

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
REQUEST FOR PROPOSALS FOR CARBON FREE ENERGY GENERATION AND/OR
STORAGE LEASES AND LICENSES OF METROPOLITAN WATER DISTRICT
PROPERTY**



QUESTIONS AND ANSWERS

November 8, 2023

Question #1: Can MWD provide AES with access to data rooms or other secure repositories that contain information and/or surveys that could facilitate further evaluation of this property?

Answer: All information will be (or has been) published on Metropolitan's shared site.

Question #2: Has MWD completed any surveys on the Palo Verde Mesa site (ALTA, environmental, Geotech, hydro etc.)?

Answer: Any survey information is published on the shared site.

Question #3: Can you define the classification of the drainages/washes onsite?

Answer: Metropolitan does not have any information on drainages/washes onsite.

Question #4: Do you have information regarding the easements of the transmission lines that run through the site?

Answer: We don't have a copy of the easement for the transmission lines, but these are public records and can be found at the county recorder's office.

Question #5: Do you have any information on a developer's ability to cross the transmission lines and easements and what requirements would be associated with crossing the lines/easements?

Answer: Refer to the easement document for any requirements/restrictions and contact the easement owner.

Question #6: Please clarify the groundwater rights associated with this property.

Answer: No groundwater is to be used for the project.

Question #7: Please note any historical severances of overlying water rights associated with this property.

Answer: Please refer to the previous answer for Q6 and to the subsequent answer to Q8.

Question #8: Please describe MWD's ability to provide AES' potential project with water up to 2,000 acre-feet/year over a 30-year project life (in the case AES identifies this site as a strong candidate for a green hydrogen production project).

Answer: This property falls within the Palo Verde Irrigation District jurisdiction service area but does not currently have a water conveyance or canal infrastructure for delivery of water from that irrigation district. Any water used on this property would need the concurrence of PVID's and Metropolitan Boards, including committing to 2,000 acre/ft of water per year for 30 years for your proposal Metropolitan has historically been open to collaboration and negotiations with other water agencies and stakeholders within California to manage water resources effectively. Metropolitan participated in water transfers, exchanges, and agreements with other agencies and regions to address water supply challenges, especially during periods of drought or when water demand is high and must safeguard water supplies. Metropolitan also believes that encouraging the use of green energy in Southern California not only addresses environmental and health concerns but also offers economic, social, and technological benefits. Green hydrogen is likely a key component of Metropolitan's climate action agenda and will complement efforts to advance other carbon-free solutions, such as solar, wind and batteries. Metropolitan's staff evaluation of the proposals will be based on the scoring criteria listed under section 3 of the RFP, with Criteria 5 including water usage and climate change benefits, and Metropolitan's board of directors will ultimately decide on the preferred project. PVID approval and appropriate environmental clearance and other approvals may also be necessary for any supply of water to any project.

Question #9: Please list any challenges or considerations to serving the above quantity of water for the above length of time.

Answer: Please refer to previous answers for Question #6 and Question #8.

Question #10: Please comment on all sources of water and associated water rights that MWD may leverage to meet the above water requirements.

Answer: Please refer to previous answers for Question #6 and Question #8.

Question #11: What access to wastewater disposal does this property have?

Answer: None to our knowledge.

Question #12: Are there any restrictions on this wastewater that should be noted?

Answer: Project developer will need to follow local permitting jurisdiction and local/county and state laws and regulations governing wastewater.

Question #13: The previous Rio Mesa Solar project information is very useful -- can you please provide any further information on the relationship MWD had with that developer and the high-level structure or inclusions within that lease?

Answer: All information will be (or has been) published on Metropolitan's shared site.

Question #14: Does Metropolitan look more favorably or negatively upon green H2 or ammonia production (and its water use), given that the optionality would be more interesting should transmission capacity and infrastructure not be feasible?

Answer: Please refer to previous answers for Question #6 and Question #8.

Question #15: What is the availability of water supply at this site from MWD & how would a winning proposal secure this on a parallel track?

Answer: Please refer to previous answers for Question #6 and Question #8.

Question #16: If the land is not found to be “exempt surplus land” under SLA, will the lease or option be cancelled by MWD, the permittee, or development stalled? As possible, we’d appreciate more clarity from MWD on the pathways off shooting this decision point.

Answer: To the extent a proposed ground lease or other arrangement fell within the land disposal requirements of the Surplus Land Act, the award of the lease or other arrangement may be subject to the written public agency exempt surplus land findings and California Department of Housing and Community Development (HCD) review of such findings pursuant to Section 400(e) of the HCD Surplus Land Act Guidelines. (Available at <https://www.hcd.ca.gov/planning-and-community-development>). The effective date of any disposition subject the Surplus Land Act would be contingent upon such procedures.