such products. This document describes the schedule, process and protocols by which participants may submit Bids and under which PG&E will evaluate all Bids submitted in the RFO. The Independent Evaluator for this Solicitation is Charles Janecek of PA Consulting.¹

B. Expected Schedule**I. Schedule Overview**

The expected schedule for this RFO is:

Date/Time	Event
July 17, 2017	PG&E issues RFO
July 31, 2017	Deadline for PG&E to receive Bids by 1:00 PM Pacific Prevailing Time (PPT)
Mid-August 2017	Selected Participants notified
Mid-August – Early October 2017	Negotiations and Execution of RA Confirmation
October 15, 2017	RFO Ends

To be considered in this RFO, a Bid must be received by PG&E in accordance with the protocols of *Section V – Participation Protocols* no later than 1:00 p.m.(TBD) Pacific Prevailing Time on July 31, 2017.

The RFO schedule is subject to change at PG&E’s sole discretion at any time. PG&E will endeavor to notify participants of any schedule change via notification on PG&E’s RFO website. Participants may sign-up at the RFO website to receive notice of these and other RFO notices. PG&E will have no liability or responsibility to any participant for

¹ The Independent Evaluator’s email address is Charles.Janecek@PACONSULTING.com.

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change in the schedule or for failing to provide notice of any change.

II. RFO Process

The RFO will consist of the following phases:

1. **RFO Issued / Question & Answer:** PG&E issues RFO. Participants may submit questions concerning the RFO at PGERARFO@pge.com as described in *Section V – Communications*. Answers to questions will be posted to the RFO webpage as described in that section.
2. **Bids Due:** Participant's Bid(s) must be submitted by the July 31, 2017 1:00 PM PPT deadline and include the documents described in *Section IV.C – Required Documents*. By submitting a Bid in this RFO, the Participant agrees, as described in *Section IV.A – Agreement by Participant*, 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. Bids are expected to remain open during the Bid review and negotiation phases. PG&E will consider pricing and/or quantity refreshes during the negotiation phase in this RFO.
3. **Bid Review:** PG&E evaluates all Bids according to the protocols discussed in *Section III – Evaluation of Bids*. All Bids will be evaluated and rated based on the criteria defined in *Section III – Evaluation of Bids* and short-listed Bids will be moved to the negotiation phase. During the Bid review phase, PG&E will discuss the Bids received with the California Public Utilities Commission ("CPUC"), PG&E's Procurement Review Group ("PRG") and the RFO Independent Evaluator ("IE"). See *Section VIII – Confidentiality Agreement* for terms of disclosure to these third parties.
4. **Negotiations and Execution:** PG&E will negotiate RA Confirmations with short-listed participants with the intention of executing RA Confirmations. PG&E will consider pricing and quantity refresh during the negotiation phase in this RFO. PG&E may execute RA Confirmations with selected participants at any time during the negotiation phase or may choose to execute none at all. The RFO will terminate as described in *Section XI – Termination of the RFO-Related Matters*.

PG&E is fully committed to minimizing the amount of time required to conduct this RFO, while ensuring that participants have sufficient time to prepare Bids, PG&E has sufficient time to evaluate and review Bids, and that both parties have sufficient time to negotiate RA Confirmations. Some of the most significant ways participants can reduce the amount of time spent in the RFO process include:

1. Provide all requested information in the RA Bid Data Form; and
2. Limit proposed changes to the RA Confirmation and by clearly identifying any such changes in the red-line markup.

C. Disclaimers for Rejecting Bids and/or Terminating this RFO

This RFO does not constitute an Offer to sell and creates no obligation to execute any agreement or to enter into a transaction under an agreement as a consequence of the

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RFO. PG&E shall retain the right at any time, in its sole discretion, to reject any Bid on the grounds that it does not conform to the terms and conditions of this RFO and reserves the right to request information at any time during the solicitation process. PG&E also retains the discretion, in its sole judgment, to: (a) reject any Bid on the basis that it does not provide sufficient ratepayer benefit or that it would impose conditions that PG&E determines are impractical or inappropriate; (b) formulate and implement appropriate criteria for the evaluation and selection of Bids; (c) negotiate with any participant to maximize ratepayer benefits; and (d) 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 whatsoever. 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 Bid or not.

II. RFO Products**A. Products to Sell**

PG&E is seeking to sell the following products in this RFO:

System RA with the following Delivery Periods:

Product 1: January through December 2018

Local RA in the PG&E System with the following Delivery Periods:

Product 2: January through December 2018

PG&E will also be seeking to sell flexible RA product for the delivery period corresponding to Products #1 and #2, subject to availability and other constraints.

