



**Pacific Gas and  
Electric Company®**

# Mid-Term Reliability Request for Offers Phase 3 Solicitation Protocol

**February 7, 2023**

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## I. Introduction and Overview

### I.A. Overview

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Pursuant to California Public Utilities Commission (“CPUC”) Decision 21-06-035 issued on June 30, 2021 (the “Decision”) and CPUC Proposed Decision issued on January 13, 2023 (“Proposed Decision”), Pacific Gas and Electric Company (“PG&E”) is issuing its Mid-Term Reliability Request For Offers (“RFO” or “Solicitation”) Phase 3 seeking offers (“Offers”) from participants (“Participants”) for the purchase (i.e., PG&E buys) of eligible system resource adequacy (“RA”) to come online by June 1, 2025, June 1, 2026, June 1, 2027, or June 1, 2028.<sup>1,2</sup>

The Decision requires PG&E to procure at least 2,302 megawatts (“MWs”) of net qualifying capacity (“NQC”). Compliance would be measured based on September NQC calculations using marginal Effective Load Carrying Capability (“ELCCs”) calculated by the Commission for each resource type for each future online year. The additional MWs are to come online between August 1, 2023 and June 1, 2026.<sup>3</sup> The Decision requires PG&E to procure and have online, 400 MW by August 1, 2023, 1,201 MW by June 1, 2024, 300 MW by June 1, 2025, and 400 MW by June 1, 2026.

The Proposed Decision, issued on January 13, 2023, requires supplemental mid-term reliability procurement of a total of 4,000 megawatts (MW) of net qualifying capacity (NQC) in addition to the 11,500 MW ordered previously in Decision (D.) 21-06-035 to come on line in the years 2026 and 2027. In addition to the additional procurement ordered in this Proposed Decision, requirements for procurement of long lead-time resources from D.21-06-035 are automatically postponed to 2028. This additional procurement and long leadtime postponement are all pending the Proposed Decision becoming final.

This Mid-Term Reliability Request for Offers Phase 3 Solicitation Protocol (the “Solicitation Protocol”) sets forth the terms and conditions by which PG&E will seek Offers to meet system-level NQC needs. A Participant 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.

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<sup>1</sup> CPUC issued the Decision on June 30, 2021.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>

<sup>2</sup> CPUC issued the Proposed Decision on January 13, 2023.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M501/K102/501102663.PDF>

<sup>3</sup> Per the Decision, PG&E may be required to procure additional MWs of NQC (Backstop Procurement) should Load Serving Entities (LSEs) fail to procure their required MWs of NQC.

## **I.B. Mid-Term Reliability RFO Website and Communication**

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PG&E has established a website at <http://www.pge.com/rfo/midtermrfo-phasethree> where Participants may access and download all RFO documents, announcements and Q&As that are posted.

All correspondence will be monitored by the Independent Evaluator (“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.

To ensure the accuracy and consistency of information provided to all Participants, PG&E encourages Participants to submit any inquiries via e-mail to [MidTermRFO@pge.com](mailto:MidTermRFO@pge.com) and CC the IE, Wayne Oliver of Merrimack Energy Group, Inc., at [merrimackIE@merrimackenergy.com](mailto: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**

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The expected schedule for the RFO is listed in Table I.1 below. All deadlines occur at 5:00 P.M. Pacific Prevailing Time (“PPT”), unless otherwise noted.

