REQUEST FOR QUALIFICATIONS
&
PROPOSALS

For the City of Solana Beach
Community Choice Aggregation
Development and Operations Services

www.cityofsolanabeach.org
City of Solana Beach
June 2016

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Attachment A: Anti-Collusion Statement Form

DISCLAIMER: This Request for Qualifications & Proposals (RFQ/P) is not a commitment or contract of any kind. The City of Solana Beach (City) reserves the right to pursue any, or none, of the ideas generated by this request. Costs for developing the responses are entirely the responsibility of the applicants and shall not be reimbursed. The City reserves the right to select the response that is in the City's best interest, to reject any and all responses, to terminate the RFQ/P process, and/or to waive any requirements of this RFQ/P when it determines that doing so is in the best interest of the City. Further, while every effort has been made to ensure the information presented in this RFP is accurate and thorough, the City assumes no liability for any errors or omissions in this document.

General Information

The City of Solana Beach (City) is issuing this Request for Proposals (RFP) to select a qualified entity or group of entities to provide comprehensive services to support the City with the development, financing, launch, and operations of a Community Choice Aggregation (CCA) program. The City intends to enter into an Agreement with the selected Proposer for a five year term.

Proposals are being solicited from qualified Proposers or a group of qualified Proposers that form a team arrangement for purposes of this solicitation. In the event a team arrangement is proposed, the team must be represented by a single prime Proposer that will be responsible for entering into an Agreement with the City, serve as the primary contact and responsible party, and have the authority to act on behalf of each member of the proposal team.

The City seeks proposals that offer a comprehensive service that addresses the complete range of requirements for CCA development, launch, and ongoing operations. Under this model, the City would incur no upfront costs from the Proposer. The development and launch phases of the Scope of Work would be undertaken by the Proposer, at the Proposer's risk, and the Proposer would receive on-going operations fees after and contingent on the successful launch of the program.

About the City

The City is a small coastal community with a population of 13,500 located in north San Diego County. The City is a leader in the region in developing and implementing environmentally progressive programs and policies including being the first jurisdiction to ban smoking on our beaches and in our parks, ban single-use plastic bags in retail establishments and to ban the use of expanded polystyrene (EPS) take-out containers. The City has recently established a Climate Action Commission (CAC) to assist in the development of the City's first ever Climate Action Plan (CAP).

The City has identified community choice aggregation as a potential critical mechanism in the development and implementation of a successful CAP. The City has been monitoring the progression of CCA's in California since 2012 and has identified the study and implementation of a CCA in the City Council's Work Plan as a Priority Item. To that end, the City Council has directed Staff to pursue the implementation of a local CCA. The City is interested in developing a local CCA either on its own through a public/private partnership or through a regional JPA, based on the demand and availability of willing participants. The objective of this RFQ/P is to seek a full-service private partner able to develop, finance, implement and operate a CCA with the participation of the City.

CCA Goals and Objectives

The City is interested in receiving proposals from service providers that have demonstrated experience and appropriate qualifications necessary to ensure the success of CCA implementation operation for the City and potential future members. The key goals established by the City for the program are:

1. Provide all required services and technical expertise necessary to develop, implement and operate a full-service CCA with and on behalf of the City.

2. Supply an energy portfolio that prioritizes the use of local renewable resources, including existing renewable facilities, to the maximum extent technically and economically feasible.

3. Provide overall rates that are lower or competitive with those offered by SDG&E for similar power supply products.

4. Operate a well-managed organization based on a financially sustainable and flexible business model that is responsive to our ratepayers/community.

Additional supporting objectives may include:

- Create quantifiable economic benefits in the region through job creation and the investment of surplus funds to develop local renewable energy projects and community energy programs that benefit customers.

- Supply an energy portfolio with a lower greenhouse gas (GHG) intensity than SDG&E, which can support the climate goals of the City and exceed state goals for renewable energy.

- Minimize the use of unbundled renewable energy credits (RECs).

- Provide differentiated energy options for a renewable portfolio (e.g. 50%, 75% and 100% renewable option) as well as “premium” renewable options in which customers may voluntarily participate.

- Promote regional energy efficiency and conservation through custom demand-side management programs targeted at local customers.

- Promote local and community ownership and control of renewable resources in order to spur increased community resilience to climate change.

Please note that these goals and objectives are offered here for reference and are not a statement of specific tasks for the Scope of Services. Further, these goals may be modified as the City’s CCA initiative progresses.

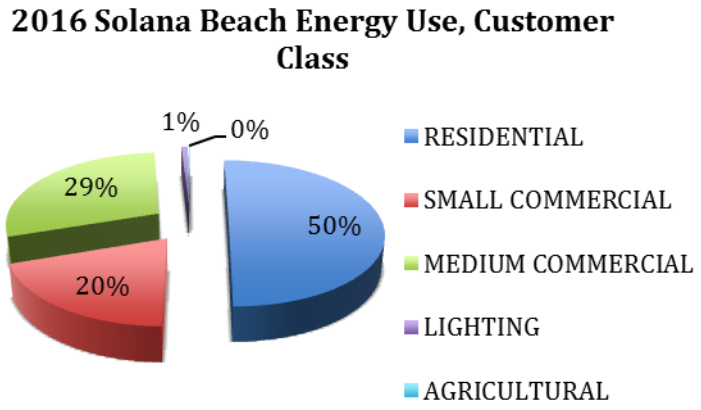
Local Community Characteristics

The City is a small, coastal community in north San Diego County with limited import/export transmission capacity. The City's estimated population is 13,500 consisting of a largely residential community with a small amount of commercial accounts.