B. Bid Quantities

Bids must indicate the specific RA quantity in MWs and priced as requested in the Bid Data Form. There is no maximum bid quantity. Participants can choose to submit variations of their bids with one or more Appendix B Bid Forms. Clearly specify which Bids, if any, are mutually exclusive. For example, a Bid may state that PG&E may select any combination of Bids up to a specified quantity.

C. Contract Options

The terms and conditions creating and defining the conforming products sold by PG&E are set forth in the accompanying 2018 RFO RA Confirmation. The RA Confirmation is specific to transactions executed under an EEI Master Agreement with Collateral Annex and, as such, successful participants must have an EEI Master Agreement with Collateral Annex in place with PG&E prior to the execution of a RA Confirmation in this

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RFO.

Modification of the RA Confirmation may be necessary for those participants with an EEI Master Agreement without the PG&E Collateral Annex. Participants with such agreements must include in their Bids, modifications to the RA Confirmation as applicable to their EEI Master Agreement with PG&E. The EEI Master Agreement shall govern transactions entered into pursuant to this RFO except to the extent modified by the RA Confirmation. The RA Confirmation, when fully executed, shall become an RA Confirmation subject to the terms of the EEI Master Agreement.

Participants interested in establishing an EEI Master Agreement with PG&E should send an email to the RA RFO mailbox at PGERARFO@pge.com with such request.

III. Evaluation of Bids

In its evaluation of conforming Bids, PG&E will primarily consider the following criteria:

- Price (subject to portfolio constraints)
- Conformance with PG&E's RA Confirmation

PG&E will evaluate each Bid against these criteria and select a subset of Bids to move to the negotiation phase.

Each of the evaluation criteria is discussed in more detail below.

Price considers how a pricing for a specific product compares with other Bids of the same product, and ratepayer benefit.

Conformance to the RA Confirm is the degree to which a participant has modified the RA Confirm. For those participants bidding equal pricing, those participants that make few or no material or substantive changes to the RA Confirm will be a stronger than one that makes such changes. For this reason, Participants are strongly encouraged to offer pricing for conforming products consistent with PG&E's RA Confirmation with minimal or no proposed changes.

IV. Participation Protocols

A. Agreement by Participant

Each entity submitting a Bid in this RFO is a participant. 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 by PG&E.

B. Submitting Bids

All Bids, consisting of the required Bid documents in the electronic format specified below, must be received by Monday, July 31, 2017 at **1:00 PM PPT** via email to the RFO mailbox at PGERARFO@pge.com. The IE must be included in the email transmission.

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The IE's email address is Charles.Janecek@PACONSULTING.com. An acknowledgement of receipt of all Bids will be sent via return email by approximately 4:00 PM PPT on following business day.

Participants may submit multiple Bids. Mutually exclusive Bids should be clearly identified. A version of the RA Confirmation incorporating edits need only be submitted once and need not duplicate pricing and quantity information provided on the RA Bid Form. This information will be entered into the RA Confirmation prior to execution.

C. Required Documents

The following documents, which are located at the 2018 RA RFO website at www.pge.com/rfo, must be included with all conforming Bids:

1. A redline mark-up of the **RA Confirmation** or statement that the Participant accepts PG&E's form RA Confirmation without change (Appendix A).
2. A completed **RA Bid Form** showing each product and pricing bid. Participants are to enter a single bid quantity by product, in \$/kW-month for 2018, as applicable for each product. Bids that do not meet these requirements may be rejected as non-conforming. (Appendix B).
3. An executed Confidentiality Agreement (Appendix C)

Format of Electronic Documents: The electronic documents must be in a Microsoft Word and/or Excel file, as applicable. The participant should not provide documents in other electronic formats, versions.

Telephonic, telegraphic, hardcopy or facsimile transmission of a Bid is not acceptable.

V. Communications

PG&E has established an RFO website at www.pge.com/rfo where participants may register to receive RFO information and where all RFO related information, announcements, documents and Participant questions and answer will be posted and available to the public. All communications and questions regarding the RFO should be directed to PGERARFO@pge.com.

To promote the accuracy and consistency of the information provided to all participants, PG&E discourages participants from speaking directly with PG&E employees about this RFO. With respect to matters of general interest raised by any Participant, PG&E may, without reference to the specific participant, 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.

