

Request for Proposals (RFP) for Solar Power Purchase Agreements (PPA)

BIDDER INFORMATION SESSION

PRESENTED BY

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Format of this Webinar

In order to maintain the communication protocols established by the Commission, all participants in this bidder information session have been muted.

- Please direct any questions to FirstEnergySolar-RFP@brattle.com after the information session has ended.
- We will respond to those questions through the FAQ process within a few days.

The audio for today's presentation will be transmitted through the Zoom webinar. If you cannot hear the presenters speaking as you are reading this slide, please do the following:

- Confirm that your computer speakers are turned on.
- *If you have any technical difficulties, please reach out to Ellen Paal at Ellen.Paal@brattle.com*

Disclaimer

The information contained in this presentation material is intended to provide generally descriptive and summary information. Any conflict between the information contained in this material, or conveyed orally during the bidder information session, and the information provided as part of the Company's application in Pennsylvania Public Utility Commission ("Commission") Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014, and P-2021-3030021 is unintentional and the docketed material controls. Certain information contained herein may be subject to change as the Request for Proposals process continues.

Agenda

- Procurement Overview
- Desired Product
- Bidder Qualification
- Proposal Submission
- Proposal Evaluation
- Post-Bidding Process
- Form of Power Purchase Agreement
- Credit Qualification and Collateral
- Website Format
- Q&A

Procurement Overview

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Procurement Overview

- The RFP process is a “sealed bid,” pay-as-bid procurement.
- The FE PA Utilities (“Companies” - Met-Ed, Penelec, Penn Power, West Penn) will consider Proposals to enter into a greater than 4- to 10-year PPA contract with physical solar facilities that are not yet in service as of the date of the release of this RFP (October 17, 2022)
- Through the PPA, the Companies will purchase the specified portion of the facility’s renewable energy output (MWh) and SPAECs.
 - *A SPAEC is the tradable certificate that represents one MWh of electricity generated from a qualifying solar photovoltaic resource.*
- In total, the Companies are seeking to enter into PPAs for energy and SPAECs produced by 7-20 MW of solar capacity (AC ICAP). To reach this target, each Company may enter into more than one PPA with multiple counterparties.
- The Brattle Group is the Independent Evaluator (“IE”) for the RFP process.

Timetable for PA Solar PPA RFP 2022 Auction

Event	Date
Issuance of RFP	October 17, 2022
Bidder Information Session	October 27, 2022 (2pm EPT)
Pre-Qualification Application Deadline	November 7, 2022 (12pm EPT)
Notification of Pre-Qualification	November 14, 2022 (12pm EPT)
Proposal Due Date	December 5, 2022 (12pm EPT)
Regulatory Approval and PPA Execution	First Quarter, 2023

Source: https://www.firstenergycorp.com/upp/pa/rec_procurements/SolarPPA2022/calendar.html

Note: Eastern Prevailing Time (EPT) is the time on an automatically updated clock, such as on a cellphone or computer. Clocks change from Eastern Daylight Time (EDT) to Eastern Standard Time (EST) on November 6th, 2022.

Two-Part Process: Bidder Qualification and Bidding

Bidders in the RFP process undertake a two-part application process that includes:

1. Submission of qualifying application;
2. Submission of proposals.

Bidding Requirements

The Bid Package is described in Section V of the RFP document, and consists of:

- Standard RFP Response Form;
- Additional information as detailed in Section V of the RFP document;

We will discuss bidding requirements in greater detail later in this presentation.

However, all of the necessary information is contained in Section V of the RFP document.

We also refer you to the Bidder Checklist, available on the RFP website.

Winning Bids and Post-Bidding Process

- This is a joint procurement by Met-Ed, Penelec, Penn Power, and West Penn Power. Each Company may need to contract with multiple generating assets in order to fulfill the objectives of the procurement.
- Proposals will be evaluated based on several factors: (1) the cost of energy and SPAECs; (2) development status; (3) development risk, nodal risk, and other risk factors; (4) facility location; (5) contract duration; (6) other asset- or proposal-specific benefits and risk factors.
- **Upon completion of its evaluation, the IE will submit a report to the Pennsylvania Public Utility Commission (“Commission”) containing the results of the RFP process.**
- **The Commission has 10 calendar days after receiving the IE’s report to review and approve the results of the RFP.**

