

FIRSTENERGY OHIO UTILITIES 2019 SHORT-TERM REC AND SREC RFP

OCTOBER 8, 2019

PRESENTED BY:

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NAVIGANT CONSULTING, INC.
RFP MANAGERS

NAVIGANT

GOOD MORNING!

Thank you for attending FirstEnergy Ohio Utilities RFP for 2019 Ohio Compliant RECs and SRECs Webinar

Phones will remain muted throughout the Webinar

Our session will begin shortly

Our key presenters this morning:

Dan Bradley, Managing Director, Navigant Consulting (“RFP Manager”)

Andrea Romano, Associate Director, Navigant Consulting (“RFP Manager”)

DISCLAIMER

Any statements in this webinar presentation describing or referring to documents and agreements are summaries only, and are qualified in their entirety by reference to such documents and agreements as provided in the following RFP governing documents:

- RFP Bidding Rules
- Attachment 1: Communications Protocol
- Online Forms available for completion and submittal online via the RFP website (www.feohiorecrfp.com):
 - Credit Application
 - Qualifying Application
 - Bid Price Proposal

AGENDA

- Communications Protocol
- RFP Website
- Target Quantities
- Eligibility & Requirements
- PSA Overview
- Proposal Submittal Requirements
 - Credit Application – Online Form
 - Qualifying Application – Online Form
 - Bid Price Proposal – Online Form
- Posting Security
- Evaluation
- Executing the PSA
- RFP Schedule
- Questions about the RFP

RFP COMMUNICATIONS PROTOCOL

- Contact with FirstEnergy Ohio Utilities is restricted during the RFP process. FirstEnergy Ohio Utilities has retained Navigant Consulting as the RFP manager for this RFP.
- All contact should be directed to the RFP Manager through the following channels:
 - RFP website: click on “contact” and fill out the form
 - Email: send an email to manager@feohiorecrfp.com
 - Webinar: during this Webinar, interested parties may submit chat questions

RFP WEBSITE

- Visit the RFP website for more details <http://www.feohiorecrfp.com>

Welcome to FirstEnergy Ohio Utilities'^[1] 2019 Ohio Compliant RECs & SRECs RFP Home Page

Please **click here to sign up for our mailing list** to receive updates regarding this RFP.

FirstEnergy Ohio Utilities' is seeking proposals for firm delivery of 11,400 SRECs and 401,200 RECs for its 2019 compliance requirements under Ohio Law as amended pursuant to Senate Bill 310. RECs and SRECs must be delivered to FirstEnergy Ohio Utilities' no later than February 14, 2020 via the GATS Tracking System.

Frequently Asked Questions (FAQs)

Please contact the RFP manager with any questions. Answers to frequently asked questions will be posted on the [Documents](#) page.

RFP Webinar

The RFP Overview Webinar will be held on **Tuesday, October 8, 2019** at 11:00 AM EPT. After the webinar, the slide deck will be available on the [Documents](#) page.

Documents

To download the RFP Bid Rules, Communications Protocol, and Purchase and Sale Agreement, please visit the [Documents](#) section of this RFP website.

TARGET QUANTITIES

- FirstEnergy Ohio Utilities are seeking to purchase a fixed number of 2019 Ohio compliant RECs and SRECs to be Delivered on or before February 14, 2020 in the following target quantities:
 - 401,200 RECs
 - 11,400 SRECs

ELIGIBILITY AND REQUIREMENTS

- All RECs and SRECs proposed pursuant to this RFP shall:
 - be or have been derived from Eligible Resources;
 - be firm offers and not unit contingent offers;
 - be or have been generated no earlier than January 1, 2017 and no later than December 31, 2019;
 - be consistent with any and all applicable Ohio laws, rules and regulations, including without limitation, rules and regulations promulgated by the PUCO;
 - be Delivered to FirstEnergy Ohio Utilities no later than February 14, 2020 via GATS; and
 - become the sole property of FirstEnergy Ohio Utilities.



Eligible Resources 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 website at the link below:

<http://www.puco.ohio.gov/puco/index.cfm/puco-forms/renewable-energy-resource-generating-facility-application-for-certification/#sthash.t8R0FeIU.dpbs>



Under the Purchase and Sale Agreement, all RECs and SREC must be Delivered to FirstEnergy Ohio Utilities via the GATS Tracking System. GATS is short for the “PJM Environmental Information Services Inc.’s Generation Attributes Tracking System” and is available at the link below:

<https://www.pjm-eis.com/getting-started.aspx>

PSA OVERVIEW

The terms and conditions of FirstEnergy Ohio Utilities' purchases will be subject to a Purchase and Sale Agreement for Renewable Energy Credits ("PSA")

