2012 RPS SOLICITATION

ADVICE LETTER TEMPLATE

Renewables Portfolio Standard
Energy Division
California Public Utilities Commission

v.10/23/13

Instructions to Utilities

This template should be used when a utility submits a renewables portfolio standard (RPS) contract for reasonableness review and approval by the California Public Utilities Commission (Commission) whether by advice letter or application.[1] In its entirety, the filing should explain to the Energy Division all aspects of the proposed RPS project's (Project's) development and viability as well as the terms and conditions of the proposed contract. Advice letters with complete and detailed answers that adhere to the template format will enable efficient Commission review and analysis of the advice letter.

The template consists of two parts: Part 1 of the template is the public section of the advice letter or application, and Part 2 is the confidential section, consisting of up to seven appendices. In the filed advice letter, Part I should contain *only* public information and Part 2, the appendices, should contain *only* confidential information.

As much information as possible should be provided in Part 1; however, if a complete answer requires the disclosure of confidential information, then the sensitive information may be provided in the appropriate confidential appendix provided for in Part 2. A description of the information and reasoning for confidential treatment of the information should be summarized in the Advice Letter. A separate declaration made under penalty of perjury and seeking confidential treatment shall be filed concurrently with the Advice Letter consistent with D.06-06-066, as modified by D.08-04-023, and the August 22, 2006 Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066 issued in R.05-06-040. Among other things, the declaration shall demonstrate: (1) that the submitted material constitutes a particular type of data listed in the confidentiality matrix of D.06-06-066, as modified; (2) which category or categories in the matrix the data correspond to; (3) that the utility is complying with the limitations on confidentiality specified in the matrix for that type of data; (4) that the information is not already public; and (5) that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

Pursuant to the decision approving a utility's RPS Procurement Plan, once a solicitation is concluded, the utility files its Shortlist Report with the Commission. The Shortlist Report includes: the Independent Evaluator's Report of the solicitation results; the utility's Least Cost Best Fit Report, an Excel spreadsheet containing all relevant data regarding the solicitation, referred to as the RPS Workpapers, and a Solicitation Overview.

[1] While this template shall be used for both advice letters and applications, we refer to advice letters throughout the remainder of the template.

The utility shall use its RPS Workpapers to populate the charts and graphs in this template – please do not create your own charts to replace the ones provided in this template. If multiple contracts are submitted in one filing, please create separate Part 2 Appendices for each contract (cross referencing the first appendix where appendices are identical) and make sure to address each project in Part 1. **In addition to filing the advice letter, please send the assigned Commission contract manager an electronic copy of the advice letter in PDF and Microsoft Word and Excel formats via e-mail, CD, or USB drive:**

- PG&E: Shannon O'Rourke, sr6@cpuc.ca.gov, 415-703-5574
- SCE: Jason Simon, jason.simon@cpuc.ca.gov, 415-703-5903
- SDG&E: Cheryl Lee, cnl@cpuc.ca.gov, 415-703-2167

Please contact your Commission contract manger if you have any questions or feedback regarding this template.

Part 1 - Public Section of the Advice Letter

I. Introduction

A. Identify the purpose of the advice letter

B. Identify the subject of the advice letter, including:

1. Project name
2. Technology (including level of maturity)
3. General Location and Interconnection Point
4. Owner(s) / Developer(s)
    a. Name(s)
    b. Type of entity(ies) (e.g. LLC, partnership)
    c. Business Relationship (if applicable, between seller/owner/developer)
5. Project background, e.g., expiring QF contract, phased project, previous power purchase agreement, contract amendment
6. Source of agreement, i.e., RPS solicitation year or bilateral negotiation
7. If an amendment, describe contract terms being amended and reason for amendment

C. General Project(s) Description

Project Name	
Technology	
Capacity (MW)	
Capacity Factor	
Expected Generation (GWh/Year)	
Initial Commercial Operational Date	
Date contract Delivery Term begins	
Delivery Term (Years)	
Vintage (New / Existing / Repower)	
Location (city and state)	
Control Area (e.g., CAISO, BPA)	
Nearest Competitive Renewable Energy Zone (CREZ) as identified by	

the Renewable Energy Transmission Initiative (RETI)[2]	
Type of cooling, if applicable	

D. Project location

1. Provide a general map of the generation facility's location.
2. For new projects describe facility's current land use type (private, agricultural, county, state lands (agency), federal lands (agency), etc.).

