



**Central Coast Community Energy**

**70 GARDEN CT  
MONTEREY, CA 93940  
(831) 641-7222**

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**REQUEST FOR INFORMATION FOR:  
Energy Prepay Transaction Investment  
Banking Partners**

**Responses are due by 5:00 PM (PST) on June 3, 2022**

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## DETAILS SECTION

## 1.0 INTENT

- 1.1 Central Coast Community Energy, hereinafter referred to as CCCE, is soliciting responses from a qualified organization(s) or team of organizations, hereinafter referred to as “CONTRACTOR(S),” to provide information to support CCCE’s evaluation of investment banking partners for energy prepay transactions.
- 1.2 This Request for Information (“RFI”) is for informational purposes only; it is not intended to create an exclusive service agreement. CCCE retains the ability, at its sole discretion, to transact or partner with qualified CONTRACTORS at any time.

## 2.0 BACKGROUND

- 2.1 CCCE is a Community Choice Aggregator (“CCA”) established in 2017 pursuant to Public Utilities Code Section 366.2 and operating as a joint powers authority pursuant to Government Code section 6500 et seq. CCCE currently serves residential, commercial and agricultural/industrial customers in communities located within the unincorporated areas of the Monterey, San Benito, Santa Cruz, and Santa Barbara Counties, as well as the cities of Arroyo Grande, Buellton, Capitola, Carmel, Carpinteria, Del Rey Oaks, Gonzales, Greenfield, Goleta, Grover Beach, Guadalupe, Hollister, Marina, Monterey, Morro Bay, Pacific Grove, Paso Robles, Pismo Beach, Salinas, Santa Maria, San Juan Bautista, San Luis Obispo, Sand City, Santa Cruz, Scotts Valley, Seaside, Soledad, Solvang, Watsonville.
- 2.2 CCCE projects revenues of \$400 Million (MM) for FY21-22. Its core business is procuring power and selling it to end customers. Power supplied is estimated at approximately 5,250 GWh/year.
- 2.3 Since inception, CCCE has strategically entered fixed price Power Purchase Agreements (PPAs) that procure power from generation and storage facilities. These PPAs complement CCCE’s market purchases of power. PPAs span a variety of technologies – solar, solar+ storage, geothermal, wind, and storage alone. Typical terms range from 10 to 20 years.
- 2.4 CCCE is exploring prepay transactions to reduce the effective price paid for power from its PPAs. At present, CCCE is considering energy prepays for up to 5 PPAs with a notional annual volume of approximately 930 GWh. Technologies include geothermal, wind, and solar+storage. The number of PPAs, technologies, and volumes are subject to change in CCCE’s sole discretion.
- 2.5 The purpose of this RFI is to request information from qualified investment banks and their partners/teams who can support CCCE’s energy prepay transactions. CCCE may use the information gathered in this RFI to evaluate potential partners for interviews. CCCE is under no obligation to interview or partner with any respondents.

### 3.0 CALENDAR OF EVENTS

3.1	Issue RFI	May 26, 2022
3.2	Deadline to submit responses	5 PM, June 3, 2022
3.3	Possible in-person interviews	June 6-7, 2022

***This schedule is subject to change as necessary.***

- 3.4 **FUTURE ADDENDA:** CONTRACTORS, who received notification of this RFI by means other than through a Central Coast Community Energy email, shall contact the person designated in Central Coast Community Energy herein to request to be added to the mailing list. Inclusion on the email contact list is the only way to ensure timely notification of any addenda and/or information that may be issued prior to the RFI submittal date.

**IT IS THE CONTRACTORS' SOLE RESPONSIBILITY TO ENSURE THAT THEY RECEIVE ALL ADDENDA FOR THIS RFI** by either informing Central Coast Community Energy of their contact information or by regularly checking Central Coast Community Energy's RFIs webpage at: [Central Coast Community Energy RFIs](#). Addenda will be posted on the website as well.

