



2023

**MARKET OFFER PROTOCOLS
FOR THE SALE OF RENEWABLE
ENERGY PRODUCTS**

ISSUED
JANUARY 9, 2023

OFFERS DUE
JANUARY 20, 2023

MARKET OFFER SOLICITATION WEBSITE
www.sdge.com/2023RPSMarketOfferRFPforShort-TermSales

EMAIL QUESTIONS/COMMENTS TO
RECSaleRFP@sdge.com

INDEPENDENT EVALUATOR
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1.0 SCOPE OF REQUEST

As authorized by Decision (D.)21-05-030 and D.22-11-021, San Diego Gas & Electric Company (“SDG&E”) is issuing this “Market Offer Solicitation” seeking proposals from third parties (“Respondents”) who are interested in purchasing products from SDG&E’s Power Charge Indifference Adjustment (“PCIA”) eligible renewable resources under contract with SDG&E that remains unallocated after the Voluntary Allocation process (“Resources”). By responding, Respondents are bound by the terms and conditions of this Market Offer Solicitation. Products are derived from Resources that meet the California Renewables Portfolio Standard (“RPS”) eligibility criteria set forth by the California Energy Commission (“CEC”) (See Section 5.0 for additional information on RPS Program Parameters). This Market Offer Solicitation seeks bids from financial institutions, energy service providers, utilities, community choice aggregators, municipal utilities, industrial end users, wholesale power marketers, and any other entity that would have a need to purchase bundled energy and Renewable Energy Credits (“RECs”) and/or unbundled RECs.

Table 1 – Acceptable Product Types

	Bundled	Unbundled
Product Types:	Bundled Energy and RECs from the short-term pool of RPS-eligible projects	Unbundled RECs from the short-term pool of out-of-state RPS-eligible project(s)
Term:	Short-term transactions only, <i>for 2023* - 2024 calendar year deliveries.</i> *For the balance of 2023, commencing upon CPUC approval of signed agreements	Short-term transactions only, <i>for 2023* - 2024 calendar year deliveries.</i> *For the balance of 2023, commencing upon CPUC approval of signed agreements
Point of Delivery:	Point of Interconnection of the Project to the CAISO Grid	n/a
Volume:	For [X]% of 2023 actual generation and [Y]% of actual generation 2024 from the pool of Resources in Attachment A. All bids must be submitted in one percent (1%) increments.	For [X]% of 2023 actual generation and [Y]% of actual generation 2024 from the pool of Resources in Attachment B. All bids must be submitted in one percent (1%) increments.

A. Definition of Products

Load-serving entities (“LSEs”) in California are required to serve its customers with 44% of retail sales by December 31, 2024, with reasonable progress made in 2021-2023 (CP4); (b) 52% of retail sales by December 31, 2027, with reasonable progress made in 2025-2026 (CP5); (c) 60% of retail

sales by December 31, 2030, with reasonable progress made in 2028-2029 (CP6); and (d) 60% of retail sales for all subsequent CPs.

LSEs must meet these goals by procuring renewable resources that meet the requirements of the products outlined in Public Utilities Code 399.16(b). A summary of two eligible product types is provided below:

(Public Utilities Code 399.16(b)(1)(A-B)): Bundled Energy Products

- Must have first point of interconnection (“POI”) with a California Balancing Authority (“CBA”); **or**
- Must have first POI with distribution facilities used to serve end users within a CBA; **or**
- Must be scheduled from the eligible renewable resource (“ERR”) into a CBA without substituting electricity from another source¹; **or**
- Have an agreement to dynamically transfer electricity to a CBA.

(Public Utilities Code 399.16(b)(3): Unbundled Renewable Energy Credits (“RECs”)

- ERR products, or any fraction of the electricity generated, **including unbundled RECs**, that do not qualify under 399.16(b)(1-2).

Projects from SDG&E’s portfolio made available to eligible Participants are PCIA-eligible RPS resources that are interconnected to the CAISO grid or located in Imperial Valley or outside California and dynamically transferred via pseudo-tie into CAISO.

SDG&E is not selling Resource Adequacy (“RA”) with any of these transactions. The final portfolio sale will be shaped as specified by the seller in the bid form. Offered resources may be:

- 1) Re-powered or existing facilities;
- 2) New facilities;
- 3) New facilities that are scheduled to come online during the years specified in this Market Offer Solicitation; and/or
- 4) Other facilities.