E. General Deal Structure

Describe general characteristics of contract, for example:

1. Required or expected Portfolio Content Category of the proposed contract
2. Partial/full generation output of facility
3. Any additional products, e.g. capacity
4. Generation delivery point (e.g. busbar, hub, etc.)
5. Energy management (e.g. firm/shape, scheduling, selling, etc.)
6. Diagram and explanation of delivery structure

F. RPS Statutory Goals & Requirements

1. Briefly describe the Project's consistency with and contribution towards the RPS program's statutory goals set forth in Public Utilities Code §399.11. These goals include displacing fossil fuel consumption within the state; adding new electrical generating facilities within WECC; reducing air pollution in the state; meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation; promoting stable retail rates for electric service; a diversified and balanced energy generation portfolio; meeting the state's resource adequacy requirements; safe and reliable operation of the electrical grid; and implementing the state's transmission and land use planning activities.
2. Describe how procurement pursuant to the contract will meet IOU's specific RPS compliance period needs. Include Renewable Net Short calculation as part of response.

G. Confidentiality

[2] Information about RETI is available at: http://www.energy.ca.gov/reti/

Explain if confidential treatment of specific material is requested. Describe the information and reason(s) for confidential treatment consistent with the showing required by D.06-06-066, as modified by D.08-04-023.

II. Consistency with Commission Decisions

Identify how the IOU's overall RPS procurement process complies with the Commission's RPS-related decisions. If a complete answer to a question may not be provided without disclosing confidential information, then answers should be supplemented in Confidential Appendix A. Description of the information and reason(s) for confidential treatment of the information should then also be included in the advice letter filing.

A. RPS Procurement Plan

1. Identify the Commission decision that approved the utility's RPS Procurement Plan. Did the utility adhere to Commission guidelines for filing and revisions?
2. Describe the Procurement Plan's assessment of portfolio needs.
3. Discuss how the Project is consistent with the utility's Procurement Plan and meets utility procurement and portfolio needs (e.g. capacity, electrical energy, resource adequacy, or any other product resulting from the project).
4. Describe the preferred project characteristics set forth in the solicitation, including the required deliverability characteristics, online dates, locational preferences, etc. and how the Project meets those requirements.
5. Sales
    a. For Sales contracts, provide a quantitative analysis that evaluates selling the proposed contracted amount vs. banking the RECs towards future RPS compliance requirements (or any reasonable other options). –
    b. Explain the process used to determine price reasonableness, with maximum benefit to ratepayers.
6. Portfolio Optimization Strategy
    a. Describe how the proposed procurement (or sale) optimizes IOU's RPS portfolio (or entire energy portfolio). Specifically, a response should include:

i. Identification of IOU's portfolio optimization strategy objectives that the proposed procurement (or sale) are consistent with.

ii. Identification of metrics within portfolio optimization methodology or model (e.g. PPA costs, energy value, capacity value, interest costs, carrying costs, transaction costs, etc.) that are increased/decreased as a result of the proposed transaction.

iii. Identification of risks (e.g. non-compliance with RPS requirements, regulatory risk, over-procurement of non-bankable RPS-eligible products, safety, etc.) and constraints included in optimization strategy that may be decreased or increased due to proposed procurement (or sale).

b. Description of how proposed procurement (or sale) is consistent with IOUs overall planned activities and range of transactions planned to optimize portfolio.

B. Bilateral contracting – if applicable

1. Discuss compliance with D.06-10-019 and D.09-06-050.
2. Specify the procurement and/or portfolio needs necessitating the utility to procure bilaterally as opposed to a solicitation.
3. Describe why the Project did not participate in the solicitation and why the benefits of the Project cannot be procured through a subsequent solicitation.

C. Least-Cost, Best-Fit (LCBF) Methodology and Evaluation

1. Briefly describe IOU's LCBF Methodology and how the Project compared relative to other offers available to the IOU at the time of evaluation.
2. Indicate when the IOU's Shortlist Report was approved by Energy Division.

D. Compliance with Standard Terms and Conditions (STCs)

1. Does the proposed contract comply with D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025?
2. Using the tabular format, provide the specific page and section number where the RPS non-modifiable STCs are located in the contract.

Non-Modifiable Term	Contract Section Number	Contract Page Number
STC 1: CPUC Approval		
STC 2: Green Attributes and RECs		
STC 6: Eligibility		
STC 17: Applicable Law		
STC REC 1: Transfer of RECs		
STC REC 2: WREGIS Tracking of RECs		
STC REC 3: CPUC Approval		

3. Provide a redline of the contract against the utility's Commission-approved pro forma RPS contract as Confidential Appendix E to the filed advice letter. Highlight modifiable terms in one color and non-modifiable terms in another.

E. Portfolio Content Category Claim and Upfront Showing (D.11-12-052, Ordering Paragraph 9)

1. Describe the contract's claimed portfolio content category.
2. Explain how the procurement pursuant to the contract is consistent with the criteria of the claimed portfolio content category as adopted in D.11-12-052.
3. Describe the risks that the procurement will not be classified in the claimed portfolio content category.
4. Describe the value of the contract to ratepayers if:
   a. Contract is classified as claimed
   b. Contract is not classified as claimed
5. Use the table below to report how the procurement pursuant to the contract, if classified as claimed, will affect the IOU's portfolio balance requirements, established in D.11-12-052.

Forecast of Portfolio Balance Requirements	Compliance Period 2 (2014-2016)	Compliance Period 3 (2017-2020)
PCC 1 Balance Requirement *CP 2 = 65% of RECs applied to procurement quantity requirement* *CP 3 = 75% of RECs applied to procurement quantity requirement*		
Quantity of PCC 1 RECs (under contract, not including proposed contract)		
Quantity of PCC 1 RECs from proposed contract		
Quantity of PCC 2 RECs		
Quantity of PCC 2 RECs (under contract, not including proposed contract)		
Quantity of PCC 2 RECs from proposed contract		
PCC 3 Balance Limitation *CP 2 = 15% of RECs applied to procurement quantity requirement* *CP 3 = 10% of RECs applied to procurement quantity requirement*		
Quantity of PCC 3 RECs (under contract, not including proposed contract)		
Quantity of PCC 3 RECs from proposed contract		

F. Long-Term Contracting Requirement

D.12-06-038 established a long-term contracting requirement that must be met in order for an IOU to count RPS procurement from contracts less than 10 years in length ("short-term contracts") toward RPS compliance.

1. Explain whether or not the proposed contract triggers the long-term contracting requirement.
2. If the long-term contracting requirement applies, provide a detailed calculation that shows the extent to which the utility has satisfied the long-term contracting requirement. If the requirement has not yet been satisfied for the current compliance period, explain how the utility expects to satisfy the quantity by the end of the compliance period to count the proposed contract for compliance.

G. Tier 2 Short-term Contract "Fast Track" Process – if applicable

Complete this section if requesting approval via Tier 2 and the "fast track" process set forth in D.09-06-050.

1. Is the facility in commercial operation? If not in commercial operation, explain the IOU's basis for its determination that commercial operation will be achieved within the required six months.
2. Describe and explain any contract modifications to the Commission-approved short-term pro forma contract.

H. Interim Emissions Performance Standard

In D.07-01-039, the Commission adopted a greenhouse gas Emissions Performance Standard (EPS) which is applicable to an electricity contract for baseload generation, as defined, having a delivery term of five years or more.

1. Explain whether or not the contract is subject to the EPS.
2. If the contract is subject to the EPS, discuss how the contract is in compliance with D.07-01-039.
3. If the contract is not subject to EPS, but delivery will be firmed/shaped with specified baseload generation for a term of five or more years, explain how the energy used to firm/shape meets EPS requirements.
4. If the contract term is five or more years and will be firmed/shaped with unspecified power, provide a showing that the utility will ensure that the amount of substitute energy purchases from unspecified resources is limited such that total purchases under the contract (renewable and non-renewable) will not exceed the total expected output from the renewable energy source over the term of the contract.
5. If substitute system energy from unspecified sources will be used, provide a showing that:

a. the unspecified energy is only to be used on a short-term basis; and

b. the unspecified energy is only used for operational or efficiency reasons; and

c. the unspecified energy is only used when the renewable energy source is unavailable due to a forced outage, scheduled maintenance, or other temporary unavailability for operational or efficiency reasons; or

d. the unspecified energy is only used to meet operating conditions required under the contract, such as provisions for number of start-ups, ramp rates, minimum number of operating hours.

I. Procurement Review Group (PRG) Participation

1. List PRG participants (by organization/company).
2. Describe the utility's consultation with the PRG, including when information about the contract was provided to the PRG, whether the information was provided in meetings or other correspondence, and the steps of the procurement process where the PRG was consulted.
3. For short-term contracts, if the PRG was not able to be informed prior to filing, explain why the PRG could not be informed.

J. Independent Evaluator (IE)

The use of an IE is required by D.04-12-048, D.06-05-039, 07-12-052, and D.09-06-050.

1. Provide name of IE.
2. Describe the oversight provided by the IE.
3. List when the IE made any findings to the Procurement Review Group regarding the applicable solicitation, the project/bid, and/or contract negotiations.
4. Insert the public version of the project-specific IE Report.

III. Project Development Status

If the Project is already commercially operational, you may skip this section.

If the Project is not yet operational, please discuss the status of the Project factors outlined below and their impact on the Project's viability.[3] Provide answers to all questions. If a complete answer to the question may not be provided without disclosing confidential information, then answers should be supplemented in confidential Appendix D. As much information as possible, however, should be included in this public section.

A. Company / Development Team

1. Describe the Project development team and/or company principals and describe how many years of experience they have had on the development side of the electric industry.
2. List any successful projects (renewable and conventional) the Project development team and/or company principals have owned, constructed, and/or operated.

B. Technology

1. Technology Type and Level of Technology Maturity
    a. Discuss the type and stage of the Project's proposed technology (e.g. concept state, testing stage, commercially operating, utility-scale operation, ample history of operation).
    b. If the technology has not been commercially demonstrated, identify whether the developer has or plans to have a demonstration project. Describe the project (MW, hours run), its results (e.g., temperature, GWh, or other appropriate metric) and its ability to perform on a commercial scale.
    c. If hybrid technology will be deployed, describe the configuration and potential issues and/or benefits created by the hybrid technology.
2. Quality of Renewable Resource
    a. Explain the quality of the renewable resource that the Project will rely upon. Provide supporting documentation, such as project-specific resource studies, reports from RETI or the National Renewable Energy Lab (NREL) that supports resource quality claims and ability for the facility to provide expected generation.

[3] Project viability is defined as the probability that the Project associated with a contract can be financed and completed as required by the contract terms and conditions and will able to meet the performance obligations set forth in the contract.

b. For biomass projects, please provide a fuel resource analysis and the developer's fuel supply plan. Identify:

i. From whom/where the fuel is being secured; and

ii. Where the fuel is being stored

c. Explain whether the IOU believes that the Project will be able meet the terms of the contract given its independent understanding of the quality of the renewable resource. If necessary, reference successful nearby projects, completed studies, and/or other information.

3. Other Resources Required

a. Identify any other fuel supply (other than the renewable fuel supply discussed above) necessary to the Project and the anticipated source of that supply;

b. Explain whether the developer has secured the necessary rights for water, fuel(s), and any other required inputs to run the Project.

c. Provide the estimated annual water consumption of the facility (gallons of water/year).

d. Explain whether the IOU believes that the Project will be able meet the terms of the contract given its independent understanding of the adequacy of the additional fuel or any other necessary resource supply. If necessary, reference successful nearby projects, completed studies, and/or other information.

C. Development Milestones

1. Site Control

Explain the status of Project site control, including:

a. Site control type (e.g. ownership, lease, BLM Right-of-Way grant, etc.)

i. If lease, describe duration of site control and any exercisable extension options

ii. Level or percent of site control attained – if less than 100%, discuss seller's plan for obtaining full site control

2. Equipment Procurement

Explain the status of equipment procurement for the Project, including:

a. The status of the procurement of major equipment (e.g. equipment in-hand, contracts executed and equipment in delivery, negotiating contracts with supplier(s), etc.). For equipment not yet procured, explain any contingencies and overall timing.

b. The developer's history of ability to procure equipment.

c. Any identified equipment procurement issues, such as lead time, and their effect on the Project's date of operability.