## 4.0 POINTS OF CONTACT & SUBMISSION

- 4.1 Questions and correspondence regarding this RFI shall be directed to:

Primary Contact for Central Coast Community Energy

**Jaya Bajpai**  
**Chief Financial Officer**  
70 Garden CT  
Suite 300  
Monterey, CA 93940  
PHONE: (831) 641-7222  
FAX: (831) 920-2270  
Email: [jbajpai@3ce.org](mailto:jbajpai@3ce.org)

- 4.2 All questions regarding this RFI shall be submitted digitally via email to [jbajpai@3ce.org](mailto:jbajpai@3ce.org) . The questions will be researched, and the answers will be communicated to all known interested CONTRACTOR after the deadline for receipt of questions. CONTRACTOR should include the title of this RFI in the subject line.
- 4.3 The deadline for submitting written questions regarding this RFI is indicated in the **CALENDAR OF EVENTS** herein. Questions submitted after the deadline will not be answered.
- 4.4 Only answers to questions communicated by formal written addenda will be binding.
- 4.5 Prospective CONTRACTOR shall not contact CCCE employees with questions or suggestions regarding this RFI except through the primary contact person listed above. **Any unauthorized contact may be considered undue pressure and cause for disqualification of the CONTRACTOR.**

## 5.0 ORGANIZATION & EXPERIENCE

Please provide succinct and focused answers. Supplemental materials such as PowerPoint presentations (pitch books) are acceptable; please reference locations in supplemental materials if using those materials to answer questions. Questions of particular importance to CCCE are highlighted in bold text.

1. Describe the organization, date founded, and ownership of the CONTRACTOR. Indicate if it has experienced a material change in organizational structure, ownership, or management during the past three years and, if so, please describe. For team responses, please provide details for each member organization.
2. Describe any significant SEC, NASD, or regulatory censure or litigation involving the CONTRACTOR or employees who may support CCCE transactions within the past three years. For team responses, please provide details for each member organization.
3. Did, or will, the CONTRACTOR pay a finder's fee to any third party for business related

- to this account? Specify the recipients of any fee.
4. Describe any known or perceived actual or potential conflicts of interest with CCCE, its Board, individual Board Directors, staff, or consultants.
  5. Please describe CONTRACTOR's public power and gas utility corporate finance presence both nationally and within California. For team responses, please provide details for the relevant member organization.
  6. Please discuss CONTRACTOR's specific experience with energy prepayment transactions. For team responses, please provide details for the relevant member organization.
  7. Provide a list of all completed prepayment transactions for your proposed team in the last 5 years as well as up to three (3) case studies that demonstrate your firm's ability to serve CCCE in this capacity. For team responses, please provide details for the relevant member organization.
  8. Describe CONTRACTOR's experience and capabilities in the Western energy markets with respect to energy supply and trading. For team responses, please provide details for the relevant member organization.
  9. Detail CONTRACTOR's recent experience, if any, in supplying or trading energy with CCCE. Specify whether CONTRACTOR has EEI and credit arrangements with CCCE. For team responses, please provide details for the relevant member organization.
  - 10. Please provide as much detail as possible on CONTRACTOR's long-term capital commitment and management commitment to supporting commodities and energy trading. Audited financials for commodities or energy businesses are desirable.**
  - 11. Please describe how CONTRACTOR would support the energy prepayment transaction and make CCCE whole if CONTRACTOR ownership or management decided to reduce its commitment to or exit energy or commodity trading, energy prepay transactions, and/or related businesses. Alternatively, describe how CONTRACTOR would unwind the transaction and list the attendant risks to CCCE.**
  - 12. Please describe in detail what you believe differentiates your team from other energy prepayment providers.**
  - 13. Please describe any additional products, services, or collaborations your team could provide that would deliver value to CCCE in the context of an overall relationship. E.g., bond underwriting fee discounts, co-investments in renewable / storage assets, unique commodity products, securitizations etc. Please be as specific as possible.**

## **6.0 PREPAYMENT STRUCTURE & FEES**

1. Describe CONTRACTOR's proposed structure for an energy prepayment program targeted at existing PPAs for CCCE. Summarize why that structure is the best structure and optimal. Discuss considerations, including timing, structure, tax and/or policy issues. Please discuss the risks inherent in your proposed structure and how such risks could be mitigated.
2. Please describe CONTRACTOR's PPA analytics capabilities in general and proposed approach to modeling the output of geothermal, solar+storage, and wind assets in particular. Describe the range of risks you foresee with delivery and how you would propose to mitigate them.