Request for Offers**VI. Credit**

During the negotiation phase, PG&E's credit group will consider a participant's capability to perform all of its financial and other obligations which provides for the collateral requirements governing transactions executed as part of this RFO. While participants can propose modifications to the collateral requirements as part of their mark-up of the RA Confirmation, reaching agreement on any changes during the negotiation phase is a requirement for proceeding to execution. PG&E's credit group may determine that the performance assurance specified under the RA Confirmation is insufficient to support the participant's performance prior to or during the Delivery Period.

NOTE: PG&E's credit group may consider alternatives for rate setting authorities who participate in the RFO.

VII. Pricing, Terms and Conditions

Participants should develop their Bids based on the RA Confirmation. See also Sections I, II and V regarding the mark-up of the form RA Confirmation.

Participants are required to complete the RA Bid Data Form specifying the products, quantity, and pricing being bid. This form should be completed with consideration of the RA Confirmation. Any changes made to the RA Confirmation or pricing after submission of the Bid may not be accepted by PG&E or may result in PG&E rejecting the Participant's Bid.

VIII. Confidentiality Agreement

All information and documents exchanged, the negotiations of any transaction, and the status or existence of negotiations, between PG&E and the participant in connection with this RFO shall be considered confidential information and PG&E and the participant shall be prohibited from disclosing such information to any and all third parties except as provided below.

PG&E contemplates disclosing and retains the right to disclose, any information or documents provided by the participant along with the status of the negotiations of the Bid to the CPUC, its staff, the PRG, the RFO IE 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 the participant and without liability or any responsibility of PG&E to the participant or any third party. PG&E has confidentiality and/or non-disclosure agreements with the PRG and the IE, applicable to the confidential information. PG&E cannot, however, ensure that the CPUC will afford confidential treatment to confidential information in connection with the RFO, or that confidentiality agreements or orders will be obtained from the CPUC.

IX. Execution of Agreement

By submitting a Bid, a participant agrees, if its Bid is selected, to negotiate and execute

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a definitive RA Confirmation consistent with the RA Confirmation provided in Appendix A and containing such other terms and conditions as may be mutually acceptable to PG&E and the Participant. PG&E's evaluation of a Participant's Bid, and PG&E's negotiation with the Participant, will not constitute any agreement by PG&E to any modification made by the Participant to the RA Confirmation submitted or constitute an obligation on PG&E to execute an agreement with the Participant in this RFO.

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

Except as expressly set forth in this RFO, by submitting Bid, the Participant knowingly and voluntarily waives any rights under statute, regulation, state or federal constitution, or common law to assert any claim or complaint or other challenge in any regulatory, judicial or other forum, including the CPUC, except as expressly provided below, the FERC, the Superior Court of the State of California ("State Court") or United States District Court ("Federal Court") concerning or related in any way to the RFO and/or any documents related to the RFO ("Waived Claims"). The assertion of any Waived Claims by Participant at the CPUC, FERC, State Court, Federal Court, or otherwise shall, to the extent that Participant's Bid has not already been disqualified, provide PG&E the right, and may result in PG&E electing, to reject such Bid or terminate the RFO.

By submitting a Bid, the Participant further agrees that the sole forum in which Participant may assert any challenge with respect to the conduct or results of the RFO is the CPUC. The Participant further agrees that the sole means of challenging the conduct or results of the RFO is a protest to PG&E's filing before the CPUC showing details of one or more agreements entered into as a result of the RFO. The Participant further agrees that the sole basis for any such protest shall be a challenge to the conduct or results of the RFO on the grounds that PG&E failed in a material respect to conduct the RFO in accordance with the RFO rules and procedures outlined in this document, and the exclusive remedy available to the 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 rules and procedures outlined in this document. The Participant expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorneys' fees. Unless PG&E elects to do otherwise in its sole discretion, during the pendency of such a protest 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.

The 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 the participant or as a result of a participant's protest to an advice letter filing resulting from the RFO. Except as expressly provided in this RFO, 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.

XI. 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

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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 Bids, there are no Bids that provide adequate ratepayer benefit.

PG&E reserves the right to change the Bid evaluation criteria for any reason, to terminate further participation in this process by any Participant, to accept any Bid or to enter into any definitive agreement, to evaluate the qualifications of any Participant, and to reject any or all Bids, 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 Bid.

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 Bid is selected, not selected, rejected or disqualified.

PG&E will notify Participants by the close of the RFO if their Bids are not accepted. The RFO will terminate automatically on October 15, 2017 unless extended by PG&E.

XII. Participant's Representations and Warranties

BREACH BY ANY PARTICIPANT OF THE REPRESENTATIONS AND WARRANTIES OF THE RFO OR ANY RFO DOCUMENTS 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.