B. Market Offer Solicitation Quantities Offered

a) Bundled Energy and Renewable Attributes

¹ If using another source to provide real-time ancillary services required to maintain an hourly or sub-hourly import schedule into a CBA is permitted, but only the fraction generated by the ERR will count as a bundled energy product.

The quantity available in SDG&E's Market Offer Solicitation is a proportional slice (in one percent (1%) increments), up to one hundred percent (100%), of Bundled Energy Product generated from the pool of Resources remaining after Voluntary Allocations, in Attachment A to the Offer Form (see "Estimated Unallocated Short-term Bundled Quantities Available"). SDG&E is not accepting offers for fixed, firm quantities of Bundled Energy Product in this Market Offer Solicitation.

b) Unbundled RECs

The quantity available in SDG&E's Market Offer Solicitation is a proportional slice (in one percent (1%) increments), up to one hundred percent (100%), of Unbundled RECs generated from the Resource(s) remaining after Voluntary Allocations, in Attachment B to the Offer Form (see "Estimated Unallocated Short-term Unbundled Quantities Available"). SDG&E is not accepting offers for fixed, firm quantities of Unbundled RECs in this Market Offer Solicitation.

C. Transaction Documents

c) Bundled Energy Products

Respondents bidding on bundled energy products must populate SDG&E's Long-form Confirmation to the Western Systems Power Pool ("WSPP") Agreement or Edison Electric Institute ("EEI") Agreement. Any resulting agreement shall be subject to CPUC approval. Additional respondent criteria are described in Section 7 "Products & Eligibility Requirements," below.

d) Unbundled REC Agreements

Respondents bidding on unbundled RECs products must populate SDG&E's Long-form Confirmation to the WSPP or EEI Agreement. Any resulting agreement shall be subject to CPUC approval. Additional eligibility requirements are described in Section 7 "Products & Eligibility Requirements," below.

2.0 MARKET OFFER SOLICITATION WEBSITE AND COMMUNICATIONS

The Market Offer Solicitation and all subsequent revisions and documents are available for download from the Market Offer Solicitation Website [www.sdge.com/2023RPSMarketOfferRFPforShort-TermSales]. Potential Respondents are responsible for monitoring the Market Offer Website for subsequent updates, notices and postings.

Offers for the Market Offer Solicitation must be submitted through the PowerAdvocate® website. Offerors intending to submit an Offer but who do not yet have an existing account with PowerAdvocate® must first register to create a username/password to receive access to the event. See below for instructions to log in/register:

Logging In

You access the PowerAdvocate platform via a web browser.

To log in

1. Open a web browser and go to www.poweradvocate.com.
PowerAdvocate functions in most web browsers; however, using browsers other than Internet Explorer (IE) version 6 or higher may cause certain functionality to work unexpectedly. Should you encounter problems, PowerAdvocate support may be unable to provide assistance until the issue has been replicated in a supported version of Internet Explorer.
2. Click **Login**.
The Login page appears; you may wish to bookmark it for quick access.
3. Enter your account **User Name** and **Password**.
Both are case-sensitive.
If you do not have an account, go to poweradvocate.com and click the **Registration** link at the top of the page. If you have an account but do not remember your user information, click **Forgot User Name** or **Forgot Password** and they will be emailed to you.
4. Click **Login**.

First-time users must register as a Supplier using the instructions above and the referral information below to access the RFO event:

Who referred you to this Event: RECsaleRFP@sdge.com

Name of that individual's company: San Diego Gas & Electric

Name or description of the Event: 138957 2023 Renewable Portfolio Standard Market Offer RFP for Short-Term Sales

Users with an existing account may request access to the event using the link below:

<https://www.poweradvocate.com/pR.do?okey=138957&pubEvent=true>

All questions or other communications regarding this Market Offer Solicitation must be submitted via email to SDG&E’s Market Offer Solicitation inbox RECSaleRFP@sdge.com and **MUST** cc the Independent Evaluator (IE) keith.oliver@merrimackenergy.com. SDG&E will not accept questions or comments in any other form, except at the Bidder’s Conference. Questions submitted after the deadline as specified in the Market Offer Solicitation Schedule will only be answered at the sole discretion of SDG&E or the IE. All questions and their answers will be posted publicly on this website anonymously soon after receipt. We cannot respond directly to or confidentially to any questions.