3. Permitting / Certifications Status

a. Describe the status of the Project's RPS-eligibility certification from the CEC. Explain if there is any uncertainty regarding the Project's eligibility.

b. Use the following table to describe the status of all major permits or authorizations necessary for development and operation of the Project, including, without limitation, CEC authorizations, air permits, certificates of public convenience and necessity (CPCN) or permits to construct (PTC) for transmission, distribution, or substation construction/ expansion, land use permits, building permits, water use or discharge authorizations, Federal Aviation Administration authorizations, military authorizations, and Federal Communication Commission authorizations. If necessary, table may be split between public and confidential sections – permits requests with public agencies should be included in the public portion.

Name of Permit or Lease required	Grantor	Description of Permit or Lease	Current Status (to be filed, pending approval, approved)	Projected timeframe for approval

4. Production Tax Credit (PTC) / Investment Tax Credit (ITC) / Other government funding– if applicable

    a. Explain the Project's potential eligibility for tax credits or other government funding based on the technology of the Project and contract operation date.

    b. If the developer is pursuing PTCs/ITCs/Other, explain the criteria that must be met and the developer's plans for obtaining the PTCs/ITCs/Other.

    c. Explain whether the utility or the seller bears the risk if the anticipated tax credits/funding are not obtained.

5. Transmission

    a. Discuss the status of the Project's interconnection application, whether the Project is in the CAISO or any other interconnection queue, and which transmission studies are complete and/or in progress.

    b. Discuss the status of the Interconnection Agreement with the interconnecting utility (e.g., draft issued, executed and at FERC, fully approved).

    c. Describe the required network and gen-tie upgrades and the capacity to be available to the Project upon completion, including any proposed curtailment schemes.

    d. Describe any required substation upgrades or construction.

    e. Discuss the timing and process for all transmission-related upgrades. Identify critical path items and potential contingencies in the event of delays.

    f. Explain any issues relating to other generating facility projects in the transmission queue as they may affect the Project.

    g. If the Project is dependent on transmission that is likely to be congested at times, leading to a product that is less than 100% deliverable for at least several years, explain how the utility factored the congestion into the LCBF bid analysis.

    h. Describe any alternative transmission arrangements available and/or considered to facilitate delivery of the Project's output.

D. Financing Plan

1. Explain developer's manner of financing (e.g. project financing, balance sheet financing, utility tax equity investment, etc.).
2. Describe the developer's general project financing status.
3. To what extent (%) has the developer received firm commitments from financers (both debt and equity), and how much financing is expected to be needed to bring the Project online?
4. List any government funding or awards received by the Project.
5. Explain the creditworthiness of all relevant financiers.
6. Describe developer's history of ability to procure financing.
7. Describe any plans for obtaining subsidies, grants, or any other third party monetary awards (other than Production Tax Credits and Investment Tax Credits) and discuss how the lack of any of this funding will affect the Project.

IV. Contingencies and/or Milestones

Describe major performance criteria and guaranteed milestones, including those outside the control of the parties, including transmission upgrades, financing, and permitting issues.

V. Safety Considerations

A. What terms in the PPA address the safe operation, construction and maintenance of the Project? Are there any other conditions, including but not limited to conditions of any permits or potential permits, that the IOU is aware of that ensure such safe operation, construction and decommissioning?

B. What has the IOU done to ensure that the PPA and the Project's operation are: consistent with Public Utilities Code Section 451; do not interfere with the IOU's safe operation of its utility operations and facilities; and will not adversely affect the public health and safety?

C. If PPA or amendment is with an existing facility, please provide a matrix that identifies all safety violations found by any entity, whether government, industry-based or internal with an indication of the issue and if the resolution of that alleged violation is pending or resolved and what the progress or resolution was/is.

D. If PPA or amendment is with an existing facility, will the PPA or amendment lead to any changes in the structure or operations of the facility? Any change in the safety practices at the facility? If so, with

what federal, state and local agencies did the developer confer or seek permits or permit amendments for these changes?

