



*Pacific Gas and
Electric Company®*

2020 System Reliability

Request for Offers

Phase 1

Solicitation Protocol

February 28, 2020

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I. Introduction and Overview

I.A. Overview

Pursuant to California Public Utilities Commission (“CPUC”) Decision D.19-11-016 (the “Decision”), Pacific Gas and Electric Company (“PG&E”) is issuing its 2020 System Reliability Request For Offers (“RFO” or “Solicitation”) Phase 1 seeking offers (“Offers”) from participants (“Participants”) for the purchase (i.e., PG&E buys) of eligible system resource adequacy (“RA”) to come online by August 1, 2021.”¹

The Decision requires PG&E to make incremental procurement of system-level qualifying resource adequacy (RA) capacity in the amount of 716.9 MW to come online between August 1, 2021 and August 1, 2023.² The Decision requires PG&E to procure and have online, 50% (358.45 MW) of the target by August 1, 2021. To meet the CPUC’s resolution, PG&E will execute Agreements in two phases, Phase 1 for projects that intend to meet the August 1, 2021 online date and Phase 2 for projects that intend to come online after August 1, 2021 and before August 1, 2023. PG&E will issue a subsequent System Reliability Request for Offers Phase 2, in Q3 2020. PG&E will only issue Phase 2 if it does not procure its full requirement in Phase 1.

This Solicitation Protocol sets forth the terms and conditions by which PG&E will seek offers (“Offers”) to meet system-level qualifying resource adequacy needs starting on August 1, 2021. An entity submitting an Offer in response to this RFO agrees to be bound by all the terms, conditions and other provisions of this RFO and any changes or supplements to it that may be issued by PG&E. The obligations of the Participant are further described in Section V.A, Agreement by Participant.

I.B. System Reliability RFO Website and Communication

PG&E has established a website at www.pge.com/rfo/systemreliabilityrfo-phaseone where Participants may access and download all RFO documents, announcements and Q&As that are posted.

All correspondence will be monitored by the IE, Wayne Oliver of Merrimack Energy Group, who was selected to oversee this Solicitation. The IE is an independent, third-party evaluator who is required by the CPUC to monitor and evaluate certain competitive solicitations.

¹ CPUC issued final Decision on November 13, 2019. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M319/K825/319825388.PDF>

² Per the Decision, PG&E may be required to procure additional capacity should Community Choice Aggregators (CCAs) and Direct Access customers within PG&E’s service territory elect not to self-procure its required capacity. In the event that PG&E is required to procure additional capacity on behalf of other CCAs or DAs, PG&E may expand the scope of this RFO, seek to execute agreements for additional capacity, and/or launch additional RFOs.

To ensure the accuracy and consistency of information provided to all Participants, PG&E encourages Participants to submit any inquiries via e-mail to SystemReliabilityRFO@pge.com and CC the Independent Evaluator (“IE”), Wayne Oliver of Merrimack Energy Group, Inc., at merrimackIE@merrimackenergy.com. With respect to a matter of general interest raised by any Participant, PG&E may, without reference to the inquiring Participant, post the question and PG&E’s response on PG&E’s website. PG&E will attempt to respond to all inquiries but may decline to respond to any particular inquiry.

I.C. Expected Schedule

The expected schedule for the RFO is listed in Table I.2 below. All deadlines occur at 5:00 P.M. Pacific Prevailing Time (“PPT”), unless otherwise noted.

Table I.2: PG&E System Reliability Solicitation Phase 1 Schedule

Event	Phase 1 Date (Projects online by 8/1/21)
Participants are invited to register online to receive notices regarding the RFO at www.pge.com/rfo	Ongoing
PG&E issues RFO	February 28, 2020
Participants’ Webinar	March 5, 2020
Deadline for Participants to submit Offers via Power Advocate	March 25, 2020 at 1PM (PPT)
PG&E notifies selected Participants that their Offer(s) will be included on a list of Offers for which PG&E may seek to enter into or negotiate an Agreement related to that Offer (“Shortlist”). Shortlisted Participants are required to begin ISNet process as further described in Section V.C.	April 10, 2020

Deadline for Notified Shortlisted Participants to 1) Accept Shortlist Status, 2) Acknowledge Acceptance of Confidentiality Agreement, and 3) Begin ISNet Safety Process	April 13, 2020
Deadline for Notified Shortlist Participants to post Shortlist Offer Deposit	April 15, 2020
All shortlisted Participants are required to have completed safety prequalification with ISNet as further described in Section V.C.	May 1, 2020
Target Agreement Execution	Early-May 2020
Target Filing with CPUC and Bankruptcy Court Approvals	Mid-May 2020

The schedule and documents associated with the RFO are subject to change at PG&E’s sole discretion at any time and for any reason. PG&E will endeavor to notify Participants of any changes to the RFO, but shall not be liable for any costs or liability incurred by Participants or any other party due to a change or for failing to provide notice or acceptable notice of any change.

