

Marin Clean Energy's 2016 Open Season webinar hosted **December 15, 2015**. The following questions were received prior to the submittal deadline: 5 PM PST, December 22, 2015.

Q. I participated in your webinar but I am having trouble locating the presentation. Where can I find this file?

A. The MCE Open Season 2016 Kick-off presentation is posted on the Open Season Website: <http://mcecleanenergy.org/energy-procurement/>

Q. What is the process for certifying products as "renewable"? What are the criteria that will be used to make such determinations?

A. MCE is requesting three specific renewable energy products through the 2016 Open Season:

- RPS eligible, Portfolio Content Category 1 ("Bucket 1") renewable energy
- RPS eligible, Portfolio Content Category 2 ("Bucket 2") renewable energy
- RPS eligible, Portfolio Content Category 3 ("Bucket 3") renewable energy

With regard to the aforementioned RPS eligible renewable energy products, any generating resource supplying such products must be certified as California RPS Eligible by the California Energy Commission (CEC) and must be registered with the Western Renewable Energy Generation Information System (WREGIS) to enable renewable energy certificate transfers to MCE.

For information regarding the CEC's certification process, please review California's RPS Eligibility Guidebook at <http://www.energy.ca.gov/portfolio/index.html>.¹ Additional information regarding the WREGIS registration process may be reviewed by accessing WREGIS' website: <https://www.wecc.biz/WREGIS/Pages/Join-WREGIS.aspx>.

All respondents should familiarize themselves with applicable eligibility criteria, as described in these sources.

Q. Will there be an opportunity to ask/submit questions after the December 22 deadline for question submittal?

A. To ensure a fair and equitable process for all participants MCE stipulated a deadline for question submittal of December 22, 2015 (by 5:00 P.M. PST). Questions submitted after December 22, 2015 were not reviewed.

Q. Does MCE prefer Carbon Free energy delivery be shaped to MCE load and will MCE provide a draft confirm for the carbon free energy for respondents?

A. MCE does not require energy deliveries to match MCE load. However, MCE may require a specified delivery schedule (e.g. 25 MW, 24 X 7). A draft confirm is posted on the Open Season website.

Q. What are the delivery documentation requirements for the Carbon Free Hydro Electric generation?

A. MCE prefers Carbon Free resources located within California. Any imports of Carbon Free Hydro Electric generation must be e-tagged to the NP15 Trading Hub with specified source information. Please see MCE's Open Season Overview document for additional detail.

Q. Would you accept specified nuclear as carbon free energy?

A. MCE does not enter into purchase agreements for electric power produced by nuclear resources.

Q. Did MCE procure any renewable power last year?

A. Yes, MCE procures renewable power on an ongoing basis to meet customer energy requirements and to demonstrate compliance with California's Renewables Portfolio Standard program. MCE executed multiple contracts as a result of offers received in last year's Open Season process.

Q. Last year we never heard back from MCE about our offer. Can MCE please make sure to inform all respondents regarding the status of our offers this round?

A. Yes, this year MCE will inform all respondents regarding the status of offers submitted.

Q. Can you expand on local preference (e.g. a projected sited within 100 miles of MCE territory vs. outside)?

¹¹ The currently effective RPS Eligibility Guidebook (Eight Edition), publication # CEC-300-2015-001-ED8-CMF, was adopted June 10, 2015. Subsequent updates may be adopted by the California Energy Commission, and prospective respondents are encouraged to visit the provided web link to ensure a thorough understanding of currently effective resource eligibility criteria.

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A. All other components of the offer being equal, MCE will give evaluative preference to a project located within 100 miles of the MCE service territory over a project that is not.

Q. Would MCE have any interest in procuring Bucket 1 RECs and not the bundled energy product?

A. MCE is willing to consider alternative product delivery structures for requested Bucket 1 volumes. However, any proposed delivery alternative should be structured to ensure Bucket 1 product eligibility as described under California's RPS program.

Q. Does MCE have a credit rating? Does MCE sign long-term supply contracts with member cities? How long is typical? Are residents in each city optional customers, or do all residents get service through MCE?

A. Currently, MCE does not have a credit rating. MCE does not involve its member-cities in any contracting activities – more specifically, MCE's member-cities do not provide financial guarantees or credit support for any of MCE's power purchase agreements. When a city joins MCE, all of its residents will be offered MCE service and, following enrollment, will remain MCE customers unless such residents elect to opt-out of the MCE program (and return to PG&E as bundled electricity customers). MCE's current participation rate is approximately 80%.

Q. Can you provide insight into how PCC 1 REC volumes may increase over time or differ from MCE's IRP projections due to potential MCE membership expansion?

A. At this point in time, MCE's projected open positions for renewable energy do not reflect prospective increases in electric load due to inclusion of new member communities, which may occur in the future. Projected resource needs reflected in MCE's current Open Season materials are based upon MCE's recently adopted Integrated Resources Plan (IRP; October 2015 update), which reflects the resource requirements of MCE's current customer base (as represented within its current membership). Any potential increase in MCE's renewable energy requirements resulting from new member inclusion will be addressed in future procurement efforts, which may utilize subsequent Open Season processes and/or alternative procurement mechanisms.

Q. MCE's open position volumes fluctuate by year and we would like to sign a multiyear PPA. Does MCE prefer that offered energy volumes fluctuate every year or would it contract for all energy generated from a discrete project capacity throughout the term? If the latter is true, should we expect MCE's desired quantity of renewable energy to most closely reflect the Max, Min, or somewhere in between the published open position range 2019-2025?

A. MCE will purchase all generation, as available, up to the specified energy quantities reflected in MCE's resource balance (as reflected in MCE's published Open Season Overview). MCE may consider additional energy volumes subject to price, product availability and other stated evaluative criteria. Respondents are encouraged to align proposed energy deliveries (i.e., proposed energy volumes should be at or below those volumes reflected in MCE's published resource balance) with MCE's specified resource balance, particularly in the early years of the contract term.

Q. Can you describe your bid ranking methodology? For instance, would a PCC1 offer with a 1-year delivery term (2018, for example) rank lower than a longer-term offer; alternatively, would a project with a buyout option rank higher for MCE than a similar offer without a buyout option.

A. In an effort to avoid proposals that may attempt to "game" a prescribed ranking or weighting methodology, MCE has determined that it will not publish such information for the current Open Season. Respondents are encouraged to prepare their best product offer(s), including any/all project attributes that may provide value/benefit to MCE. All responses will be evaluated in consideration of the various criteria that have been identified in MCE's Open Season materials. As noted in MCE's Open Season Overview, offers of varying term lengths, energy quantities, product types and project locations with all be considered (subject to specified bid criteria).

Q. Can you describe how you calculate capacity values? Is there value assigned for providing capacity? Does MCE have a strong preference for Full Capacity Deliverability Study (FCDS) projects?

A. MCE recognizes that the CPUC assigned monthly Net Qualifying Capacity (NQC) values in order to match MCE's Resource Adequacy filings with the CPUC. MCE will evaluate projects with Full Capacity Deliverability Status in consideration of the conferred capacity attribute to avoid "penalizing" such offers relative to energy-only products – more specifically appropriate value will be assigned to capacity attributes during MCE's evaluation process to avoid mis-ranking FCDS projects.

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Q. The "single, flat price/MWh throughout the contract term" without an escalator makes it difficult to maintain operations and maintenance in the out years. Is the price submitted firm?

A. All long-term offers must include a firm, fixed price option. All 2016 offers must include a firm, fixed REC premium + LMP Energy price option. Once the minimum bid requirements have been satisfied, a respondent may propose alternative pricing mechanisms of its choosing to MCE.

Q. May a respondent request a meeting before the submittal deadline to introduce itself to MCE, provide project details, ask questions, etc.?

A. No. Prior to bid submittal, MCE staff will not schedule any meetings with project developers. In an effort to maintain procedural fairness and integrity for all prospective respondents, no requests for meetings and/or calls will be accepted.

Q. Can MCE provide any guidance related to product pricing that may be considered during the Open Season process?

A. MCE will not discuss contract pricing prior to the response deadline. All Open Season participants should deliver the best, commercially viable project proposal for MCE's consideration.

Q. Does MCE engage in bilateral agreements or is all energy procurement conducted through competitive processes?

A. Our Open Season and Feed-In Tariff programs are the primary venues for all long-term renewable energy procurement. Projects greater than 5 MW, located within the MCE service territory may qualify for bilateral negotiation. During the administration of MCE's Open Season process, bilateral contracting discussions are rarely considered.

Q. In the situation where the project may have more than one off-taker, does MCE require additional facilities other than a separate CAISO revenue meter?

A. All projects must conform to CAISO requirements for scheduling and settlement in order to ensure accurate accounting for delivered energy volumes, associated capacity benefits and related renewable attributes.

Q. Have the noted procurement targets been broken down by delivery profile, including base-load, peak and intermittent? Are baseload resources evaluated differently than intermittent resources?

A. At this point in time, MCE has not specified procurement targets for specific delivery profiles. However, MCE is interested in assembling a diverse renewable energy resource portfolio, including a variety of generating technologies and delivery characteristics, and will consider this overarching interest when evaluating responses submitted under the current Open Season process.

Q. Are there any development stage criteria that have been established for projects participating in MCE's 2016 Open Season process (i.e., interconnection or permitting progress)? Is there a preference for new versus existing generation?

A. MCE has established specific criteria for assessing project development progress. Such requirements are specified in MCE's Open Season Overview, which is available on MCE's procurement website. As reflected in such document, all offers must demonstrate/document a clear and reasonable development schedule in consideration of the proposed commercial operation date by including the following with their offer:

- a) Interconnection status, including completed studies (and related results), queue positions and copies executed agreements, if any.
- b) Siting and permitting status, including a documentation of site control, zoning, applicable permits, a notice of determination regarding CEQA/NEPA status from the appropriate planning authorities, and the expected date of permit receipt for all outstanding permits.

Generally speaking, new generation will receive preference over existing resources.

Q. Based on the amount of time (a few months) between RFP response submission and when MCE intends to transact, does MCE expect participants to submit a price that is non-binding and subject to market movement, management approval, and finalization of documentation?

A. For the requested renewable energy products, MCE expects to receive firm/binding energy pricing, subject to final agreement on contract terms and conditions. If respondents choose to provide alternative pricing options (in addition to the required energy pricing options), MCE will also evaluate such alternative proposals.

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Q. The Response Template and Standard Form PPA are based on a traditional project PPA. Is MCE open to contract structures that would address renewable energy deliveries from more than one project? Will alternative credit structures be acceptable?

A. To the extent that MCE's form PPA will not accommodate a proposed project/delivery structure, respondents may propose alternative contract documents and/or noted exceptions to MCE's form at the time of offer submittal. Regarding applicable credit provisions for alternative transactions, please review the Open Season Overview for applicable requirements, as MCE will not accept modification to such specifications.

Q. Could MCE sign a non-disclosure agreement to protect financial/credit information provided as part of the open season?

A. MCE cannot sign a non-disclosure agreement covering information provided as part of the Open Season. As a public agency, MCE is subject to the Public Records Act. Materials that fall under the category of "pre-negotiation" or "negotiation" are not subject to the Public Records Act and will not be disclosed. Clearly mark any material that you wish MCE to review, but not be subject to public disclosure as "CONFIDENTIAL".