The City has a mild, coastal climate with limited air conditioning demand and a winter-time peak for energy consumption. The City has approximately 7,800 electric customers projected for 2016 and a peak load of less than 20 MW. Total City-wide electricity consumption for the last three years is summarized in the table below.

2014-2016 Customer Accounts and Annual Energy Consumption

CUSTOMER	ACCOUNTS				LOAD (MWh)		
	2014	2015	2016 (Projected)		2014	2015	2016 (Projected)
Residential	6,850	6,900	6,920		39,271	39,800	40,300
Small Commercial	759	770	770		15,374	15,600	15,800
Medium Commercial	91	90	95		22,913	23,200	23,500
Lighting	10	10	10		600	600	610
Agricultural	3	5	5		140	140	140
Total	7,713	7,775	7,800		78,299	79,350	80,350



Scope of Services

The City is seeking to enter into an agreement with a single entity, which may be comprised of a team of participants, who will provide comprehensive services to assist the City with the financing, development, implementation, and operation of a CCA program for the City's community electricity loads. The specific services the City is seeking are described in the below Scope of Services.

The City is interested in proposals that provide specific details on Proposers' service models and qualifications, but this RFP is not intended to require a particular implementation approach, and will consider and compare different service models and strategies.

Interested Proposers are encouraged to submit proposals that include additional relevant and related services not specifically requested in this RFP if appropriate. Proposers are also encouraged to provide alternatives if they can improve the cost-effectiveness, stability, and beneficial impacts of the CCA program.

The Scope of Services below is intended to provide a framework for RFP responses and is not intended to become the specific scope of work to be included in the final Professional Services Agreement with the selected Proposer. Proposals should be organized into the three phases as defined but do not need to conform to the specific task structure outlined below. The Proposal may expand, modify, or restructure the tasks of each phase to best communicate the Proposer's service model.

However, if the below task structure is not followed, the Proposal should make clear how all the activities included below are being addressed and/or how alternative activities proposed in place of those described below will enhance and improve CCA program delivery.

Proposals should describe in detail the proposed approach to comprehensively meet the City's CCA formation and operation needs, including all items outlined in the Scope of Services, as well as the Proposers' specific experience, qualifications, and organizational capacity to perform these functions.

SCOPE OF SERVICES

PHASE 1. PROGRAM DEVELOPMENT

Task 1.1: Community Engagement Support

Proposers should describe how they will support the City in these efforts through the following activities:

a. *Information for City Officials and Community members*: the selected Proposer will assist the City with continuing to engage local officials, policymakers (City Council members, City Staff, etc.), and community members, groups and organizations on the basics of Community Choice, highlighting the experience of CCA programs to date and detailing the benefits and challenges of running an effective CCA.

b. *Initial Implementation/Formation Timeline:* the selected Proposer will assist the City with refining a timeline for CCA formation and implementation. The timetable should include a schedule of all steps needed to launch. As part of this task, the selected Proposer will also be asked to consider more detail on operational structures and procedures and recommended subcommittees (such as a Rate Setting Committee).

c. *Express goals as it relates to technical study:* the selected Proposer will assist the City with further refining and defining the CCA program priorities and goals to support evaluating the environmental benefits and cost implications of a range of scenarios during the technical analysis.

Task 1.2: Technical Analysis

Critical to confirming the viability of a City CCA will be a technical analysis that sizes the program and determines if cost competiveness with the incumbent utility can be met. The City has had a Technical Study performed by an independent third party consultant that is available on the City's website; however, the Proposers are expected to conduct their own Study and analysis as part of responding to this RFP. The technical analysis will take load data from SDG&E and determine how many customer accounts are likely to be served by the CCA and identify related tariff designations/options under which such customers will take electric service. The study will quantify the expected electricity requirements of customers (total MWh) as well as periodic peak demands associated with such customers (total MW in demand requirements).

The selected Proposer will review, format, and import data into an analytical framework and prepare summary level data for residential, commercial, industrial and municipal accounts. The selected Proposer will also prepare load forecasts in consideration of this data. The technical analysis should address the following:

- **1.2.1: Load study and forecast:** A utility load forecast that reviews historical and projected future electric energy requirements and peak demand across all customer classes, taking into account growth in renewables (e.g., rooftop solar) and other appropriate factors, such as compensation for line losses. This task would entail the development of class-specific forecasts that are aggregated to comprise a composite of expected electrical energy requirements (and hourly shape) for the County. This forecast should be developed in a manner that allows for the inclusion or exclusion of current direct access electrical accounts, as identified in customer data provided by SDG&E. As previously noted, the load study will estimate the number of MWh that will be required to serve the electric energy requirements of the CCA during the first ten years of operations, including applicable peak demand for purposes of quantifying resource adequacy requirements.

- **1.2.2: Rate Analysis:** A CCA and SDG&E rate analysis with reasonable estimates of future SDG&E rate changes based on historical prices, as well as factors that may affect the rate of increase into the future (e.g. local generation construction, spot market pricing, transmission rates, renewable energy mandates and declining cost of renewables, etc.). Other factors may also include ancillary services, transmission congestion impacts, and transmission scheduling coordination costs. This analysis should be presented in a scenario analysis, with high, medium and low estimates of future SDG&E pricing for all rate classes. Other considerations should include:

a. Identification of other factors that may affect rate comparison (examples include combinations of the following: high gas, low gas, high hydro, low hydro, and rate restructuring).

b. Investor Owned Utility (IOU) costs and surcharges embedded in rate forecast for direct comparison to CCA costs. Special attention should be paid to the Power Charge Indifference Adjustment (PCIA) with details on how this amount was derived and what it is anticipated to be for the length of the agreement.

c. Based on IOU rate forecasts and other independent rate forecasts, compile electric generation service cost/payment estimates for prospective CCA customers in consideration of applicable IOU rate schedules.