PG&E reserves the right to execute agreements resulting from this RFO (each an “Agreement”) with any individual Participant at any time. PG&E has a preference for projects that can agree to terms in an expedited fashion. Except for the terms that bind the Participants to their Agreement, PG&E’s obligations under an Agreement will be conditioned upon PG&E’s receipt of CPUC Approval within a stated period of time, as described further in Section XIII, CPUC Approval. PG&E reserves the right to seek CPUC Approval of certain Agreements prior to execution of others. PG&E intends to request CPUC approval within 180 days of filing the executed agreements with the CPUC, but the CPUC approval process could take longer. Participants should factor the CPUC’s approval process into their project development timelines and proposals.

II. Solicitation Goals

II.A. PG&E Resource Needs

PG&E seeks new and existing energy resources to provide system-level qualifying resource adequacy (RA) capacity beginning August 1, 2021. All resources will be expected to be

considered incremental in counting towards PG&E’s procurement responsibilities, as specified in the Decision.

PG&E has a preference to execute agreements primarily from existing or rapidly-deployable resources under standard commercial agreements posted at the time of or shortly after the RFO Launch Date on the solicitation website.

Tables II.1 below show the products PG&E is soliciting in Phase 1.

**Table II.1: Phase 1 PG&E System Reliability Solicitation Resource Needs
(Online by August 1, 2021)**

Product	Agreement	Eligible Resources	Delivery Term (Years)	Minimum Size (MW)
Resource Adequacy Only (System, Local)	Resource Adequacy Confirm ³	All Resources (Existing Projects Only)	3 or 5	10
	Long Term Resource Adequacy Agreement	All Resources ⁴ (New Projects Only)	10 or 15	10
	Behind the Meter Resource Adequacy Agreement	Behind the Meter Resources (New Projects Only)	10 or 15	10
	Demand Response Agreement	Incremental Demand Response	10	10

II.B. Agreement Types

The following section describes the Agreements for each of the products being solicited in this RFO. PG&E is only seeking third-party owned projects for Phase 1. PG&E prefers to execute agreements that are substantially similar to the form agreement provided and will not be able to consider any edits that are not necessary to accurately describe a proposed Project.

³ Resource Adequacy Confirm will be used for resources that are pseudo-tied or dynamically transferred to the CAISO

⁴ Includes incremental capacity additions located at existing projects

1. Resource Adequacy Confirm (RA Confirm)

PG&E will consider Offers for RA products provided by existing projects of any resource type in the CAISO network or dynamically transferred or pseudo-tied into the CAISO through the Resource Adequacy Confirm. To transact under the Resource Adequacy Confirm, a Seller must have a current EEI Master Agreement in place with PG&E, though accommodations may be made for Sellers without an EEI Agreement. The Resource Adequacy Confirm will be provided by PG&E when available. For details, see Appendix E1, Resource Adequacy Confirm.

2. Long Term Resource Adequacy Agreement (LT RAA)

PG&E will consider Offers for RA products provided by in-front-of-the meter projects through a Long Term Resource Adequacy Agreement. For details, see Appendix E2, Long Term Resource Adequacy Agreement.

3. Behind-the-Meter Resource Adequacy Agreement (BTM RAA)

PG&E will consider Offers for RA products provided by behind-the meter projects through a Behind-the-Meter Resource Adequacy Agreement. For details, see Appendix E3, Behind-the-Meter Resource Adequacy Agreement.

4. Demand Response Agreement (DR Agreement)

PG&E will consider Offers for RA products provided by Demand Response resources through a Demand Response Agreement. The Demand Response Agreement will use the draft 2020 Demand Response Auction Mechanism Purchase Agreement (DRAM Agreement) as a starting point. The DRAM Agreement will be provided by PG&E when available. For details see Appendix E4, Demand Response Agreement.

III. Eligibility Requirements

Phase 1 of this Solicitation is for new and existing resources providing system RA, and for projects that are online by 8/1/2021. Offers must meet the applicable specifications noted below.

III.A. Eligible Resources

The following resources must be incremental to the Integrated Resource Planning Baseline Resource List.⁵ A description of eligible resources is located in Ordering Paragraph 7 of the Decision.

III.B. Project Size

See Tables II.1 for applicable sizes.

PG&E will consider Offers where multiple resources are aggregated to meet the minimum size. Multiple resources can be aggregated so long as: (1) the aggregate product has a single CAISO Resource ID, (2) the aggregate product can be measured similar to having a single CAISO meter, (3) the aggregate product has one Locational Marginal Price node, and (4) the aggregate product complies with the CAISO Tariff.