**Table I.1: PG&E Mid-Term Reliability RFO Phase 3 Schedule**

<b>Event</b>	<b>Phase 3 Dates</b>
Participants are invited to register online to receive notices regarding the RFO at <a href="http://www.pge.com/rfo">www.pge.com/rfo</a>	Ongoing
PG&E issues RFO	February 7, 2023
Participants’ Webinar	February 15, 2023 at 10am PST
Deadline for Participants to submit Offers via Power Advocate	March 16, 2023 at 1pm PST

<p>PG&amp;E notifies selected Participants that their Offer(s) will be included on a list of Offers for which PG&amp;E may seek to enter into or negotiate an Agreement related to that Offer (“Shortlist”).</p> <p>Shortlisted Participants are required to begin safety process as further described in Section V.C.</p>	<p>By May 1, 2023</p>
<p>Deadline for notified Shortlisted Participants to 1) Accept Shortlist Status, 2) Acknowledge Acceptance of Confidentiality Agreement</p>	<p>May 3, 2023<sup>4</sup></p>
<p>Target Agreement execution</p>	<p>Q3 2023</p>
<p>Target Advice Letter Filing with CPUC<sup>5</sup></p>	<p>Q4 2023</p>

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 prefers projects that can agree to terms in an expedited fashion. Except for the terms that are binding upon execution, 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, Approvals. 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.

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<sup>4</sup> PG&E may notify participants of shortlist status before May 1. If participants are notified of shortlist status before May 1, the deadline for participants to complete deadline items 1 and 2 will be within two (2) business days after shortlist notification.

<sup>5</sup> PG&E may submit multiple Advice Letters depending on the timing of execution.

## II. Solicitation Goals

### II.A. PG&E Resource Needs

PG&E seeks resources to provide system-level qualifying net qualifying capacity (NQC) with online dates beginning June 1, 2024 through June 1, 2030 depending on the category, as further described in Table II.1. All resources will be expected to be considered incremental (see Section III.G of the Solicitation Protocol) in counting towards PG&E’s procurement responsibilities, as specified in the Decision and the Proposed Decision. All resources must provide Resource Adequacy by the contractual online date.

Table II.1 below shows the products PG&E is soliciting in Phase 3.

**Table II.1: Phase 3 PG&E Mid-Term Reliability Solicitation Resource Needs**

Procurement Category	Example Eligible Resources <sup>6</sup>	Delivery Term (Years)	Minimum Size (MW)	Required Online date <sup>7,8</sup>
Zero-Emitting	Standalone RPS, Standalone Storage, Hybrid <sup>9</sup> and Co-located RPS and Storage	10 - 15	10	By June 1, 2025
Firm Zero-Emitting	RPS-eligible Geothermal, Biomass	10 - 20	10	By June 1, 2028 (Accepting offers to June 1, 2030)
Long duration storage	Pumped Hydro Storage, Lithium-ion, Flow Battery, Compressed Air Energy Storage, etc.	10 - 20	10	By June 1, 2028 (Accepting offers to June 1, 2030)
Any other type of non-fossil-fueled resource	Standalone Storage, Standalone RPS, Hybrid and Co-located RPS and Storage	10 - 15, or 10 - 20 (UOG)	10	By June 1, 2027 (Accepting offers to June 1, 2030)

<sup>6</sup> Includes incremental capacity additions located at existing projects. A full description of resource eligibility criteria is below in section III. A

<sup>7</sup> Per D. 21-06-035 resources are required to be online by June 1 for IRP counting purposes. PG&E has a commercial preference in 2025 and 2026 for resources that can be online March 1 as opposed to June 1.

<sup>8</sup> For long lead-time resources the Proposed Decision effectively moves the requirement to 2028.

<sup>9</sup> Hybrid resources are defined as different technologies that operate under a single CAISO resource ID behind a single point of interconnection.



### III. Eligibility Requirements

This Phase 3 Solicitation is for resources providing net qualifying capacity that are incremental to the baseline list, and for projects that can come online between June 1, 2024 through June 1, 2028. While PG&E prefers offers for resources that meet the online dates noted in Table II.1 above, PG&E will accept offers for resources with online dates through June 1, 2030. Offers must meet the applicable specifications noted below.

#### III.A. Project Characteristics and Operating Requirements

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Projects may be transmission or distribution connected. Per the Decision, Import Offers will be considered in all procurement categories. As noted in the qualitative evaluation section, PG&E has a preference for resources located in the CAISO footprint due to uncertainty of import allocation rights in the future.

