



REQUEST for PROPOSALS

For

RENEWABLE ELECTRIC POWER SUPPLY

RFP Issue Date: February 18, 2010

Submittal Deadline: March 26, 2010, 5:00pm Pacific Prevailing Time (PPT)

1 PURPOSE AND SCOPE

The Northern California Power Agency (NCPA) desires to purchase and is therefore accepting proposals for Eligible Renewable Electric Generation Resources, Landfill Gas supplies, Biomethane for injection into the natural gas distribution system, or other renewable energy sources, that may be developed by NCPA or the proposer, to generate electrical power to meet the expected long-term electric power needs of its Members.

This RFP is limited to those parties who currently have rights in, own, or propose to develop, an Eligible Renewable Resource electric generating facility(ies), own and operate landfill facilities, or have rights to other renewable energy sources.

NCPA may procure power supply resources, landfill gas supplies, or other renewable energy sources from those Respondents whose proposals, in NCPA's sole judgment, represent the greatest value to the NCPA Members when compared with other options available to NCPA. The issuance of this Request For Proposals (RFP) does not constitute a commitment by NCPA or its Members to purchase such resources from any source. NCPA reserves the right to revise, suspend or terminate this RFP and any schedule related thereto at its sole discretion without liability to any Respondent.

2 DESCRIPTION OF NCPA

NCPA is a nonprofit California joint powers agency established in 1968. Its **Members are:** the cities of Alameda, Bay Area Rapid Transit District, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, the Port of Oakland, the Truckee Donner Public Utility District, and the Turlock Irrigation District; and two **Associate Members:** Placer County Water Agency, and the Plumas-Sierra Rural Electric Cooperative. These Members serve nearly 700,000 electric consumers in Central and Northern California. Attachment 6 displays the locations of each NCPA Member and jointly owned resources.

As a CAISO Schedule Coordinator, NCPA makes arrangements for physical power deliveries to its Members through the CAISO Grid. In addition, NCPA's members hold additional transmission-related rights through other pre-existing contracts.

In Fiscal Year 2004-05, NCPA Members met peak demands of 1960 megawatts (MW) and supplied 9400 gigawatt-hours (GWh) of energy. To meet these loads, NCPA Members own and operate geothermal generation located in the Geysers region of California, multiple hydroelectric facilities, gas fired combustion turbines (CTs) located in five Members' service areas, miscellaneous small projects, numerous existing power supply contracts (including renewable sources such as wind and landfill gas purchased via prior NCPA Renewable Electric Power Supply RFPs) and Western Area Power Administration (Western) contracts for capacity and associated energy.

Those Members participating in this RFP have the exclusive authority to set retail rates sufficient to cover power purchase obligations, with the exception of BART, which has tariffs, fees or other sources of revenue except as such may be limited by law. Power purchase contracts between NCPA and third parties are not subject to prudence review by state regulatory agencies and may be enforced according to their terms, in accordance with California law. The California Public Utilities Commission lacks jurisdiction over the power purchase contracts of such NCPA Members. Contracts to be executed as a result of this RFP are intended as binding legal agreements enforceable in the California courts.

With the exception of BART, each NCPA Member, participating in this RFP, operates its own electric system as an enterprise and special fund and such members are obligated to establish and collect fees and charges for electricity furnished through its electric system sufficient to pay any and all amounts payable from electric system revenues, which include amounts of capacity or energy, or both, furnished pursuant to an agreement entered into as a result of this RFP. BART shall generate revenues sufficient to cover its obligations under an agreement through tariffs, fees or other sources of revenue except through such sources which may be limited by law. Fees and charges for electricity furnished through each NCPA Member's electric system are not considered taxes and are thus not subject to California tax and voter approved provisions such as Propositions 13, 62, and 218.

3 DESCRIPTION OF REQUEST

A) Electric Power Supply

NCPA will accept long-term contract or equity position proposals for renewable electric power from electric generation resources powered by renewable fuels which include, but may not be limited to: biomass, biodiesel, fuel cells using renewable fuels, digester biogas, biomethane, geothermal, landfill gas, municipal solid waste, ocean wave, ocean thermal, tidal current, waste tire, waste gasification (various fuels), solar (thermal), solar (photovoltaic), wind (firmed wind preferred), or small hydro (30MW or less). NCPA prefers these resources be located within California; however, this is not a requirement for this RFP.

Respondents may submit proposals that specify an energy source other than one of those listed above. Any Respondent, who chooses to propose an energy source not on the above list, must provide adequate documentation in its proposal which identifies the fuel source as Eligible Renewable. After verification of the proposal as an Eligible Renewable Resource project, NCPA, in its sole discretion, will make a determination as to the suitability of the proposal for this RFP process.

