

RESPONSE TO:
The City of San Diego - 2017 Request for Statement of
Qualifications for 100% Renewable Energy

SUBMITTED BY:
Avangrid Renewables, LLC
July 20, 2017

POINT OF CONTACT
<p>Jessica Johnson Renewable Origination (503) 796-7180 Jessica.Johnson@avangrid.com</p>

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- Section 1. Cover letter -

July 21, 2017

Maureen Medvedyev
The City of San Diego
Supervising Procurement Contracting Officer
1200Third Avenue, Suite 200
San Diego, California 92101

Dear Ms. Medvedyev:

Avangrid Renewables, LLC (formerly known as Iberdrola Renewables) is pleased to have the opportunity to respond to the City of San Diego's Request for Statements of Qualifications for 100% Renewable Energy (RFSQ). Avangrid would be honored to partner with the City as it moves forward with renewable energy procurement in the furtherance of the City's Climate Action Plan (CAP).

Avangrid would support the City's CAP by offering to partner on a long-term or short-term wholesale Power Purchase Agreement for a wind or solar renewable energy project in the 20-300 MW range of size. Avangrid Renewables is one of the largest and most experienced developers of utility-scale renewable energy projects in the United States, with a strong history and proven track record of creative product structure and solutions. Avangrid has decades of experience working in the Western energy markets and has partnerships with nearly every California utility and many Community Choice Aggregators. The City of San Diego can be assured that a partnership with Avangrid brings an unmatched breadth of experience in utility-scale renewable energy.

The person authorized to make representations on behalf of Avangrid is:

Diana Scholtes
Authorized Representative
1125 NW Couch Street, Suite 700
Portland, Oregon 97209
(503) 796-7142

Regards,

Jessica Johnson
Renewable Origination
(503) 796-7180



- Section 2. Minimum Requirements -

Avangrid and its subcontractors are fully licensed to construct renewable energy projects in the State of California. Attached is Avangrid's State of California Contractor's State License Board (operating under the name of PPM Technical Services). The license renewal is pending the State's review of Avangrid's Workman's Compensation Insurance which is active and awaiting review by the State.

- Section 3. Respondent's Qualifications and Experience -

a. Describe Respondent's ability to perform the desired services.

Avangrid can work with the City on the following identified Scope of Services identified in the RFSQ.

1. The ability of the respondent to integrate with existing electrical transmission and distribution infrastructure.

Avangrid owns or controls nearly 6,000 MW of transmission-level generation in the United States, and experience working with existing electrical transmission systems in nearly every energy market across the country. Within California, Avangrid has seven transmission-interconnected renewable energy projects and has a long-standing relationship working with the CAISO grid operator to integrate new projects as they are developed.

2. The ability and experience of the respondent to participate in the electricity market through the California Independent System Operator (CAISO).

As mentioned above, Avangrid has seven renewable energy project currently operating in California and works with the CAISO on each of these projects. Avangrid is an experienced and trusted market participant in California and self-performs scheduling services within the CAISO.

3. A detailed description of a strategy or strategies to significantly expand the renewable electricity content for all residents, businesses, and government operations in San Diego.

Avangrid has a portfolio of renewable energy projects under development in California that can help the City significantly expand its renewable electricity content.

Project Name	Capacity	Location	Online Date
Tule II Wind Project	69 MW	San Diego County, CA	2020
Mountain View III Wind (repower)	24 MW	Riverside County, CA	Currently Operating – Available 2019
Fountain Wind	200 MW	Shasta County, CA	2020
La Joya Wind	103 MW	Torrance County, NM (Delivered via Dynamic Transfer to the CAISO)	2020
Portfolio of Southern California Solar Projects	40-200 MW	Kern, Riverside, San Bernardino County	2020

Avangrid can partner with the City on a Power Purchase Agreement for any of the identified projects that would enable the City to match the right project with the City's electricity load. Avangrid can adjust the project size (we can contract for smaller shares of a larger project), delivery and contracting options to create a customized project specifically to meet the City's CAP goals.

4. The ability and experience of the respondent to procure renewable sources of electricity, including identification of local sources and potential of local sources.

As described above, Avangrid has a portfolio of renewable energy projects available for the City to procure to meet its renewable energy goals. With regard to local procurement goals, Tule II specifically is an advantageous fit as it brings direct investment to San Diego County.

5. A detailed schedule/timeframe of implementation of the program demonstrating an increase in renewable electricity over time.