A description of the procurement categories is listed below.

##### 1. Zero-Emitting Resources

###### I. Decision Requirements

- (a) Be from a Renewable Portfolio Standard (“RPS”) generation resource, a RPS generation resource paired with storage (physically or contractually), or a demand response resource;
- (b) Be available every day from 5 p.m. to 10 p.m. (the beginning of hour ending 1800 through the end of hour ending 2200), Pacific Time, at a minimum; and
- (c) Be able to deliver at least 5 megawatt-hours of energy during each of these daily periods for every megawatt of incremental capacity claimed.

###### II. PG&E Requirements

- (d) Eligible projects include standalone RPS, standalone storage, hybrid RPS and storage, or co-located RPS and storage. Hybrid projects must be a single CAISO resource ID behind a single point of interconnection. Co-located projects must be two separate CAISO resource IDs behind a single point of interconnection.
- (e) Hybrid projects and standalone storage must be fully deliverable. For co-located projects, the storage component must be fully deliverable and the renewable component may be energy only or fully deliverable. Standalone RPS may be energy only or fully deliverable

- (f) Any demand response resource must be able to demonstrate the ability to meet daily discharge without any energy storage and describe how incremental capacity will be counted.<sup>10</sup> The demand response must be a load reduction, not a load shift.
- (g) Projects must be online by June 1, 2025.

## 2. **Firm Zero-Emitting Resources**

### I. Decision Requirements

- (a) have no on-site emissions or is eligible under the requirements of the renewables portfolio standard program;
- (b) have at least an 80 percent capacity factor;
- (c) must not be use limited or weather dependent;
- (d) cannot include storage.

### II. PG&E Requirements

- (e) Projects must be fully deliverable.
- (f) PG&E will accept offers with online dates through June 1, 2030, with preference for online dates by June 1, 2028.

## 3. **Long-duration Storage Resources**

### I. Decision Requirements

An eligible project must be comprised of a single storage resource that is able to deliver at maximum capacity for at least eight hours.

### II. PG&E Requirements

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<sup>10</sup> Per Energy Division Staff's response to frequently asked questions on Mid-Term Reliability. [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/d2106035\\_faqv2\\_20220318\\_redline.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/d2106035_faqv2_20220318_redline.pdf)

The capacity that the storage is able to deliver for eight hours may be less than the facility's installed MW or interconnection limit. Counting towards the Mid-Term Reliability procurement targets will be limited to the maximum eight-hour capacity.

PG&E will consider technology diversity, including the ability to discharge beyond eight hours. PG&E will require operational experience with the proposed technology. In Appendix B, PG&E asks for Seller to demonstrate that the proposed technology for this solicitation has a completed project that has been in operation for at least one year and is at least 1 MW in size. Seller should be able to provide the operational data upon request.

PG&E will accept offers with online dates through June 1, 2030, with preference for online dates by June 1, 2028.

#### 4. **Other Non Fossil Fueled Resources**

PG&E will accept Offers for standalone RPS, standalone storage, hybrid, and co-located projects that are able to come online by June 1, 2030, with preference online dates by June 1, 2027. These resources must meet all applicable rules to count for Resource Adequacy.

### **III.B. Imports**

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For Sellers offering a project that is all or partially outside of CAISO's footprint, Seller is directed to fill out the offer form using all the same guidance as projects inside the CAISO. Seller is responsible for securing the transmission that will be required to bring the energy into the CAISO. Seller is directed to explain in Appendix B how the resource will provide Resource Adequacy into the CAISO. Execution of any import agreement is subject to PG&E's assessment and evaluation that the resource will be able to provide Resource Adequacy over the full contract term.

Imports must:

- (1) follow the CPUC and CAISO RA import rules in place at time of execution, and
- (2) come from new resources or increased capacity from existing resources, with online dates later than June 30, 2020.