3. Please describe your team's power middle- and back-office capabilities in general and proposed plan to support energy prepayment transactions in particular.
4. What type of energy is delivered if no PPAs are assigned for any period of time? Please describe your ability to provide environmentally compliant products.
5. Discuss what timing your firm thinks it can hit for a transaction assuming you are selected as the preferred counterparty and the balance of the team was in place by end-June 2022. Note any blackout periods, competing transactions, and other timing obstacles CCCE should be aware of as it related to possible schedule.
6. What do you anticipate will be the important credit considerations related to your proposed structure? CCCE desires to limit its credit exposure only to highly rated entities and/or structures. Are there any exposures beyond the supplier (and guarantor) and commodity swap provider?
7. Please discuss your assessment of the optimal size and potential savings of this potential prepayment transaction. Describe your approach to marketing this size transaction. Do you see any unique challenges?
8. Please provide your firm's discount rate as of COB of submission. Please quote as an absolute rate and spread to an Index (e.g., SOFR). Please detail how your rate was derived. What is the relationship between this rate and your firm's corporate bond secondary market trading levels?
9. Identify and detail how your team proposes to be compensated for your services. Include your not-to-exceed response for underwriters' spread for your proposed structure, specifying management fee, average takedown, and a detailed breakdown of expenses. How do these fees compare with other recent prepayment transactions?
10. What compensation is guaranteed? What is the risk in underwriting and who bears the risk (firm or CCCE)? What, if any, are the fees due in the event of a failure?
11. Please detail your requested supplier fee, reservation charge or delivery fee as it may be called.
12. Please detail your requested remarketing fee.
13. Is your team willing to cover the cost of the rating agency fee should we obtain a rating, but then in an unlikely scenario thereafter the transaction does not occur?
14. What ongoing fees associated with the structure is your team willing to cover? E.g., portions of the trustee ongoing fees
15. Highlight any other areas or forms of compensation relative to this transaction and your proposed structure.

## 7.0 QUALIFICATION REQUIREMENTS

CCCE welcomes a diverse array of respondents. Teams must possess the following:

- 7.1.1 SEC-registered institution with \$5+ billion in capital
- 7.1.2 Commodities trading business with 10+ years of operating history
- 7.1.3 Physical and financial power scheduling, trading, and settlement capabilities

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## 8.0 SUBMITTAL INSTRUCTIONS & CONDITIONS

- 8.1 Electronic Submission. All responses must be submitted electronically through email form with the appropriate attached documents combined into a single .pdf document not to exceed 150 MB to the following email addresses: [jbajpai@3ce.org](mailto:jbajpai@3ce.org) CONTRACTOR should include the title of this RFI and the name of the organization in the subject line of the email.
- 8.2 Response information that is not properly addressed to and not timely received by the Primary Contact will be considered undelivered. Responses failing to provide complete responses as required may be considered non-conforming. CONTRACTOR should not send, and CCCE will not accept, paper copies of electronic responses.
- 8.3 Acceptance. Responses are subject to acceptance at any time within 90 days after opening. Central Coast Community Energy reserves the right to reject all response packages, or part of any response package, to postpone the scheduled deadline date(s), to make an interview request in its own best interest, and to waive any informalities or technicalities that do not significantly affect or alter the substance of an otherwise responsive response package and that would not affect a CONTRACTOR'S ability to perform the work adequately as specified.
- 8.4 Ownership: All submittals in response to this RFI become the property of the Central Coast Community Energy.
- 8.5 Compliance: Response packages that do not follow the format, content, and submittal requirements as described herein, or fail to provide the required documentation, may receive lower evaluation scores or be deemed non-responsive.
- 8.6 CAL-OSHA: The items proposed shall conform to all applicable requirements of the California Occupational Safety and Health Administration Act of 1973 (CAL-OSHA).
- 8.7 **CONFIDENTIAL OR PROPRIETARY CONTENT:** Any page of the response package that is deemed by CONTRACTOR to be a trade secret by the CONTRACTOR shall be clearly marked "CONFIDENTIAL INFORMATION" or "PROPRIETARY INFORMATION" at the top of the page. CONTRACTOR acknowledges that any other method of marking documents as proprietary will be assumed to be residual and will be disregarded. CONTRACTOR is encouraged to use restraint in marking documents "confidential" or "proprietary" and should be prepared to provide legal authority for any such designation upon request.

## 9.0 SELECTION & SCORING CRITERIA

The selection of CONTRACTOR for interviews will be based on the criteria contained in this RFI, as demonstrated in the submitted response. CONTRACTOR should submit information sufficient for Central Coast Community Energy to easily evaluate responses with respect to the selection criteria. The absence of required information may cause the Response to be deemed non-responsive and may be cause for rejection.

