

Request For Offer (RFO) - 4 Conduit HEPs

	Questions Received by MWD from Potential Bidders as of 3:00 pm on April 5, 2019	MWD Responses to Bidder Questions																									
1	Will MWDSC consider an offer on just one HEP or on a partial share of total generation?	MWD's intent is to negotiate a Power Purchase Agreement (PPA) with one party for the electrical output of all four Hydro Electric Plants (HEP).																									
2	Can MWDSC provide the last 5 years of hourly or 15-minute metered generation?	<p>Attachments A, B, C and D contain hourly generation for each HEP from CAISO meter data for the period January 1, 2014 through December 31, 2018. These four Excel Attachments are available for downloading from MWD's website where the Request for Offer (RFO) is posted. The web address is http://www.mwdh2o.com/Doing-Business/Pages/default.aspx.</p> <p>When reviewing the hourly data the bidder is reminded that power production from the HEPs is dependent on water flow configurations in MWD's water distribution pipelines based on water operational needs. Hence, HEP power production in the future may differ from past years.</p>																									
3	Can MWDSC provide the maintenance and upgrade records for the plants, including scheduled work for the next 2 years?	<p>MWD performs HEP maintenance on a two-year and six-year cycle. The two-year cycle includes minor maintenance items and the six-year cycle includes major maintenance items.</p> <p>Yorba Linda went through its last major maintenance cycle during the period of June 11 through June 28, 2018, and is scheduled for minor maintenance during 2020.</p> <p>Lake Mathews, San Dimas and Foothill went through their last minor maintenance cycles during the periods of September 14-21, 2017, August 28-September 1, 2017 and March 5-15, 2018, respectively. Lake Mathews and San Dimas are also scheduled for major maintenance in 2019.</p> <p>MWD's scheduled maintenance for calendar years 2017 through 2020 is shown below. Please note 2020 dates are tentative and subject to change.</p> <table border="1" data-bbox="808 1640 1495 1885"> <thead> <tr> <th>HEP</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Lake Mathews</td> <td>September 14 to 21</td> <td>-</td> <td>September 16 to 26</td> <td>-</td> </tr> <tr> <td>Foothill</td> <td>-</td> <td>March 5 to 15</td> <td>-</td> <td>March 2 to 12 & March 16 to 26</td> </tr> <tr> <td>San Dimas</td> <td>August 28 to September 1</td> <td>-</td> <td>August 19 to 29</td> <td>-</td> </tr> <tr> <td>Yorba Linda</td> <td>-</td> <td>June 11 to 28</td> <td>-</td> <td>June 15 to 18</td> </tr> </tbody> </table>	HEP	2017	2018	2019	2020	Lake Mathews	September 14 to 21	-	September 16 to 26	-	Foothill	-	March 5 to 15	-	March 2 to 12 & March 16 to 26	San Dimas	August 28 to September 1	-	August 19 to 29	-	Yorba Linda	-	June 11 to 28	-	June 15 to 18
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4	Is MWDSC willing to renew a 10-year contract?	The RFO offers a three-, five- or ten-year preferred purchase term. MWD will consider alternative purchase proposals when coupled with a required preferred bid purchase term of three-, five- or ten-years.
5	Why is MWDSC seeking a PPA for these four particular plants?	The current Power Purchase Agreement for the four HEPs expires on September 30, 2019. MWD is seeking a new buyer for the electrical output of all four HEPs commencing October 1, 2019.
6	Section 4.4 of the PPA indicates a communication of a day-ahead schedule based on agreed protocol. Please confirm that the buyer and seller representatives can coordinate on preferred market schedules (DA, FMM, or RTM)	Day-ahead schedules are based on expected water flows through each of the HEPs. Therefore, day-ahead schedules communicated by MWD to the buyer are not able to be modified in subsequent markets. Any deviations between the CAISO markets are settled through the CAISO.
7	Definition for Bankrupt includes: (c) “makes an assignment or any general arrangement for the benefit of creditors”. Does this part of the definition include agreements made for the sale of bonds?	Item (c) pertains to the assignment of organizational assets in order to satisfy a debt. It does not pertain to debt incurred in the ordinary course of business.
8	Article 3: Section 3.1 refers to the sale of Product. Section 3.2 refers to the sale of Renewable Attributes. The definition of Product includes Renewable Attributes. As written, Article 3 seems to contemplate a separate charge for Renewable Attributes and treats them as not being part of the Product. Please clarify your intentions.	MWD’s intent is that PPA Section 3.1 is the guiding provision where the Product means (i) Energy generated by the Facilities, (ii) Renewable Attributes and (iii) Capacity Attributes.
9	Section 3.4: the last sentence refers to “Facilities Project.” Should this be “Facilities Products?” If not, please define “Facilities Project.”	The use of the term “Facilities Project” in PPA Section 3.4 will be revised to “Facilities Products”.
10	Section 5.5(b): Please verify that you really intended this to be Buyers responsibility and not Sellers. Since Seller would be the	CAISO Costs and Revenues in PPA Section 5.5 (b) are applicable to the Buyer.