Current RA import rules allow:

- Resource-specific imports, which must be dynamically transferred, either pseudo-tied or dynamically scheduled.
- Non-resource specific imports, which are imports that are not resource-specific imports as defined above. For non-resource specific imports, Participants must deliver from a pool of resources, where the pool is comprised of only the project under contract.

Import Offers need to identify in Appendix B what intertie the project will deliver to and what balancing authority the project is physically located in.

### **III.C. Project Size**

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All projects must be a minimum size of 10 MW.

### **III.D. Site Control**

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#### All Agreements for transmission- or distribution-connected Projects

Participants must demonstrate site control in form and substance reasonably acceptable to PG&E at the time of Offer submission. 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).

To demonstrate site control for PG&E review, counterparties must submit a copy of any of the acceptable forms that has been executed by all parties.

### **III.E. Certain Performance and Operational Requirements**

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#### All Agreements for transmission- or distribution-connected Projects

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

### **III.F. Electric Interconnection**

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All Agreements for transmission- or distribution-connected Projects must satisfy the following requirements:

1. Deliverability: At the time of the Offer submittal, Participants must have Participating Transmission Operator (PTO) or Utility Distribution Company (UDC) documentation showing that the Resource has requested or is expected to receive Full Capacity Deliverability Status (FCDS) in order to support delivery of product, including RA, per the obligations of the corresponding agreement.
2. Expected Online Date: At a minimum, Resources must be in the queue and demonstrate that the project is in the queue. Seller must submit the most recent interconnection documentation provided by the PTO or UDC. PG&E will evaluate projects qualitatively based on the status of their interconnection status and viability of coming online to meet the required COD. Participants must remain active in the applicable interconnection queue until the Resource's required network upgrades have been completed.
3. Transmission Upgrade Costs: Sellers that have not yet received transmission upgrade cost estimates from the PTO or UDC in the form of RNUs and DNUs should provide an Electric System Upgrades Cost Termination Rights value in the Offer Form. If projected upgrade cost from the PTO or UDC come in significantly higher than the input Electric System Upgrade Cost Termination Rights, PG&E may no longer consider the offer.

Import Offers: Sellers are directed to provide evidence of their interconnection status and ability to meet the proposed online dates. Import Offers will also be required to provide additional evidence that Seller is able to secure transmission to get the energy and capacity from the project to the CAISO intertie that the project will deliver to. As mentioned in Section III. B, Seller should indicate in Appendix B which CAISO intertie the project will deliver to.

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.G. Incrementality**

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#### All Projects

All resources must be incremental to the 2019-2020 IRP RESOLVE/SERVM baseline used in the need determination model that was posted on the Commission's website on February 22, 2021, meaning they would need to be contracted and approved by the Commission after June 30,

2020.<sup>11</sup> The 2019-2020 IRP RESOLVE/SERVM baseline generator list that includes all online and in-development resources will be made available and serve as the baseline for the procurement proposed.<sup>12</sup> Expansion of existing projects that is incremental to the baseline will be considered in all procurement categories.

Units on the Baseline Generator List may count as incremental for D.21-06-035 compliance purposes if their planned retirement date in the Baseline Generator List is prior to the D.21-06-035 obligation year in question, provided that all other D.21-06-035 eligibility requirements are met. For repowered facilities with planned retirement dates beyond the D.21-06-035 obligation year, only the additional capacity beyond the D.21-06-035 baseline capacity could be counted as incremental capacity for compliance purposes.

### III.H. Agreement Types

The following section describes the eligible Agreements for each of the products being solicited in this RFO. Sellers are directed to use the Agreements to price their Offers in the Offer Forms. PG&E is seeking third-party owned and utility-owned projects for Phase 3. All Offers are considered third-party owned except for Offers utilizing the Utility Owned Build Own Transfer Agreement. The table below summarizes the commercial documents for each category.