III.C. Site Control

For In-Front-of-the-Meter resources, Participants must demonstrate site control at the time of Offer submission, except for Offers for BTM customer-connected and Demand Response resources. Examples of acceptable forms of Site Control are; 1) Fee Title, 2) Recorded Exclusive Easement, 3) Executed Option Agreement, 4) Lease (Non-revocable), 5) Lease Option (Non-revocable).

III.D. Certain Performance and Operational Requirements

Offers in this Solicitation must provide RA. Projects must meet the applicable CPUC RA requirements, CAISO requirements for deliverability, as well as any other requirements that will enable PG&E to receive all of the RA benefits associated with the Project.

III.E. Electric Interconnection

At the time of Offer submittal, Participants must have documentation showing that the Project is on track to receive Full Capacity Deliverability Status (FCDS) by August 1, 2021. Participants must remain active in the applicable interconnection queue until the Project's required network upgrades have been completed. At a minimum, Projects, except BTM, must have an interconnection report or agreement as a result of an interconnection request demonstrating evidence of a construction schedule that can meet the proposed Commercial Operation Date.

⁵ CPUC IRP Website with Baseline list of resources: <https://www.cpuc.ca.gov/General.aspx?id=6442463413>

Suggestions on how the interconnection process might be expedited are provided in Appendix B.

Sellers are reminded that PG&E is releasing this RFO in its merchant function and in that function PG&E has no obligation nor ability to influence the Participating Transmission Operator or Utility Distribution Company. PG&E in its merchant function is not responsible or liable for delays in interconnection or transmission or distribution service or inability to obtain retail electric service for any Project. For more information, please refer to the Separation of Functions section of the applicable Agreement.

III.F. Incrementality

Sellers must provide evidence that their Offers are incremental to existing system reliability resources. For non-Demand Response, an Offer will be considered fully incremental if it does not appear on the final CPUC Baseline List of Resources approved by CPUC ruling on January 3, 2020.⁶ Per the applicable agreement, PG&E will require participants to warrant and represent that the resource does not appear on the final CPUC Baseline List of Resources.

For Demand Response Offers, incrementality cannot be determined by reference to the CPUC Baseline List of Resources. Demand Response Offers will be considered incremental if it is not funded by IOU demand response programs in the 2018-2022 funding cycle.

IV. Credit

Upon execution of an Agreement with PG&E, the Participant must post collateral to PG&E. Furthermore, each Agreement requires that the Participant post collateral with PG&E prior to and following commercial operation of the facility in varying amounts and form, as provided in the applicable Agreement. If providing a Letter of Credit, please review carefully the Letter of Credit requirements set forth in the applicable Agreement. For reference, Table IV.1 below highlights a few of the collateral requirements in each of the Agreements:

⁶ [Administrative Law Judge's Ruling Finalizing Baseline for Purposes of Procurement Required by D.19-11-016](#)

Table IV.1: Credit/Collateral Requirements

Delivery Term Options	3 or 5 years (Existing Resources Only)	= or > 10 years (New Resources Only)
Pre-Delivery Term	10% of the highest 2 consecutive years of estimated monthly payments within 5 days of Execution	\$15/kW within 5 days of Execution, and an additional \$25/kW within 5 days of CPUC and Bankruptcy Court Approvals (total posted PDS of \$40/kW)
Delivery Term		Greater of A) \$40/kW or B) 10% of the highest 3 consecutive years of estimated monthly payments

V. Terms for RFO Participation

V.A. Agreement by Participant

Each Participant submitting an Offer shall provide their electronic signature of a duly authorized officer of Participant in the Offer Form. By providing such signature the Participant (a) agrees to be bound by all terms, conditions and other provisions of this RFO and any changes or supplements to it that may be issued by PG&E, and (b) makes the following representations and warranties:

1. Participant has read, understands, and agrees to be bound by all terms, conditions and other provisions of the RFO.
2. Participant has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFO and all Appendices to the RFO.
3. Participant is not PG&E, an affiliate of PG&E, PG&E Corporation, or any of their affiliates.
4. Participant has obtained all necessary authorizations, approvals and waivers, if any, required of Participant as a condition of: (i) submitting its Offer and, if Participant's Offer is selected; (ii) executing an Agreement with PG&E in the form submitted with its Offer, or at the conclusion of negotiations.

5. Participant is submitting its Offer subject to all applicable laws including, but not limited to, the Federal Power Act and all amendments thereto, and Public Utilities Code section 454.5, and all amendments thereto.
6. Participant represents that it has carefully considered the terms and conditions of its Offer and that it is submitting its Offer in good faith, such that PG&E may reasonably expect Participant to enter into a definitive Agreement, and to negotiate, if requested by PG&E, as provided in Section XII, Execution of Agreement, below.
7. Participant has not engaged in and will not engage in communications with any other Participant in the RFO concerning any terms contained in Participant's Offer, unless explicitly authorized by PG&E, and has not engaged in activities in violation of State or Federal antitrust laws or other unlawful or unfair business practices in connection with the RFO ("Prohibited Communication Activities").