- **1.2.3: Supply Scenarios for CCA:** Scenarios for the energy procurement requirements of the CCA to address the goals and priorities as described above. Each scenario will examine the likely rates and competitiveness with SDG&E, given current market conditions. Each scenario will also estimate greenhouse gas (GHG) impacts compared to SDG&E. The selected Proposer will need to consider variations in how both the renewable and non-renewable portions of the power mix can be obtained (e.g., in-state, in-county, out-of-state, unbundled vs. bundled renewable energy credits, technology preferences), non-renewable portfolio attributes (e.g., system purchases, natural gas, hydro-electric), and flexible resource adequacy.

- **1.2.4: Economic Impacts:** For these scenarios, the technical analysis should examine not just costs and GHG impacts but also provide information to support an analysis of the direct and indirect economic impacts of various supply scenarios.

- **1.2.5: Sensitivity Analysis:** The technical analysis should include a sensitivity analysis reflecting changes in the following variables and identifying key drivers for potential rate volatility:
  a. Market prices for conventional (non-renewable) energy.
  b. Market prices for renewable energy based on preferred technologies.
  c. Changes in SDG&E generation rates, PCIA (exit) fees and customer surcharges, and the possibility that SDG&E rates can go down in future years, either in response to the competition created by CCAs and other factors.
  d. Changes in policies affecting local renewables development, including the possible reduction or elimination of the federal solar tax credit and production tax credit for wind power.
  e. To what extent rates may change depending on varying levels of participation. If, for example, 30%, 20%, or 10% of the total City load is not included in the CCA will rates and resource availability materially change? In other words, would lower levels of participation potentially translate into higher prices given reductions in volume?
  f. Rate sensitivity to higher renewable energy portfolio targets that exceed state RPS.
  g. Rate sensitivity to local renewable generation, energy efficiency and demand-side programs.
  h. Customer opt-out rates.
  i. An evaluation of the potential impact of new policies, such as SB 350 and the RPS increasing to 50% by 2030. What impact will this have on rates and resource availability?
  j. The GHG impact of a CCA program's initial power portfolio, including the potential unavailability of hydropower for a CCA's non-renewable portion (this is a key

component of Sonoma Clean Power's ability to have a low GHG content). The analysis should consider a City CCA's GHG emissions if it cannot secure substantial, carbon-free sources like Sonoma Clean Power's large-hydro contract. Is it possible, for example, that a CCA could have a level of emissions similar or higher to SDG&E in the short term, but (with increasing levels of renewables) lower emissions in the long-term? The analysis should consider a long-term GHG emissions profile compared to SDG&E. For example, the SDG&E GHG baseline could (a) go down because of an increasing RPS or (b) rise because of lack of hydropower.

Task 1.3: Financial Analysis

Based on the technical analysis, the selected Proposer will need to assess the CCA program from an overall cost-benefit perspective. This analysis would quantify all necessary upfront costs (CCA bond requirements, other start-up costs and financing required to initiate power procurement) as well as on-going costs associated with buying power, scheduling and administration. The result will be a 10-year cash-flow analysis detailing costs and revenues under each scenario assessed in Part 2. Quantifiable impacts shall include potential for: 1) annual and net savings over SDG&E; 2) net GHG reductions; 3) expanded use of renewable energy resources and local economic development. This task will provide the City with:

a. Pro forma report, including cash flow analysis, detailing costs and projected benefits under four electric supply scenario assumptions.
b. Pro forma reports detailing costs and projected benefits under sensitivity case assumptions.
c. Pro forma reports detailing costs and projected benefits of phasing in customer load over time.

The selected Proposer will need to assemble known and predictable cost-of-service variables and incorporate these into base-case analyses. Predictable cost-of-service variables include energy supply/costs (forecast spot market prices, long and short-term power contracts and renewable energy minimums). Other inputs include start-up costs, cost of capital, operating and maintenance costs (administration, staffing, external technical contractors and legal assistance, billing and collections, and customer service – call centers and data and billing management). The financial analysis should also consider uncollected bills, program reserves, CCA bonding for reentry fees and SDG&E surcharges. Finally, the financial analysis should consider feed in tariff and net energy metering programs that encourage development of renewable energy generation projects in the region by offering customers a sustained reliable payback on their investment in renewable energy and sustainable local generation system.

Task 1.4: Risk Analysis

The selected Proposer will also be required to analyze the potential risks to the CCA program, and outline risk-mitigation measures. Such risks include but are not limited to:

a. Any financial risk to the City in the event the CCA fails (are there financial safeguards the City should consider?)
b. Financial risk of a CCA that procures too much or too little power and what the reasons might be for missing demand forecasts (e.g. higher than expected opt outs)
c. Regulatory and legislative risk, due to rules changes at the CPUC or changes in state law that affect the ability of CCAs to be competitive

d. As described earlier, the ability to procure the necessary amounts of renewable supply to meet and exceed RPS standards, particularly as the RPS rises to 50% by 2030 (and/or the number of CCAs in the State greatly expands) and the demand for renewable energy spikes. The analysis should examine concerns expressed that there may not be enough renewable supply to serve and expanding CCA market, or that costs of exceeding the RPS in alignment with the goals of the CCA will be so high that many customers will opt out.
e. What is the exit strategy from the CCA if the City is dissatisfied with the program and/or the City deems that the CCA is no longer viable at a later date. Is there a "re-entry" fee to go back to SDG&E and if so, what is it?

