



FirstEnergy Service Company

As agent for

The Cleveland Electric Illuminating Company

Ohio Edison Company

The Toledo Edison Company

("FirstEnergy Ohio Utilities")

Request for Proposals for 2016 Ohio Compliant

Renewable Energy Credits

Bidding Rules

Issued: October 3, 2016

Proposals Due: November 7, 2016

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The following documents are appended to, and shall be considered integral parts of the RFP:

- Attachment 1: Communications Protocol
- Attachment 2: Credit Application
- Attachment 3: Qualifying Application
- Attachment 4: Bid Price Proposal
- Purchase and Sale Agreement

1. Introduction

- 1.1. FirstEnergy Ohio Utilities is soliciting proposals from parties for the Delivery of Renewable Energy Credits (“RECs”) and Solar Renewable Energy Credits (“SRECs”) to comply with the renewable energy and solar energy resource requirements of R.C. 4928.01, R.C. 4928.64, and R.C. 4928.65 (“Ohio Law”) as amended pursuant to Senate Bill 310.
- 1.2. This Request for Proposals (“RFP”) establishes FirstEnergy Ohio Utilities right to execute one or more Purchase and Sale Agreement for Renewable Energy Credits with Successful Proposer(s) for the Delivery of 230,000 RECs and 6,500 SRECs.
- 1.3. FirstEnergy Ohio Utilities has retained Navigant Consulting, Inc. (“RFP Manager”) to serve as solicitation manager for this RFP.
- 1.4. This document, entitled the Bidding Rules for Request for Proposals for 2016 Ohio Compliant Renewable Energy Credits and Solar Renewable Energy Credits (“RFP Rules”) describes how the RFP will be conducted. The following documents are appended to, and shall be considered integral parts of the RFP:
 - Communications Protocol
 - Credit Application
 - Qualifying Application
 - Bid Price Proposal
 - Purchase and Sale Agreement (“PSA”)
- 1.5. Additional capitalized terms in this document, which are not defined explicitly herein, are defined in the PSA. Key defined terms used in the RFP Rules are:
 - “Buyer” means the FirstEnergy Service Company, as agent for The Cleveland Electric Illuminating Company, Ohio Edison Company, and The Toledo Edison Company, with a place of business at 76 South Main Street, Akron, Ohio 44308.
 - “Deliver, Delivered or Delivery” means the transfer of all rights, title and interest in RECs or SRECs from REC Supplier to Buyer via completion of the actions specified in Section 3.2.
 - “Eligible Resource” means a renewable energy resource generating facility that has been certified by the Public Utilities Commission of Ohio (“PUCO”) to be eligible to create RECs or SRECs that may be used to comply with Ohio's alternative energy portfolio requirement. Instructions for filing an application for certification as an Ohio renewable energy resource generating facility can be found on the PUCO website¹.
 - “Products” means unbundled RECs or SRECs.
 - “Proposers” means those entities which have submitted Proposals in response to this RFP.
 - “Qualified Proposers” means those entities which have met the RFP Rules and have submitted a Proposal which has passed through Part 1 of the Evaluation and has proceeded to Part 2 for selection consideration.
 - “REC Supplier” means those Successful Proposers that have executed a PSA with FirstEnergy Ohio Utilities.
 - “Successful Proposers” means those entities whose Proposals have been selected by the

¹ <http://www.puco.ohio.gov/puco/index.cfm/puco-forms/renewable-energy-resource-generating-facility-application-for-certification/#sthash.Q95I0bZh.dpbs>

RFP Manager and FirstEnergy Ohio Utilities pursuant to this RFP.

- “Target Quantity” means the amount of SRECs and RECs First Energy is seeking in this RFP.
- “GATS Tracking System” means PJM Environmental Information Services Inc.’s Generation Attributes Tracking System.