Notwithstanding the foregoing, Participant may engage in communications with its advisors, counsel, experts or employees who have a need to know the content of the communications and have agreed to keep such information confidential (collectively, "advisors"). In addition, Participant may engage in communications with other Participants submitting an Offer in the RFO and their advisors ("Other Participants"), so long as: (1) such Other Participants are under common ownership and control with Participant; (2) Participant and Other Participants do not engage in Prohibited Communication Activities; and (3) in the event Participant and Other Participant share a common advisor, Participant has, prior to sharing communications with such Other Participant and the common advisor, provided PG&E with (a) notice of such Other Participant and common advisor and (b) an attestation that Participant has not and will not engage in Prohibited Communication Activities with either the Other Participant or the common advisor.

8. If Participant's Offer is selected for the Shortlist and Participant accepts the position on the Shortlist, then Participant agrees to acknowledge acceptance of a Confidentiality Agreement, to negotiate in good faith, and to inform PG&E if the Project that is the subject of the Offer on the Shortlist has been submitted into another solicitation with PG&E or any other entity.
9. If a Participant is submitting an Offer jointly with other entities, and the Offer is selected for the Shortlist, PG&E may require, as part of the shortlisting process, additional representations and warranties, along with additional documentation, from all entities involved in the joint Offer (see Section VI.D, Required Information, below).
10. Participant will promptly notify PG&E of any change in circumstances that may affect its ability to fulfill the terms of its Offer, at any time from Offer submission to PG&E's

acceptance of the Offer, as evidenced by PG&E's execution of an applicable Agreement, or Participant's withdrawal of the Offer.

11. Participant will list any additional services its Energy Storage resource will provide outside of this solicitation, per CPUC D.18-01-003, on Multiple-Use Application Issues.

A BREACH BY ANY PARTICIPANT OF THE REPRESENTATIONS AND WARRANTIES IN SECTION V.A OF THIS SOLICITATION PROTOCOL, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO PG&E UNDER APPLICABLE LAW, IS GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH PARTICIPANT FROM PARTICIPATION IN THE RFO AND, DEPENDING ON THE NATURE OR SEVERITY OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE RFO IN ITS ENTIRETY.

V.B. PG&E's Reservation of Rights

This RFO is an invitation to submit Offers to PG&E; it does not constitute an offer to buy and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of the RFO. PG&E reserves the right to request information from a Participant at any time during the solicitation process. PG&E reserves the right, in its sole discretion, to reject any Offer at any time for any reason, including but not limited to grounds that the Offer does not conform to the terms and conditions of this RFO or contains terms that are not acceptable to PG&E. PG&E also retains the discretion, in its sole judgment, at any time; (a) to formulate and implement new or additional criteria for the evaluation and selection of Offers; (b) to negotiate with any Participant or withdraw PG&E's Shortlist selection; or (c) to modify this RFO as it deems appropriate to implement the RFO and to comply with applicable law or other direction provided by the CPUC. In addition, PG&E reserves the right to either suspend or terminate this RFO at any time for any reason. PG&E will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this paragraph to any third party, including any Participant. PG&E will not reimburse the Participant for its expense of participating in this RFO under any circumstances.

V.C. Safety

PG&E is committed to providing safe utility (electric and gas) service to its customers. As part of this commitment, PG&E requires that the Participants recognize safety is of paramount importance. In connection with this Solicitation and executed Agreement, Participants will be required to meet certain safety standards, provide safety information related to the technology for the Project, and provide information regarding safety history, including for the entities that will construct, operate, or maintain the Project(s). Per Appendix B of this Solicitation, Participants are required to identify in their Offers known safety-related hazards and risks associated with their technology and Participant's ability to mitigate safety risks and comply with applicable safety-related codes and standards identified by the Participant.

In order to be eligible for execution of an Agreement, shortlisted RFO participants are required to complete PG&E's safety registration and prequalification process with ISNetworld ("ISNet"), PG&E's primary contractor safety management system. This applies to New and Existing projects. To complete this requirement, Participant's should go to www.isn.com, and register the project entity who will be party to the Agreement, or, if the project entity has not yet been formed, Participants may register the parent organization to undergo prequalification during the RFO. Participants will be required to submit company information related to safety performance and practices for evaluation by ISNet based on criteria described in Section 3 of PG&E' PG&E's Contractor Safety Program Requirements, which can be found at: www.pge.com/contractorsafety. As the prequalification process can take several weeks and active follow-up thru ISNet, PG&E recommends Participants familiarize themselves with ISNet and PG&E's Contractor Safety Program prequalification requirements. Shortlisted Participants are required to complete and satisfy PG&E's prequalification process must do so prior to execution in Phase I to be considered eligible for execution of an Agreement. Failure to complete prequalification may result in Participant being subject to removal from the shortlist and forfeiture of Shortlist Offer Deposit.

