

Community Based Renewable Energy (CBRE) Request for Offer (RFO)

Questions & Answers

Those seeking clarification on PGE's CBRE RFO have submitted questions via cbre@pgn.com. Following are the questions and answers from PGE available as of December 18, 2024.

Battery Storage

- Q: Is standalone BESS eligible for this RFO? Assuming it is not, is there a minimum generation requirement -- for example in the form of an absolute generation requirement, or ratio of generation to battery capacity?
 - a. Standalone BESS is not eligible for this RFO. Renewable generation is required but there is no *minimum* size generation requirement. The renewable resource and dispatchable capacity should tell a story that makes sense as to why they are paired and how they work together to deliver a community benefit. If a bigger or smaller ratio of generation to battery capacity helps with that benefit, it's up to the bidder to recommend that to us and paint that picture.
- Q: Are there battery cycling requirements?
 - a. For our current distribution batteries, depending on battery size and warranty agreements for degradation, we assume limiting them to a maximum of 1-2 cycles per day, not to exceed 365 cycles per year. Please provide any alternative recommendations that might be more appropriate for the size and specific battery, if applicable. We are open to a conversation to ensure the optimal value from the battery life.
- Q: What are the sizing requirements for batteries paired with solar?
 - a. There is no minimum or maximum outlined in the CBRE RFO for dispatchable capacity. However, we do encourage bidders to design projects that tell a cohesive story. Please describe how the size of the dispatchable capacity makes sense within the full scope of the project.
- Q: Can you provide additional detail on what it would mean for a battery storage project to be "virtually paired" with a renewable energy project?
 - a. This simply means that the battery storage is not co-located at the same site as the renewable energy project.
- Q: If I have multiple projects, do I need to have battery sited at each one?
 - a. No. Co-location of battery storage and a single or multiple renewable energy projects is not required. In the case of multiple renewable energy projects, a separate battery would also not be required for each project. Bidders are encouraged to ensure that the renewable energy project(s), dispatchable capacity, and community benefits all work

together to tell a cohesive story, including why each component is located where it is and especially how those decisions support delivery of the community benefits.

- Q: Should storage be sized for the beginning of life or the duration of a project?
 - a. Storage would ideally be sized for the duration of the project. For bids that forecast material degradation, we expect an augmentation plan to ensure consistent usability.

Bidding and Contracting

- Q: Can you please provide further information about the contract structure for the development rights bid mentioned in the Commercial Structure section (CBRE RFO, pg 14)?
 - a. PGE is willing to consider development rights bids – in which an entity offers development rights and a specifically-planned community benefit as a potential acquisition. The rights offer would need to address the other minimum requirements as applicable.
- Q: How does PGE want applicants to propose in-front-of-the-meter (IFOM) microgrids as part of an otherwise-complete CBRE application?
 - a. Appendix D contains the questions Bidders are expected to answer and is broadly flexible to meet the specific details requested. If a Bidder has additional details for consideration, please include them in your submittal. PGE is interested in you sharing the pertinent information and will ask questions if necessary to ensure full interpretation of bid details.
- Q: Can you submit an original bid and a refreshed bid in the same cycle period? Or can you only submit a refreshed Bid after the first cycle closes? Therefore, your refreshed Bid will be in the second cycle.
 - a. We'd recommend planning on any offers or offer updates submitted after the deadline for a specific review cycle to be reviewed in the next review cycle. Offers will not be accepted after the deadline for the third review cycle. That said, we do not intend to arbitrarily hold up review steps when it's possible to move forward with activities associated with the next review cycle without delaying the results of the current review cycle.
- Q: What would be the PPA rate schedule? Or does that depend?
 - a. This is different from other approaches, like Qualifying Facilities, where there is a rate schedule. This is a voluntary request for an offer in which bidders will offer to sell the project output at a rate that will be defined by the bidder. There is no rate schedule.
- Q: In the case of multiple bids by the same bidder, will each bid be considered completely independently?
 - a. yes
- Q: For a virtually-paired offer from two separate companies joining together, can PGN provide more guidance on how this would work from a contracting standpoint? Would PGN require a single contracting party in this case, or could PGN sign contracts separately with the developer of the generation asset and with the developer of the dispatchable asset?