Desired Product

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The Companies are Seeking PPAs for Energy *and* SPAECs

Overview

- The Companies will consider Proposals to enter into one or more greater than 4- to 10-year PPA contracts.
- The Companies will consider physical solar facilities that are not yet in service as of October 17, 2022.
 - The Companies have a strong preference for resources that **will** be in service on or before May 31, 2024.
 - No projects with planned in-service dates after 2025/2026 Planning Year will be considered.
- The Companies are seeking to enter into PPAs with solar facilities that will, in aggregate, provide between 7 and 20 MW of ICAP.
- Through the PPA, the Companies will purchase the specified portion of the Facility's SPAECs and renewable energy output (MWh).

Facility Details

Location

- Only solar generating facilities located within Pennsylvania are eligible.
- The Companies have a preference for resources located within one of the Companies' service territories.

Other Details

- Facilities must:
 - be Utility Scale (not behind the meter, ICAP of at least 5 MW) and grid-connected;
 - qualify for SPAECs under the AEPS Act and be able to sell power into PJM;

Partial Share of Facilities

- The Companies will accept proposals for energy and SPAECs associated with a partial share of Facilities, as long as they meet the other requirements of the RFP.

Other Attributes

Rights to SPAECs and Output

- Through the PPA, the Companies will purchase the specified portion of the Facility's SPAECs and renewable energy output (MWh)
- Project developers or owners will retain rights to all other Facility output (including capacity and ancillary services).

Bidder Qualification

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Bidder Qualification

- The first stage in the bidding process is the pre-qualification application.
- The 5-page application form is available on the RFP website.
- Required information includes:
 - Contact information
 - Legal and financial information
 - Some basic information on the proposed facility or facilities.

Bidder Qualification (cont.)

- The completed pre-Qualification Application should be e-mailed to firstenergysolar-RFP@brattle.com by **12PM EPT on November 7, 2022.**
 - You should receive confirmation of receipt from the IE (Brattle) within a few hours.
 - By 12PM EPT on November 14, 2022, the IE will confirm whether bidders are pre-qualified to submit a proposal.
- **Any Bid Proposals received from a Respondent who has not been pre-qualified will be deemed ineligible and not considered for further evaluation.**

Bid Proposal Submission

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Proposal Submission

Final Bid Proposal, described in detail in Section V of the RFP, will consist of:

- A completed Standard RFP Response Form (available on the RFP website)
- Responses to the items specified in Section V of the RFP. For several of the items, we recommend that the response be provided in a separate document.

Proposals are due by **12PM EPT on Monday, December 5, 2022.**

By submitting a Proposal in response to this RFP, a Respondent certifies that it has not divulged, discussed, or compared any commercial terms of its Proposal with any other actual or prospective Respondent and has not colluded whatsoever with any other party believed to be an actual or prospective Respondent.

The Standard RFP Response Form (General Information)

- **Section 1: General Information**
 - Note that in cases where the proposal concerns a partial share of a facility, the bidder should specify that share in MW. Dividing that share by the nameplate capacity will yield the “Buyer’s Percentage” as defined in the PPA, which is a constant percentage of the energy and SPAECs which the contracting FirstEnergy utility will be obligated to buy.
- **Section 2: Location**
- **Section 3: Project Qualifications**
- **Section 4: Other**
 - Reference: <https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Request%20for%20Proposal.pdf>; Section V; Item 1 (p. 13)
 - Access the Standard RFP Response Form here: <https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Appendix%203%20-%20Standard%20RFP%20Response%20Form.xlsx>

General	
Project Name	[Open Response]
Nameplate Capacity	0.00
Share of the Facility Offered	0.00
Location	
Is this project in the state of Pennsylvania?	[Yes / No]
What county is the project located in?	[Open Response]
Is this project within the Companies' Territory?	[Select from Drop-down Menu]
Is this project located within a HUBZone?	[Yes / No]
If project is located within a HUBZone, please provide additional information.	[Open Response]
Project Qualifications*	
Does the proposal qualify for AEPS solar credits under Pennsylvania's Alternative Energy Portfolio Standard's Act?	[Yes / No]
Does your enterprise qualify as an Minority Business Enterprise?	[Yes / No]
Does your enterprise qualify as an veteran owned business?	[Yes / No]
Does your enterprise qualify as a Women's Business Enterprise?	[Yes / No]
Does your enterprise qualify as a Service Disabled Veteran owned business?	[Yes / No]
Does your enterprise qualify as a small business (meeting the small size categories defined in NAICS codes)?	[Yes / No]
Please provide information on any environmental or sustainability attributes associated with their project, including any third-party sustainability certifications. The Companies are particularly interested in receiving information about the land use of the facility prior to development, (i.e., brownfield redevelopment of industrial land, conversion of farmland, conversion of forest land).	[Open Response]
Other*	
Are there other applicable factors that need to be considered?	[Open Response]