Part 2 – Confidential Appendices of Advice Letter

Confidential Appendix A

Consistency with Commission Decisions and Rules and Project Development Status

This Confidential Appendix A provides an outline of those items set forth in Part 1 of the Advice Letter Template under "Consistency with Commission Decisions and Rules" and "Project Development Status." It supplements those outlines with additional information requests, which may require confidential information to complete.

In this Confidential Appendix A:

1. Provide, where appropriate, any confidential information necessary to fully answer any items in Part 1 of the advice letter template.

2. Provide answers to the additional items included in this Appendix A. To the extent such information is not confidential; it should be included in the public version of the Advice Letter.

I. Consistency with Commission Decisions and Rules

A. RPS Procurement Plan

B. Bilaterals

C. Least-Cost Best-Fit

1. Indicate in a matrix format the Project's net market value (NMV) scores under the utility's approved LCBF evaluation criteria.

NMV Criteria / Components	Bid	Final Contract
Energy value		
Capacity value		
Price		
Congestion Costs		
Transmission Cost/Adder		
Integration	0	0
Net Market value		

2. Describe how the NMV value provided above compares with the following cohorts:
    a. Other bids in the solicitation,
    b. Other bids in the relevant solicitation using the same technology,
    c. Recently (past 12 months) executed contracts,
    d. Other procurement options (e.g. bilaterals, utility-specific programs, etc.)
3. Describe how the Project scored according to the utility's qualitative LCBF criteria.
4. Describe how the Project compares with other bids received in the solicitation with regard to each LCBF factor. Explain why the submitted contract ranked better (quantitatively and/or qualitatively) than the other bids using the LCBF criteria.
5. If the Project's bid ranking changed after negotiations, explain how and why.
6. Using LCBF criteria and other relevant criteria, explain why the submitted contract was preferred relative to other shortlisted bids or other procurement options.

D. Standard Terms and Conditions

E. Minimum Quantity (if applicable)

F. Short-term Contract (if applicable)

G. Emissions Performance Standard

H. PRG Participation and Feedback

If received, what comments/critiques/questions did the utility receive from the PRG?

I. Independent Evaluator

II. Project Development Status

A. Company/Development Team

B. Technology

1. Type and Level of Technology Maturity
2. Resource and/or Availability of Fuel

C. Development milestones

1. Site control
2. Equipment Procurement
3. Permitting Status

D. PTC/ITC/Other

E. Transmission

1. Describe how electricity will be delivered under the contract and describe in terms of cost, timing, and location any improvements, transactions, and other contingencies that must be met, to enable delivery as planned
2. Provide any confidential information on gen-tie and network upgrades and costs that is not provided in the public portion of the Advice Letter.
3. Explain any locational attributes of the contract such as, congestion risk, impact on the status of run must run (RMR) generators, and resource adequacy requirements.
4. Please provide the information indicated below:

Transmission Details	
Queue number (specify control area : CAISO, IID, etc) and Relative Position	
If in CAISO Serial Group, status of:	

Feasibility Study	
System Impact Study	
Facilities Study	
If in CAISO Cluster:	
Name of Cluster	
Status of Phase I and II studies	
Interconnection Agreement – Date Signed or Anticipated	
Preferred Point of Interconnection (line, substation, etc.)	
Early Interconnection Details, if applicable	
Gen-Tie Type (new line, reconductor, increased transformer bank capacity, increased bus capacity, increased sub area)	
Gen-Tie Length	
Gen-Tie Voltage	
Dependent Network Upgrade(s)	
Expected Network Upgrade Completion Date	

F. Financing Plan

G. Project Viability Calculator (PVC)[4] – not applicable if Project is commercially operational

1. Describe, if any, modifications that were made to the PVC, please describe the modifications and explain the reason for the modifications.
2. Discuss the Project's PVC score relative to other projects on the shortlist and in the solicitation (e.g. relation to mean and median, any projects not shortlisted with higher PVC scores, etc.). Use figures from bid workpapers, as appropriate.