3.0 MARKET OFFER SOLICITATION SCHEDULE

The following schedule and deadlines apply to this Market Offer Solicitation. SDG&E reserves the right to revise this schedule at any time and in SDG&E’s sole discretion. Respondents are responsible for accessing the Market Offer Solicitation Website for updated schedules and possible amendments to the Market Offer Solicitation or the solicitation process.

NO.	ITEM	APPROX. DATE
1.	Market Offer Solicitation Issued	1/9/2023
2.	Pre-Bid Conference (Webinar)	1/12/2023
3.	DEADLINE TO SUBMIT QUESTIONS Question submittal cut-off date. Answers to all questions will be posted on the website no later than 3 business days following question submittal cutoff date	1/15/2023
4.	CLOSING DATE: Offers must be submitted to PowerAdvocate® website no later than 1PM (Pacific Prevailing Time).	1/20/2023
6.	SDG&E notifies shortlisted Bidder(s).	2/16/2023
8.	SDG&E submits FINAL list of shortlisted Bidders to Commission and PRG.	2/24/2023
9.	SDG&E issues appreciation notices to unsuccessful Bidders.	2/24/2023
10.	SDG&E and qualified participants execute an agreement	March 2023
11.	SDG&E submits Tier 1 with agreements for Commission approval.	March 2023

PRE-BID CONFERENCES

A pre-bid webinar conference on January 12, 2023, at 10:30 AM to 12PM. While encouraged, participation in the pre-bid conference is NOT mandatory to submit an offer. Please monitor the Market Offer Solicitation Website periodically for updates.

Audience link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_MzgwMDIxOGEtYTYzOC00ZGQ3LTgzMDItMjFIMmFkY2NkZTMx%40thread.v2/0?context=%7B%22Tid%22%3A%225b2a8fee-4c95-4bdc-8aae-196f8aacb1b6%22%2C%22Oid%22%3A%22c7af28a2-c0d6-45cb-820a-99d8aa2ca667%22%2C%22IsBroadcastMeeting%22%3Atrue%2C%22role%22%3A%22a%22%7D&btype=a&role=a

4.0 MARKET OFFER SOLICITATION RESPONSE INSTRUCTIONS

Forms are available on the Market Offer Solicitation Website. The failure to provide the listed information may result in the bids being deemed non-conforming and may disqualify the proposal from further consideration.

Required Forms for Bundled Energy Product Offers:

- 1) Participation Summary and Bid Form
- 2) Credit Application
- 3) Market Offer Pro Forma for Bundled RECs – Respondents shall populate in redline the Transaction Agreement

Required Forms for Unbundled REC Offers:

- 1) Participation Summary and REC Bid Form
- 2) Credit Application
- 3) Market Offer Pro Forma for Unbundled RECs – Respondents shall populate in redline the Transaction Agreement

Submissions containing unsolicited materials or submissions of individual Offer documents in file formats other than the formats of the original Offer forms, will be rejected. This Market Offer Solicitation is an electronic only Solicitation; Respondents need not submit paper documents nor e-binders.

All offer materials submitted in accordance with the above Response Instructions shall be subject to the confidentiality provisions of Section 10 “Confidentiality” of this Market Offer Solicitation.

SDG&E will review and may utilize all information, if any, submitted by a Respondent that is not specifically requested as a part of any forms. During all stages of the Market Offer Solicitation process, SDG&E reserves the right to request additional information from individual Respondents or to request any Respondent to submit supplemental materials in fulfillment of the content requirements of this Market Offer Solicitation or to meet additional information needs. SDG&E also reserves the unilateral right to waive any technical or format requirements contained in the Market Offer Solicitation.

ALL BIDS SHOULD BE VALID AND BINDING FOR THE DURATION OF THE MARKET OFFER SOLICITATION.

SDG&E WILL NOT REIMBURSE RESPONDENTS FOR THEIR EXPENSES UNDER ANY CIRCUMSTANCES, REGARDLESS OF WHETHER THE MARKET OFFER SOLICITATION PROCESS PROCEEDS TO A SUCCESSFUL CONCLUSION OR IS ABANDONED BY SDG&E IN ITS SOLE DISCRETION.

