

California Community Power 2025 Price Forecast and Valuation Tool Request for Proposals

Frequently Asked Questions

General Questions

1. Please confirm that an “offer” means a new generation or storage project.
 - a. Yes, Offers CC Power receives will be for existing or new-build wholesale energy generation and storage resources of varying technologies including solar, wind, energy storage, geothermal, hydroelectric, natural gas, nuclear, and biomass. The offer refers to pricing, term, online date, interconnection point, project size, project characteristics, and other inputs provided to properly evaluate each resource.

Valuation Tool

1. Please clarify the primary objective of the valuation tool. Is CC Power seeking to use the tool primarily for optimizing its resource portfolio to minimize system operating costs(i.e., least-cost, best-fit analysis), for regulatory compliance? Can you please clarify the projected total contracting capacity in MW that the valuation tool will be utilized to evaluate? Can you please clarify the level of evaluation granularity expected from the valuation tool (hourly, sub-hourly, etc.)?
 - a. The valuation tool will be used to evaluate the least-cost component of LCBF for CC Power’s RFPs. The tool should forecast expected costs and revenues for projects of differing technologies and rank them on an NPV basis in an RFP. CC Power does not manage its own load, and thus its generation and storage portfolio is more a subset of resources within its members’ portfolios. Thus, at this time, CC Power cannot suitably optimize a generation and storage portfolio, as it does not have visibility to other resources in its members’ portfolios nor their compliance needs they are solving to. This may change in the future, so CC Power encourages information sharing on what these capabilities may entail, should CC Power, for example, wish to do IRP modeling in the future on behalf of multiple of its member agencies.

CC Power receives dozens of unique projects with aggregated capacity in the GW range in its solicitations and the valuation tool should be able to evaluate projects costs and revenues and rank projects on an NPV basis. The tool should generate both nominal monthly and annual revenues and costs and ideally will automatically calculate NPVs that will be used to rank offers to inform

shortlisting and selection, but if need be, the nominal streams of monthly or annual revenues and costs can be quantified on an NPV basis manually by CC Power in its existing tools.

The valuation tool will be expected to generate hourly hub or Pnode prices to generate forecasted market revenues.

2. Should curtailment be accounted for when evaluating the projected market revenues or is curtailment outside of the needed scope?
 - a. Yes, while not required, to the extent a valuation tool can net curtailments out of CAISO market revenues earned by the project, it should, and should be able to articulate that such curtailment took place and for how many MWh.
3. What service standards are expected as part of the provision of the tool and What are the expectations around customer support for the tool?
 - a. CC Power expects an initial training on the tool and its application and the ability to interface with client services as needed to troubleshoot, ask questions and/or give feedback on the tool.
4. Do users wish to produce their own zonal or LMP price forecasts using the Valuation Tool and Is CC Power expecting the valuation tool to have the capability to calculate and recalculate Locational Marginal Prices (LMPs) at the PNode level both before and after evaluating large offer stacks? Or would users want to continue receiving "off-the-shelf" forecasts (results from the model)?
 - a. If a valuation tool is able to update expected LMP pricing through the addition of an incremental resource at the PNode, CC Power is interested in understanding the methodology, potential sources of uncertainty, ease of modeling, etc. and would be interested in exploring this as a tool for its use. However, this approach may be used for a subset of specific shortlisted offers from market participants, and CC Power will still want general, base-case price forecasts at the hub level and at the LMP level to quickly run baseline valuations of resources it is assessing in its solicitation process.

CC Power does not expect the need to re-run the LMP prices for such a large offer stack (as this seems to presume that all resources would be built out, which may not be the case), but more likely will focus on re-running such LMP pricing for a shortlisted set of projects (e.g., 1 to 10 projects) that CC Power is interested in contracting for inclusion in its portfolio.
5. Should the valuation tool include grid congestion modeling or nodal dispatch simulation?

- a. If these approaches are needed to generate the LMP prices for a base case estimate of future LMPs from the hub price forecast, then yes, we would be interested in understanding the methodology and expected impact on precision of the forecast. However, this is not an explicit requirement.
6. Does CCP have a preference for how the Valuation Tool is deployed, e.g., on-premise via server or in the Cloud?
 - a. We don't have a strict preference, however cloud-based tools must be able to secure the confidential information provided in the course of the RFP for energy resources. CC Power does not have a robust on-premise server infrastructure and would need to understand the specs required to host the tool, and thus cloud-based tools may be superior.
7. Can you please clarify the desired study or evaluation horizon of the valuation tool?
 - a. CC Power intends to value resources offered in its solicitations on at least a 20-year time horizon, but potentially longer, such as in the case of valuation for ownership of a pumped hydroelectric or nuclear resource, which may have a lifespan of 50 to 100 years.

Price Forecast

1. For the 20-year nodal LMPs and hub price forecasts, should they account for only economic factors (e.g., gas prices and demand) or should these forecasts internalize complete transmission and capacity expansion exercise (with the understanding that the commonly accepted practice for 20-year forecasting is done on a zonal basis)?
 - a. Nodal pricing forecasts should use best available information to generate forecasts, including historical and forecasted prices, demand, congestion, and incremental generation and transmission build out expectations. Hub pricing should include forecasted transmission and capacity buildouts over a 20-year horizon
2. Can you share more about the need for an LMP price forecast? For example, how frequently will this be needed? And what will the results be used for (e.g., a potential project)? How critical is it to provide quarterly updates? Would biannual be acceptable?
 - a. CC Power seeks LMP price forecasts to evaluate the value of existing and new-build energy resources' effects upon local pricing, as this impacts market revenue expectations. We are requesting quarterly updates to LMP forecasts, if available but less frequent updates may be acceptable. If parties are unable to provide meaningful LMP price forecasts, CC Power may consider hub-level price forecasts for more general valuation purposes.

Biannual may be acceptable. CC Power will evaluate proposals to identify the solution set that it feels best meets its needs based upon the granularity of the data, how frequently it is updated, the perceived merits of the forecasting methodology, ease of use, cost, and other considerations.

3. How critical is it to receive REC forecasts? How will these results be used?
 - a. REC forecasts are a significant value adder for renewable resources and need to be incorporated into the valuation of new-build resources. Forecasts for REC values vary and CC Power will review all proposals.