



Central Coast
**Community
Energy**

**Request for Offers:
Hybrid Natural Gas Power Purchase Agreement**

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RFO Overview

In spring 2018, Central Coast Community Energy (“3CE”) began providing its member communities throughout Monterey, San Benito and Santa Cruz Counties with clean-sourced power. 3CE now serves 29 cities and unincorporated communities in Monterey, Santa Barbara, San Benito and Santa Cruz Counties. 3CE’s estimated 2025 retail sales are 6,100 GWh with a peak capacity of 975 MW that is distributed as 65% non-residential and 35% residential.

Product Solicited

The goal of this Request for Offers (“RFO”) is to solicit offers to enter into a Hybrid Natural Gas Power Purchase Agreement.

A “Hybrid” Natural Gas resource means the existing generating facility will have installed a new energy storage facility on site and share the existing interconnection capacity. See definition below of Hybridization for more details.

Hybrid Natural Gas Power Purchase Agreement

3CE seeks proposals from power suppliers (“Participants”) for energy, capacity, and resource adequacy from a hybrid dispatchable electricity generating facility. The table below provides a high-level summary of expectations for this Product.

Product(s)	Description
Product	Energy, Capacity, and Resource Adequacy from a dispatchable electricity generating facility paired with energy storage
Delivery Point	CAISO Resource pNode, NP 15 EZ Gen Hub, Other
Energy Settlement	DAM Physical IST
Minimum Volume	5 MWs
Maximum Volume	200 MWs
Required Resources	Existing Natural Gas Resources with new paired energy storage. (Hybrid Resource)
Delivery Period	Calendar Year
Term	10 Years, 15 years
Fuel Notice Period	Annual, Monthly, Daily
Earliest Start Date	January 1, 2025
Latest Start Date	January 1, 2026 ¹
Dispatch and Scheduling	3CE shall have the right to dispatch the Facility on a Day-Ahead Basis or Real-Time Basis; Seller shall act as Scheduling Coordinator.
Fuel	
Offer Parameters	
Dispatch Right Charge	Fixed Price (\$/kW-month)
Resource Adequacy Price	Fixed Price (\$/kW-month)
Transaction Rate	Fixed Price (\$/MMBtu)
Variable O&M Charge	Fixed Price (\$/MW-hour)
Start Up Cost	Fixed Price (\$ per start)
Fuel Supply	See Below
Guaranteed Heat Rate	MMBtu/MWh (HHV) at Pmax at ISO conditions
Reference Carbon Allowance Costs	MTCO _{2e} / MWh ² (see below)
Dispatch Capacity	MW
RA Capacity	MW NQC

¹ Start Dates beyond January 1, 2026 are not preferred, but are welcome to participate

² 3CE may elect to manage

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Fuel Supply: Seller shall be responsible for obtaining and maintaining at its sole cost and expense all required agreements with transportation providers required to deliver sufficient fuel to satisfy its obligations under the Agreement. Seller will make all arrangements for the delivery of fuel necessary to meet 3CE's dispatch notices, including fuel used for start-up, and shall be responsible for any ancillary fuel services such as balancing or storage. 3CE shall pay for fuel at the applicable index price, or a predetermined price, as agreed by the Parties. Seller shall indicate any operating limitations regarding fuel supply in its offer.

3CE Dispatch: 3CE shall have the right to dispatch the Facility in accordance with the Facility operating limitations by providing a dispatch notice on a preschedule basis and subsequent dispatch notices in real time via email and confirmed via telephone.

Carbon Allowances: 3CE shall, at its option, either (a) provide carbon allowances to Seller or (b) reimburse Seller for carbon allowances at the lesser of the actual cost of such allowances, or the CARB auction price, and in either (a) or (b) based upon an agreed conversion rate (MTCO_{2e} / MWh).

Hybridization and/or retrofitting for green hydrogen: Hybridization is a requirement of this solicitation. 3CE also supports the retrofitting of existing fuel-based resources to burn a green hydrogen blend in order to reduce green-house gas emissions of fuel-based resources. If these components can be added to an offer at an additional cost, please indicate this in your offer and provide the alternative pricing, terms, and green-house gas reduction benefits of these features.

Project Selection Criteria

Proposal Package will be modeled to yield a final, in-depth understanding of expected performance. The resources that effectively meet the standards of CCCE will be shortlisted and contacted for negotiation of contracts. Proposal Packages will be reviewed and evaluated based on the following standards:

- Regulatory Value
- Market Value
- Counterparty Risk
- Development Risk
- Energy Offtake Agreement Risk
- Inclusion of a Journey person(s)
- Local Hire:
- Skilled and Trained Workforce

RFO Process and Timeline

Timeline

Date	Description
October 16, 2023	RFO Launch
October 30, 2023 5PM PT	"Initial Submission Deadline" Final Offers submitted to 3CE ³

3CE will conduct a qualitative and quantitative evaluation of each submission and provide a timely response to each submitted offer as to whether 3CE wishes to enter into negotiations.

3CE reserves the right to exclude any offers received after the Submission Deadline from consideration for this RFO.

Submission of Offer(s)

Only electronic submittals will be accepted via e-mail sent to PSolicitations@3ce.org. Bidders should include the following in their response:

- Developer to provide a completed offer form of their choice

The submission of a response shall be deemed a representation and certification by the Participant that they have investigated all aspects of the RFO, that they are aware of the applicable facts pertaining to the RFO process, its procedures, and requirements, and that they have read and understood the RFO. No request for modification of the response shall be considered after its submission on grounds that Participant was not fully informed as to any fact or condition.

⁴ 3CE understand the complexity of designing a Hybrid resource and is willing to consider submissions after the Initial Submission Deadline.

Interpretation

3CE shall not be responsible for or be bound by any oral instructions, interpretations or explanations issued by 3CE or its representatives.

Should there be a need to clarify this RFO or any of its attachments, requests for clarification may be sent via e-mail at PSolicitations@3ce.org.

Terms and Conditions of Agreement

Participant shall enter into a contract with 3CE in substantial conformity with the selected proposal, as mutually modified during negotiations with 3CE.

All agreements will require the Participant to adhere to the terms of any applicable proposal and to act in accordance with all applicable laws and regulations. An agreement shall not be binding or valid unless and until it is executed by authorized representatives of 3CE and approved by 3CE's Board of Operations or the Board of Directors.

Disclaimer

3CE reserves the right in its sole discretion to (i) reject any offers received in response to this RFO for any reason, and (ii) consider and/or accept any offers received after the deadline for submittals as indicated herein. Additionally, 3CE reserves the right, in its sole discretion, to not enter into any agreement for the transaction at the conclusion of this RFO. 3CE reserves the right to modify the terms and conditions of this RFO at any time based on changing needs and market feedback. 3CE also reserves the right to terminate this RFO at any time. Notwithstanding anything to the contrary, including the WSPP/EI Agreement, no proposal, bid, offer, or proposed transaction (however described) shall be binding upon 3CE except pursuant to a written agreement signed by 3CE and the counterparty. 3CE will not be liable at any time for any costs a Participant may incur in preparing or submitting its response to this RFO.

Communications

All announcements and updates will be communicated through e-mail. Questions and all other communications should be sent to PSolicitations@3ce.org.