The Scoring criteria include the following: **(100 points total)**.

SCORING CRITERIA	Max Possible Score
Qualifications	20
Experience	20
Prepay Fee Structure	20
Demonstrated capacity to provide energy prepay services	20
Value-added products & services	15
Local Preference	5
<b>TOTAL</b>	<b>100</b>

Interview selections will not be based on cost alone. The interview request(s) resulting from this RFI will be made to the CONTRACTOR(S) that submit a response that, in the sole opinion of Central Coast Community Energy, best serves the overall interest of Central Coast Community Energy.

## 10.0 SMALL AND LOCAL PREFERENCE

- 10.1 CCCE desires, whenever possible, to contract with qualified small and local vendors to provide goods and services to the agency. Each local CONTRACTOR providing goods, supplies, or services funded in whole or in part by CCCE funds, or funds which CCCE expends or administers, shall be eligible for local preference points or percentages as provided in this section.
- 10.2 CCCE's Small and Local Preference Policy ("Policy") establishes a preference for qualified small, local, and diverse businesses in non-power services contract opportunities. This policy requires CCCE to directly identify and solicit small, local, and diverse businesses; reduce barriers to contracting with small, local, and diverse businesses; and incentivize small, local, and diverse businesses to engage with CCCE's contracting process. To view CCCE's Local Preference Policy, in its entirety, use the following link: [Central Coast Community Energy Local Preference Policy](#)
- 10.3 Any vendor seeking to be recognized as a small, local, and diverse business by CCCE shall be required to certify they meet the definition of small and local as set out in the Policy, and to register as a small, local, and diverse business with CCCE. Registering through the vendor registry enables CCCE to track the effectiveness of the Policy and allow CCCE to provide future notifications to its small, local, and diverse businesses concerning other bidding opportunities. To access the CCCE Local Vendor Registration Form, use the following link: [Local Vendor Registry](#)
- 10.4 When CCCE evaluates the responses to a RFI for goods or services, where best value is the determining basis for the contract award, a five (5) points preference will be applied to the scoring evaluation for qualified small, local, and diverse businesses.
- 10.5 When CCCE evaluates the responses to a RFI for goods or services, where lowest price, is the determining basis for the interview request, a five percent (5%) preference will be subtracted from the bid price of qualified small, local, and diverse businesses. If application of the five percent (5%) preference results in a qualified small, local, and diverse business' bid being lower than all other bids, the interview request shall be awarded to the qualified small, local, and diverse business at that vendor's bid price.
- 10.6 Whenever a responsive qualified small, local, and diverse businesses and a responsive non-small, non-local business have both submitted matching lowest responsive bids, the qualified small, local, and diverse business shall receive the interview request.
- 10.7 When a contract requires subcontractors or sub-consultants, the selected contractor shall solicit responses from qualified small, local, and diverse businesses whenever possible. No interview request awarded to a small and local business shall be assigned or subcontracted in any manner that permits more than fifty percent (50%) or more of the dollar value of the contract to be performed by an entity that is not a small and local business.

## **11.0 AGREEMENT TO TERMS AND CONDITIONS**

Submission of a response will be interpreted to mean CONTRACTOR HAS AGREED TO ALL THE TERMS AND CONDITIONS set forth in the pages of this RFI.

## **12.0 COLLUSION**

CONTRACTOR shall not conspire, attempt to conspire, or commit any other act of collusion with any other interested party for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the RFI that would bring about any unfair conditions.

## **13.0 RIGHTS TO PERTINENT MATERIALS**

All responses, inquiries, and correspondence related to this RFI and all reports, charts, displays, schedules, exhibits, and other documentation produced by the CONTRACTOR that are submitted as part of the submittal will become the property of Central Coast Community Energy when received by Central Coast Community Energy and may be considered public information under applicable law. Any proprietary information in the submittal must be identified as such and marked "CONFIDENTIAL INFORMATION" or "PROPRIETARY INFORMATION", in strict conformity with the specific requirements set forth in section 8.7 above. Central Coast Community Energy will not disclose proprietary information to the public, unless required by law; however, Central Coast Community Energy cannot guarantee that such information will be held confidential. As a California government entity, CCCE is subject to the California Public Records Act and other public transparency laws and, as such, cannot guarantee the confidentiality of information marked confidential or proprietary. CCCE will respond to requests for disclosure of records related to this RFI in accord with applicable law on disclosure requirements and exemptions to disclosure.