NCPA will not accept proposals for renewable resources that are separated from their Renewable Energy Credits/Attributes (REC) and offered only as an energy transaction. Additionally, this RFP is limited to generating facilities that have an installed capacity as follows:

- a) PV Solar facilities directly connected to the distribution system of a participating NCPA Member: 10kW or larger,
- b) Other facilities directly connected to the distribution system of a participating NCPA Member: 100kW or larger,
- c) All other electric generation facilities: 1MW or larger,
- d) Biomethane Facilities: 250MMBtu/Day or larger.

Depending on the value and type of proposals received, NCPA could accept, from one or more proposals, up to a total of 58aMW. [Average MW(aMW) - For example, 100MW of installed PV capacity at 21% annual capacity factor would be equivalent to 21aMW.]

B) Landfill Gas

NCPA will accept long-term contract proposals for the use of landfill gas supplies to be transferred to NCPA at the point of delivery for use as fuel for the generation of electric power. Such generation will be produced by an NCPA owned, built, and operated electric generation plant.

C) Other Renewable Energy Sources

NCPA will also accept proposals for the acquisition of other renewable energy sources which will be transferred to NCPA for use as fuel for the generation of electric power. Such generation will be produced by an NCPA built, owned, and operated electric generation plant. (For example, an offer to sell to NCPA rights to biomethane to be injected into the PG&E natural gas transportation system or a geothermal energy source.)

D) Power Purchase Agreement (PPA) for Electric Power Supply

After NCPA has completed its preliminary evaluation, NCPA will provide a PPA for the purchase of renewable energy and associated environmental attributes. The PPA and associated Addenda will contemplate the transfer of both renewable energy and RECs. Any proposal made for the sale of both renewable energy and associated RECs must be made by the Respondent with the assumption that the NCPA PPA will form the basis for any definitive agreements between the Respondent and NCPA.

Any executed agreement for the purchase of Eligible Renewable Resource energy will be presented to the NCPA Commission and will be subject to the approval of the Commission and any other applicable authorities that have jurisdiction over any or all of the subject matter.

4 SECURITY

NCPA will not post security, collateral, or other assurances for credit purposes for any reason whatsoever prior to or during the term of any agreement arising from this RFP.

Proposals that include or are contingent on NCPA providing security, collateral, or other assurances will be deemed non-responsive and will not be considered.

5 PROPOSAL SUBMITTAL

All responses, questions and communications shall be submitted to the following email address, Dana.Griffith@NCPA.com, using the appropriate Stage 1 Proposal Questionnaire

You may also direct questions to:

Dana W. Griffith
Power Coordination and Planning Engineer
Tel: 916-781-3636
Fax: 916-783-7693

The following table summarizes the attachments to be provided to NCPA by Proposers:

Forms to be filled out by:			Attachment	Description
Electric Generation	Landfill Owners	Other Renewable Energy Owners		
X			1a	Electric Generation Proposal
X			1b	Electric Generation Proposal Data Summary
	X		2a	Landfill Gas Proposal
	X		2b	Landfill Gas Proposal Data Summary
		X	3a	Renewable Energy Proposal
		X	3b	Renewable Energy Proposal Data Summary
X			4a	Waiver and Acknowledgement (Landfill Gas Fired Electric Generation Proposers)
	X		4b	Waiver and Acknowledgement (Landfill Gas Proposer)

NCPA, in its sole discretion, may reject any late or non-responsive proposal.

NCPA must receive all proposals with the appropriate attachments by electronic e-mail no later than 5:00 p.m. (PPT) Friday, March 26, 2010.

A hard copy of the proposal is not required; however, Respondents may also send a hard copy of the proposal and/or other supporting documents to NCPA no later than 5:00 p.m. (PPT) Monday, March 29, 2010.

Each proposal package submitted in response to this RFP shall contain only one proposal. Respondents may submit more than one proposal in separate proposal packages.

Proposals, including proposed prices, will remain binding on the Respondent through the date of completion of negotiations and the NCPA Commission approval process (120 days). A duly authorized officer of the Respondent must sign the proposal.

None of the material received by NCPA from the Respondent in response to this RFP will be returned to Respondent. All materials and proposals submitted by the Respondent will become the property of NCPA and may be used by NCPA for the purpose of evaluating proposals, executing any agreements, regulatory hearings, and administering any resulting definitive agreements.

All responses that may arise from this RFP are considered commitments for use in developing the agreement between NCPA and the Respondent.

Any and all proposals in respect of landfill gas-fired electricity generating facility or landfill gas supply shall include, as the first page of the proposal, an executed waiver, Attachment 4a or Attachment 4b, whichever is applicable.