5.0 RPS PROGRAM PARAMETERS

CALIFORNIA RPS PROGRAM

California's Renewable Portfolio Standard ("RPS") Program was adopted in 2002 and is codified at Public Utility Code sec 399.11, *et seq.*² In adopting the RPS legislation, the Legislature specifically found and declared that increasing California's reliance on renewable energy resources promotes the purpose of and may accomplish each of the following:

- Increase the diversity, reliability, public health and environmental benefits of the energy mix
- Promote stable electricity prices
- Protect public health and improve environmental quality
- Stimulate sustainable economic development and create new employment opportunities
- Reduce reliance on imported fuels
- Ameliorate air quality problems
- Improve public health by reducing the burning of fossil fuels

Current law requires retail sellers to procure renewable energy in the amount of 60% of retail sales by 2030.³ Unlike the prior annual RPS program, the 60% regime sets increasing targets for multi-year Compliance Periods ("CPs"). The CPUC issued its first decision implementing the RPS Program, D.03-06-071 on June 19, 2003. This decision established certain basic RPS Program parameters. The CPUC has subsequently issued several additional RPS-related decisions in rulemaking proceeding R.04-04-026, and successor proceedings R.06-02-012, R.06-05-027, R.08-

² See, Senate Bill (SB) 1078 (Stats. 2002 Ch. 516), as amended by SB 107, (Stats. 2006, Ch. 464).

³ See, Senate Bill (SB) 100.

08-009, R.11-05-005, R.15-02-020, and R.18-07-003. SDG&E will comply with all CPUC decisions governing RPS procurement. These decisions are publicly available on the CPUC's website at: https://www.cpuc.ca.gov/RPS_Overview/

RPS ELIGIBILITY CRITERIA

Resources being offered in this solicitation are certifiable as an “eligible renewable resource” by the CEC. Eligibility criteria are set forth by the CEC in its Renewable Portfolio Standard Eligibility Guidebook, which can be downloaded from the CEC's website at <http://www.energy.ca.gov/renewables/documents/index.html>. Respondents are encouraged to review all RPS-related, CEC issued directives available on the same Internet website and are responsible for understanding and abiding by all RPS provisions. All requirements set forth within the CEC's guidebooks and all RPS-related documents shall be incorporated herein by reference.

PROCUREMENT REVIEW GROUP

The Procurement Review Group (“PRG”), a CPUC-endorsed entity, is composed of non-market participants such as ratepayers’ advocacy groups, state energy commissions, power authorities, utility-related labor unions and other non-commercial, energy-related special interest groups. CPUC Decision D.03-06-071 established the role of the PRG. The PRG is charged with overseeing the IOU’s procurement process, reviewing procedural fairness, examining overall procurement prudence and providing feedback during all stages. From Market Offer Solicitation language development to offer evaluation to contract negotiation, IOUs brief the PRG on a periodic basis during the entire process.

Respondents are hereby notified that revealing confidential offer information to the PRG is required during PRG briefings in accordance with Section 10 (“Confidentiality”). Each Respondent must clearly identify, as part of its offer, what type of information it considers to be confidential.

INDEPENDENT EVALUATOR

The CPUC requires each IOU to use an Independent Evaluator to separately evaluate and report on the IOU’s entire solicitation, evaluation, and selection process for this solicitation. This will serve as an independent review of SDG&E’s implementation of the Market Offer Solicitation process and final selections. The Independent Evaluator shall make periodic presentations regarding its findings to the IOU, and the IOU’s PRG including the CPUC Energy Division staff. The intent is to preserve the independence of the Independent Evaluator by ensuring free and unfettered communication between the Independent Evaluator and the CPUC as well as an open, fair, and transparent process that the Independent Evaluator can affirm.

SDG&E is committed to ensuring an open and transparent solicitation, and to providing a fair, reasonable and competitive process.

6.0 SDG&E BACKGROUND

[SDG&E](#) is a regulated public utility that provides clean, safe and reliable energy service to 3.6 million consumers through 1.4 million electric meters and 873,000 natural gas meters in San Diego and southern Orange counties. The utility's area spans 4,100 square miles. SDG&E is committed to creating ways to help customers save energy and money every day. SDG&E is a subsidiary of [Sempra Energy](#) (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego. Connect with SDG&E's Customer Contact Center at 800-411-7343, on [Twitter](#) (@SDGE) and [Facebook](#).