A Participant's obligations with respect to safety may vary based on the particular Agreement and Project and product type, as well as the commercial relationship of the entities involved in the transaction. Each of the Agreements contain specific requirements intended to ensure that the Participant and the entities that construct, operation, or maintain the Project, as applicable, do so in a safe, reliable and efficient manner that protects the public health and safety of California residents, business, employees, and the community. Participants will be responsible for any fees and costs associated with meeting PG&E's safety requirements in the Solicitation and the Agreement. Prior to a Participant submitting an Offer, PG&E recommends that Participants review the safety provisions in the form of Agreement and PG&E's Contractor Safety Program Requirements.

V.D. Shortlist Offer Deposit

If Participant is notified that it is eligible for PG&E's Shortlist and accepts the Shortlist position, then the Participant must post a deposit (the "Shortlist Offer Deposit") in the amount of \$3 per kilowatt (kW) of Payment Quantity or Contract Quantity (as that term is defined in the form Agreements) or Guaranteed max for each Offer on the Shortlist before 5:00 P.M. PPT on April 15, 2020. Participant shall maintain the Shortlist Offer Deposit with PG&E until the termination of negotiation with PG&E or as otherwise provided pursuant to the terms of the definitive Agreement.

1. Purpose of Shortlist Offer Deposit

The Shortlist Offer Deposit is intended to secure the obligation of each Participant with respect to this Solicitation Protocol and to negotiate a definitive Agreement, as expressly provided in Section XII, Execution of Agreement, below.

2. Form of Shortlist Offer Deposit

The form of the Shortlist Offer Deposit may be either: (a) a cash deposit, or (b) a Letter of Credit. These two options are detailed below. NOTE: If the Participant fails to submit the Shortlist Offer Deposit within the required time period, the Participant's Offer may be rejected and removed from the Shortlist.

a) Cash Deposit

Cash may be deposited with PG&E to be held as collateral through a wire transfer, as instructed in the Shortlist Notification. PG&E will pay interest on each cash deposit, calculated on a monthly basis and compounded at the end of each calendar month, from the date on which the cash is fully deposited to the date on which the deposit is returned to the Participant. The applicable interest rate will be the rate per annum equal to the Monthly Federal Funds Rate (as reset on a monthly basis, as of the first day of the month, based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519 or its successor publication ("Interest Rate"). The Interest Rate shall be calculated based on a three hundred sixty (360) day year and shall be payable upon the return of the cash deposit.

b) Letter of Credit

A Letter of Credit posted by a Participant as collateral must satisfy all of the requirements below.

"Letter of Credit" means an irrevocable, non-transferable, stand-by letter of credit in the form attached hereto as Appendix G1, (a) issued either by (i) a U.S. commercial bank or (ii) a U.S. branch of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by PG&E, and (B) it is acceptable to PG&E in its sole discretion; and (b) for which the issuing U.S. bank or foreign bank, must have a Credit Rating of at least "A-" from S&P or "A3" from Moody's, with a stable outlook designation. In the event the issuer is rated by both rating agencies and the ratings are not equivalent then the lower rating will apply. If the Letter of Credit is issued by a branch of a foreign bank, PG&E may require changes to the form Letter of Credit. All costs of the

Letter of Credit shall be borne by Participant. The Letter of Credit should be sent by overnight delivery to:

**Pacific Gas and Electric Company
Attn: Manager, Credit Risk Management
77 Beale Street, Mail Code B28L
San Francisco, CA 94105**

3. Return of Shortlist Offer Deposit

The Shortlist Offer Deposit will be returned to Participant by PG&E under one or more of the following conditions:

- a) Upon execution of the Agreement and Seller's submission of the collateral required under the Agreement;
- b) PG&E's rejection of the Offer subsequent to Shortlist selection; or
- c) In the course of negotiations, if PG&E and Participant cannot agree on the terms of the Offer and Agreement.

4. Forfeiture of Shortlist Offer Deposit

The Participant will forfeit the Shortlist Offer Deposit in its entirety due to: (i) any material misrepresentation in information submitted in Participant's Offer; (ii) Participant unilaterally withdrawing its Offer from the Solicitation; or (iii) a breach of this Solicitation Protocol including failure to register and complete the ISNet prequalification. In the event that Participant forfeits the Shortlist Offer Deposit, PG&E will be entitled to draw upon the Shortlist Offer Deposit in its entirety as payment for direct and indirect damages incurred in connection with the Participant's misrepresentation or breach of this Solicitation Protocol.