Additional Phase 1 Tasks

Proposers should include other components of the development phase that will be important in the program ultimately being successful.

PHASE 2. PROGRAM LAUNCH

Assuming there are no critical barriers to a successful City CCA identified in Phase 1, Phase 2 will address all of the tasks required to provide the first delivery of energy to customers. These tasks are outlined as follows:

Task 2.1: Implementation Plan/Perform All Regulatory Functions

The selected Proposer will undertake all functions necessary to comply with CPUC regulations related to launching a CCA program. For example, the CPUC, which ultimately has to approve the program, requires that the CCA submit an Implementation Plan that covers all aspects of the set-up and operation. The plan will include the following:

a. Process and consequences of aggregation
b. Organizational structure of the program, its operations and funding
c. Rate setting and other costs to participants
d. Disclosure and due process in setting rates and allocating costs among participants
e. Methods for entering and terminating agreements with other entities
f. Participant rights and responsibilities
g. Termination of the program
h. Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities

The Implementation Plan must also include a statement of intent indicating that the program must provide universal access, reliability and equitable treatment of all classes of customers, and to meet any other requirements established by state law or by the CPUC.[1] The selected proposer will be responsible for drafting the Plan and ensuring its certification by the CPUC.

Task 2.2: CCA Organizational Infrastructure

The selected Proposer will assist the City with creating the necessary organizational documents, procedures, and systems to successfully operate the CCA, including:

a. Business and operations plan
b. Operational policies and procedures

c. Committee structures and processes
d. Independent review and oversight of contractor and staff activities and recommendations

[1] Section 366.2 of the Public Utilities Code specifies that to form a CCA, there must be a local ordinance approved by the entity proposing the CCA, followed by the preparation of an implementation plan, which must contain specific elements outlined in the statute. After the implementation plan is approved, the CCA registers with the CPUC and provides an executed copy of the services agreement between the CCA and the utility that covers the services to be provided by the utility (e.g.: billing).

Task 2.3: Procurement/Vendor Engagement

The selected Proposer will be required to undertake all tasks necessary to ensure all required vendors are identified and engaged prior to launch, including drafting, issuing and evaluating (with City Staff) any needed requests for proposals and submitted bids. The selected Proposer will assist the City in negotiating energy-supply contracts as well as any other vendor contracts needed to perform all CCA implementation activities that will not be performed by the selected Proposer. The selected Proposer will be expected to be available to answer questions and help obtain approval for any agreements from the City Council. While responding to this RFP, Proposers must clearly detail all of the necessary vendors and outside services not provided by the proposal team which will be required to successfully launch the CCA program. Procurement activities could include, but would not be limited to:

a. Assist with negotiations and contracting with existing and new local generation facilities for a portion of the initial energy supply.
b. Prepare and issue RFP or other competitive process for provider(s) to satisfy the City's requirements for wholesale energy supply sufficient to meet all needs of CCA customers (energy, resource adequacy, RPS compliance), as well as schedule coordination services with the CAISO.
c. Prepare and issue an RFP for data management, billing and "back office" services to ensure a proper database of all customers is maintained and all related services occur on schedule (opt-out notices, bill collection, etc.).
d. Participate in discussions with SDG&E and help the City develop and execute a utility- service agreement as well as all necessary systems to ensure proper functioning of the roles between the CCA and SDG&E, including seamless transfers of electronic data.

Proposers should indicate if they or their subcontractors can undertake any or all of these services, thus negating the need to go through a separate RFP process.

Task 2.4: Customer Engagement

The selected Proposer will assist the City with developing, implementing and managing a plan for engaging the customers prior to launch, including setting up a call-center and obtaining all of the data necessary for customer enrollment. The selected Proposer will assist with opt-out noticing and will ensure all opt-out notices are sent by the proper times (120 days and 60 days both prior to and after launch). The Proposer shall develop and provide a community outreach plan. This plan shall assume that the local IOU has been authorized by the CPUC to initiate marketing efforts regarding CCA, opt-out options, etc. The selected Proposer will be required to work with the City to ensure the community outreach plan is being implemented.

Task 2.5: Rate Setting, including policies to encourage distributed generation

The selected Proposer will need to conduct an analysis to assist the CCA in establishing a rate regime that meets the annual budgetary revenue requirement developed by the program. This will include recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other debt-service requirements. The City anticipates a rate structure similar to, but lower than, SDG&E's rate schedule at the outset. Included in the rate structure should be consideration of policies that further encourage renewable energy development including, but not limited to:

a. A feed-in-tariff program to incentivize renewable energy projects within the CCA service territory;
b. A net energy metering tariff that encourages solar installation on the customer side of the meter;
c. A 100% renewable, opt-in choice. Customers would be offered a 100% renewable energy option at a premium price, based on the costs of a 100% renewable supply.

Additional Phase 2 Tasks

Proposers should include other components of the launch phase that will be important in the program ultimately being successful.

PHASE 3: PROGRAM OPERATION

Assuming positive outcomes from Phases 1 and 2 demonstrating the viability of the CCA program and a resulting City decision to move forward with CCA implementation, Phase 3 represents the on-going operation of the CCA program after launch. Proposers must demonstrate their qualifications and capabilities to do so and be clear about the method of compensation. Proposers should address how they will work with the City to meet the needs of ongoing CCA operations after launch and how Proposer's approach would be economically and operationally advantageous to the City.

