

**California Public Utilities Commission
RFP 16PS5016
Aliso Canyon Reliability and Economic Analyses
Bidders' Conference Questions & Answers**

#	Question	Answers
1	Our company is located outside of California, will we meet the minimum qualifications for submitting a proposal? I am referring to Section 2, Proposer Qualifications of RFP#16PS5016.	Answer: Your company will need to be registered with the California Secretary of State as a private entity, non-profit organization, the University of California, California State University Foundation or other governmental entities. Information regarding how to register with the California Secretary of State is available at http://www.sos.ca.gov or you can contact them at (916)-653-6814.
2	In the draft pre-solicitation document of the subject analyses, Section 1.E specified a \$500,000 cost limitation. However in the formal RFP, I did not find any clauses regarding cost limitation.	Yes, we have removed Section 1.E - Cost Limitation from the draft pre-solicitation.
3	Though we have the Synergi model, it is straightforward and transparent to input results from one model to another. So if we propose another model, would it be seen as equal, or would it be more favorable for someone to use Synergi?	The effect of using another model on the evaluation would depend on whether there would be additional cost to import the data into another model. CPUC suggests that bidders explain to the evaluation team why they are using one over the other.
4	Referring to Section 3.A3, contractors must obtain approval from the CPUC team for the final scenarios. Can you further explain this process?	We will start developing scenarios in a workshop process with stakeholders. The contractor will be a part of the second workshop, and there will be a report coming out of that to explain what the scenarios are. The exact scenarios used in the evaluation would have to be approved by CPUC.
5	Should the assumptions and scenarios of the hydraulic and economic analysis be independent from one another? It seems like there are separate procedures for developing the assumptions and scenarios for the two, would those be independent processes? For example, if you make one change to the hydraulic, do you have to change the economic? Are they interdependent?	The assumptions will have to coincide. The changes in the hydraulic model would have to be reflected in the economic model. There could be things in the economic model that aren't reflected in the hydraulic model, but the most interdependent component would be the production cost model. The California Independent System Operator (CAISO) and the Los Angeles Department of Water and Power (LADWP) will also be conducting their own power flow analyses. The contractor would be expected to coordinate with them as well.
6	Regarding Slide 11 on the Bidders Conference deck, do you have to be registered as a private entity prior to submitting the notice of intent to bid?	No. You have to meet all requirements prior to execution of contract.
7	Are there more workshops than the workshops outlined in the solicitation?	As stated in the solicitation, there will be at least two and up to three.
8	You mentioned that the economic analysis isn't as sharply defined. Will the contractor design what that economic	The contractor will be defining the economic analysis model although it will need to be able to accommodate feedback from the Stakeholder Workshops. We had examples of

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	analysis would look like or does CPUC already have something in mind? In terms of granularity, does CPUC want to look at the monthly outlook or at the detailed level of granularity? How specified is this economic analysis?	hydraulic modeling from previous technical assessments to base the RFP on, but no economic analyses have been done yet, so we didn't have a lot to draw from. The CPUC is concerned with the commodity cost of natural gas for both core and noncore customers. Specifically, we are concerned about the impacts of the loss of arbitrage: the ability to purchase gas in the off season for high season use and for use on peak days when gas prices spike.
9	Other than core and noncore customers, are there other user group segments that you are interested in terms of natural gas consumers?	The solicitation stated that we also want to look at low income customers and industries that are high users of natural gas. There may be other segments that we decide to look at based on the workshops. Whichever approach you propose, build in the flexibility to accommodate feedback from the workshops. We are getting comments from parties on Monday, July 24. You can look at them to see what stakeholders' concerns are and what they are proposing.
10	Since CAISO will conduct a power flow analysis, does that mean the contractor would have to model the impact on electric generation costs while putting high consideration in renewable energy when working on the economic analysis?	The CPUC is conducting production cost modeling in-house to look at prices on the electric side. The power flow modeling is being done because the production cost modeling is not as granular when it comes to reliability impacts. The CAISO and LADWP would only be looking at reliability in their power flow analyses. The study requested in the solicitation is to find out the impact of reduction or elimination of the use of Aliso on natural gas commodity prices.
11	Would CPUC need the potential impact for post-sale in the economic analysis?	No. We are looking at whether there will be additional commodity costs for customers.

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12	Regarding the scenarios, are you looking at peak and non-peak time, physical characteristics of wells and pipelines, turn downs and ratio, and flow characteristics that are physically achievable?	In the Proposed Scenarios Framework put forth suggested parameters for the study. We are looking at the impact in three time frames: near term, five years, and 10 years. We will also be looking at the electricity-side data from the production cost model to find out how much gas electric generators in the LA Basin need to operate. We would analyze include the amount of electricity necessary and whether the gas side can manage it without Aliso. The 715 report has put out an estimate of how much gas is needed in Aliso right now. For each time period, you would have to first model Aliso at zero. If it is not possible to balance the system at zero, the next step would be to model the system at the Aliso inventory levels required in the 715 report. If the 715 report inventory level seems too high or too low, then you would need to run iterations of the model to find the minimum necessary to maintain reliability. Because the production cost model uses forecasts that incorporate California laws that require reduced fossil fuel consumption, we are predicting that gas-fired electric generation will decline over time. Maybe within two years the system doesn't balance without Aliso. But with increases in renewable energy, energy efficiency etc., it may be possible to close Aliso in five years. We will put the documents mentioned in the bidder's library. Once the contract is executed, we can work on additional data requests with the contractor to get the information the contractor needs.
13	Can you repeat the information for receiving the requested informal feedback on the scenarios from the proceeding this coming Monday?	The CPUC Proposed Scenarios Framework went out to all the parties to the proceeding, and they will be submitting informal comments on Monday, July 24, 2017. We will be hosting the first stakeholder workshop on August 1, 2017. We will post the comments on caleprocure.ca.gov after Monday along with the scenarios proposal. We will also post them to the web page for the proceeding: http://www.cpuc.ca.gov/AlisoOII/ .
14	The solicitation mentioned that SoCalGas will provide the data underlying the analyses and the transmission system; will you expect anything down to the granularity of the distribution system level? Would the model incorporate their distribution system?	We don't anticipate that there will be a need to model the distribution system.
15	Can we see the comments in the docket for I-17-02-002? Is bidders' library the only place we can access the informal comments provided by the proceeding parties?	These would be informal comments sent out to the service list and may not be posted with official documents. You will be able to see the comments in the bidders library and at http://www.cpuc.ca.gov/AlisoOII/ .