5. Shortlist Offer Deposit as Security

PG&E may retain any cash deposit or draw on any Letter of Credit provided as a Shortlist Offer Deposit as security under an executed Agreement in the event that Participant fails to provide additional security and/or agrees to PG&E's retention of the Shortlist Offer Deposit as collateral in accordance with the terms of the executed Agreement, if applicable.

VI. Offer Submittal Process

VI.A. Phase 1 Submittal Process Overview

All Offers must be received by March 25, 2020 at 1:00 P.M. (PPT), as specified in Table I.1.

Submitting Documents: All Offers for this RFO **must** be submitted electronically through Power Advocate. Prior to submitting an Offer, Participants must register with Power Advocate. Please ensure Offers are submitted to the applicable site. PG&E strongly encourages Participants to register with Power Advocate well before Offers are due. PG&E will post detailed instructions on the System Reliability RFO website for submitting Offer(s) and using the online platform. Power Advocate registrants should be listed under the entity submitting the Offer, not its consultants.

Power Advocate Link: <https://www.poweradvocate.com/pR.do?okey=102077&pubEvent=true>

Each Offer should be uploaded as a “Commercial and Administrative” document type in Power Advocate. If submitting more than one Offer, each Offer should be in separate zip files. All document file names should **not** contain any special characters such as *&#, and please keep file names short, but do include short references to Participant’s name (such as an acronym), project name, and the appendix (e.g., App B). **For Offer Forms contained within each Offer submittal, please make sure the Offer Form file name is the same as the Offer ID for each offer as created in the corresponding form.**

Electronic Document Formats: Electronic documents must be submitted as Microsoft Word, Microsoft Excel, or pdf files, as identified in Table VI.1. However, maps or drawings may be in alternate formats (e.g., jpg, kmz) as appropriate. Each Appendix must be a separate document, not one long document. To the extent possible, pdf files should be provided in a searchable format. The Participant should not provide documents in other electronic formats, unless specifically requested.

Offers must contain all required information noted in Table VI.1 below and must be organized in accordance with these instructions.

Table VI.1: System Reliability RFO Phase 1 Offer Package

Appendix	Title	Description	Format
A	Offer Form	Provide the requested information. Offer Form file name must be the same as Offer ID contained within the file. Offer Form	MS Excel

Appendix	Title	Description	Format
		information must be consistent with Agreements and Term Sheets	
B	Supplemental RFO Documents Required for Participation	Describe the existing or proposed Project, format as single spaced, and include the requested information. Participants must fill in every section of Appendix B within the actual document. Do not reference an additional document in answers.	MS Word
C	FERC 717 Waiver	Authorizes the disclosure of Participant’s transmission-related information to PG&E’s marketing or merchant business unit (“PG&E Merchant”).	MS Word
E1 – E4	Form Agreement	Participants must submit applicable Form Agreement and must include <u>all edits</u> necessary to accurately describe the proposed Project at time of Offer submittal. For more information, please refer to Section VIII. Evaluation of Offers.	MS Word
G1	Letter of Credit (if applicable)	Provide the requested Letter of Credit information, if using a Letter of Credit for the Shortlist Offer Deposit (see Section V.D, Shortlist Offer Deposit, for more information on the two accepted forms for the Shortlist Offer Deposit).	MS Word
G2	Request for Taxpayer ID (W-9) Form (if applicable)	Provide the requested information if posting a cash deposit.	PDF
	Map of Project Facilities	Provide the following files of the Project’s major facility components, which include, at a minimum, the generation facility, access roads, electric and gas connection routes to utility facilities, and the outline of the land parcel that the facilities are located on.	Google KML/KMZ or ESRI Shapefile

VI.B. Need for Complete Offer Packages

Each Participant’s Offer must be complete at the time of submission. Participant’s failure to provide all required information may prevent PG&E from being able to evaluate and rank the

Offer, which means that the Offer may not be considered for the Shortlist.

Due to the time-sensitive nature of this RFO, PG&E will not be able to engage with Sellers that submit incomplete Offers or inaccurate Offer information.

VI.C. Number of Offers and Variations Allowed Per Seller

Participants may submit up to 5 offer variations at a specific interconnection point. Participants may vary any attributes of the offer provided the total Offers submitted for a single project does not exceed this limit.

VI.D. Additional Offer Information

Note on Joint Offers: If a Participant is submitting a joint Offer with another Participant, each Participant will need to be registered as a separate Participant in Power Advocate from any other entity submitting an Offer and PG&E may require additional documentation or conditions, such as retaining separate legal counsel, restricting the sharing of certain information, or requiring all parties to the joint Offer to execute a modified Confidentiality Agreement and agree to, and execute, modified terms for RFO participation, similar to those set forth in Section V.A, Agreement by Participant.

Note on Multiple Offers: Participants should address any potential changes to the Project due to multiple Offers in the appropriate Appendices. A separate Offer Form is required for each Offer, but an entirely new offer package is not required. There is no need to submit unchanged, duplicate Appendices if the information is the same, but please provide a short note indicating which sections are duplicative over multiple Offers.