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	Scheduling Coordinator, it seems logical that all of Section 5.5 should apply to the Seller and not the Buyer.	
11	Section 5.8: CAISO is contemplating potentially significant changes to Resource Adequacy, including moving away from NQC as the critical measure. This provision locks the deal to NQC. If this provision could account for the very real possibility that there may be a successor to NQC that would be helpful.	A NQC successor to PPA Section 5.8 is a clarification that MWD expects to address in the PPA.
12	General note: The definition of Authorized Representative includes the concept that is a "Person" and the definition of "Person" excludes the Parties themselves. Did you really mean to indicate that each Party shall obtain the services of a third-party to act as their respective Authorized Representative for all purposes where an Authorized Representative is needed?	Each Party to the PPA is expected to appoint an Authorized Representative from its organization. The language "with the exception of a Party" will be removed from the definition of "Person."
13	Section 7.7(a): Did you intend to make the acquisition of Future Renewable Attributes mandatory? If not, perhaps add "Should Buyer choose to pursue these Future Renewable Attributes, Buyer shall bear all costs" This would make the concept clearer and resolves a potential conflict of interpretation between 7.7(a) and 7.7(b).	The acquisition of Future Renewable Attributes in PPA Section 7.7(a) are voluntary. The suggested revision is unnecessary.
14	Section 9.1(a): please clarify whether the concept of a "business entity" is meant to include a governmental entity. If not, please provide alternate language that mirror that of Seller's description in Section 9.2(a).	The use of "business entity" in PPA Section 9.1(a) should also be read to include a governmental entity.
15	Section 11.3(d): indicates that the calculation issue shall be subject to non-binding dispute resolution as provided in Section 14.1(a). However, Section 14.1(a)	PPA Section 11.3 pertains to Termination Payments stemming from a Default by either Party. While the Article 14 dispute resolution process would not apply to the Default itself, it would apply to any dispute between the