[4] The Project Viability Calculator (PVC) is not a predictor of the probability that a project will be successfully developed. It is a tool that can be used to evaluate the viability of a renewable energy project, relative to other projects

3. Insert the projects PVC results (PVC is accessible from CPUC Energy Division's website at http://www.cpuc.ca.gov/PUC/Templates/RPS.aspx?NRMODE=Published&NRNODEGUID=%7b722CB59B-003C-476F-BE7B-D6EABE6DC003%7d&NRORIGINALURL=%2fPUC%2fenergy%2fRenewables%2fprocurement%2ehtm&NRCACHEHINT=Guest#ProjectViability:

Project Viability Calculator

Ve

Category and Criteria Weighting

Criteria Ranking				
Priority	VH	H	M	L
Weight	4	3	2	1

Category		Criteria	Priority	Weight
Company / Development Team		Project Development Experience	VH	4
		Ownership / O&M Experience	L	1
Category Weight	**25%**			
Technology		Technical Feasibility	VH	4
		Resource Quality	M	2
		Manufacturing Supply Chain	H	3
Category Weight	**25%**			
Development Milestones		Site Control	VH	4
		Permitting Status	VH	4
		Project Financing Status	VH	4
		Interconnection Progress	VH	4
		Transmission Requirements	H	3
		Reasonableness of COD	H	3
Category Weight	**50%**			
must equal 100% -->	**100%**			

Project Scoring	range 0 - 10	- score card - Utility	IE	Comments
weight				
25%	**Company / Development Team**			
4	Project Development Experience			
1	Ownership / O&M Experience			
	Total Category	0	0	
	Weighted Criteria	0	0	
	Normalized Category	0.00	0.00	
	Weighted Category	**0.00**	**0.00**	
25%	**Technology**			
4	Technical Feasibility			
2	Resource Quality			
3	Manufacturing Supply Chain			
	Total Category	0	0	
	Weighted Criteria	0	0	
	Normalized Category	0.00	0.00	
	Weighted Category	**0.00**	**0.00**	
50%	**Development Milestones**			
4	Site Control			
4	Permitting Status			
4	Project Financing Status			
4	Interconnection Progress			
3	Transmission Requirements			
3	Reasonableness of COD			
	Total Category	0	0	
	Weighted Criteria	0	0	
	Normalized Category	0.00	0.00	
	Weighted Category	**0.00**	**0.00**	
	Total Weighted Score	0.00	0.00	

"Normalized Categor
each category the sa
values while incorpo
weighting within eac
Therefore, a normaliz
score should be "100
project receives the r
score (10) for each c
regardless of the crit
weighting (1 - 4).

Project Strengths

Project Weaknesses

Confidential Appendix B

2012 Solicitation Overview

Insert or attach the "Summary" worksheet and "Total Net Short" worksheet from the 2012 RPS Solicitation Workpapers Insert 2012 RPS shortlist and list of RPS contracts (from annual solicitation or bilaterals) executed in the 12 months prior to the execution of the contract.

Confidential Appendix C

Final RPS Project-Specific Independent Evaluator Report

Insert the final, confidential version of the IE's Project-specific report as Confidential Appendix C.

Confidential Appendix D

Contract Summary: Project XYZ

This Confidential Appendix D sets forth the information required to develop the Project contract summary.

A separate contract summary shall be provided for each contract submitted, and shall be labeled in sequence as Confidential Appendix D-1, D-2 etc.

Provide answers to each item in this Confidential Appendix D. To the extent such information is not confidential; it should be included in the public version of the Advice Letter.

Contract Summary

A. Site

1. Provide address and latitude and longitude of the Project's proposed site (in decimal degree and degrees: minutes: seconds form (e.g. 49.5000°,-123.5000° and 49°30'02"N, 123°30'30"W)).

B. Provide on a percentage basis the Project's contribution to the utility's RPS procurement targets.

C. Terms and Conditions of Delivery

1. Identify the point of delivery for the Project's energy and the scheduling coordinator.

2. Please provide any confidential information regarding firming and shaping arrangements, or other plans to manage delivery of the energy that is not included in the public section of the Advice Letter.

D. Major Contract Provisions

1. Summarize the major contract provisions using the matrix below.

2. Include and summarize in the matrix any controversial and/or major provisions not expressly identified in the matrix below.