Depending up the project that the city is interested in and the timeframe under which the City would like to implement its renewable procurement, Avangrid can certainly work with the City to customize a contract that would include increasing volumes of renewable energy over time. By way of example, Avangrid was able to put a PPA in place with another CCA, Peninsula Clean Energy, for an existing wind project who's volume increased from 25 to 150 MW over a 5-year timeframe. Avangrid is happy to work with the City to structure a similar product to meet the City's specific goals.

6. A detailed description of the estimated costs of the proposed program (including administrative, implementation, and etc. costs) expressed in terms of bundled and unbundled retail electric rates (in \$/kWh) for all customer classes benchmarked to the current renewable energy portfolio mix.

As an independent power producer, Avangrid sells renewable energy contracts to utilities and CCAs in California on a wholesale basis and does not currently provide retail electric services. On a wholesale basis, depending on technology and online date, the current market falls between \$30-\$58/MWh which includes administrative costs and implementation.

7. An analysis of the greenhouse gas emission reductions that will be achieved as related to the goals of the CAP.

Renewable energy procurement is one several strategies for meeting the City's CAP for greenhouse gas emission reduction targets. For the City's goal of increasing its renewable procurement from today's level of 35% to 100% by 2035, the city would see a reduction of approximately 20 million metric tons of Co2 annually. Avangrid would be pleased to help be a part of the City's carbon reduction goals by partnering on a zero-carbon renewable energy power purchase agreement.

8. Analyses of potential risks and roadblocks and potential solutions or mitigations, including any anticipated regulatory issues or risks.

The projects in Avangrid’s pipeline, summarized in 3 above, are in various stages of development thus the risks and roadblocks associated with bringing them through construction to operations are varied. Mountain View III, as an operating project, is fully permitted and thus has the least amount of risk from a regulatory perspective. La Joya is fully permitted and is located next to an Avangrid project that is currently under construction so that project is also lower risk. Tule II, Fountain and the solar portfolio do not have permits complete and thus have the greatest regulatory risk. Nonetheless, Avangrid is confident in its ability to bring those projects to commercial operation based on its years of experience bringing renewable projects through various, and occasionally rigorous, permitting regimes.

9. Specify additional benefits associated with the proposed program which may include: local job creation, business development, environmental benefits in addition to greenhouse gas reductions, et cetera.

Construction and operations of any renewable project brings many temporary and permanent local jobs for the economy, as well as provides tax revenues for the local jurisdictions. Tule II, in particular, would bring economic development directly to San Diego County and would be a perfect match for the City’s procurement goals that include the CAP as well as economic benefit to San Diego. All renewable projects, as they displace greenhouse gas generating facilities, bring the additional benefit of greenhouse gas reductions for the City.

- b. Describe any special characteristics, limitations, exceptions, or requirements Respondent may have in providing the requested services.*

Avangrid is proposing a power purchase agreement from a project listed in section a.3 above or otherwise in Avangrid’s pipeline of projects available for its California buyers. Any services offered would be subject to a final negotiated contract, a review of proposed credit terms, and approval by Avangrid’s operating committee and board of directors.

- c. Describe any attributes that distinguish Respondent from others offering similar services*

Avangrid Renewables is part of the Iberdrola Group, the world’s largest wind developer, and is a leader in the renewable energy industry in the U.S. Within its power business, AR is focused on the development and marketing of clean fuel sources, including wind, solar, biomass, and natural gas-fired generation. Through direct ownership or power purchase agreements, AR controls nearly 6,000 MW of generation currently in operation including thermal, wind, solar and biomass assets. AR is incorporated in the state of Oregon and has U.S. headquarters located in Portland, Oregon. We also have regional offices in Chicago, Philadelphia, and Austin. AR was formed in 1995, and executed its first renewable energy transaction in 1999.

Our capabilities include the following:



Development: AR is the second largest renewable developer in the United States, pursuing greenfield projects, repowering projects, and acquisitions. We currently have more than 25,000 MW of both wind and solar projects under active development. In addition, AR is the third largest holder of BLM rights-of-way and is actively pursuing both public and private lands for construction of wind and solar power projects.

Forecasting and Resource Analysis: AR leads the market in its ability to predict generation through sophisticated forecasting techniques. AR has a 24-7 forecasting group that provides hourly forecasts for each renewable project. The hourly forecasts have shown an increase in accuracy, particularly during key ramp periods. AR's meteorology group is also responsible for placing sophisticated wind, solar and other climatological measurement tools on project sites and analyzing data to better predict project generation.