For a map California IOU service territories please visit:

http://www.energy.ca.gov/maps/serviceareas/electric_service_areas.html

A. Compliance Periods.

In this Market Offer Solicitation, SDG&E intends to offer bundled and unbundled RECs for the periods defined in Table 2 of this document. Such products are defined below.

I. Bundled Energy Products

- a. Term: balance of 2023 through 2024 calendar year deliveries
- b. Pricing: Index Price plus Green Attributes Price expressed in \$/MWh
- c. Volume: proportional slice (in one percent increments) of generation in the product-type from the PCIA-eligible RPS pool of Resources remaining after Voluntary Allocations (To be bid in by Respondent)

II. Unbundled REC Products

- a. Term: balance of 2023 through 2024 calendar year deliveries
- b. Pricing: Bid REC price expressed in \$/MWh
- c. Volume: proportional slice (in one percent increments) of generation in the product-type from the PCIA-eligible RPS pool of Resources remaining after Voluntary Allocations (To be bid in by Respondent)

Eligibility Requirements

- 1. WREGIS Account; and
- 2. Credit Capability (See Section 11.0 “Credit Terms and Conditions”).

8.0 EVALUATION CRITERIA AND SHORTLISTING

All incoming Bids will be assessed for conformance to the Market Offer Solicitation requirements. Respondents shall conform to the minimum eligibility criteria in order to be considered, please see Market Offer Solicitation Response Instructions.

SDG&E will utilize all the information provided in the required forms and narratives to evaluate all Bids. Respondents are responsible for the accuracy of all information provided in response to this Market Offer Solicitation.

SDG&E will periodically brief the members of the PRG during the various stages of evaluation. Upon completion of SDG&E's evaluation process, SDG&E will brief the PRG members regarding SDG&E's recommendations for its shortlist. Based upon the comments and recommendations received from the PRG, SDG&E may modify the preliminary list of shortlisted bids.

QUANTITATIVE EVALUATION

SDG&E evaluates and ranks bids based on the pricing, volume and term information provided by the Bidders. SDG&E's analysis evaluates both quantitative and qualitative aspects of each bid to estimate its value to SDG&E's customers and its relative value in comparison to other Offers. A bid that minimizes overall cost to SDG&E's customers and satisfies all volumetric and timing constraints will be selected. The Offer will be shortlisted if it fulfills the quantitative and qualitative criteria and SDG&E decides to move forward to close a transaction.

QUALITATIVE EVALUATION

Qualitative factors and benefits may be used to determine advancement onto the shortlist or evaluate tie-breakers, if any. In addition, SDG&E analyzes the qualitative aspects of each conforming offer to establish how well the offer satisfies priorities set out by the CPUC, including supplier diversity. SDG&E strongly encourages Diverse Business Enterprises ("DBEs"), Women-Owned, Minority-Owned, Disabled Veteran-Owned, Lesbian-Owned, Gay-Owned, Bisexual-Owned and/or Transgender-Owned Business Enterprises ("WMDVLGBTBEs") as defined in G.O. 156, to participate in this RFO. Furthermore, SDG&E strongly encourages developers to utilize DBEs during various stages of project development and construction. As a part of G.O. 156, SDG&E will require developers to identify, verify and report their DBE contractors/subcontractor spending if any. Additional information on SDG&E's DBE program can be found at: <https://www.sdge.com/moreinformation/doing-business-with-us/supplierdiversity> and <http://www.cpuc.ca.gov/puc/supplierdiversity>

ADHERENCE TO TERMS AND CONDITIONS

Respondents may not make material modification(s) to the supplied Transaction Documents. SDG&E will review modifications of any terms and conditions proposed in the Offer and consider the materiality of these changes. Material changes will result in disqualification.

BID CONFORMANCE EVALUATION

In addition to the elements described above, SDG&E may also reject a Bid if:

1. SDG&E uncovers evidence of market manipulation in the bid preparation and Offer process;
2. The Respondent does not provide adequate evidence it meets minimum participation criteria;
3. If there is a question as to whether the bids meet minimum eligibility criteria;
4. If the Respondent cannot fulfill the terms and conditions of the supplied Transaction Documents;
5. If the Respondent is unable to comply with Market Offer Solicitation timing and other solicitation requirements; and/or
6. Respondent in SDG&E's sole judgment may not be able to provide or maintain the level of security of the transaction.