- All terms and conditions incorporated in the PSA are considered final and non-negotiable
- In the event a successful Proposer fails to secure the quantity of RECs and/or SRECs from the renewable generating facility that the Proposer originally planned to use to provide such RECs and/or SRECs, it remains that successful Proposer's obligation to Deliver to FirstEnergy Ohio Utilities the quantity of RECs and/or SRECs set forth in the PSA
- Proposers must be able to meet all requirements of the PSA, and failure to do so will result in exclusion of the Proposer's proposal from further consideration
- The PSA is posted in the Documents section of the RFP website

PROPOSAL SUBMITTAL REQUIREMENTS

- To submit a proposal, please register on the RFP Web site and complete the following **online forms** available for completion and submittal online via the RFP Web Site:
 - Credit Application;
 - Qualification Application; and
 - Pricing Proposal(s).
- Online application forms must be submitted to the RFP Manager no later than 5:00 pm on November 5, 2019

Click on “Register” to create a user profile pm the RFP website.

FirstEnergy

HOME DOCUMENTS WEBINAR APPLICATION DASHBOARD REGISTER ABOUT AJ

Register

User Registration

LOGIN

Username

Click on “Application Dashboard” on the RFP website to submit an application.

FirstEnergy

HOME DOCUMENTS WEBINAR APPLICATION DASHBOARD REGISTER ABOUT ARCHIVE CONTACT

Submit a Bid Application

CREDIT APPLICATION

- The link to the Credit Application form is available on the RFP website
- Final Credit Applications must be submitted to the RFP Manager prior to the Proposal and Credit Application Due Date November 5, 2019 by 5:00 PM EPT
- All Proposers must submit a credit application. Proposers who submit a credit application early may receive feedback and will have the opportunity to modify their credit application if it is resubmitted prior to the proposal due date
- Credit Applications are used to determine the amount (if any) of security that would be required under the PSA

Credit Application Form - 2019

Step 1 of 4

25%

FirstEnergy Ohio Utilities

RFP for 2019 Ohio Compliant Renewable Energy Credits

Attachment 2: Credit Application

INSTRUCTIONS

All Proposers must submit a Credit Application. The credit application must be completed via the online portal. A PDF document will be generated and sent to you, via e-mail, with the solicitation manager (manager@FEOhioRECRFP.com) in copy. The Credit Application must be signed by an authorized representative of your company electronically via this application form. If an authorized representative is not available to sign this document electronically, please submit the form and then have him/her physically sign the PDF that is generated and sent to you via e-mail prior to the RFP due date. Please forward the physically signed and scanned copy to manager@feohiorecrfp.com. If Proposer previously completed a Credit Application for any previous FirstEnergy Ohio Utilities Renewable RFP, the Proposer is still required to complete a new Credit Application.

All submissions are due no later than November 5, 2019 at 5:00 EPT. *FirstEnergy Ohio Utilities reserves the right to modify any dates stated below 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.*

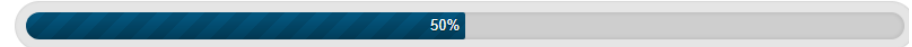
Please see Article 5 of the PSA and Section 8 of the RFP Bidding Rules for additional information regarding Credit and Security.

QUALIFICATION APPLICATION

- The link to the Qualification Application form is available on the RFP website
- The Qualifying Application consists of two (2) parts, both of which must be completed in full
 - Proposer Information
 - Confirmation of PSA and Statement of REC/SREC Compliance, which must be signed by an authorized representative

Qualifying Application Form - 2019

Step 1 of 2



FirstEnergy Ohio Utilities

RFP for 2019 Ohio Compliant Renewable Energy Credits

Attachment 3: Qualifying Application

Due: November 5, 2019 by 5:00 PM EPT. *FirstEnergy Ohio Utilities reserves the right to modify any dates stated below 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.*

The Qualifying Application consists of two (2) parts:

I. Proposer Information

II. Confirmation of PSA and Statement of REC/SREC Compliance (to be signed by an authorized representative)

All Proposers must complete the applicable sections of this Qualifying Application. It is the Proposer's responsibility to provide any and all information that could impact its Proposal. If it appears that information is inadvertently omitted from a Proposal, Navigant may, but is not required to, contact the Proposer to request such information. If Proposer has any questions regarding its Qualifying Application, Proposer is encouraged to contact Navigant via email at manager@FEOhioRECRFP.com.