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	<p>indicates that it does not apply to any dispute relating to Default under Article 11. Since Section 11.3 uses the terms “Defaulting” and “Non-Defaulting,” please clarify the reference or explain what dispute resolution process applies to Article 11 calculation issues and whether or not those issues are Defaults.</p>	<p>Defaulting Party and Non-Faulting Party regarding the calculation of the Termination Payment. Section 14.1(a) will be revised to clarify that the section excludes any dispute relating to “the occurrence of a Default.”</p>																																										
<p>16</p>	<p>Exhibit A: the last two columns for Yorba Linda states that “Buyer to receive any available capacity” and “Buyer to receive any available renewable attributes.” Please clarify what “...any available...” means here.</p> <div data-bbox="264 871 651 1121" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center; font-size: small;">EXHIBIT A DESCRIPTION OF THE FACILITIES</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="font-size: x-small;">Plant</th> <th style="font-size: x-small;">Nameplate Capacity (MW)</th> <th style="font-size: x-small;">Average Annual Historical Facility Energy (MWh)*</th> <th style="font-size: x-small;">Location</th> <th style="font-size: x-small;">Energy Available for Buyer</th> <th style="font-size: x-small;">Capacity Available for Buyer</th> <th style="font-size: x-small;">Renewable Attributes Available for Buyer</th> </tr> </thead> <tbody> <tr> <td style="font-size: x-small;">Foothill Feeder</td> <td style="font-size: x-small;">9.04</td> <td style="font-size: x-small;">415,018</td> <td style="font-size: x-small;">Castroville, CA</td> <td style="font-size: x-small;">100%</td> <td style="font-size: x-small;">100%</td> <td style="font-size: x-small;">100%</td> </tr> <tr> <td style="font-size: x-small;">San Dimas</td> <td style="font-size: x-small;">9.92</td> <td style="font-size: x-small;">391,299</td> <td style="font-size: x-small;">San Dimas, CA</td> <td style="font-size: x-small;">100%</td> <td style="font-size: x-small;">100%</td> <td style="font-size: x-small;">100%</td> </tr> <tr> <td style="font-size: x-small;">Lake Mathews</td> <td style="font-size: x-small;">4.9</td> <td style="font-size: x-small;">240,942</td> <td style="font-size: x-small;">Riverside, CA</td> <td style="font-size: x-small;">100%</td> <td style="font-size: x-small;">100%</td> <td style="font-size: x-small;">100%</td> </tr> <tr> <td style="font-size: x-small;">Yorba Linda</td> <td style="font-size: x-small;">5.1</td> <td style="font-size: x-small;">88,814</td> <td style="font-size: x-small;">Yorba Linda, CA</td> <td style="font-size: x-small;">None to receive any energy. Minimum value will be zero.</td> <td style="font-size: x-small;">Buyer to receive any available capacity.</td> <td style="font-size: x-small;">Buyer to receive any available renewable attributes.</td> </tr> <tr> <td style="font-size: x-small; text-align: center;">29.9</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="font-size: x-small; margin-top: 5px;">*Average Historical Facility Energy is an average of Years 2009-2018 Energy, for reference only. Future Energy will depend on future operations conditions.</p> </div>	Plant	Nameplate Capacity (MW)	Average Annual Historical Facility Energy (MWh)*	Location	Energy Available for Buyer	Capacity Available for Buyer	Renewable Attributes Available for Buyer	Foothill Feeder	9.04	415,018	Castroville, CA	100%	100%	100%	San Dimas	9.92	391,299	San Dimas, CA	100%	100%	100%	Lake Mathews	4.9	240,942	Riverside, CA	100%	100%	100%	Yorba Linda	5.1	88,814	Yorba Linda, CA	None to receive any energy. Minimum value will be zero.	Buyer to receive any available capacity.	Buyer to receive any available renewable attributes.	29.9							<p>The last page of RFO Exhibit 3 describes how the Yorba Linda HEP’s energy, capacity and renewable attributes are being offered.</p>
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<p>17</p>	<p>Could we have access to the hourly generation for the last 3-5 years? It’s hard to quantify an energy value if you don’t know typically what time of day the power is generated. Any historical data would be beneficial.</p>	<p>Please refer to MWD Responses #2 above.</p>																																										
<p>18</p>	<p>In order to evaluate the offer correctly we need to have hourly generation data of each plant for the past 3 years. Is it possible to provide the hourly data?</p>	<p>Please refer to MWD Responses #2 above.</p>																																										
<p>19</p>	<p>The NQC data provided in exhibit C of the PPA shows values of 0 for Q4. This is unusual. Can you please confirm or explain?</p>	<p>The NQC data is published by the CAISO on an annual basis which is based on historical averages. During Q4 for those historical average years there was no generation.</p>																																										
<p>20</p>	<p>I wondered if you had an 8760/hourly</p>	<p>Please refer to MWD Responses #2 above.</p>																																										

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	profile available for the plants, so that we can better evaluate how they would fit with our existing portfolio.	
21	Does MWD plan on posting the excel versions of the 8760 profiles for the proposed hydro plants? If so do you have a date certain?	Please refer to MWD Responses #2 above.