9.0 REJECTION OF OFFERS

WHILE SDG&E IS MINDFUL OF THE BENEFITS OF THIS MARKET OFFER SOLICITATION, IT MAKES NO GUARANTEE THAT A CONTRACT AWARD SHALL RESULT FROM THIS MARKET OFFER SOLICITATION EVEN AFTER A BID HAS BEEN SHORTLISTED. IN ADDITION, SDG&E NOTES THAT SHORTLISTING A BID DOES NOT CONSTITUTE SDG&E ACCEPTANCE OF ALL REDLINED CHANGES TO THE REQUIRED TRANSACTION AGREEMENT. SDG&E RESERVES THE RIGHT AT ANY TIME, AT ITS SOLE DISCRETION, TO ABANDON THIS MARKET OFFER SOLICITATION PROCESS, TO CHANGE THE BASIS FOR EVALUATION OF BIDS, TO TERMINATE FURTHER PARTICIPATION IN THIS PROCESS BY ANY PARTY, TO ACCEPT ANY BID OR TO ENTER INTO ANY DEFINITIVE AGREEMENT, TO EVALUATE THE QUALIFICATIONS OF ANY RESPONDENT OR THE TERMS AND CONDITIONS OF ANY BID, OR TO REJECT ANY OR ALL BIDS, ALL WITHOUT NOTICE AND WITHOUT ASSIGNING ANY REASONS AND WITHOUT LIABILITY OF SEMPRA ENERGY, SDG&E, OR ANY OF THEIR SUBSIDIARIES, AFFILIATES, OR REPRESENTATIVES TO ANY RESPONDENT. SDG&E SHALL HAVE NO OBLIGATION TO CONSIDER ANY BID.

10.0 CONFIDENTIALITY

EXCEPT AS STATED BELOW OR WITH THE PRIOR WRITTEN CONSENT OF SDG&E, RESPONDENTS MAY NOT DISCLOSE (OTHER THAN BY ATTENDANCE ALONE AT ANY MEETING TO WHICH MORE THAN ONE RESPONDENT IS INVITED BY SDG&E) TO ANY OTHER RESPONDENT OR POTENTIAL RESPONDENT THEIR PARTICIPATION IN THIS MARKET OFFER SOLICITATION, AND RESPONDENTS MAY NOT DISCLOSE, COLLABORATE ON, OR DISCUSS WITH ANY OTHER RESPONDENT, OFFER STRATEGIES OR THE SUBSTANCE OF OFFERS, INCLUDING WITHOUT LIMITATION THE PRICE OR ANY OTHER TERMS OR CONDITIONS OF ANY INDICATIVE OR FINAL OFFER. RESPONDENT MAY DISCLOSE THEIR PARTICIPATION IN THIS MARKET OFFER SOLICITATION, THEIR OFFER INFORMATION, AND THE NEGOTIATION PROCESS, TO THE CPUC, ITS STAFF, THE PRG AND THE IE UNDER APPROPRIATE CONFIDENTIALITY PROTECTIONS.

SDG&E WILL USE THE HIGHER OF THE SAME STANDARD OF CARE IT USES WITH RESPECT TO ITS OWN PROPRIETARY OR CONFIDENTIAL INFORMATION OR A REASONABLE STANDARD OF CARE TO PREVENT DISCLOSURE OR UNAUTHORIZED USE OF RESPONDENT'S CONFIDENTIAL AND PROPRIETARY INFORMATION THAT IS LABELED AS "PROPRIETARY AND CONFIDENTIAL" ON THE OFFER PAGE ON WHICH THE PROPRIETARY INFORMATION APPEARS ("CONFIDENTIAL INFORMATION"). RESPONDENT SHALL SUMMARIZE ELEMENTS OF THE OFFER(S) IT DEEMS CONFIDENTIAL. THE SUMMARY MUST CLEARLY IDENTIFY WHETHER PRICE, PROJECT NAME, LOCATION, SIZE, TERM OF DELIVERY AND TECHNOLOGY TYPE (EITHER COLLECTIVELY OR INDIVIDUALLY) ARE TO BE CONSIDERED CONFIDENTIAL INFORMATION. CONFIDENTIAL INFORMATION MAY BE MADE AVAILABLE ON A "NEED TO KNOW" BASIS TO SDG&E'S DIRECTORS,

OFFICERS, EMPLOYEES, CONTRACTORS, CONSULTANTS, THE INDEPENDENT EVALUATOR, AGENTS AND ADVISORS (“REPRESENTATIVES”) FOR THE PURPOSE OF EVALUATING RESPONDENT’S OFFER, BUT SUCH REPRESENTATIVES SHALL BE REQUIRED TO OBSERVE THE SAME CARE WITH RESPECT TO DISCLOSURE AS SDG&E.

