

***Southern California Edison***

**2013 Request for Offers  
Local Capacity Requirements**

**Transmittal Letter**

**September 12, 2013**



## Transmittal Letter

- A.7. Information provided by Seller to SCE pursuant to this RFO will be subject to the disclosure requirements of CPUC D. 06-06-066 and/or applicable law.
- A.8. SCE encourages Women-Owned, Minority-Owned, and Disabled Veteran-Owned Business Enterprises ("WMDVBE") to participate in the RFO. To be considered as a WMDVBE, Seller must provide a copy of a valid certificate that verifies WMDVBE status of the firm. Information on SCE's supplier diversity program can be found on the SCE website at [www.sce.com/SD](http://www.sce.com/SD).

**B. PRODUCTS SOLICITED****B.1. Gas fired generation**

B.1.1. SCE will evaluate Offers for gas fired resources, including new resources, physical relocation, repowers, and upgrades as described below, that meet all local, state, and federal rules, regulations, standards, permitting, and interconnection requirements and certifications as applicable. Projects must have a remaining design life of at least 30 years after the Initial Delivery Date as attested by an engineering assessment performed by a Professional Mechanical Engineer (with experience acceptable to SCE in its sole discretion) licensed by the State of California.

B.1.1.1. Proper certification shall include but is not limited to compliance with current standards under the California Environmental Quality Act ("CEQA"), the National Environmental Policy Act ("NEPA"), the Federal New Source Review ("NSR"), applicable air pollution control district regulations, SCE, CAISO, or appropriate Participating Transmission Owner's electrical interconnection requirements, natural gas interconnection requirements promulgated by Southern California Gas Company or other applicable gas providers, and applicable water and wastewater discharge regulations.

**B.1.2. New resources**

B.1.2.1. A project will qualify as a new resource eligible for consideration by SCE in this RFO if the project will provide Incremental Capacity to the region of the CAISO's control area known as the West Los Angeles Basin or Moorpark Sub-Areas. A project will not be considered a new resource eligible for consideration in this RFO if by the date of this RFO it is currently in operation, under construction, or identified on either of the following reports:

B.1.2.1.1. The CEC's California Power Plants Database of existing operating plants in California as of the date of this RFO and as shown in Exhibit C.1.1.

B.1.2.1.2. The CEC's Energy Facility Status report under the categories of "Operational" or "Approved" as of the date of this RFO and as shown in Exhibit C.1.2.

**B.1.3. Physical relocation**

B.1.3.1. Physically relocating a project from outside of the West Los Angeles Basin or Moorpark Sub-Areas to the West Los Angeles Basin or Moorpark Sub-Areas is permitted if all other conditions of this RFO

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are met (including those listed in this Transmittal Letter), the relocated project meets all environmental requirements and standards, and the relocated project has obtained a valid operating permit authorizing the relocation and subsequent operation of the relocated project from the applicable Air Pollution Control District.

## B.1.4. Repowers

B.1.4.1. SCE will evaluate Offers to repower existing generating facilities and may, in its sole discretion, accept an Offer to repower an existing generating facility so long as the conditions below are met. A "Repower" is defined as an overhauled or repaired generating facility which was, prior to the overhaul or repair, operating with all applicable local, state and federal certifications and permits, reaching the end of its projected operating life and, requiring the replacement of one or more generation-related components (specifically turbine or other engine prime mover, electrical generator, heat recovery steam generator, or steam turbine) with new hardware. A Repower must meet all the criteria set forth below:

B.1.4.1.1. The Repower must result in higher efficiency, lower air emission rates and greater reliability than the generating facility prior to the overhaul or repair.

B.1.4.1.2. An Offer for a Repower considered under this Section must contain information demonstrating that, absent a significant capital investment, the remaining life of the current generating facility is 10 years or fewer.

## B.1.5. Upgrades

B.1.5.1. SCE will evaluate Offers to upgrade existing generating facilities and may, in its sole discretion, accept an Offer to upgrade an existing generating facility. An "Upgrade" is defined as an addition to a generating facility which will provide Incremental Capacity to the region of the CAISO's control area known as the West Los Angeles Basin or Moorpark Sub-Areas.

## B.2. Combined heat and power ("CHP")

B.2.1. SCE will evaluate Offers for CHP projects including new CHP resources, CHP physical relocation, CHP repowers and CHP upgrades as described below. A project will qualify as a CHP project eligible for consideration by SCE in this RFO if it meets all local, state, and federal rules, regulations, standards, permitting, and interconnection requirements and certifications as applicable. Projects must have a remaining design life of at least 30 years after the Initial Delivery Date as attested by an engineering assessment performed by a Professional Mechanical Engineer (with experience acceptable to SCE in its sole discretion) licensed by the State of California.

B.2.2. The CHP project must be available for baseload operation over the 7x16 peak period defined as any 16 continuous hours between hours ending 7-24.

## B.2.3. New CHP resources

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B.2.3.1. A CHP project will qualify as a new resource eligible for consideration by SCE in this RFO if the project will provide Incremental Capacity to the region of the CAISO's control area known as the West Los Angeles Basin or Moorpark Sub-Areas. A project will not be considered a new CHP resource eligible for consideration in this RFO if by the date of this RFO it is currently in operation, under construction, or identified on either of the following reports:

B.2.3.1.1. The CEC's California Power Plants Database of existing operating plants in California as of the date of this RFO and as shown in Exhibit C.1.1.

B.2.3.1.2. The CEC's Energy Facility Status report under the categories of "Operational" or "Approved" as of the date of this RFO and as shown in Exhibit C.1.2.

B.2.4. CHP physical relocation

B.2.4.1. Physically relocating a CHP project from outside of the West Los Angeles Basin or Moorpark Sub-Areas to the West Los Angeles Basin or Moorpark Sub-Areas is permitted if all other conditions of this RFO are met (including those listed in this Transmittal Letter), the relocated CHP project meets all environmental requirements and standards, and the relocated CHP project has obtained a valid operating permit authorizing the relocation and subsequent operation of the relocated CHP project from the applicable Air Pollution Control District.

B.2.5. CHP repowers

B.2.5.1. SCE will evaluate Offers to Repower existing generating facilities and may, in its sole discretion, accept an Offer to Repower an existing generating facility so long as the conditions below are met. A "Repower" is defined as an overhauled or repaired generating facility which was, prior to the overhaul or repair, operating with all applicable local, state and federal certifications and permits, reaching the end of its projected operating life and, requiring the replacement of one or more generation-related components (specifically turbine or other engine prime mover, electrical generator, heat recovery steam generator, or steam turbine) with new hardware. A Repower must meet all the criteria set forth below:

B.2.5.1.1. The Repower must result in higher efficiency, lower air emission rates and greater reliability than the generating facility prior to the overhaul or repair.

B.2.5.1.2. An Offer for a Repower considered under this Section must contain information demonstrating that, absent a significant capital investment, the remaining life of the current generating facility is 10 years or fewer.

B.3. Demand response

B.3.1. SCE will evaluate Offers for demand response ("DR") products in which Seller will offer to SCE the ability to reduce electrical consumption from specified electrical customers at specified times. A demand response product must meet the criteria set forth below: