



CPUC Independent Evaluator Report Template (Long Form)

This template should be used whenever an Independent Evaluator submits a report on the outcome of an IOU RFO bid process for review by the California Public Utilities Commission. This long form template should be used for transactions that require submission of an application for CPUC approval.

TOPIC

A. Role of the Independent Evaluator (IE)

1. Describe key IE roles – IEs provide an independent evaluation of the IOU's bid evaluation and selection process and help inform the CPUC and the Procurement Review Group (PRG) about the process by addressing the following questions:
 - a. Did the IOU conduct adequate outreach to potential bidders, and did its outreach activities result in an adequately robust solicitation to promote competition?
 - b. Were the IOU's bid evaluation methodology and selection process designed fairly?
 - c. Were the IOU's bid evaluation and selection process, and the negotiation of specific contracts, administered fairly?
 - d. Did the IOU make reasonable and consistent choices regarding which bids were rejected, which were shortlisted and which were brought to the CPUC for approval?
2. Describe IE oversight activities (i.e., attended negotiation meetings, reviewed Request for Proposals materials, attended pre-bid conference, evaluated proposals and/or reviewed evaluation process and results, etc.) and reporting/consultation with CPUC, PRG and others.
3. Any other relevant information not asked above but that may serve to make future RFOs more transparent to parties.

B. How did the IOU conduct outreach to bidders, and was the solicitation robust?

1. Describe the IOU outreach to potential bidders (e.g., sufficient publicity, emails to expected interested firms)
2. Identify principles used to determine adequate robustness of solicitation (e.g., number of proposals submitted, number of MWhs associated with submitted proposals).

3. Did the IOU do adequate outreach? If not, explain in what ways it was deficient.
4. Was solicitation adequately robust?
5. Did the IOUs seek feedback about the bidding/bid evaluation process from bidders after the solicitation was complete?
6. Was the outreach sufficient and materials clear such that the bids received meet the needs the solicitation was intending to fill?
7. Any other information relevant to outreach to bidders and robust solicitation not asked above but important to the IOU's process.

C. Was the IOU's methodology for bid evaluation and selection designed fairly?

1. Identify the principles you used to evaluate the IOU's bid evaluation methodology, including the following (at a minimum):
 - a. Is the IOU bid evaluation based on those criteria specified in the bid documents? In cases where bid evaluation goes beyond the criteria specified in the bid documents, the IE should note the criteria and comment on the evaluation process. Do the IOU bid documents clearly define the type and characteristics of products desired and what information the bidder should provide to ensure that the utility can conduct its evaluation?
 - b. Does the methodology identify how qualitative and quantitative measures were considered and were consistent with an overall metric?
 - c. Are there differences in the evaluation method for different technologies that cannot be explained in a technology-neutral manner (e.g. evaluation metric should be ability to ramp 10 MW/minute rather than, must be a hydro storage facility)?
 - d. Was the bid evaluation methodology consistent with CPUC direction?
2. Describe IOU Least Cost Best Fit (LCBF) methodology (or alternatively include IOU's own description).
3. Did the IOU bid evaluation criteria change after the bids were received? Explain the rationale for the changes.
4. Using the principles in #1, evaluate the strengths and weaknesses of the IOU's LCBF methodology:
 - a. How did the IOU methodology compare to other methodologies used in other solicitations, to the extent that the IE can make such comparisons?
 - b. Did the methodology have a bias against any technology, operating characteristic, location, etc.?
 - c. Discuss the role of "portfolio fit" in LCBF in this solicitation's methodology.
 - d. Discuss any issues of transmission-related cost (or benefit) impacts and estimates. What procedures did the utility have in place for acquiring all appropriate transmission information, subject to constraints imposed by FERC's Standards of Conduct?

- e. How were the evaluation criteria weighted, and was the weighting appropriate?
 - f. What future LCBF improvements would you recommend?
5. Describe how the IOU sought brownfield/repowering development opportunities.
 6. Did the IOU consider contract viability?
 7. Any other information relevant to bid evaluation and selection not requested above but important in evaluation of the IOU's methodology.

D. Was the LCBF evaluation process fairly administered?

1. Identify the principles you used to assess the fairness of the LCBF evaluation process, including the following (at a minimum):
 - a. What qualitative and quantitative factors were used to evaluate bids?
 - b. If applicable, were affiliate bids treated the same as non-affiliate bids?
 - c. Were bidder questions answered fairly and consistently and the answers made available to all?
 - d. Did the utility ask for "clarifications" from bidders, and what was the effect, if any, of these clarifications?
 - e. Were economic evaluations consistent across bids?
 - f. Was there a reasonable justification for any fixed parameters that enter into the methodology (e.g., RMR values; GHG metrics, etc.)?
2. Describe the IE methodology used to evaluate administration of IOU LCBF process.
3. How did the IOU identify non-conforming bids? Did the utility identify the terms that deviate from the utility RFO for each bid, and was a quantitative and qualitative assessment of the cost or value of those deviations performed? Were non-conforming bids treated fairly and consistently? Was there a pre-established, consistently applied criteria to determine what issues of conformance would result in rejection and which were subject to negotiation?
4. For those parts of the process conducted by the utility, how were the parameters and inputs used and were they reasonable? What quality controls were in place?
5. For those parts of the process outsourced to either the IE or a third party, what information/data did the utility communicate to that party and what controls did the utility exercise over the quality or specifics of the outsourced analysis?
6. Did the utility follow its transmission analysis procedures and include in its evaluation and selection process all appropriate transmission information that it could reasonably develop or acquire, subject to the constraints imposed by FERC's Standards of Conduct?
7. Beyond any quantitative analysis, describe all additional criteria or analysis used in creating its short list. (e.g. Did the IOU take into consideration supplier concentration risk?)
8. Results analysis

- a. Describe the IE, PRG, Energy Division and IOU discussion regarding the LCBF evaluation process. Please note any areas of disagreement between the IE and the IOU, if applicable.
 - i. Discuss any problems and solutions.
 - ii. Identify specific bids if appropriate.
 - iii. Did the IOU make reasonable and justifiable decisions to exclude, shortlist and or/ execute contracts with projects? If the IE conducted a separate bid ranking and selection process and it differed from the IOU's outcome, explain process and any differences in results.
 - iv. What actions were taken by the IOU to rectify any deficiencies associated with rejected bids?
- b. Was the overall evaluation fairly administered?
- c. Based on the IE's prior experience, how does this solicitation compare to other solicitations (to the extent the IE can describe these solicitations subject to confidentiality agreements)?
 - i. If applicable, how did this solicitation compare to others by the same IOU?
 - ii. How did the process and the results compare to that of other IOUs in different jurisdictions?
9. Any other information relevant to the fair administration of the LCBF evaluation not asked above but important to the IOU's methodology.

E. Discussion of project-specific negotiations

1. Identify the principles the IE used to evaluate negotiations.
2. Using the above principles, evaluate the project-specific negotiations. Highlight any issues of interest/concern including unique terms and conditions.
3. Was similar information/options made available to other bidders when appropriate, (i.e., if a bidder was told to reduce its price, was the same information made available to others?)
4. Describe and explain any differences of opinion between the IE and utility. If resolved, describe the reasonableness of the outcome.
5. Any other information relevant to negotiations not asked above but important to understanding the IOU's process.

F. Code of Conduct

1. Describe the design and implementation of the required Code of Conduct used by the IOU to prevent sharing of sensitive information between staff working with developers who submitted UOG bids and staff who create the bid evaluation criteria and select winning bids.
2. Describe any violation(s) of that code.
3. Alternatively, provide an explanation of why this requirement is not applicable to

this RFO.

G. Affiliate Bids and UOG Ownership Proposals (if applicable)

1. Describe other safeguards and methodologies implemented by the IOU, including those stipulated in Commission decisions (e.g. D.04-12-048 and D.07-12-052) for head-to-head competition between utility ownership and independent ownership bids, to ensure that affiliate and UOG bids were analyzed and considered on as comparable a basis as possible to other bids, that any negotiations with such bids' proponents were conducted as comparably as possible to negotiations with other proponents, and that the utility's final selections in such cases did not favor an affiliate or UOG bid.
2. Describe compliance with the safeguards.
3. If a utility selected a bid from an affiliate or a bid that would result in utility asset ownerships, explain and analyze whether the IOU's selection of such bid(s) was appropriate.

H. Does (do) the contract(s) merit CPUC approval? Is the contract reasonably priced and does it reflect a functioning market?

1. Provide discussion and observation for each category and describe the project's ranking relative to other bids from the solicitation; and from an overall market perspective.
 - a) Contract Price, including cost adders (transmission, credit, etc.)
 - b) Portfolio Fit
 - c) Project Viability
 - i. Technology
 - ii. Bidder Experience (financing, construction, operation)
 - iii. Credit and collateral
 - iv. Permitting, site control and other site-related matters
 - v. Fuel status
 - vi. Transmission upgrades
 - d) Any other relevant factors
2. Based on the complete bid process:
 - a) Does (Do) the IOU contract(s) reflect a functioning market?
 - b) Is (Are) the IOU contract(s) the best overall offer(s) received by the IOU?
3. Is the contract a reasonable method of achieving the need identified in the RFO?
4. If the contract does not directly reflect a product solicited and bid in an RFO, is the contract superior to the bids received on the products solicited in the RFO? Explain.
5. Based on your analysis of the RFO bids and the bid process, does the contract

merit Commission approval? Explain.

I. Was the RFO acceptable?

1. Overall, was the RFO conducted in a fair and competitive process, free of real or perceived conflicts of interest?
2. Based on the complete bid process, should some component(s) be changed to ensure future RFOs are fairer or provide a more efficient, lower cost option?
3. Any other relevant information.