2. RECs and SRECs

- 2.1 FirstEnergy Ohio Utilities is seeking Proposals from parties interested in providing firm unbundled RECs or SRECs that are eligible to meet the FirstEnergy Ohio Utilities compliance requirements under Ohio Law as amended pursuant to Senate Bill 310.
- 2.2 The offered quantity of RECs and SRECs must be firm and not unit contingent.
- 2.3 The Delivered RECs and SREC under the PSA must be from Eligible Resources that have been generated no earlier than January 1, 2014 and no later than December 31, 2016 and be Delivered to FirstEnergy Ohio Utilities no later than February 14, 2017 via the GATS Tracking System.
- 2.4 Once Delivered, RECs and SRECs must become the sole property of FirstEnergy Ohio Utilities.
- 2.5 All RECs and SRECs must be consistent with any and all applicable Ohio laws, rules and regulations, including without limitation, rules and regulations promulgated by the PUCO.
- 2.6 The failure of a REC Supplier to Deliver RECs or SRECs on or before February 14, 2017 will constitute an Event of Default under the PSA, and FirstEnergy Ohio Utilities has the right to purchase replacement RECs or SRECs and to charge Proposer for the costs, fees and expenses it subsequently incurs as a result of such Event of Default or any fines, penalties or charges imposed on FirstEnergy Ohio Utilities by the PUCO or any other governing body as a result of Proposer’s failure to Deliver RECs or SRECs.

3. RFP Website

- 3.1 The RFP Manager has established a website located at <http://www.FEOhioRECRFP.com> that will be the primary source of information for the RFP. The RFP website provides parties with:
 - RFP Information: the website provides a list of announcements, an updated schedule, and FAQs.
 - Contact Information: the website provides parties with a contact form for submitting questions, a form to sign up for email announcements, a telephone number and an email address.
 - Required Forms: All required documents are posted for parties to download and review.

4. RFP Schedule

- 4.1 The following is the RFP Schedule. FirstEnergy Ohio Utilities reserves the right to modify these dates at its sole discretion and accepts no liability to the extent the actual schedule is different from the anticipated schedule. In the event a change is made to the RFP Schedule, a revised schedule will be posted on the RFP website.

Table 1 Schedule of Events

Event	Date
Issue RFP Documents	October 3
RFP Overview Webinar (11:00 AM²)	October 6
FAQ Deadline (5:00 PM)	October 13
FAQ Responses Posted on Web site	October 20
Credit Application Acceptance Window Opens	October 31
Proposal and Credit Application Due Date (5:00 PM)	November 7
Notification of Successful Proposer Award(s)	November 14
Executed PSAs (PDFs) due back	November 15
Executed PSAs (Hard Copy) due back	November 21
Posting of Security (if applicable)	November 21

5. RFP Overview Webinar

- 5.1 Parties are invited to an informational RFP Overview Webinar on October 6, 2016 at 11:00 AM. During the Webinar, the RFP Manager, with FirstEnergy Ohio Utilities, will describe the RFP process and key terms of the PSA.
- 5.2 Navigant and FirstEnergy Ohio Utilities will answer questions raised at this Webinar to the extent possible.
- 5.3 Presentation materials and Q&A from the Webinar will be posted to the RFP Web site on or prior to October 20, 2016.
- 5.4 Instructions for joining the RFP Overview Webinar are available on the “Supplier Documents” section of the website.

² Unless noted otherwise, all times refer to Eastern Prevailing Time (“EPT”)

6. FAQ Process

- 6.1 Prior to the FAQ deadline, interested parties and Proposers may submit questions to the RFP Manager which will be addressed and posted to the RFP website on October 20, 2016.
- 6.2 Any questions on the RFP or related documents should be sent to the RFP Manager via email at: manager@FEOhioRECRFP.com. Parties may also submit questions during the RFP Overview Webinar.

7. Proposal Requirements

- 7.1 Submittal Requirements: Proposers are invited to submit their Proposals electronically in PDF format (or any combination thereof) by 5:00 PM ET on November 7, 2016 to manager@FEOhioRECRFP.com. Late proposals will not be considered.
 - The subject line of Proposal submission must include 'RFP Response' along with the name of the Proposer.
 - Proposers must include a separate attachments for the following required RFP document in PDF format:
 - Signed Credit Application (File name: COMPANY_DATE_CreditApp.pdf);
 - Qualification Proposal (File name: COMPANY_DATE_Qualification); and
 - Each separate Bid Price Proposal (File name: COMPANY_DATE_Bid Price Proposal #_ REC CATEGORY)
- 7.2 The RFP Manager will provide each Proposer a confirmation of receipt via email. The email confirming receipt of the Proposal does not constitute an opinion on the completeness or qualification of a Proposal.
- 7.3 Proposals which are incomplete or otherwise do not satisfy all requirements of this RFP will not be considered.
- 7.4 All information provided and certifications made in the Proposal must remain valid and remain in full force for no less than five (5) business days after close of bidding in the RFP. Regardless of the reason, if any information provided changes or any previous certification fails to remain valid, it is the sole responsibility of the Proposer to notify the RFP Manager of such change. Failing to do so may result in disqualification of the Proposal(s). The RFP Manager reserves the right to vary the assessment of the Proposal based on the revised information provided by the Proposer.