- a. We expect to contract with a single entity. The three components of a successful bid (renewable resource, dispatchable capacity, and community benefit) will all remain intertwined throughout contracting. For example, we expect the community benefits agreement to be a component of our contract with the winning bidder and falling short of delivering on community benefits to be cause for termination in our agreement. That said, if the best way to deliver the benefits to the community is a different structure than what we've described, please take care to ensure that all questions that are requested of the contracting entity in appendix D are answered for all parties expecting to contract directly with PGE. Bidders should take extra care to map all the information requested to the contracting entities that will be associated with various project aspects and describe how liability will remain intact for each component of the RFO.
- Q: For a virtually-paired offer, would both the generation and dispatchable resource have to be bid under one LLC project company, or could they contract in parallel through two separate entities?
 - a. We expect to contract with a single entity. See answer above for more details.
- Q: Does PGE have a preference across PPA, build-transfer, or development rights bids? Or is PGE seeking a particular portfolio mix across these commercial structures?
 - a. PGE has understood that communities want the benefit of ownership. This RFO assumes that to be true and PGE therefore has structured the RFO under the assumption that PGE would be executing PPAs with successful bidders. If a different structure is important to achieve the community's desired benefit(s), that would be acceptable. Please consider our preference in this matter to be aligned with that of the community/communities that benefit from the project and be sure to clearly describe the rationale for the approach.

Community

- Q: Has PGE already identified any specific communities for which it would prefer to see a project?
 - a. Communities served by PGE.
- Q: Can you provide a list of community-based organizations that have engaged with energy and sustainability efforts in the past?
 - a. We encourage Bidders to participate in the networking opportunity found on the CBRE website (www.portlandgeneral.com/cbre) to receive any group's contact information that has given PGE permission to share it.
- Q: Can PGE give a few examples of what it considers “clear demonstration of partnership with the community”?
 - a. At the core, a partnership is a two-way street. At a high level, those designing/developing the project should know the community and the community should know the project. Each group should be able to speak to knowledge of the community (clear definition of who is in the community, articulate their needs,

interests, and how the benefits identified in the project are valued by them) and each group should be able to speak to what the project is and how the project will deliver on those benefits. How a Bidder decides to demonstrate that partnership in this RFO will look very different from one group to the next with different communities and different modes of engagement and benefits being sought. Each Bidder should work to articulate what collaboration and consultation took place between community and developer to support the project development in their answers to the Community Benefits section in Appendix D.

- Q: How is PGE weighting the scores for the various sub-categories within the CBIAG rubric?
 - a. The CBIAG rubric scores are not weighted across the sub-categories. The CBIAG will be asked to score various aspects of the community benefits associated with the project (see Appendix B: CBIAG Scoring Rubric). They will also be asked to weigh in on whether the project, despite the scores provided, technically would qualify as a CBRE without any changes. If the CBIAG determines that the answer is "no" then the offer would move to Track 2 and the Bidder would be provided feedback on how to become a CBRE. The one exception to this approach is if the offer meets the legal definition of a CBRE as described in Section 1.2.a-b. If there is a situation where the CBIAG does not believe the offer meets the standard of a CBRE, but the ownership structure does align with the technical definition in HB 2021 then we'd likely interpret this as a very low scoring bid, at minimum. For bids that are considered to meet the definition of a CBRE either through CBIAG input or technical definition alignment, the scores attributed will provide additional context with which to interpret project value.
- Q: In the CBIAG scoring rubric, 'Community Benefit Financing Plan' is one of the listed categories. What does this refer to, exactly? Is this simply about the financing plan for a project that delivers community benefits, or does this have to involve 'public funding partners' or other public of community funding mechanism? This wasn't entirely clear. In other words, would a project that would plan to fund itself through privately-raised financing, but using all federal tax credits (ITC) that it qualifies for, be able to score the highest rating if that funding was secured? Or is the highest rating reserved for projects that use some significant amount of public sector funding in addition to the ITC?
 - a. Please include your plan for how you will pay for the community benefit. For example, is it grant(s), included in the payment price to PGE, another construct, or unknown?
- Q: When scoring projects, does PGE have a specific weighting percentage for economic valuation versus CBIAG rubric?
 - a. The scoring of the CBIAG rubric will bring context to the economic valuation. A high score from the CBIAG would help justify moving forward with a project whose economics might not be as competitive otherwise, but were still defensible.