Procurement Category	Agreement Type	Offer Form
Zero-emitting	<ul style="list-style-type: none"> <li>• Standalone RPS: Intermittent RPS PPA</li> <li>• Standalone storage: LTRAA w/ ES or LTRAA</li> <li>• Hybrid: Co-located Zero Emissions PPA AND Hybrid zero emitting compensation structure</li> <li>• Co-located: Co-located Zero Emissions PPA</li> </ul>	<ul style="list-style-type: none"> <li>• Standalone RPS: Appendix A4</li> <li>• Standalone Storage: Appendix A3</li> <li>• Hybrid: Appendix A1</li> <li>• Co-located: Appendix A1</li> </ul>
Firm Zero-emitting	<ul style="list-style-type: none"> <li>• Firm Zero Emissions PPA</li> </ul>	<ul style="list-style-type: none"> <li>• Appendix A2</li> </ul>
Long Duration Storage	<ul style="list-style-type: none"> <li>• LTRAA w/ ES</li> <li>• LTRAA</li> </ul>	<ul style="list-style-type: none"> <li>• Standalone Storage: Appendix A3</li> </ul>

<sup>11</sup> Need Determination model available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/more-information-on-authorizing-procurement/irp-procurement-track>

<sup>12</sup> Baseline Generator List of resources as required by D.21-06-035 available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/more-information-on-authorizing-procurement/irp-procurement-track>

	<ul style="list-style-type: none"> <li>• Build Own Transfer term sheet (UOG)</li> </ul>	<ul style="list-style-type: none"> <li>• Build Own Transfer (UOG): Appendix A5</li> </ul>
Other non-fossil-fueled resources	<ul style="list-style-type: none"> <li>• Intermittent RPS PPA</li> <li>• LTRAA w/ ES</li> <li>• LTRAA</li> <li>• Build Own Transfer term sheet (UOG)</li> </ul>	<ul style="list-style-type: none"> <li>• Standalone RPS: Appendix A4</li> <li>• Standalone Storage: Appendix A3</li> <li>• Build Own Transfer (UOG): Appendix A5</li> </ul>

**1. Zero-Emitting Resources**

For co-located and standalone RPS projects, Sellers must offer both a Day Ahead Contract Price and a Meter Contract Price. For the first project variant, Sellers must offer a Meter Contract Price of \$10/MWh; Sellers may submit other Meter Contract Prices for additional variants.

i) Standalone projects:

For standalone RPS and storage projects, Sellers should use the Intermittent RPS PPA (Appendix E1), LTRAA w/ES (Appendix E4), or LTRAA (Appendix E5) agreements, respectively, to price their Offers.

ii) Hybrid and co-located projects:

For hybrid projects, Sellers should use the Zero Emissions Product from co-located + Storage Resource Projects PPA (Appendix E2) AND the hybrid zero-emitting compensation structure (Appendix E2b) to price their Offers. Hybrid projects will have an energy settlement tied to the hybrid generation profile submitted in the Offer Form instead of the RPS and storage energy settlements described in the Co-located Zero Emissions PPA.

For co-located projects, Sellers should use the Zero Emissions Product from Co-located + Storage Resource Projects PPA (Appendix E2).

iii) Demand Response

For demand response Offers, PG&E directs the Seller to fill out Appendix B to explain how the offer complies with the requirements of the Zero-Emitting category in D.21-

06-035 and the FAQ.<sup>13</sup> Sellers should reach out to PG&E through the solicitation mailbox with this information as soon as possible. PG&E will reach out to the counterparty for further steps after an initial review.

## 2. Firm Zero-Emitting Resource

Sellers should use the Baseload Renewable PPA (Appendix E3) to price their offers.

## 3. Long-duration storage

PG&E is soliciting Offers for long duration storage of various technology types.