Term/Condition	RPS Contract
Type of Purchase (Renewable, renewable/conventional hybrid, etc.)	
Utility Ownership Option	
Conditions Precedent and Date Triggers	
Contract Price ($/MWh)	
Product Type	
Key Contract Dates (initial startup deadline, commercial operation deadline, PTC deadlines, etc.)	
Firming/Shaping Requirements	
Total Expected Payments	
Scheduling Coordinator	
Allocation of CAISO (or other control area) Charges	
Allocation of Congestion Risk	
Project Development Security	
Daily Delay Damages	
Compliance Cost Cap	
Seller-Required Performance	

Seller Performance Assurances (calculation methodology, form of Performance Assurance and amount)	
Availability Guarantees	
Energy Delivery Requirements	
Liquidated Damages / Penalties for Failure to Perform	
Force Majeure Provisions	
No Fault Termination	
Seller's Termination Rights	
Utility's Termination Rights	
Right of First Refusal or Rights of First Offer	

3. Other Contract Provisions

   a. Describe any other significant or unique contract provisions too detailed and/or complicated to include in the matrix above.

   b. For biomass contracts, is the developer is taking on the full risk under current contract terms and price

E. Contract Price

1. Calculate the levelized contract price using the utility-specific before tax weighted average cost of capital discount rate and complete the following table.

	Price $/MWh	**Notes**
Levelized, TOD-adjusted Bid Price		
Levelized, TOD-adjusted Contract Price		
Total Sum of Contract Payments		

2. Describe the individual components of the contract pricing structure:

   - Flat pricing
   - Indexed pricing
   - Escalation factors
   - Subsidies
   - Other

3. Explain any contract terms that permit modifications to the contract price.

4. Describe any price adjustments/modifications that occurred during the negotiation period. Include the reason(s) for the price adjustment(s). How does the initial bid price compare to the final contract price?

5. If there are any Project costs or characteristics (e.g. network upgrade costs, equipment costs, changes in capacity factor, etc.) that could change the contract price, describe them and their effect on the levelized contract price.

6. For biomass projects:

   a. What length fuel contract(s) has been signed, and for how many years of the PPA have fuel contract(s) been secured?

   b. Describe the developer's forecasted price for fuel supplies.

   c. Explain how the contract price takes fuel price volatility into account.

   d. Explain what the developer plans to do if fuel source disappears or becomes more expensive.

7. For out-of-state contracts in which the energy will be firmed and shaped, identify all firming and shaping costs associated with the Project and whether they are included in the contract price. If there are multiple potential delivery options, identify the firming and shaping costs associated with each option, and explain which option the utility expects is the most and least likely. Please use the table provided.

($/MWh)	Expected Case	Best Case	Worst Case	Importing into California
PPA PRICE				
Maximum Price				
FIRMING/SHAPING				
Transmission Losses:				
Transmission Service (wheeling):				
Imbalance Energy Charges:				
Ancillary Service Charges:				
Total Firming/Shaping:				

ALL-IN TOTAL				
Maximum Price + Total Firming/Shaping:				

8. Describe how the contract price compares with the following cohorts:
   a. Other bids in the solicitation,
   b. Other bids in the relevant solicitation using the same technology,
   c. Recently (past 12 months) executed contracts
   d. Other procurement options (e.g. bilaterals, utility-specific programs, etc.)

9. Provide the rate impact of the proposed contract (cents per kilowatt-hour).

   Base the rate impact of the proposed contract on the retail sales for the year which the project is expected to come online.

Confidential Appendix E

Comparison of Contract with Utility's Pro Forma Power Purchase Agreement

Provide a redline of the contract against the utility's Commission-approved pro forma RPS contract as Confidential Appendix E to the filed advice letter. Highlight modifiable terms in one color and non-modifiable terms in another.

Provide a redline of the contract against the utility's Commission-approved pro forma RPS contract as Confidential Appendix E to the filed advice letter. **Highlight modifiable terms in one color and non-modifiable terms in another.**

Confidential Appendix F
Power Purchase Agreement

Provide a copy of the Power Purchase Agreement as Confidential Appendix F.