Section I - Proposer Information

BID PRICE PROPOSAL

- The Bid Price Proposal Application form is available on the RFP website
- All Pricing Proposals must specify the contract amount and fixed price for all 2019 Ohio Compliant RECs or SRECs proposed for Delivery
- You may submit multiple Bid Price Proposal forms to submit multiple pricing bids; however, you must structure the bids such that you are capable of Delivering all REC and/or SREC contract amounts proposed
- All contract amounts are considered “up to.” FirstEnergy Ohio Utilities reserves the right to offer to award a smaller contract amount than bid

Bid Price Proposal

FirstEnergy Ohio Utilities

RFP for 2019 Ohio Compliant Renewable Energy Credits

Attachment 4: Bid Price Proposal

Each Proposer must specify in its Bid Price Proposal(s) a contract amount of RECs to be delivered to FirstEnergy Service Company (the "Contract Amount") with a single fixed price for each delivered REC (\$/REC) by REC category. You may use multiple copies of this form if you wish to submit multiple Bid Price Proposals. Each proposal must specify whether it is a proposal for RECs or SRECs.

In accordance with the RFP Bid Rules, All Bid Price Proposals will be considered an offer to supply any quantity up to and including the quantity specified in this Bid.

This bid price proposal is for: *

- SRECS
- RECS

COMPLETE THIS FORM FOR EACH OHIO COMPLIANT ALL-STATE REC OR SREC PRICING PROPOSAL.

Contract Amount: Quantity of RECS/SRECS bid *

Single Fixed Bid Price: \$/(S)REC *

Notional Proposal Value: Equal to (S)REC Quantity * Proposed Price

\$0.00

POSTING SECURITY

- **No Security needs to be posted by a Proposer unless the bid award is greater than \$500,000 and the Proposer does not have an adequate credit rating to support the credit required for the PSA**
- Any security required must be posted by November 15, 2019 (not with your bid)
- Seller shall post such Security in the form of:
 - Letter of Credit in the form of Appendix B in the PSA; or
 - Guaranty in the form of Appendix C in the PSA; or
 - Cash
- Proposers shall receive back a corresponding percentage of the Security upon Delivery of the 2019 RECs and/or SRECs based on the percentage of RECs or SRECs Delivered

EVALUATION PROCESS PART 1

Proposal Qualification

- The RFP Manager will review each proposal to confirm:
 - received on time
 - contains the required documents (Credit Application, Qualification Proposals) fully completed
- RFP Manager may ask clarifying questions of a Proposer via email to complete its review
- Time is of the essence and failure to respond or late response to any such request may result in a Proposal not being qualified

EVALUATION PROCESS PART 2

Bid Price Stacking and Selection

- The RFP Manager will:
 - sort qualified Bid Price Proposals by category (REC, SREC) and then by price
 - select Bid Price Proposals by price for each category up to the target quantities sought by FirstEnergy Ohio Utilities in this RFP
- In the event of “tied” Bid Price Proposals preference will be given to:
 - (i) projects that are physically located within the State of Ohio; and
 - (ii) the larger volume Proposal
- All Bids Price Proposals will be considered an offer to supply any quantity up to the quantity specified in the bid. If selection of the next incremental Proposal in terms of price exceeds the Target Quantity, the selection would be limited to the amount remaining to fulfill the Target Quantity

EXECUTING THE PSA

- After Part 2, FirstEnergy Ohio Utilities will prepare a PSA that incorporates information from Winning Proposals
- PSA(s) will be sent to winning Proposers via email
 - **Within three (3) business days of receipt:** Winning Proposer shall execute and return the applicable PSA to FirstEnergy Ohio Utilities via an email with a PDF of the executed PSA
- Proposers who have particular difficulties with these requirements may make special arrangements with the RFP Manager

TARGET SCHEDULE OF EVENTS

Activity	Date
Issue RFP Documents	Sept. 30
RFP Overview Webinar (11:00 AM EPT)	Oct. 8
FAQ Deadline (5:00 PM EPT)	Oct. 18
FAQ Responses Posted on Web site	Oct. 25
Qualifying Application, Credit Application	Oct. 29
Bid Price Proposal Due Date (5:00 PM EPT)	Nov. 5
Notification of Successful Proposer Award(s)	Nov. 12
Executed PSAs (PDFs) due back	Nov. 15
Posting of Security (if applicable)	Nov. 15

QUESTIONS ABOUT THE RFP

- Questions about the RFP should be submitted by potential Proposers to the RFP Manager at manager@FEOhioRECRFP.com
- Questions can be submitted on or before **FAQ Deadline of October 18, 2019 at 5:00 PM EPT**
- Responses to questions will be posted on October 25, 2019 to the Documents section of the RFP Web site
- While the RFP Manager and FirstEnergy Ohio Utilities will review and attempt to answer all questions, the RFP Manager and FirstEnergy Ohio Utilities reserve the right not to answer any question

THANK YOU FOR
PARTICIPATING!

CONTACT

Please contact the RFP Manager with any

Questions:

manager@feohiorecrfp.com

navigant.com

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