### i. Long Term Resource Adequacy Agreement (LTRAA) or Long Term Resource Adequacy Agreement with Energy Settlement (LT RAA w/ES)

PG&E is requiring all third party long duration storage technologies to price Offers using the Long Term Resource Adequacy Agreement w/Energy Settlement (Appendix E4) or the Long Term Resource Adequacy Agreement (Appendix E5).

### ii. Build Own Transfer (BOT) Agreement

PG&E will consider Offers for storage resources that will provide Energy, Resource Adequacy, Ancillary Services, and any other Products available from the project. The project will be constructed on a third-party-owned site, in which the Seller will obtain. PG&E would take ownership of the project and site once it has been constructed to the specifications in the BOT Agreement, is operational, and has satisfied certain tests. UOG Offers are instructed to fill out the UOG offer form, Appendix A5. For further details on the proposed BOT structure, see the BOT term sheet Appendix E6.

For the BOT Agreement, PG&E requires entering into a long-term agreement to support the ongoing maintenance and performance of the energy storage resource. For additional details on the proposed Long Term Performance and Maintenance Agreement (LTPMA) structure, see Appendix E7.

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<sup>13</sup> Per Energy Division Staff's response to frequently asked questions on Mid-Term Reliability. [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpm/d2106035\\_faqv2\\_20220318\\_redline.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpm/d2106035_faqv2_20220318_redline.pdf)



#### 4. Other Non Fossil Fueled Resources

PG&E is soliciting Offers for “Other” incremental capacity. Sellers should use the Intermittent RPS PPA, LTRAA w/ES, LTRAA, or BOT agreement depending on the type of project being offered.

The same project can be eligible for multiple categories. Sellers only need to fill out a single Offer Form for a project, and PG&E will consider it for all eligible categories. For standalone storage that may also qualify as LDS, Seller should select “Yes” in the Offer Form next to the question, “Is your storage resource capable of discharging for 8 hours” and indicate at what capacity.

### IV.Credit

Upon execution of an Agreement with PG&E, the Participant must post collateral with PG&E. Furthermore, each Agreement requires that the Participant post additional collateral with PG&E following commercial operation of the facility in varying amounts and form, as provided in the applicable Agreement. If providing a Letter of Credit, please carefully review the Letter of Credit requirements set forth in the applicable Agreement. For reference, Table IV.1 and Table IV.2 below highlight a few of the collateral requirements in each of the Agreements.

**Table IV.1: Credit/Collateral Requirements**

Category	Pre-Delivery Term Security	Delivery Term Security
<b>Zero Emitting (Energy Storage + Intermittent RPS)</b>	Greater of \$80/kW of the energy storage resource or \$60/kw of the intermittent RPS resource within 5 days of Execution	Greater of A) \$40/kW of the energy storage resource or B) 10% of the highest 3 consecutive years of estimated monthly payments for the energy storage resource Plus 5% of the Minimum Expected Revenue of the RPS resource with a minimum of higher of (i) \$300/effective kW and (ii) \$250,000
<b>Firm, Zero Emitting (Baseload RPS)</b>	\$90/kW within 5 days of Execution	5% Minimum Expected Revenue with a minimum of higher of (i) \$300/effective kW and (ii) \$250,000
<b>Intermittent RPS  Storage</b>	\$60/kW within 5 days of Execution  \$80/kW within 5 days of Execution	5% Minimum Expected Revenue with a minimum of higher of (i) \$300/effective kW and (ii) \$250,000  Greater of A) \$40/kW or B) 10% of the highest 3 consecutive years of estimated monthly payments

**Table IV.2: Credit/Collateral Requirements for Utility Owned Resources**

Category	Pre-Delivery Term Security	Post COD/Post-closing
<p align="center"><b>Storage (Build Own Transfer)</b></p>	<p>\$15/kW due 10 business days after Execution date, and Greater of A) \$45/kW or B) 10% of Purchase Price due 10 Business days after CPUC approval</p>	<p>10% of the purchase price due on the Commencement Date plus an acceptable warranty by an issuer acceptable to the Utility.</p>

## 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 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"), subject to the following requirements: (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**

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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 & Climate Risk**

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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 and Appendix G 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.