8. Credit Application

- 8.1 Proposers are invited to submit one emailed form of the Credit Application preferably by October 31, 2016, or with your Proposal prior to 5:00 PM EPT on November 7, 2016 to manager@FEOhioRECRFP.com.
- 8.2 If a successful Proposer is required to post security, it must do so by November 21, 2016.
- 8.3 The Credit Application must be signed by an authorized representative of your company and provided in Adobe PDF format.
- 8.4 Proposers that provide a Credit Application prior to the Due Date will receive an email confirming receipt of their information and will be alerted to any deficiencies in Proposers' Credit Application and given the opportunity to correct such deficiency. Proposers may wait and provide their credit information simultaneously with their Proposals on November 7, 2016 by 5:00 PM EPT; however, a Proposer will forego the opportunity to make additions or corrections.
- 8.5 If Proposer previously completed a Credit Application for any previous FirstEnergy Ohio Utilities Renewable RFP, Proposer is still required to complete a new Credit Application.
- 8.6 Credit Applications are used to determine the amount (if any) of Security required under the PSA. Under the terms and conditions of the PSA (Article 5), a Proposer has the obligation to meet FirstEnergy Ohio Utilities' performance assurance or, alternatively, post and maintain Security in an amount of 5% of the total notional dollar value of the PSA if the total notional value of the Proposal exceeds \$500,000.
- 8.7 Forms of security which are acceptable to FirstEnergy Ohio Utilities are cash, Letter of Credit, Guaranty.

9. Evaluation Process: Part 1 Qualification

- 9.1 The RFP Manager will review each Proposal to confirm it is a complete submission (all required documents provided) and received on time and it contains fully completed required documents (Qualification Proposal, Credit Application) that meet the requirements of this RFP.
- 9.2 During its review, the RFP Manager may contact Proposers via email with questions, if any, required to complete its review.
- 9.3 The RFP Manager has no obligation to inform any Proposer of any deficiency in its Proposal.
- 9.4 Only Proposals that have satisfied the qualification requirements of Part 1 are eligible for Part 2.

10. Evaluation Process: Part 2 Bid Price Stacking and Selection

- 10.1 The RFP Manager will sort Bid Price Proposals by category (REC, SREC) and then by price.
- 10.2 The RFP Manager will select Bid Price Proposals by price for each category up to the target quantities sought by FirstEnergy Ohio Utilities in this RFP.
- 10.3 All Bids Price Proposals will be considered an offer to supply any quantity up to and including the quantity specified in the Bid.
- 10.4 In the event of "tied" Bid Price Proposals (e.g., bids with the same offer price) preference will be given to (i) projects that are physically located within the State of Ohio and (ii)

the larger volume Proposal.

- 10.5 The RFP Manager will provide the results and its recommendation from its evaluation to FirstEnergy Ohio Utilities. Proposer names will be redacted from the results. FirstEnergy Ohio Utilities reserves the right to select more or fewer than the target quantities sought in this RFP. FirstEnergy Ohio Utilities reserves the right to limit the total amount from any one party in order to preserve a diversity of suppliers.

11. Executing PSA(s) with Successful Proposers

- 11.1 FirstEnergy Ohio Utilities will prepare a PSA with information from each successful Proposer(s) Qualification and Bid Price Proposals and transmit such completed copies to the applicable Proposer via email.
- 11.2 Each Successful Proposer must execute and return the PSA to FirstEnergy Ohio Utilities in the form of a PDF attachment sent via email within one (1) Business Day; and a hard copy to be delivered within three (3) Business Days.
- 11.3 Proposers who have particular difficulties with these requirements may make special arrangements with the RFP Manager by sending an email to manager@FEOhioRECRFP.com.
- 11.4 Disqualification: Failure of a successful Proposer to execute and provide FirstEnergy Ohio Utilities with the PSA via PDF and hard copy or failure to provide the required security instruments to FirstEnergy Ohio Utilities within the required time period may result in the disqualification of such Proposal and selection of the next proposal(s) in terms of Bid price.