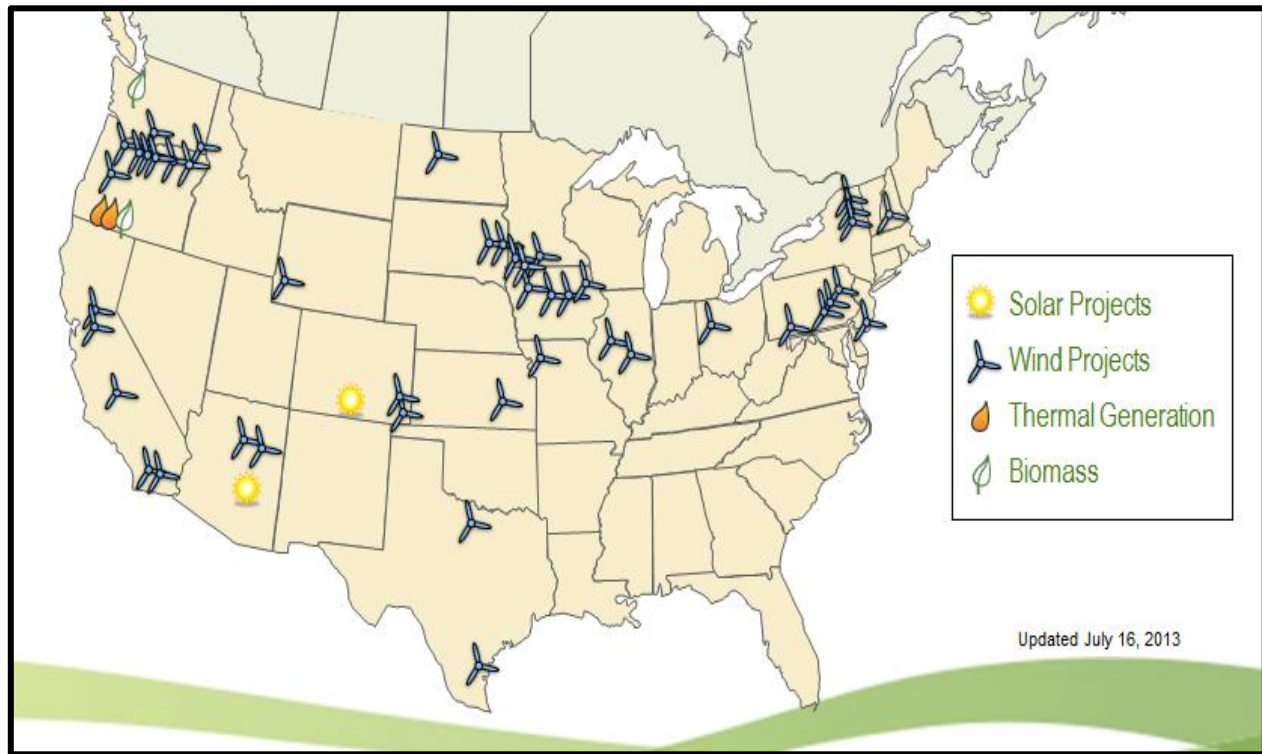
Operations: AR's expert operations and maintenance group currently operates 24-hours a day to oversee the operations of nearly 6,000 MW of installed renewable capacity in the US. AR has developed in-house expertise for the maintenance of our turbine and panel fleet and AR staff is present at each of our facilities, providing balance-of-plant operations and maintenance. This can also include full project operations and maintenance. Our National Control Center allows AR to deliver high quality products by providing superior management and delivery through our 24-hour remote operations capabilities.

Trading: AR has established robust systems, including its 24-hour real-time and day-ahead desks, to manage renewable energy into short-term markets.

Origination: AR consistently tailors energy supply contracts to best suit customer's needs, and as a result, a majority of AR's renewable assets are sold under long-term contracts. AR regularly carries out power supply transactions with many companies nationwide, including public utility districts, investor owned utilities, electric cooperatives, and federal power marketing administrations.

Diverse Asset Base: The map below represents AR's combined wind, solar, biomass, gas-fired power plants and natural gas storage facilities. The geographical diversity of the project fleet allows AR to optimize "lessons learned" across the country and maximize each project's generation capabilities.

North American Assets



d. *Describe Respondent's commitment to supporting the achievement of the City's 100% renewable electricity goal.*

Avangrid would support the City's CAP by offering to partner on a long-term or short-term wholesale Power Purchase Agreement for a wind or solar renewable energy project in the 20-300 MW range of size. Avangrid can also offer pricing for smaller volumes based on a capacity share of a larger project. Avangrid has existing renewable generating projects in California as well a number of projects under development that are planned for future construction. These projects would likely interconnect to the CAISO grid and would ensure reliable and sustainable energy services for the near and long term.