Task 3.1: Financing for initial power purchases and other short-term needs

There will be a number of short-term financial needs, including the posting of the CCA bond (currently at $100,000) and the costs of buying the initial electricity before the revenue from electricity sales comes into the program. Proposer shall be responsible for all upfront and ongoing costs associated with establishment, implementation and operation of the CCA. The Proposer should identify its sources of funding for both implementation and ongoing operations cots. Thus for this task, the Proposer should clearly specify all anticipated financial requirements to establish, implement and operate the CCA and how those funds will be obtained. If a loan is required, the Proposer should provide an estimated timetable and loan repayment schedule.

Task 3.2: Program administration and compliance

Proposer should specify in clear detail what administrative and program functions it proposes to undertake compared to any are proposed for City Staff. If the Proposer proposes to undertake some of the CCA functions but not all of them, a potential City staffing plan should be provided that contemplates the roles and functions of each City Staff member, clearly distinguishing between City Staff functions and the functions of the Proposer. The Proposal should clearly

identify what CCA functions are expected to be handled by City Staff. It is suggested that a matrix of functions be provided, with a proposed structure for what roles the Proposer would handle and what would be done by City Staff. If the proposal is flexible on this matter, elaborate on that flexibility. Key CCA functions to be undertaken include, but are not limited to:

- **3.2.1: Regulatory and Legal Compliance:** Ensure compliance will meet all regulatory requirements of CCA, such as RPS, resource adequacy, energy storage implementation and recertification of implementation plan when necessary. This function would also involve monitoring ongoing regulatory proceedings at the CPUC (as well as proposed laws at the legislature) that materially affect CCA functions and competitiveness, and providing comment and testifying at these forums when appropriate. Of particular concern would be impacts on CCA fees, such as the departing load (PCIA) charge and changes around the cost allocation mechanism.

- **3.2.2: Policy and program development**, including energy efficiency program administration, local renewable and demand-side program development support, job training and energy storage initiatives. Innovative policies could include, as discussed previously, feed-in-tariff and net energy metering programs.

- **3.2.3: On-going communications and outreach to CCA customers**, including managing all customer service functions and a call center.

- **3.2.4: Accounting services**, including all bill calculation and delivery, customer accounting, etc. This includes managing and refining the Utility Data Interface.

- **3.2.5: Wholesale power procurement operations**, including schedule coordination in the day ahead and real-time markets as appropriate and handling all settlements with the CAISO.

- **3.2.6: Long-term power procurement**, issuing of RFPs for multi-year, off-take agreements, reviewing and evaluating bids and negotiating bilateral power-purchase agreements with third-party power providers.

- **3.2.7: Financial planning** for the CCA program, planning annual budgets and presenting to the City Council as appropriate. This task would include managing the rate-setting process and getting approval for rates from the Council on an annual basis.

- **3.2.8: Undertaking continual risk management** and presenting to the CCA staff and/or City Council notice of potential risks as well as presenting risk-mitigation strategies and processes for independent oversight. Risks include, but are not limited to:

    a. Cost responsibility surcharge volatility and regulatory changes
    b. Commodity price volatility and wholesale suppliers reliability
    c. Customer attrition
    d. Credit risk
    e. Utility rate changes

Task 3.3. Long-term planning

The selected Proposer will assist the City with developing a long-term integrated resource plan that considers both demand-side reductions (through energy efficiency and demand response)

as well as supply needs. The resource plan will estimate the percentage of total electricity demand that will come from renewable and non-renewable resources. This should take into consideration SB 350 integrated resource planning requirements and other relevant factors.

The selected Proposer will also work with the City to create an action plan for developing local renewable energy projects. This plan will address the approximate time, number of megawatts and potential locations of solar, wind and other types of projects. The plan will need to include a discussion of financing options (third-party power purchase agreements, leasing, debt financing, etc.) and the pros and cons of each approach. It is anticipated that the local build-out plan will consider a 15-year planning horizon and should emphasize (but not be completely limited to) projects within San Diego County.

Additional Phase 3 Tasks

Proposers should include other components of the operations phase that will be important in the program ultimately being successful, including any additional innovative or value-added services proposed beyond the basic requirements of CCA operations outlined above.

Proposal Process

The City reserves the right to interpret or change any provision of this RFP at any time prior to the proposal due date. Such interpretations or changes shall be made in the form of addenda to this RFP. The City, in its sole discretion, may determine that a time extension is required for submission of responses to this RFP, in which case such addenda shall indicate a new RFP submission deadline. The City reserves the right to waive inconsequential deviations from stated requirements.

Schedule

The City intends to adhere to the schedule provided below during the selection process. This schedule may change at the City's sole discretion.

Activity	Date
RFP Released	6/27/16
Deadline to submit written Questions	**7/15/16, 5:00pm**
Anticipated distribution of Questions and Answers	7/22/16
Proposal addendums, if any	6/30/16 - 8/4/16
Proposals Due	**8/11/16, 5:00pm**
City may request clarifying information from Proposers	8/15/16 - 8/25/16
City may conduct interviews with select Proposers	**9/12/16 - 9/15/16**
Anticipated notice of recommendation for preferred proposal	9/21/16
Anticipated City Council selection of Proposer(s) for Agreement negotiations	9/28/16
Anticipated Service Agreement approval and start date	10/26/16

The questions and answers, any addenda, and any other updates in the RFP process will be posted to the City's website. Interested parties may request to receive notification of the questions and answers as well as any addenda. Notifications will be provided via email to any interested party that provides the City with electronic contact information.

Submittal of Written Questions

The City requires Proposer to submit all questions and requests for information in writing via email to the City at dking@cosb.org. The deadline for submitting written questions and requests for information will be July 15, 2016 at 5:00 PM pacific time. The City will NOT accept questions or requests for information after this time. Questions and answers will be posted and distributed by the anticipated date of July 22, 2016.