The Standard RFP Response Form (Pricing and Delivery)

- General Information
 - Capacity and Anticipated Output
 - Proposal Pricing: Option 1
 - Proposal Pricing: Option 2
- Proposal pricing should be based on a specified combined price for each MWh of energy and the associated AEPS-compliant SPAEC.
 - The specified price may change from year to year or stay fixed over the duration of the contract. No index- or formula-based pricing Proposals will be accepted.
- Access the Standard RFP Response Form here:
<https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Appendix%203%20-%20Standard%20RFP%20Response%20Form.xlsx>

General			
PJM Commercial Pricing Node	[Open Response]		
Planned Commercial In-Service Date	[MM/DD/YYYY]		
Proposed PPA Delivery Term. Please specify the planned initial delivery date and the contract term. The contract term must be more than four, but not more than ten, years.	[MM/DD/YYYY] & [Number of Years]		
Briefly describe the current state of construction. List the milestones to be achieved between now and proposed PPA start date. If additional space is needed, please supplement your response with additional description or documentation in .pdf format.	[Open Response]		
Capacity and Anticipated Facility Output*	2023 / 24 Planning Year (if applicable)	2024 / 25 Planning Year	2025 Planning Year
Projected ICAP	0.00	0.00	0.00
Projected UCAP	0.00	0.00	0.00
Projected p50 Capacity Factor (annualized)	0.0%	0.0%	0.0%
Projected p90 Capacity Factor (annualized)	0.0%	0.0%	0.0%

* Please provide any supporting documentation regarding the projected capacity and capacity factor, including average hourly shape information based on weather data, in .pdf, .xlsx, or other electronic format.

Proposal Pricing

Whether bidder chooses pricing option 1 or 2, pricing should be based on a specified combined price for each MWh of energy and the associated

Pricing Option 1			
Offer Price for 2023 / 24 Planning Year (or the 2024 / 25 Planning Year if the planned commercial in-service date specified above falls after May 31, 2024)	\$0.00	\$/MWh	
Offer Price Annual Escalation Rate	0.0%	%/Year	Escalation
Pricing Option 2		2024 / 25 Planning Year	2025 / 26 Planning Year
Offer Price by Contract Year	2023 / 24 Planning Year (if applicable)	\$0.00	\$0.00

Proposal: Content Requirements

- The Standard RFP Response Form is merely one part of the required information for the bid proposal.
- Section V of the RFP Form provides a complete list of the required content from each proposal.
- Adherence to the Bidder Checklist, available in the “Supplier Documents” section of the RFP website, will help ensure that your bid packages is complete.

Reference: <https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Request%20for%20Proposal.pdf>; Section V; Items 1 – 17 (pp. 13 – 18)

Proposal Content Requirements

Prospective bidders must provide concise and complete information on:

- v.1 Standard RFP Response Form
- v.2 Executive Summary
- v.3 Name and Location
- v.4 Net Capability of Generating Facility
- v.5 PPA Initial Delivery Date
- v.6 Generation Technology
- v.7 PJM Capacity
- v.8 Anticipated Facility Output
- v.9 Counterparty Financial Information
- v.10 Other Contractual Commitments
- v.11 Project Development Plan
- v.12 Power Purchase Agreement
- v.13 Asset Performance
- v.14 Permits
- v.15 PPA Pricing
- v.16 Land Use and Other Environmental Considerations
- v.17 Community and Other Considerations

Reference: <https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Request%20for%20Proposal.pdf>; Section V; Items 1 – 17 (pp. 13 – 18)

Proposal: Content Requirements

- The Companies expect Respondents to provide any information that could impact the Respondent's ability to enter into a PPA with each of the Companies.
 - **Respondents will be required to specify in their Proposals that they accept the form of the PPA, provided as Appendix 1 of the RFP documents (contained in the Supplier Documents section of the website).**
- If it appears that certain information is inadvertently omitted from a Proposal, Brattle may contact the Respondent to obtain the information.
- All Proposals must include a table of contents and provide concise and complete information on **all** of the topics listed on the previous slide.