Financial

- Q: Is there an application fee associated with the CBRE RFO?

- a. There is no fee to submit a CBRE RFO bid specifically. There may be fees related to the interconnection application process.
- Q: Is PGE aware of any available grants from government of State of Oregon which may fund, in whole or in part, the development and/or construction-related expenses of a CBRE project?
 - a. We are aware of a variety of grants that have been available. We are not sure what is current or upcoming or how they might integrate with the CBRE RFO but some resources to support research can be found at:
 - Oregon Department of Energy’s Incentives list: <https://www.oregon.gov/energy/Incentives/Pages/default.aspx>
 - US Department of Energy: <https://www.energy.gov/funding-financing>
 - USDA Energy Programs: <https://www.rd.usda.gov/programs-services/energy-programs>
 - Energy Trust of Oregon has a variety of project development assistance financing and project funding opportunities across various project types:
 - Solar & Storage: [Solar for Commercial Buildings, Multifamily Buildings and Farms - Energy Trust of Oregon](#)
 - Solar Development Assistance
 - Commercial installation incentives
 - Battery Storage Development Assistance
 - Custom Distributed Renewables: [Renewable Energy - Energy Trust of Oregon](#) - scroll down to “Hydro and Biopower”, then follow the links for Hydropower, Biopower, Wind, and Geothermal Electricity.
 - Project Development Assistance – distributed renewable energy and Energy Resilience
 - Installation incentives

For those seeking additional support in finding additional funding opportunities for CBRE, please fill out the networking opportunity found on the CBRE website (www.portlandgeneral.com/cbre) and identify your interest in project funding expertise.

- Q: If pricing for CBRE projects exceeds pricing for utility-scale projects, will PGE still procure via the CBRE RFO?
 - a. If a project's price is competitive with utility scale projects, that would certainly provide some ease in making an economic case for moving forward. That said, PGE has not defined a price cap for the CBRE RFO. If we intended to cap these projects not to exceed utility-scale pricing, we would have made that clear in the RFO. We very much want to learn about the true cost of pursuing this approach and build a current market view into our planning for how we can reach these goals, if we don't reach them through this RFO alone.
- Q: How does PGE anticipate calculating “Levelized Benefit”? What are the categories or sub-components which will constitute “Levelized Benefit” and what are the weightings or contribution factors of each?

- a. Levelized benefit will constitute the grid value of energy and capacity to the system as calculated in PGE's most recently acknowledged Integrated Resource Plan. PGE anticipates using standard models (AURORA, MONET, Sequoia, or similar) to those used in power cost regulatory processes. PGE will use this value to assess the relative cost-to-benefit of projects submitted to this RFO.
- Q: Does a project have to have a positive cost-to-benefit ratio to be successful? i.e. Does a project need to have a "true" cost-to-benefit metric to move forward per the language below? Or is this only one consideration that will be weighed together with the CBI scoring?
 - a. We acknowledge that a Bidder could not reasonably anticipate what we would consider the levelized benefit and therefore could not project if their pricing was high or low through this lens. To that end, we recommend focusing on providing the best project economics from the Bidder's vantage point and not what they think PGE wants to see. It is possible for a project that returns a "False" value here to still proceed. Please keep in mind that projects need to present a compelling value for them to be transactable.
- Q: To what extent does PPA versus build-transfer versus development rights impact PGE's "levelized benefit" metric?
 - a. The levelized benefit metric simply compares the price of the project to the calculated value of energy and capacity per PGE's most recent resource plan. Commercial structure will not materially modify this calculation, but PGE encourages offers that propose unique and creative ownership structures that distribute benefits of ownership to communities.

Geography

- Q: Is PGE going to accept bids outside of their service territory or w/community benefits outside their service territory?
 - a. For our first foray into this space, we expect to be focused on our service territory and customers we serve. We expect this lens to give bidders the most likelihood of success for us to justify the cost of any investments to our customers. That said, the benefits do not have to be *limited* to our service territory and there could certainly be scenarios where our customers feel a connection to other parts of Oregon that could make sense. As a hypothetical question, there are a lot of hypothetical answers. Given the investment in time and resources it is to develop a bid, we do view a focus on our service territory for all aspects of this request as the safest approach.
- Q: Can we pair generation sited on PGN's transmission system with dispatchable resources sited on PGN's distribution system?
 - a. This is technically possible. However, the likelihood that one could connect at >64.5kV and be able to deliver by 2030 is very low. Please keep in mind, PGE has to be the interconnection provider in ALL permutations. There is no ability to wheel power across BPA's system, for example.

Minimum Requirements

- Q: What do we mean by site control?
 - a. A right to acquire or lease the site(s) for the purpose described in the offer.
- Q: Is site control required for minimum eligibility? Under “Supplemental Material” in the Appendix, site control documents are listed, but it is not otherwise clear that site control is required at time of bid submission.
 - a. Yes. Please send any relevant site control documents - the project must demonstrate the ability to site before PGE will contract with the resource. In order to deliver a project that meets the minimum requirements described in Appendix A, an entity would have the legal capacity to develop a project on the site being proposed (i.e., "site control"). Therefore, a bidder may submit a bid without site control but will not proceed past technical requirements review before receiving feedback that they need site control to remain in Track 1.
- Q: What interconnection milestone is required to submit a bid? Page 13 of the RFO document says projects "must have a completed interconnection application submitted" but page 21 says "Provide the date that an interconnection agreement was submitted to PGE". Which is correct?
 - a. Apologies – this was a typo. An interconnection application is all that is required at the time of submitting a bid. We’ve updated the RFO to fix that inconsistency.
- Q: What if we submit bids w/o interconnection application just to get feedback on the rest of the bid?
 - a. The first layer of review is the minimum technical requirements. An interconnection application is a minimum technical requirement so you would receive feedback on the alignment with minimum technical requirements, to the extent we could evaluate without the interconnection application. There would not be any feedback available related to Community Benefits or Project Economics.
- Q: Does the 20 MW aggregate limit apply to the generation and dispatchable capacity together or additively? For instance, if a bid is submitted for 19 MW of solar aggregated from one or more sites, and 19 MW of storage virtually paired and aggregated at one or more sites, would that bid be considered a 38 MW bid and thus too big or a 19 MW bid?
 - a. That is correct. The capacity cap is only related to the generation of the renewable portion. There is no minimum or maximum outlined in the CBRE RFO for dispatchable capacity. However, we do encourage bidders to design projects that tell a cohesive story. Please describe how the size of the dispatchable capacity makes sense within the full scope of the project.
- Q: If one already has a renewable energy project that will be net metered, can they add a battery through the CBRE RFO? Could they plan the multiple components in stages?
 - a. No. This would not meet the minimum requirements described in Appendix A. Net metered renewable resources are also not eligible. This is an RFO to sell us energy. If one pursues net metering, they have already defined the price and terms by which they are "selling" energy to us.

- Q: In Appendix A “Purpose and Scope”, what is the definition of “energy-related infrastructure” or can PGE provide examples of what this may be?
 - a. Within this context, “energy related infrastructure” refers to items that deliver dispatchable capacity. An example could be pumped hydro storage where it is energy-related infrastructure that is connected to the renewable resource (hydro) that enables it to have dispatchable capacity.
- Q: Will PGE change its policy regarding max project size of 10 MW on its distribution grid in order to allow projects closer to the 19.9 MW max project size under ORS 469A.210? More specifically, would PGE allow larger projects on 34.5kV distribution lines?
 - a. Yes, we will consider projects closer to the 19.9 MW max project size. On 13 kV systems, anything over 10 MW is almost certain to require upgrades. Notably, our 34.5 kV distribution circuits are typically dedicated to serving one customer, so we can’t add projects to the lines without working with the customer.

PGE Plans and Preferences

- Q: This RFO is focused on meeting PGE’s 2026 CBRE requirements. Does PGE anticipate issuing another CBRE RFO to meet its 2030 requirements under ORS 469A.210? If not, under what conditions would PGE issue subsequent CBRE RFOs or will this particular 3-round RFO be the only one issued by PGE?
 - a. We intend to focus on the results of this RFO and let that inform our future strategy for reaching CBRE goals, and we have not limited Commercial Operation Dates (CODs) to 2026. We encourage bids that can deliver between now and 2030.
- Q: Does PGE intend to use the CBRE RFO(s) to meet 100% of its compliance requirements under ORS 469A.210 or does PGE intend to issue RFOs/RFPs which do not match the CBRE aspect to meet a portion of its compliance requirements?
 - a. We intend to focus on the results of this RFO and let that inform our future strategy for reaching CBRE goals.
- Q: Does PGE have any land it would be willing to make available to developers?
 - a. No.
- Q: Has PGE already identified any specific developers from whom it would like to see a project or otherwise had discussions on specific proposed CBRE projects?
 - a. PGE hopes that those who are interested in making a community benefit renewable energy project a reality, whether they consider themselves developers or not, whether we've ever met them or not, will bring projects to us through this CBRE RFO. We have been responsive to anyone who has expressed interested in understanding what the CBRE RFO might look like (in the early days of planning) all the way to what it actually is (since launching) to make sure they can fully consider whether this approach might be right for them. We also continue to promote the opportunity broadly. We are invested in making sure this is an accessible RFO for all who are interested.

- Q: In Appendix A the table for Telemetry Requirements notes distribution and transmission locational benefits. Does PGE have any specific areas on its transmission or distribution grids which it considers to be of higher-value to PGE?
 - a. PGE is not requesting projects that are sited in specific areas of value but Bidders may be able to interpret the relative value of the site(s) they are looking at based on resources provided on the CBRE website in the Resources section. To build on this, PGE is not reserving any areas on our distribution and transmission grids for enhancement through CBRE. We do not want to withhold updates to our system and potentially create harm for communities as a result given we cannot anticipate where bidders would even have access to develop projects.

Renewables

- Q: Would you clarify whether the CBRE applications may include responsible biomass energy generation assets?
 - a. CBRE is focused on projects that meet the definition of non-emitting in HB 2021. Greenhouse gas emissions (GHG) for purposes of HB 2021 is defined in the greenhouse gas goals in ORS 468A.200 to .260. That provision says that GHG includes any gas that contributes to anthropogenic global warming. Therefore, it is possible for the GHG associated with a specific biomass and / or biogas project not to contribute to human caused global warming if the CO2 emitted was embedded in the biomass itself. For example, a biomass/biogas project that reduced what otherwise might be anthropogenic global warming is likely acceptable (e.g. converting methane to CO2 in the case of landfill gas). If a bidder could make the case that the project does not *contribute* to global warming, that would likely be an acceptable form of biomass/biogas.
- Q: Will an offer be deemed compliant if it is the offtake of a <20 MW phase of a project that would be built into a larger project in subsequent phases? IE a 20 MW phase 1 of a 100+ MW solar project, with the first phase going to the CBRE program and subsequent phases being marketed elsewhere?
 - a. Theoretically, this approach would be compliant. PGE would only consider what is within scope of this Request for Offer in evaluation and would expect any future plans related to this location to not impact the delivery of any aspect of the project.
- Q: Please confirm that a PVsyst report will satisfy the Energy Resource Assessment requirement.
 - a. Yes, we can use PVsyst or could even use an NREL calculator to model the assumed output of the project. We reserve the right to ask for more detailed assessment as the project progresses.