Clarification of Proposal Information

A Proposer may be asked to clarify information through written or verbal communications and/or in-person interviews. The clarification process may be performed by City Staff and/or the proposal review team and any time during the course of the RFP process at the City's discretion.

One or more Proposers may be invited to present their proposals to the proposal review team and/or the City Council. If such presentations are requested, the City intends to schedule them the week of September 12-15, 2016; The City will try to provide reasonable advance notice of any such presentation but Proposers should plan accordingly. The City reserves the right to select a Proposer(s) based upon the information and material provided in the responses to this RFQ/P.

Contact and Address

Proposers shall submit all correspondence, questions and the proposal to the following contact individual:

Dan King, Assistant City Manager, City of Solana Beach
635 South Highway 101, Solana Beach, CA 92075 Telephone: 858-720-2477
Email: dking@cosb.org

Proposal Contents and Submittal

THE RESPONSES TO THIS RFP SHOULD BE SUBMITTED ELECTRONICALLY VIA EMAIL IN PDF FILE FORMAT TO DAN KING AT: DKING@COSB.ORG NO LATER THAN 5:00 P.M. PACIFIC TIME ON AUGUST 11, 2016. Files should be formatted for printing on 8.5"x11" paper; proposers can submit hard copies of their proposal if they choose, but this is not required. If submitting electronically and the file sizes are larger than accepted by the City's email system, please notify Dan King to set up alternative submittal options such as utilizing DropSend, DropBox or another similar online application.

Proposers must provide all information requested in this section and addendum items, if any, as part of their proposals. Failure to provide all required information as listed below may be grounds for rejection of a proposal. Please read this entire RFQ/P and all attachments before preparing your response. Proposers should seek clarification of any requirements they do not fully understand. Misunderstandings that result in an incomplete or improper response will not be considered a valid reason for submitting a non-responsive submittal. Any clarification desired by Proposer regarding the meaning or interpretation of this RFQ/P must be requested in writing by email not later than July 15, 2016 at 5:00 P.M.

Proposals shall be submitted according the following format and include the following information:

1. **Cover letter**
   Provide a cover letter that includes the following:

   - Name, address, and telephone and email of Proposer and primary contact person.

   - If team arrangement is proposed, describe the structure of the relationship and any past working relationships on similar projects.

   - Name of entity that would be the prime Contractor and sign the Agreement, and the

entity's legal form.

- A statement that you have reviewed the requirements of the project as described in this RFP, its enclosures, and all addenda, by listing all addenda.

- The cover letter and any forms must be signed by an officer or agent of the Proposer authorized to bind the Proposer. In signing proposal, the Proposer agrees that the terms of proposal and the cost as submitted by Proposer are firm for a period of 120 days from proposal due date.

2. Executive summary

Provide and executive summary, not to exceed two pages, that highlights the major elements of your qualifications and capabilities, your proposed CCA development and implementation strategies, and clearly states the services the proposal addresses.

3. Company Description, Experience and Qualifications

Background Information

Provide the following company Information:

- Name of Firm
- Address of Firm
- Telephone, Fax Number, and E-Mail Address
- Primary Contact Person
- Legal Structure (corporation, partnership, joint venture, etc.)
- If team arrangement is proposed, provide the legal structure for each team member.
- Size of Firm / Staff
- Years in Business
- Name and titles of the entity's principal officers; and if appropriate for the participating team member.

Staff Qualifications

Provide the names and contact information of individuals who will be assigned to provide services requested by this RFQ/P. List the qualifications of each individual and provide a resume or curriculum vitae (CV) for each such individual.

Specify how the proposal team has attained or fulfills the knowledge, experience, abilities, and capacity necessary to fulfil the Scope of Services.

Sample Projects and References

Describe services provided currently, or in the past, to other entities that are directly relevant to services described in this RFQ/P, including descriptions of relevant contracts and the dates the service was provided.

Provide the name, telephone number, and address for three (3) clients serviced by the Proposer as references for your experience for the services requested in the RFQ/P.

Subcontractors or Partners

Proposals shall identify all subcontractors or partner entities with whom they propose to participate for this contract of services. Specify what roles the subcontractors will perform and include their contact information and qualifications; qualifications should

include all information listed in above.

4. **Technical Response for the Scope of Services**
   Response to the Scope of Services provided above. Organize your response into the 3 phases as outlined in the RFQ/P, and address each element with thorough detail on your strategy and capabilities to address all tasks required for successful CCA program implementation.

   Timeline
   Provide a proposed timeline that outlines your strategy for addressing the elements of the Scope of Services.

5. **Cost Proposal**
   Provide a cost proposal detailing the full cost of the services proposed and how those fees are structured. Proposers should provide specific budgets (broken down by task) or specify fee levels. Proposers may also propose varying fee structures such as consulting fees ($ per hour or fixed $ sums by deliverable) for one phase or set of services and management fees ($ per kWh or $ per CCA customer) for another.

6. **Anti-Collusion Statement**
   A sworn anti-collusion statement is included as Attachment A to this RFQ/P and must be included as part of the proposal package. This certification is required as evidence in the event that collusion or bid rigging is discovered at a later date. Collusion or bid rigging is grounds for cancellation of any contract that arises from this RFQ/P as well as legal action by the City. Anyone with knowledge of possible bid rigging, collusion, or other fraudulent activities should report these activities to the City and/or the Department of Justice Antitrust Division's Citizen Complaint Center at 1-888-647-3258 or antitrust.complaints@usdoj.gov.