NOTWITHSTANDING THE FOREGOING, SDG&E MAY DISCLOSE ANY OF THE CONFIDENTIAL INFORMATION TO COMPLY WITH ANY LAW, RULE, OR REGULATION OR ANY ORDER, DECREE, SUBPOENA OR RULING OR OTHER SIMILAR PROCESS OF ANY COURT, SECURITIES EXCHANGE, CONTROL AREA OPERATOR, GOVERNMENTAL AGENCY OR GOVERNMENTAL OR REGULATORY AUTHORITY AT ANY TIME EVEN IN THE ABSENCE OF A PROTECTIVE ORDER, CONFIDENTIALITY AGREEMENT OR NON-DISCLOSURE AGREEMENT, AS THE CASE MAY BE, WITHOUT NOTIFICATION TO THE RESPONDENT AND WITHOUT LIABILITY OR ANY RESPONSIBILITY OF SDG&E TO THE RESPONDENT.

IT IS EXPRESSLY CONTEMPLATED THAT MATERIALS SUBMITTED BY A RESPONDENT IN CONNECTION WITH THIS MARKET OFFER SOLICITATION WILL BE PROVIDED TO THE CPUC, ITS STAFF, THE CEC, ITS STAFF, AND THE PRG. SDG&E WILL SEEK CONFIDENTIAL TREATMENT PURSUANT TO CPUC DECISION NUMBER 06-06-066 AND ITS SUCCESSIVE DECISIONS, PUBLIC UTILITIES CODE SECTION 583 AND GENERAL ORDER 66-D OF THE CPUC, WITH RESPECT TO ANY RESPONDENT CONFIDENTIAL INFORMATION SUBMITTED BY SDG&E TO THE CPUC FOR THE PURPOSES OF OBTAINING REGULATORY APPROVAL. SDG&E WILL ALSO SEEK CONFIDENTIALITY PROTECTION FROM THE CEC FOR RESPONDENT’S CONFIDENTIAL INFORMATION AND WILL SEEK CONFIDENTIALITY AND/OR NON-DISCLOSURE AGREEMENTS WITH THE PRG. SDG&E CANNOT, HOWEVER, ENSURE THAT THE CPUC OR CEC WILL AFFORD CONFIDENTIAL TREATMENT TO A RESPONDENT’S CONFIDENTIAL INFORMATION OR THAT CONFIDENTIALITY AGREEMENTS OR ORDERS WILL BE OBTAINED FROM AND/OR HONORED BY THE PRG, CEC, OR CPUC.

SDG&E, ITS REPRESENTATIVES, SEMPRA ENERGY, AND ANY OF THEIR SUBSIDIARIES DISCLAIM ANY AND ALL LIABILITY TO A RESPONDENT FOR DAMAGES OF ANY KIND RESULTING FROM DISCLOSURE OF ANY OF RESPONDENT’S INFORMATION.

11.0 CREDIT TERMS AND CONDITIONS

SDG&E has the unilateral right to evaluate and determine the credit-worthiness of the Respondent relative to this Market Offer Solicitation. The Respondent is required to complete, execute and submit the Market Offer Solicitation credit application as part of its offer. The application requests financial and other relevant information needed to demonstrate creditworthiness. Respondents may download the application from the Market Offer Solicitation Website.

All credit support arrangements (e.g., parent guaranty letter of credit, or cash) must be negotiated prior to an offer being accepted as a winning offer. The form of the security (e.g. parent guaranty, letter of credit, or cash) will be at SDG&E's sole discretion and will depend on various factors including Respondent's credit-worthiness, product type, the volume and the term of the agreement. A guaranty template and a letter of credit template may be downloaded from the Market Offer Solicitation Website as separate attachment to the Transaction Document.

12.0 CPUC APPROVAL

SDG&E may, in its sole discretion, submit all signed agreements to the CPUC for approval. CPUC approval that is final and non-appealable will be required as a condition precedent to the effective date of any contract resulting from this Market Offer Solicitation. Deliveries under any contract will not start prior to CPUC approval.