12. Conditions

- 12.1 This RFP includes and imposes certain restrictions on communications between FirstEnergy Ohio Utilities or the RFP Manager and Proposers. A Proposer is restricted from making contacts (e.g., oral, written or electronic communication) which a reasonable person would infer as an attempt to unduly influence the award, denial, or amendment of a contract from the issuance of this RFP through the final award and approval of the resulting PSA(s) to any FirstEnergy Ohio Utilities staff or the RFP Manager other than as designated herein.
- 12.2 RECs/SRECs Only: PSA(s) executed pursuant to this RFP will be for RECs and SRECs only. FirstEnergy Ohio Utilities will not take title under this RFP to any energy or capacity generated by the solar or renewable generating facility generating the RECs or SRECs purchased by FirstEnergy Ohio Utilities. Proposers will be responsible for undertaking all activities and paying all costs and charges associated with developing, permitting, and operating any renewable energy facility that may be owned by, or under contract to Proposer, and delivering energy associated with the purchased RECs or SRECs to an interconnection point within the MISO or PJM Interconnection grid.
- 12.3 Confidentiality: The RFP Manager and FirstEnergy Ohio Utilities will take reasonable precautions and efforts to maintain the confidentiality of Proposer's Proposal. Proposers should clearly identify each page of information that the RFP Manager and FirstEnergy Ohio Utilities should consider to be confidential or proprietary. Regardless of such markings, confidential information may be subject to review by the PUCO, or other governmental authority or judicial body relating to these matters and may be subject to legal discovery. Under such circumstances, FirstEnergy Ohio Utilities will make all

- reasonable efforts to protect Proposer's confidential information.
- 12.4 Costs: Neither FirstEnergy Ohio Utilities nor the RFP Manager will have any responsibility whatsoever with respect to the costs incurred by any Proposer in considering or responding to this RFP, including but not limited to (i) any costs of preparing any materials submitted to the RFP Manager or FirstEnergy Ohio Utilities; (ii) any costs associated with any studies, permits, or other agreements contemplated by this RFP; (iii) any costs associated with any renewable energy facilities; (iv) any costs associated with financing, employees or consultants, or real property; or (v) any costs associated with establishing, administering and maintaining GATS accounts, as applicable, sufficient to accomplish the Delivery of RECs to FirstEnergy Ohio Utilities.
- 12.5 Disclaimer: Neither the RFP Manager nor FirstEnergy Ohio Utilities makes any representation or warranty regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of the RFP Manager or FirstEnergy Ohio Utilities during the RFP process. Each Proposer is responsible for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP will not, in any way, cause the RFP Manager or FirstEnergy Ohio Utilities to incur any liability (whether contractual, financial or otherwise) to any Proposer participating in the RFP process, and by submitting a Proposal, Proposer releases the RFP Manager and FirstEnergy Ohio Utilities from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) relating to this RFP.
- 12.6 Not an Offer: This RFP is issued to elicit responses to FirstEnergy Ohio Utilities' inquiry and is not an offer. The issuance of the RFP and the submission of Proposer's information do not create any obligation upon FirstEnergy Ohio Utilities to buy goods or services from a Proposer, and FirstEnergy Ohio Utilities reserves the right to accept or reject any or all Proposals received. FirstEnergy Ohio Utilities also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more Proposers. No contract or other binding obligation on FirstEnergy Ohio Utilities will be implied unless and until a PSA has been executed on terms and conditions acceptable to FirstEnergy Ohio Utilities. FirstEnergy Ohio Utilities also reserves the right to not execute PSAs with any or all Proposers should FirstEnergy Ohio Utilities determine, in its sole discretion, that such PSAs would not guarantee Delivery, would impose unreasonably high costs on FirstEnergy Ohio Utilities' customers and/or would violate existing regulatory rules or regulations.
- 12.7 Non-conforming Proposals: FirstEnergy Ohio Utilities and the RFP Manager reserve the right to reject any Proposal at any time on the grounds that it does not conform to the terms and conditions of this RFP or that Proposer has not complied with the requirements of this RFP.
- 12.8 Interpretation: Notwithstanding any provision of this RFP, in the event a PSA is executed between a Proposer and FirstEnergy Ohio Utilities, that agreement, as applicable, will control over any provision of this RFP. Capitalized terms used herein and not otherwise defined will have the definition set forth in the PSA.