VII. Pricing

Participants are required to provide a complete Offer package, and include pricing in their Offer Form depending on the Agreement.

VIII. Evaluation of Offers

PG&E's Evaluation will apply "least-cost, best-fit" principles, using quantitative and qualitative criteria to evaluate the submitted Offers, which may include, but are not limited to:

Quantitative Attributes:

The quantitative valuation compares an offer's cost to its benefits. The cost may consist of the contract fixed cost, variable cost, and transmission network upgrade cost. The benefit may consist of capacity value and energy value, to the extent provided in the agreement.

Qualitative Attributes:

In addition to the criteria specifically listed above, PG&E may consider qualitative factors that could impact the value of Offer, including, but not limited to: project viability; credit; safety history; agreement modifications; ability to meet the Initial Delivery Date; Supply Chain Responsibility status; and completeness of Offer.

Any or all qualitative factors may impact a Project's status for Shortlisting or Agreement execution.

IX. Confidentiality Agreement

Except with PG&E's prior written consent, no Participant shall disclose its participation in this Solicitation (other than by attendance at any meeting held by PG&E with respect to the Solicitation) or collaborate on, or discuss with any other Participant or potential Participant bidding strategies or the substance of any Offer(s), including without limitation the price or any other terms or conditions of any Offer(s).

Except as provided below, all information and documents clearly identified by Participant as "Confidential" on the page(s) on which confidential information appears shall be considered confidential information. PG&E shall not disclose such information and documents to any third parties except for PG&E's or PG&E Corporation's, officers, directors, employees, agents, counsel, accountants, advisors, or contractors who have a need to know such information and have agreed to keep such information confidential and except as provided below. PG&E may use Confidential Information, consolidated with other market information and not specifically attributed to the Provider, to analyze or forecast market conditions or prices, for its own internal use or in the context of regulatory or other proceedings.

It is expressly contemplated that materials submitted by a Participant in connection with this RFO will be provided to the CPUC, its staff, the Independent Evaluator, PG&E's Procurement Review Group ("PRG"), and Cost Allocation Mechanism ("CAM"). PG&E will seek confidential treatment pursuant to D.08-04-023, General Order 66-C, and Public Utilities Code section 583, with respect to any Participant-supplied non-public RFO information and documents ("Participant's Confidential Information") that are submitted by PG&E to the CPUC for the purpose of obtaining CPUC Approval. PG&E will also seek confidentiality and/or non-disclosure agreements with the PRG applicable to the Participant's confidential information. PG&E

cannot, however, ensure that the CPUC will afford confidential treatment to a Participant's confidential information, or that those confidentiality agreements or orders will be obtained from and/or honored by the PRG or the CPUC.

With respect to any information or documents provided by the Participant, PG&E shall have the right to disclose to the CPUC, its staff, the Independent Evaluator, the PRG, CAM, CAISO, other control area operator or balancing authority and any other entity in order to comply with any applicable law, regulation, or rule or order issued by a court or entity with competent jurisdiction over PG&E, at any time, even in the absence of a protective order, confidentiality agreement or nondisclosure agreement, as the case may be, without notification to the Participant and without liability or any responsibility of PG&E to the Participant.

Once a Participant is selected for the Shortlist, the Participant must acknowledge acceptance of the Confidentiality Agreement in the form attached as Appendix D within two (2) business days of notification of their selection in order to continue to participate in the RFO. Depending upon Participant's submittal in response to Appendix B, PG&E may require additional confidentiality obligations with collaborating entities.

X. Procurement Review Group/Cost Allocation Mechanism Review

Following completion of the evaluation and PAV ranking of Offers, PG&E will submit the results of the evaluation and its recommendations to its PRG/CAM. Such information will include at least the notional value ranking of Offers, the consideration of non-price evaluation criteria, and PG&E's recommendations based on such information. PG&E has no obligation to obtain the concurrence of the PRG/CAM with respect to any Offer.

PG&E assumes no responsibility for the actions of the PRG/CAM, including actions that may delay or otherwise affect the schedule for this Solicitation, including the timing of the selection of Offers and the obtaining of CPUC Approval.

XI. Shortlist Notification to Participants

The Solicitation schedule set forth in Section I.C, Schedule Overview, may be modified at PG&E's sole discretion. PG&E expects to be able to provide an e-mail notification to Participants whose Offers have been selected for the Shortlist and invite each Participant on the Shortlist to conduct discussions and limited negotiations (Participants should consider the form of Agreement in its current state) with PG&E regarding the Offer(s) selected for the Shortlist. PG&E anticipates notifying those Participants whose Offers were not Shortlisted shortly thereafter. As previously stated, PG&E may contact Participants prior to Shortlisting during the evaluation process to seek or notify Participants of deficiencies in their Offers or Offer Packages, however Participants should not expect this level of guidance due to the time constraints of the RFO.