7. **Conflict of Interest**
   All Proposers must disclose any contractual or personal relationship that exists, or has existed, between the Proposer and a predecessor organization of the Proposer, or a subcontractor or team participant included in the Proposer's response to this RFQ/P, and the City, including any City officer.

   Proposers must also disclose any existing business or personal relationship between the Proposer, its principals, or any affiliate or subcontractor, and the City, including any City officer, or any other entity or person involved in the project that is the subject of this RFQ/P.

   Failure to disclose any such prior or existing contractual or personal relationship as described in this section may result in disqualification of the proposal. The City will make the final determination regarding the existence of a conflict of interest.

8. **Appendix of Additional Information**
   Other information or data relevant to your proposal is optional and may be included as an Appendix to the proposal.

Proposal Evaluation and Selection

Proposal Evaluation Procedures

The RFQ/P responses should be clear and concise to enable the City to make a thorough evaluation and arrive at a sound determination as to whether the RFQ/P response meets the City's requirements. To this end, the RFQ/P response should be specific, detailed, and complete to clearly and fully demonstrate that the Proposer has a thorough understanding of and has demonstrated knowledge of the requirements to perform the work.

The proposals will be evaluated based on their content, completeness, and clarity. Based on the contents of submitted proposals, the results of any interviews and oral presentations (if conducted), along with any other information requested by the City Council or City Staff , the City will prepare a final ranking of the proposals and present its ranking to the City Council.

The City Council will have the sole and final authority to select a preferred Proposer. In the event the selected Proposer does not approve the City's agreement, the City, in its sole discretion, may rescind its selection of the Proposer and select another Proposer.

Proposal Evaluation Consideration

Proposal evaluation will consider the following:

1. Completeness of response submission - Responses should respond to each of the items set forth in the RFQ/P.

2. Experience and Qualification - Evaluation of the qualifications, expertise, and overall experience of the organization as well as that of the personnel specifically assigned to provide the services requested, including factors such as:

    - Demonstrated direct experience within and understanding of energy markets, including relevant legislation and regulations applicable to CCA and its major participants – investor owned utilities, CA Independent System Operator, energy service providers and independent power producers, California Public Utilities Commission, and other key market players.
    - Demonstrated understanding of the CCA formation process in California including - statutory and regulatory requirements, and best practices, including experience in customer data analysis.
    - Demonstrated experience in resource planning and energy procurement.
    - Demonstrated experience in rate setting/design and sensitivity analysis, including anticipated rate impacts related to varying levels of renewable energy procurement and local renewable project/program development as well as energy efficiency and demand reduction program implementation.
    - Demonstrated experience in energy compliance reporting as it relates to CCA.

3. Quality and depth of references.

4. Economic feasibility and justification of all costs – Evaluation of cost effectiveness based on respondent's cost proposal.

5. Availability - Evaluation of the workload of the respondent and the staffing/resources to be assigned to the services requested. Evaluation of the time schedule of the respondent, and evaluation of the locations of offices and facilities from which the services are to be provided to the City.

6. Any other criteria the City deems relevant.

Proposal selection will not be based on lowest cost, but rather which, in the City's sole discretion, is in the best interest of the City, and its constituents based on the Proposer's qualifications, capacity, operations proposal, cost and willingness to accept the City's Service Agreement terms.

Agreement Negotiation

The successful Proposer is expected to enter into a Professional Services Agreement with the City. There is no contractual agreement between the selected firm unless and until the City Council or its designee, as applicable, accepts and signs the Agreement.

Once the City Council has selected a preferred Proposer, the City will provide a draft Professional Services Agreement to the select Proposer which will be finalized and approved by the City and the selected Proposer by the anticipated date included in the RFP schedule. The City expects that the draft Agreement will be executed by the selected Proposer in substantially the same form as presented. Proposers may, if necessary, propose exceptions to the Agreement; exceptions must be accompanied by recommended alternative language, such that the alternative language is acceptable to the City.

The City reserves the right, in its sole discretion, to terminate contract negotiations at any time, rescind its selection of a particular Proposer and begin contract negotiations with another proposer.

Proposal Considerations

Rights of the City

The City's rights include, but are not limited to, the following:

- Reissuing or modifying the RFQ/P, and or issuing addenda to the RFQ/P, including extending or revising the timeline for submittals.
- Withdrawing the RFQ/P at any time during the procurement process.

- Requesting clarification or additional information from Proposers at any time during the procurement process.
- Execution of an Agreement with the successful Proposer on the basis of the original proposals and/or any other information submitted by the Proposers during the procurement process.
- Rejection of any or all proposals, waiving irregularities in any proposals, accepting or rejecting all or part of any proposals, and waiving any requirements of the RFP, as may be deemed in the best interest of the City.
- Negotiating with more than one Proposer.
- Discontinuing negotiations after commencing negotiations with a selected Proposer if progress is unsatisfactory in the sole judgment of the City, and commencing negotiations with another qualified Proposer.

Consequence of Submission of Proposal

Proposal submission constitutes an incontrovertible representation and warranty by Proposer that the Proposer has investigated all aspects of this RFQ/P, Proposer is aware of the applicable facts pertaining to the RFQ/P process, its procedures and requirements, Proposer has read and understands the RFQ/P and complied with every requirement.

Without exception, the proposal is premised upon performing and furnishing the services required by this RFQ/P and as such means, methods, techniques as may be indicated or required by this RFQ/P.

All responses shall remain valid for a period of not less than 120 days from the submission.