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.

For Offers for new long-term contracts of 15 years or more for power, capacity, or reliability, Participant is required to consider long-term climate risk with respect to the proposed Project, consistent with CPUC Decision 20-08-046<sup>14</sup> (including, without limitation, the risks described in Ordering Paragraph 9(11)(a)-(e)).

## VI. Offer Submittal Process

### VI.A. Offer Form Information

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Participants are strongly advised to carefully review the relevant Agreement(s) and term sheets prior to inputting data into an Offer Form. PG&E will utilize the Offer Form submitted to populate the relevant data in the Agreement(s) or term sheet. Participants should input data into Offer Forms with the understanding that this information will result in terms with contractual implications. Participants will need to ensure that the Offer Form is completely and accurately filled out. Participants who request changes to the information in their Offer Form after the offer submittal date may be removed from any further participation in the Solicitation and if shortlisted, may forfeit their Shortlist Offer Deposit.

### VI.B. Phase 3 Submittal Process Overview

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All Offers must be received by March 16, 2023 at 1:00 P.M. (PPT), as specified in Table I.1.

Offer packages for utility ownership projects must be independent and packaged separately from any non-utility ownership Offer package and materials.

**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 as early as possible in advance of the Offer submission deadline. PG&E will post detailed instructions on the Mid-Term Reliability RFO website for submitting Offer(s) and using the online platform. Power Advocate registrants should be listed under the

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<sup>14</sup> CPUC issued the Decision on August 27, 2020.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M346/K285/346285534.PDF>

entity submitting the Offer, not its consultants.

Power Advocate Link:

- Hybrid & Co-Located Offers:  
<https://www.poweradvocate.com/pR.do?okey=139428&pubEvent=true>
- Firm Zero Emitting Offers:  
<https://www.poweradvocate.com/pR.do?okey=139430&pubEvent=true>
- Standalone Energy Storage Offers:  
<https://www.poweradvocate.com/pR.do?okey=139431&pubEvent=true>
- Standalone Intermittent Renewable Offers:  
<https://www.poweradvocate.com/pR.do?okey=139433&pubEvent=true>
- Utility Owned – Energy Storage Offers: (Participants must submit Appendix D2-Utility Owned Confidentiality Agreement, before access is granted)  
<https://www.poweradvocate.com/pR.do?okey=139427&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 file. 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.

The following tables outline the required documents by technology type that must be submitted for each offer package to be complete.

**Table VI.1: Mid-Term Reliability RFO Phase 3 Offer Package for All Offers**

Appendix	Title	Description	Format
	Introductory Letter	Describe the Project and Offer information.	MS Word
A1 – A5	Offer Form	<p>Select the appropriate Appendix A1, A2, A3, or A4 depending on the category and attributes of the project.</p> <p>Appendix A5 is to be used for the Build Own Transfer Offers.</p> <p>Provide the requested information.</p> <p>Offer Form file name must be the same as Offer ID contained within the file. Offer Form information must be consistent with Agreements and Term Sheets</p>	MS Excel
B	Supplemental RFO Documents Required for Participation	<p>Appendix B is to be used for all Offers</p> <p>Describe the existing or proposed Project, format as single spaced, and include the requested information.</p> <p><b>Participants must fill in every section of Appendix B that applies to the project within the actual document. Do not reference an additional document in answers.</b></p>	MS Word
C	FERC 717 Waiver	<p>Authorizes the disclosure of Participant’s transmission-related information to PG&amp;E’s marketing or merchant business unit (“PG&amp;E Merchant”).</p> <p><i>Only for projects located in PG&amp;E’s service territory</i></p>	MS Word
G	Safety Review Questionnaire	Provide the requested project safety information.	MS Excel
	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	Google KML/KMZ or ESRI Shapefile