6 EVALUATION PROCESS

The RFP evaluation process will be completed in two stages. The first stage includes the submission of the Stage 1 Proposal Questionnaire (Attachments 1, 2 and 3), an initial screening by NCPA, and a preliminary evaluation by NCPA.

NCPA will perform an initial screening to identify and eliminate any proposal that is non-responsive to the RFP, does not meet the minimum requirements set forth in the RFP, is clearly not economically competitive with other proposals, or is submitted by a Respondent that lacks appropriate creditworthiness, sufficient financial resources, or qualifications to provide dependable and reliable service.

NCPA will then perform a preliminary evaluation of the remaining proposals and rank their value relative to other proposals as well as all other available options.

NCPA expects the initial screening and proposal evaluation process will take approximately six weeks after the date of closing for submission of complete proposals; however, the timeline will depend on the number and complexity of proposals received. After the initial screening and evaluation process, NCPA will notify each Respondent of its status. Respondents will be notified whether their proposal is on the "Short List", "Secondary List", or listed as "Not Considered at this Time".

The Stage 2 process may include presentations to NCPA and the participating NCPA Members, verification of certain key Proposal data, and reviews of other issues as needed. Any Respondent who is notified that its proposal meets the Stage 1 criteria and is advanced to the "Short List" will be advised of the due date for any additional Stage 2 questions.

NCPA may request that Respondents complete supplemental questionnaires and/or meet for oral interviews at any stage of the RFP process. Respondents failing to provide information, deemed necessary by NCPA to adequately review a proposal, may be eliminated from further consideration at any stage or time during the RFP process.

7 EVALUATION CRITERIA

NCPA will, in its sole discretion, evaluate responsive proposals to determine which proposals are likely to provide the greatest overall value to its Member utilities. All proposals will be evaluated based on factors that include, but are not limited to: proposal term (In general, NCPA strongly prefers contract periods which extend beyond 10 years.), technology, energy source, location, delivery point, status, timeline, joint action partners, environmental benefits as well as Respondent's experience, public credit rating, financial stability, extent of off-balance sheet financing, product price and terms, delivery, service levels, and other relevant criteria.

In addition, depending on the project being proposed, proximity to load may have value to certain NCPA Members. Those Members may be interested in discussing direct connection to their distribution grid.

Evaluations will be based on information provided during the two-stage RFP process, possible oral interviews with the Respondent, mail or email requests, information already known by NCPA, and other publicly available information.

All determinations made by NCPA with respect to any Respondent or its proposal, including the determinations described in this RFP, shall be made by NCPA in its sole discretion and without liability. No debriefings will be provided as these determinations will be final and are not subject to review.

8 GENERAL PROVISIONS

If the Respondent so specifies and clearly identifies portions of its proposal as “PROPRIETARY AND CONFIDENTIAL”, NCPA will make reasonable efforts to treat the marked portions as confidential information. Such information may, however, be made available under applicable State or Federal law. NCPA also reserves the right to release such information to its agents, contractors, or Member utilities for the purpose of evaluating a Respondent’s proposal. Such agents, contractors and Member utilities will be required to observe the same care with respect to disclosure as NCPA. Under no circumstances will NCPA, its Commission, managers, agents, contractors or Member utilities, be liable for any damages resulting from any disclosure of Respondent’s claimed confidential information during or after this RFP process.

Although NCPA is interested in meeting its needs by acquiring resources that provide the greatest value to its Members, evaluation of a proposal does not constitute a commitment by NCPA to purchase energy and/or capacity from any source. NCPA Members and NCPA are not obligated in any way to proceed with this RFP or consider or enter into any agreement or undertake any liability to any Respondent in connection with this RFP and any and all proposals, whether qualified or not, may be rejected without any liability whatsoever to any Respondent on the part of NCPA or any NCPA Member.

NCPA shall not be responsible for any costs incurred by Respondent to prepare, submit, negotiate, contract, or participate in this RFP process.

Those Respondents who submit proposals agree to do so without legal recourse against NCPA, its Commission, managers, agents, contractors or Member utilities for rejection of their proposal(s) or for failure to execute an agreement for any reason. NCPA shall not be liable to any Respondent or party at law or in equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. By submitting its proposal, each Respondent waives any right to challenge any valuation by NCPA of any proposal of any Respondent or any determination of NCPA to select or reject any proposal of any Respondent or take any action contemplated by this RFP, including any right of a Respondent to intervene in any governing body proceeding for the purpose of protesting the selection or rejection of any proposal, any other decision of NCPA contemplated by this RFP or any resulting agreement related to a selected proposal. Each Respondent, in submitting its proposal, irrevocably agrees and acknowledges that it is making its proposal subject to and in

agreement with the terms of this RFP and agrees that NCPA shall be entitled to specific performance of its rights hereunder and injunctive relief.