The submission of a proposal shall not be deemed an agreement between the Proposer and the City, and the following conditions apply:

- The City shall not be obligated to respond to any proposal submitted, nor is bound in any manner by the submission of a proposal by a Proposer.
- Selection of consideration by the City obligates the Proposer to enter into good faith Agreement negotiations on the proposal submitted.
- The Agreement shall not be binding or valid against the City unless and until it is executed by the City Council and the selected Proposer.

This RFQ/P constitutes part of each response and includes the explanation of City's needs, which must be met. This RFQ/P and all materials submitted in response to this RFQ/P will become the property of the City.

Proposal Costs

Costs of investigating, preparing, and submitting a proposal is the sole responsibility of the Proposer and shall not be chargeable in any manner to the City. The City will not reimburse any Proposer for any costs associated with the preparation and submission of proposals or expenses incurred in making an oral presentation, participating in an interview, or negotiating an Agreement with the City regardless of whether the City discontinues negotiations at any time or if negotiations result in a final Agreement.

Public Nature of Proposal Material

All responses to this RFQ/P, including proposals, pre-submittal and post-submittal communications with the City, will become the exclusive property of the City. Proposals and communications with the City are subject to disclosure in accordance with the California Public Records Act (Cal. Government Code section 6250 et seq.).

If you believe that there are portions of your proposal which are exempt from disclosure under the Public Records Act, you must mark the pages and portions of your Proposal as such and state the specific provision in the Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if you submit trade secret information, you must plainly mark the information as "Trade Secret, Government Code Section 6254(k)," or equivalent. In all cases the main, non-confidential sections of the proposal should contain adequate detail to characterize the Proposer's approach and qualifications without the need to reference information the Proposer believes to qualify for confidential treatment.

The Proposer is solely responsible for identifying and labeling any information contained within a proposal that may be subject to an exemption from public disclosure. Only those portions of a proposal which are actually exempt from disclosure under state law will be withheld from disclosure, regardless of whether labeled by the Proposer as exempt.

The City has determined that the public interest will be best served if proposals submitted in response to this RFP are not made available for review by other companies participating in the competitive selection process. For that reason, proposals submitted during the RFP process will not be made available to other Proposers or the public earlier than the date on which the City's City issues a recommendation of a company or team for selection. At this time, all parts of all proposals are subject to public disclosure excepting those portions clearly labeled or marked by the Proposer as subject to non-disclosure pursuant to state law, provided such portions are exempt.

The City Manager may in his/her sole discretion after consultation with the City's legal counsel, defer public disclosure of any or all proposal contents until the City Council's approval of a Service Agreement. In such event, Proposals (excepting those portions that are exempt from public disclosure pursuant to state law) shall be available for disclosure at the same time the final Service Agreement is forwarded to the Council for approval.

Prior to the date on which the City Council selects its preferred Proposer, the City will limit the release of Proposal contents as described above. If at any time during or after the selection process, the City receives a request to review and/or copy materials submitted by any Proposer that they have marked as confidential; the City will decline release of those materials as set out above.

If the person submitting the request files a legal action against the City seeking its release, the City will notify the affected Proposer(s) and will not oppose a motion by such Proposer(s) to intervene in the action. The Proposer(s) must either intervene or agree to pay the City and its agent(s) legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, the City will have no obligation to defend the action and may release the information sought without any liability whatsoever.

BY SUBMITTING A PROPOSAL TO THIS RFQ/P, PROPOSERS AGREE TO HOLD HARMLESS AND NOT SEEK DAMAGES AGAINST THE CITY, ITS OFFICERS, EMPLOYEES AND AGENTS, OR ANY MEMBER GOVERNMENT OR RECOVERY OF ITS ATTORNEYS' FEES AS A RESULT OF ANY DISPUTE RELATED TO THE RELEASE OR WITHHOLDING OF INFORMATION SUBMITTED IN RESPONSE TO THIS RFP.

Proposer Code of Conduct

Proposers are required to adhere to the following Proposer Code of Conduct:

- No Proposer including any member of a proposal development team may engage in ex parte communications with City Staff or City Councilmembers.
- No Proposer including any member of a proposal development team may give any gift or monetary compensation to a City Councilmember, City Staff member or agent, or proposal reviewers; and
- No Proposer including any member of a proposal development team may collaborate or discuss with other Proposers the content of the proposal or rates proposed, or otherwise collude with other parties submitting proposals, which shall be confirmed by the required Anti-Collusion Statement.

Failure to abide by the above will result in the proposal being disqualified.

Non-discrimination

Proposers may not engage in any discriminatory hiring or employment practices, and shall make personnel policies available to the City upon request. Proposers shall ensure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under any contract that may result from this submittal. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age, disability, medical condition (including but not limited to AIDS, HIV positive diagnosis or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any contract that may result from this submittal.

Attachment A

ANTI-COLLUSION STATEMENT FORM

The undersigned Proposer has not divulged to, discussed, or compared his/her proposal with other Proposers and has not colluded with any other Proposer whatsoever. Additionally, the undersigned Proposer asserts and certifies that, to the best of the undersigned's knowledge, no person involved in the development of this proposal has divulged to, discussed, or compared this proposal with other Proposers and has not colluded with any other Proposer whatsoever.

I certify that this proposal is made without prior understanding, agreement or connection with any corporation, firm or person submitting a proposal for the same service, and is in all respects fair and without collusion. I agree to abide by all conditions of these proposal specifications and I certify that I am authorized to sign this proposal.

(Please type or print below)

Executed under penalty of perjury on this_____day of_____, 201 at_____.

SIGNED: _____

NAME: _____

TITLE: _____

ORGANIZATION: _____