Reference: <https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Request%20for%20Proposal.pdf>; Section V; Items 1 – 17 (pp. 13 – 18)

Proposal Evaluation

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Minimum Bid Eligibility Requirements

Proposals must meet the following minimum requirements:

- General Requirements as detailed in Section IV of the RFP:
 - Each Respondent must be pre-qualified as discussed previously;
 - The facility must be located within the Commonwealth of Pennsylvania;
 - The facility must be a solar-powered resource;
 - The facility must be utility scale, grid-connected, and be able to sell power into PJM;
 - The facility must qualify for SPAECs under the AEPS Act;
 - Proposal pricing must remain valid for 6 months following the proposal due date.
- Proposals must include all content requirements described in Section V of this RFP, including all requested information and completed forms.

Proposal Evaluation Criteria

Eligible proposals will be evaluated based on the following criteria:

- The Cost of Energy and SPAECs;
- Development Status;
- Development Risk, Nodal Risk, and Other Risk Factors;
- Facility Location;
- Contract Duration; and
- Other Asset or Proposal Specific Benefits and Risk Factors.

Proposal Evaluation Criteria (cont.)

Prior to the evaluation of results, the Companies, with input from Brattle, may set a confidential reservation price in order to protect against the risk of getting locked into a high-priced, long-term contract.

That reservation price will be based on Brattle's analysis of expected prices in the relevant energy and SPAEC markets.

The Companies anticipate contracting with the asset or assets that, in total, best meet the Companies' needs and those of its customers.

During the evaluation process, the Companies and/or Brattle may choose to initiate discussions with one or more Respondents. In that event, Brattle will be the sole conduit of information between Respondent and the Companies.

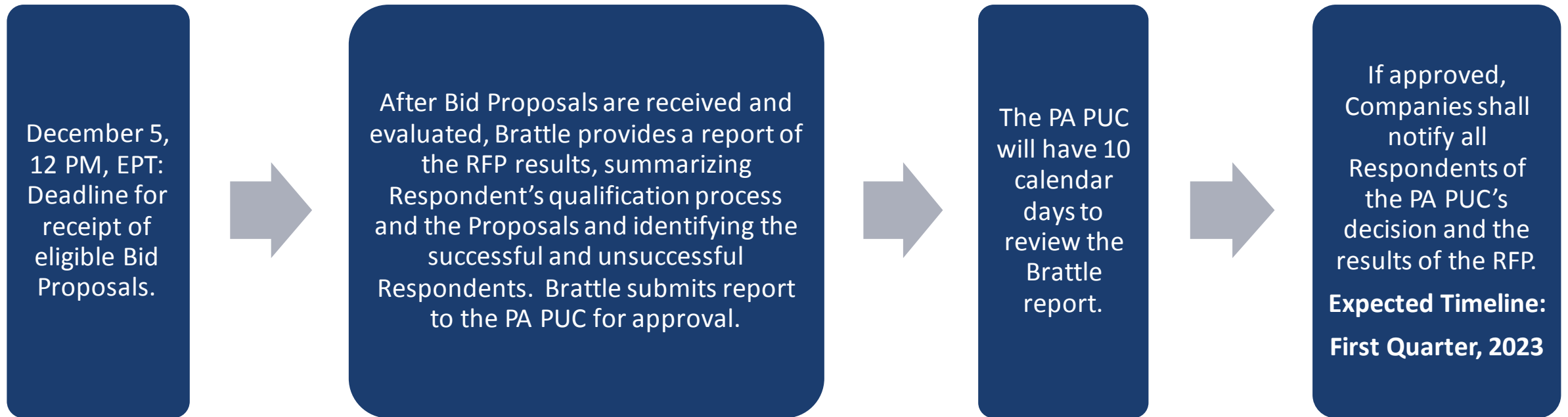
Post-Bidding Process

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Post-Bidding Schedule

Selection of Winning Bidders and PA PUC* Approval



*PA PUC: State of Pennsylvania Public Utilities' Commission

Reference: <https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Request%20for%20Proposal.pdf>; