



March 21, 2023

AFFILIATED AGENCIES

*Orange County
Transit District*

*Local Transportation
Authority*

*Service Authority for
Freeway Emergencies*

*Consolidated Transportation
Service Agency*

*Congestion Management
Agency*

*Service Authority for
Abandoned Vehicles*

**SUBJECT: Request for Proposals (RFP) 2-2860
“Low Carbon Fuel Standard and Renewable Fuel Standard
Programs”**

All Offerors:

This letter shall serve as Addendum No. 2 to the above RFP issued by the Orange County Transportation Authority (Authority). Offerors are reminded that the proposal submittal date is at or before **2:00 p.m., April 17, 2023**.

Offerors are advised of the following:

1. A pre-proposal conference was held on March 7, 2023 at 10:00 a.m. via teleconference. The pre-proposal registration sheet is presented as Attachment A to this Addendum No. 2.
2. Written questions submitted by the deadline and OCTA’s responses are presented in Attachment B to this Addendum No. 2.
3. The Price Summary Sheet has been revised and is presented as Exhibit B, Revised Price Summary Sheet, to this Addendum No. 2.

Offerors are reminded to acknowledge receipt of this Addendum No. 2 in their transmittal letter and Exhibit B, “Revised Price Summary Sheet.” All changes addressed in this Addendum No. 2 shall be incorporated into the final Agreement.

Questions regarding this Addendum No. 2 should be directed to the undersigned at idenEAU@octa.net.

Sincerely,

Iris Deneau
Senior Contract Administrator
Contracts Administration and Materials Management

PRE-PROPOSAL CONFERENCE REGISTRATION**OCTA** RFP #: 2-2860

Date: March 7, 2023

Title: Low Carbon Fuel Standard and Renewable Fuel Standard Programs

1. **Company Name:** Mercuria Energy America, LLC

Attendee: Sahar Kamali

Address: 20 E Greenway Plaza, Suite 650

City, State Zip: Houston, TX, 77046

Phone Number: (832-571-8126) **Registered on CAMM NET?** ☒ Yes ☐ No

Prime ☒ **Sub** ☐ **DBE** ☐

E-Mail Address: skamali@mercuria.com

2. **Company Name:** _____

Attendee: _____

Address: _____

City, State Zip: _____

Phone Number: () **Registered on CAMM NET?** ☐ Yes ☐ No

Prime ☐ **Sub** ☐ **DBE** ☐

E-Mail Address: _____

3. **Company Name:** _____

Attendee: _____

Address: _____

City, State Zip: _____

Phone Number: () **Registered on CAMM NET?** ☐ Yes ☐ No

Prime ☐ **Sub** ☐ **DBE** ☐

E-Mail Address: _____

No.	Question	OCTA's Response
1	Is the start date of the contract October 1, 2023, as referenced in the "Proposed Agreement?"	The start date of the contract will be November 1, 2023.
2	Does the proposal need to contain services to provide all three energy sources (renewable natural gas [RNG], electric, and hydrogen) or are we able to propose on one source with the others to be handled by another provider?	The requirement is that the energy service provider (ESP) has the resources to manage all three fuels in house.
3	Is the hydrogen refinery facility on-site at the fueling station or is the hydrogen trucked into the fueling station?	Currently the hydrogen fuel is trucked into the Santa Ana Base storage station.
4	Scope of Work-Exhibit A (Page 5) Can you further clarify the following bullet point "Supply all fuel types including RNG and renewable energy from solar and wind. OCTA may require proof of adequate staffing capable of performing all aspects as state in the scope of work?" Are you looking for credits from wind/solar?	OCTA operates a diverse fleet of buses: RNG, all electric, hydrogen. OCTA anticipates generating Low Carbon Fuel Standard (LCFS) and Renewable Identification Numbers (RIN) credits for all types of fuels OCTA uses for its fleet. OCTA understands that RINs are currently limited and are generated from fewer fuels than LCFS credits. It is also required that the firm has the resources to purchase Renewable Energy Credits (REC) equal to OCTA's KWh usage, as well as purchase and sell RECs equal to the grid electricity OCTA consumes. The firm must have the staff, resources, and ability to provide all services as outlined in the Scope of Work.
5	The RFP states "the selected Consultant must also be a registered Core Transport Agent (CTA) with both Southern California Gas Company (SoCalGas) and the California Public Utilities Commission." There are two questions on this requirement, 1) can the Proposer provide an alternative RNG delivery transaction which would deliver RNG as an RNG only transaction, allowing OCTA to continue to contract for its gas commodity with its current service provider or an ESP of its selection? or alternatively, 2) Can the Consultant provide all ESP services through a subcontractor that would contract with an established ESP and provide services to OCTA? This structure would ensure that the Proposer is contracted, through a certified MBE, to provide all of the gas supply services as described in the Scope of Work, while the Proposer, as Prime, manages the Scope of all RNG supply and LCFS and Renewable Fuel Standard (RFS) related services.	1) OCTA requires that the consultant have resources to match OCTA's demand for natural gas with RNG. Currently the RNG provider is receiving copies of OCTA SoCalGas bills and matching the SoCalGas consumed by OCTA's fleet with RNG. 2) The requirement is that the ESP have resources and staff to manage all fuel types as outlined in the Scope of Work and manage environmental attributes generated from both the LCFS and RFS programs.
6	Would OCTA consider proposals that do not include RNG fuel management (only electric and hydrogen)?	The consultant must have resources to manage all types of fuel including RNG as outlined in the Scope of Work
7	Will OCTA consider proposals for partial RNG supply (i.e. by station) or do proposers need to supply 100% of OCTA's demand?	The consultant must have resources to supply 100% of OCTA's demand for RNG.
8	What is the estimated start date of the new contract?	See the response to Question No. 1.
9	What is the LCFS and RIN share and/or payouts OCTA is currently receiving under its existing contract (including the carbon intensity [CI] value for LCFS purposes)?	OCTA is currently receiving 10% RIN, 25% LCFS, 3% Low CI -230 and lower. Share is a straight percentage. Alternative share structures are acceptable, but must be clear and measurable.
10	Does OCTA require that the firm to serve as ESP on this contract?	Yes.
11	Does OCTA own its electric vehicle (EV) charging infrastructure and are the chargers individually metered? Please provide the monthly electric usage today and future load offerors should anticipate.	Yes, OCTA owns the EV charging stations. No, the stations are not individually monitored, but OCTA can run reports that will break usage down by charger.
12	Is OCTA buying and/or being served with REC today?	OCTA is generating LCFS and selling LCFS credits. LCFS credits generated by electricity are matched with REC purchases and sold.
13	Can you please advise who is your current hydrogen supplier and the duration of that contract?	The contract is with Trillium and Air Products supply the fuel. Contract expires December 31, 2023.
14	Can you please advise what renewable content percentage (e.g. 33%) and CI your liquid hydrogen is now and what you expect it to be in the future?	Currently the CI score is too high to generate credits. The fuel is trucked in from Sacramento.
15	Are there any specifications on the type of RECs OCTA currently procures for its stations?	Currently the RECs generated are from solar and wind farms.
16	Is OCTA open to a different order of precedent compared to what is described Under Article 10. Order of Precedence of the Proposed Agreement? We use a Transaction Confirmation(s) and a North American Energy Standards Board (NAESB) agreement to supply RNG to end-users. These are standard gas pipeline type contracts to move commodity, and they should be #1 in the priority. We would be happy to provide sample contracts to OCTA if desired.	As indicated in the RFP, OCTA intends to use the NAESB agreement for fuel transactions. Please submit your exception and/or deviation as part of your proposal by completing the Proposal Exceptions and/or Deviations Form (Exhibit G) included in the RFP.

17	We recommend OCTA add verbiage to the Proposed Agreement which would allow either party to terminate the contract in the event the consultant is prevented from supplying RNG and/or any of the services described in the Scope of Work as a result of material regulatory changes.	Please submit your exception and/or deviation as part of your proposal by completing the Proposal Exceptions and/or Deviations Form (Exhibit G) included in the RFP.
18	Is OCTA open to long term fixed pricing for a portion or all of their load?	Yes, OCTA is open to discussing a cost saving approach to purchasing natural gas. Cost savings and discounts are acceptable in the proposed pricing, but must be clear and measurable. Please describe in your proposal and in Exhibit B, Revised Price Summary Sheet.
19	What type of index pricing is OCTA looking for in terms of gas commodity?	OCTA is currently purchasing gas from the So Cal City gate index. However, OCTA is open to other cost saving structures. Savings on natural gas purchases can be factored into the proposed pricing, but must be clear and measurable. Please describe in your proposal and in Exhibit B, Revised Price Summary Sheet.
20	Please note that RINs for hydrogen and electric are not currently part of the RFS program. Please confirm this line of the price form will not be included in the evaluation.	OCTA is aware that the eRINS are in draft form with the Environmental Protection Agency (EPA) that currently includes vehicles under 8,500 lbs. The hope is that the ruling will also include heavy vehicles (buses), which is scheduled for June 2023. If not included in that ruling, then maybe by 2026.
21	The cost evaluation and price form sections of the RFP do not establish an LCFS or RIN price assumption for evaluation purposes. The price form also has a line item for "Low CI %" without requiring offerors to state what CI value they are offering. At minimum, we recommend OCTA provide all prospective offerors with this information and an amended price form regarding the CI offer. Without this, OCTA will be unable to determine the value of LCFS credits or otherwise have an apples-to-apples price comparison.	The price summary sheet has been revised and is presented as Exhibit B, Revised Price Summary Sheet, to this Addendum No. 2.
22	We are an established company that produces RNG in California. Under the California requirement AB 32, we have experience managing the LCFS and RFS program by fulfilling the reporting requirements, including filing to California Air Resources Board and Environmental Protection Agency and monetizing credits. As an RNG producer and developer, our company would like to participate in this RFP. How many years of experience are required to be considered an eligible offeror?	There are no required number of years of experience for this effort. The requirements are stated in the Scope of Work and the expectation is that the firm demonstrates its ability to meet the specified requirements.
23	What is the official start date for this new contract?	See the response to Question No. 1.

REVISED PRICE SUMMARY SHEET

REQUEST FOR PROPOSALS (RFP) 2-2860

Enter the gas discount percentage based on Southern California Gas Company, Citygate Index dated March 16, 2023 (\$8.329 MMBtu). Enter below share percentage for Low Carbon Fuel Standard (LCFS), Renewable Identification Numbers (RIN), as well as Low-Carbon Intensity (CI) scores, if applicable.

FOR COST ANALYSIS PURPOSES:

- Share percentages based on 700,000 Therm natural gas monthly usage, 100,000 KWh for electricity monthly usage, 50,000 KG hydrogen monthly usage.
- For Low-CI score fuel, enter CI score along with share percentage for Low-CI fuels. OCTA currently earns LCFS credits from Low-CI fuels with CI scores of -230 CI. Enter CI score in the Additional Revenue Share Opportunities section below.
- If Offeror selects to enter a zero percentage share in any or all of the fuel categories or selects to propose a share method on top of share percentages, share methods must be measurable to a share percentage and must guarantee OCTA a minimum revenue share amount. Alternative share methods not clear and/or measurable and do not guarantee OCTA a minimum share amount will be considered non responsive. Enter alternative share methods in the Additional Revenue Share Opportunities section below.

FIXED SHARE PERCENTAGE

Initial Term: Effective through October 31, 2028

	Renewable Natural Gas				
	Year 1	Year 2	Year 3	Year 4	Year 5
	Effective – 10/31/24	11/1/24 – 10/31/25	11/1/25 – 10/31/26	11/1/26 – 10/31/27	11/1/27 – 10/31/28
% Discount Natural Gas	_____	_____	_____	_____	_____
% LCFS Credit to OCTA	_____	_____	_____	_____	_____
% RIN to OCTA	_____	_____	_____	_____	_____

**ADDENDUM NO. 2 TO
RFP 2-2860
EXHIBIT B**

	Electricity				
	Year 1	Year 2	Year 3	Year 4	Year 5
	Effective – 10/31/24	11/1/24 – 10/31/25	11/1/25 – 10/31/26	11/1/26 – 10/31/27	11/1/27 – 10/31/28
% LCFS Credit to OCTA	_____	_____	_____	_____	_____
% REC to OCTA	_____	_____	_____	_____	_____

	Hydrogen				
	Year 1	Year 2	Year 3	Year 4	Year 5
	Effective – 10/31/24	11/1/24 – 10/31/25	11/1/25 – 10/31/26	11/1/26 – 10/31/27	11/1/27 – 10/31/28
% LCFS Credit to OCTA	_____	_____	_____	_____	_____
% RIN to OCTA	_____	_____	_____	_____	_____

First Option Term: November 1, 2028 through October 31, 2030

	Renewable Natural Gas	
	Year 6	Year 7
	11/1/28 – 10/31/29	11/1/29 – 10/31/30
% Discount Natural Gas	_____	_____
% LCFS Credit to OCTA	_____	_____
% RIN to OCTA	_____	_____

	Electricity	
	Year 6	Year 7
	11/1/28 – 10/31/29	11/1/29 – 10/31/30
% LCFS Credit to OCTA	_____	_____
% REC to OCTA	_____	_____

**ADDENDUM NO. 2 TO
RFP 2-2860
EXHIBIT B**

	Hydrogen	
	Year 6	Year 7
	11/1/28 – 10/31/29	11/1/29 – 10/31/30
% LCFS Credit to OCTA	_____	_____
% RIN to OCTA	_____	_____

Second Option Term: November 1, 2030 through October 31, 2032

	Renewable Natural Gas	
	Year 8	Year 9
	11/1/30 – 10/31/31	11/1/31 – 10/31/32
% Discount Natural Gas	_____	_____
% LCFS Credit to OCTA	_____	_____
% RIN to OCTA	_____	_____

	Electricity	
	Year 8	Year 9
	11/1/30 – 10/31/31	11/1/31 – 10/31/32
% LCFS Credit to OCTA	_____	_____
% REC to OCTA	_____	_____

	Hydrogen	
	Year 8	Year 9
	11/1/30 – 10/31/31	11/1/31 – 10/31/32
% LCFS Credit to OCTA	_____	_____
% RIN to OCTA	_____	_____

**ADDENDUM NO. 2 TO
RFP 2-2860
EXHIBIT B**

-
1. I acknowledge receipt of RFP 2-2860 and Addenda No.(s) _____
2. This offer shall remain firm for _____ days from the date of proposal
(Minimum 120)

COMPANY NAME _____

ADDRESS _____

TELEPHONE _____

FACSIMILE # _____

EMAIL ADDRESS _____

SIGNATURE OF PERSON
AUTHORIZED TO BIND OFFEROR _____

NAME AND TITLE OF PERSON
AUTHORIZED TO BIND OFFEROR _____

DATE SIGNED _____