XII. Execution of Agreement

By submitting an Offer, Participant agrees, if its Offer is selected for PG&E's Shortlist, that it is prepared to negotiate and execute a definitive Agreement consistent with the form of Agreement submitted with the Participant's Offer, including the data which must be consistent with the Offer Form and containing such other terms and conditions acceptable to PG&E and the Participant. PG&E's evaluation of a Participant's Offer and PG&E's shortlisting of a Participant will not constitute an agreement by PG&E to any of the Participant's form of Agreement submitted.

XIII. Approvals

After Agreement execution, PG&E will submit executed Agreements to the CPUC for approval via an application filing. PG&E will also be submitting executed Agreements to for Bankruptcy Court Approval via a motion.

The effectiveness of any executed Agreement is expressly conditioned on PG&E's receipt of final and non-appealable CPUC approval of such Agreement and Bankruptcy Court approvals (collectively "Approvals").

Whether an Agreement goes into effect or not is expressly conditioned on PG&E's receipt of Approvals, which is more specifically defined in each of the Agreements and Term Sheet. At a minimum PG&E will require a finding from the CPUC that PG&E's entry into the Agreement satisfies PG&E's compliance with the Decision, that the terms are reasonable, and that PG&E will recover the costs incurred under the Agreement in its rates. Additionally, most Agreements will be subject to a no-fault termination if Approvals does not occur within a specified period, as set forth in each of the applicable Agreements; CPUC Approval typically requires the approval of the Agreement by the CPUC to be final and non-appealable without any modifications that are unacceptable to either of the parties.

XIV. Waiver of Claims and Limitations of Remedies

Except as expressly set forth in this Protocol, by submitting an Offer, Participant knowingly and voluntarily waives all remedies or damages at law or equity concerning or related in any way to the Solicitation, the Solicitation Protocol and/or any attachments to the Solicitation Protocol ("Waived Claims"). The assertion of any Waived Claims by Participant may, to the extent that Participant's Offer has not already been disqualified, automatically disqualify such Offer from further consideration in the Solicitation or otherwise.

By submitting an Offer, Participant agrees that the only forums in which Participant may assert any challenge with respect to the conduct or results of the Solicitation is through the Alternative Dispute Resolution ("ADR") services provided by the CPUC pursuant to Resolution

ALJ 185, August 25, 2005. The ADR process is voluntary in nature, and does not include processes, such as binding arbitration, that impose a solution on the disputing parties. However, PG&E will consider the use of ADR under the appropriate circumstances. Additional information about this program is available on the CPUC's website at the following link:

http://docs.cpuc.ca.gov/published//Agenda_resolution/47777.htm

Participant further agrees that other than through the ADR process, the only means of challenging the conduct or results of the Solicitation is a protest to PG&E's filing seeking CPUC Approval of one or more Agreements entered into as a result of the Solicitation, that the sole basis for any such protest shall be that PG&E allegedly failed in a material respect to conduct the Solicitation in accordance with this Protocol, and the exclusive remedy available to Participant in the case of such a protest shall be an order of the CPUC that PG&E again conduct any portion of the Solicitation that the CPUC determines was not previously conducted in accordance with the Solicitation Protocol. Participant expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorney's fees. Unless PG&E elects to do otherwise in its sole discretion during the pendency of such a protest or ADR process, the Solicitation and any related regulatory proceedings related to the Solicitation, will continue as if the protest had not been filed, unless the CPUC has issued an order suspending the Solicitation or PG&E has elected to terminate the Solicitation.

Participant agrees to indemnify and hold PG&E harmless from any and all claims by any other Participant asserted in response to the assertion of a Waived Claim by Participant or as a result of a Participant's protest to an advice letter filing with the CPUC resulting from the Solicitation.

Except as expressly provided in this Protocol, nothing herein including Participant's waiver of the Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of PG&E.

XV. Termination of the RFO-Related Matters

PG&E reserves the right at any time, in its sole discretion, to terminate the RFO for any reason whatsoever without prior notification to Participants and without liability of any kind to, or responsibility of, PG&E or anyone acting on PG&E's behalf. Without limitation, grounds for termination of the RFO may include the assertion of any Waived Claims by a Participant or a determination by PG&E that, following evaluation of the Offers, there are no Offers that provide adequate ratepayer benefit.

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

Offers, all without notice and without assigning any reasons and without liability to PG&E or anyone acting on PG&E's behalf. PG&E shall have no obligation to consider any Offer.

In the event of termination of the RFO for any reason, PG&E will not reimburse the Participant for any expenses incurred in connection with the RFO regardless of whether such Participant's Offer is selected, not selected, rejected or disqualified.