Naturally, all wind and solar generating projects contribute to the environmental goals of the CAP including 100% carbon free renewable energy, long-term greenhouse gas reductions, and the creation of green jobs in San Diego County.



- Section 4. Provisos or Conditions -

Any services offered would be subject to a final negotiated contract, a review of proposed credit terms, and approval by Avangrid's operating committee and board of directors.



- Section 5. Staff Qualifications and Experience -

Avangrid Renewables has over 750 employees throughout the United States dedicated to the development, operations, trading, scheduling, sales and maintenance of each renewable asset under management. The headquarters are located in Portland, Oregon. The core team biographies are listed below.

PRIMARY CONTACT

Jessica Johnson is a Senior Originator, focused on customer relationships and renewable marketing in the WECC, with a primary focus in California. Jessica joined IR in 2004 and has held a variety of roles within business development and origination teams which have grown Avangrid's portfolio of operating projects from 300 to over 6,00 MW of renewable generation. Jessica has negotiated renewable contracts with customers throughout the WECC, with a primary focus in California and has negotiated nearly 900 MW of executed power purchase agreements, including municipal utilities, investor-owned utilities, community choice aggregators, and commercial and industrial customers. She holds a B.A from Bennington College in Vermont.

Jessica.Johnson@avangrid.com

Portland, Oregon

503-796-7180

AUTHORIZED REPRESENTATIVES

Diana Scholtes, Managing Director of Power Origination, is responsible for leading Avangrid's origination efforts for the company's activities in the U.S. in both conventional and renewable technologies. This includes the execution of transactions in the long-term as well as short-term forward physical and financial markets, monetizing the value of company's asset portfolio. Diana has nearly 20 years of energy experience including positions at PacifiCorp, Bonneville Power Administration, Portland General Electric, Enron and UBS Energy. Her experience comprises of all major facets of the energy business including energy trading, operations, and asset development in both utility and IPP environments.

Diana.Scholtes@avangrid.com

Portland, Oregon

503-796-7142

Barrett Stambler, Vice President of Origination, is responsible for AR's sales and marketing activities throughout the United States and Canada. Barrett has more than 30 years of experience in the renewable energy industry with Avangrid, PPM Energy, PacifiCorp, U.S. Windpower, Calpine, and the U.S. Department of Energy. Barrett currently oversees AR's renewable, thermal, environmental and integration product



sales teams, which are responsible for expanding customer relationships across North America. In 2008, Barrett was presented with the AWEA, national wind power trade association, Commercial Achievement Award in honor of his creative contributions to innovative structures for renewable power sales – and for the sheer volume of wind power he has sold in his 30 year career. He has been integral in AR's wind power business from its earliest days, including the company's first-ever power purchase agreement for Stateline Wind Energy Center in 2001. Barrett holds a B.A. from Pomona College and an M.B.A. from Yale University.

Barrett.Stambler@avangrid.com

Portland, Oregon

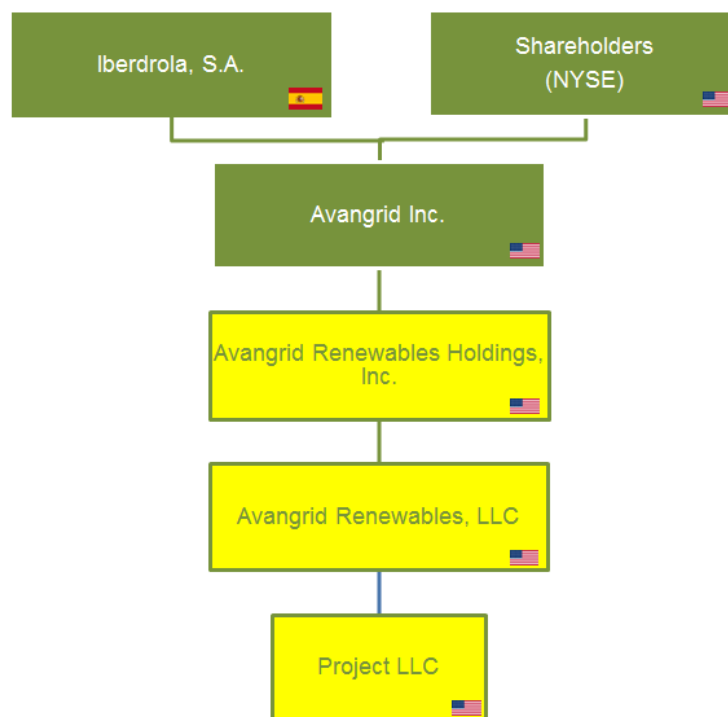
503-796-7103

- Section 6. Financial Capacity -

AR traditionally finances the construction and operation of its projects on its balance sheet and anticipates using this method for the proposed projects. Through its parent company, AR has access to a full range of financing options. Avangrid traditionally remains the long-term owner and operator of its projects. AR's vertically integrated approach minimizes financing risk by avoiding dependency on external financiers.

Organizational Structure and Background

The chart below shows AR's corporate ownership structure. AR is an Oregon Limited Liability Company and subsidiary of Avangrid Renewables Holdings, Inc.





AvanGrid has the benefit of a solid balance sheet with positive cash flow from a geographically diversified US revenue base of regulated and quasi-regulated assets. Standard & Poor's has assigned a corporate credit rating (CCR) of 'BBB+' with stable outlook. Moody's Investor Service has assigned an issuer credit rating of 'Baa1' with positive outlook.

Iberdrola S.A. is the majority shareholder of AvanGrid. Iberdrola S.A. is a publically traded company listed on the Madrid Stock Exchange under the ticker symbol of "IBE." The most recent annual reports can be found on the following investor relations web page:

<https://www.iberdrola.es/webibd/corporativa/iberdrola?IDPAG=ENWEBACCINFAN&codCache=13394273719861205>

- Section 7. Other Considerations and Requirements -

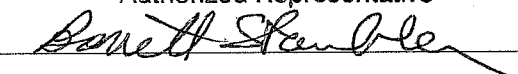
M. ACCEPTABILITY OF SUBMITTALS

The City shall determine which Respondents have met the requirements of this RFSQ. City's determination that Respondent has failed to comply with any mandatory requirement will render the submittal non-responsive. The City may waive or permit to be cured minor irregularities or minor informalities in submittals that are immaterial or inconsequential in nature, whenever it is determined to be in the City's best interest. The City may reject in whole or in part any and all submittals if such is in the City's interest.

N. CITY'S UNILATERAL RIGHT

The City reserves the unilateral right to: cancel this RFSQ, in whole or in part, or reject all submittals submitted in response to this RFSQ when City determines such submittal is in the City's best interests; select a Respondent's submittal in whole or in part; select one or more Respondents; waive or permit cure of minor irregularities; and conduct discussions with Respondents in any manner necessary to serve the City's best interests.

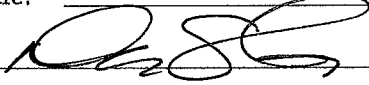
RESPONDENT SIGNATURE IS REQUIRED

Respondent Name: Aurigrid Renewables LLC
Address: 1125 NW Couch St. #700, Portland OR, 97209
Telephone No. and E-Mail Address: 503-795-7000
Website: Aurigridrenewables.us/
Authorized Representative Name and Title: Barrett Stambler
Authorized Representative
Representative's Original Signature: 
Date Signed: 7/19/2017

K. CITY'S UNILATERAL RIGHT

The City reserves the unilateral right to do any of the following if the City determines in its sole discretion that such action is in the City's best interests: Cancel this RFSQ, in whole or in part, or reject all submittals submitted in response to this RFSQ; select a Respondent's submittal in whole or in part; select one or more Respondents; waive or permit cure of minor irregularities; and conduct discussions with Respondents in any manner necessary to serve the City's best interests.

RESPONDENT SIGNATURE IS REQUIRED

Respondent Name: Avangrid Renewables, LLC
Address: 1125 NW Couch St. # 700 Portland, OR 97209
Telephone No. and E-Mail Address: (503)-746-7000
Website: www.Avangridrenewables.us/ Diana Scholtes
Authorized Representative
Authorized Representative Name and Title: _____
Representative's Original Signature: 
Date Signed: 7/19/2017

K. CITY'S UNILATERAL RIGHT

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RESPONDENT SIGNATURE IS REQUIRED

Respondent Name: Avangrid Renewables LLC
Address: 1125 NW Couch St. #700, Portland, OR 97209
Telephone No. and E-Mail Address: 503-796-7000
Website: Avangridrenewables.us/
Authorized Representative Name and Title: Barrett Stambler
Representative's Original Signature: Barrett Stambler
Date Signed: 7/19/2017