Appendix	Title	Description	Format
		facilities, and the outline of the land parcel that the facilities are located on.	
	Interconnection Report or Agreement	<p>Provide an interconnection report or agreement as a result of an interconnection request demonstrating that the project is in the CAISO queue. Provide the most recent interconnection documentation available including any Material Modification Assessments. Additionally, provide evidence that the project has received or is expected to receive Full Capacity Deliverability Status (FCDS).</p> <p>Import offers should submit an interconnection report or agreement from their balancing authority or PTO that demonstrates the resource will come online in time for the online date.</p>	PDF

**VI.C. Need for Complete Offer Packages**

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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.D. Number of Offers and Variations Allowed Per Seller**

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Participants may submit up to 5 offer variations at a specific interconnection point.

**VI.E. Utility Owned Confidentiality Agreement**

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Participants must read and agree to Appendix D2 – Utility Ownership Confidentiality Agreement before they are given access to Power Advocate. Participants can send their acknowledgement via email to [MidTermRFO@pge.com](mailto:MidTermRFO@pge.com).



## **VI.F. Additional Offer Information**

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Note on Joint Offers: If a Participant wishes to submit a joint Offer with another Participant, each Participant must first provide notice to PG&E and obtain PG&E's prior written consent before submitting any such Offer. In connection with evaluating any such request and as a condition of any such consent, PG&E may require additional documentation or conditions, including, without limitation, retaining separate legal counsel, restricting the sharing of certain information, or requiring all Participants submitting 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. Any Participant submitting a joint Offer must comply with its obligations under Section V.A.7, including the prohibition against Prohibited Communication Activities.

Note on Multiple Offers: Participants should address any potential changes to the Project due to multiple Offers in the appropriate Appendices.

## **VII. Pricing**

Participants are required to provide a complete Offer package and include pricing in their Offer Form, using the corresponding Agreement or term sheet as guidance. The only exception to this is for demand response resources which should fill out Appendix B and e-mail PG&E at the solicitation mailbox for initial review as soon as possible.

## **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 costs to its benefits to calculate the Net Market Value ("NMV"). The cost may consist of the contract fixed cost, variable cost, and transmission network upgrade cost. The benefit may consist of capacity value, energy value, and green attributes to the extent provided in the Agreement or term sheet.

Additionally, the valuation will include adders to the NMV to create an Adjusted NMV . Offers will be ranked based on the Adjusted NMV. The Adjusted NMV includes impacts a resource has on compliance and how it fits with PG&E's energy position.

For long duration storage Offers, projects will be attributed a RA value based on a four hour duration. If the project's capacity while delivering for eight hours is less than the

interconnection capacity, the project may have up to double the RA capacity compared to IRP counting.

Qualitative Attributes:

In addition to the criteria specifically listed above, PG&E may consider qualitative factors that could impact the value of an Offer, including, but not limited to: interconnection status; ability to procure long lead time equipment; credit; safety history; previous adverse commercial experience; Agreement or term sheet modifications; ability to meet the Initial Delivery Date, including commercial preferences for earlier dates;; developer experience; location 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 applicable 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**

Following completion of the evaluation and ranking of Offers, PG&E will submit the results of the evaluation and its recommendations to its PRG. 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 with respect to any Offer.

PG&E assumes no responsibility for the actions of the PRG, 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. As part of any Shortlist notification, PG&E may [request additional

Seller documentation in support of Seller's Offer/require additional documentation for certain agreements.

## **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 Advice Letter filing. PG&E will submit executed Utility Owned Agreements to the CPUC for approval via an Application filing.

The effectiveness of any executed Agreement is expressly conditioned on PG&E's receipt of final and non-appealable CPUC approval of such Agreement.

Whether an Agreement goes into effect or not is expressly conditioned on PG&E's receipt of Approval, 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 Final 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 Solicitation 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](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 Solicitation 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 Solicitation 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.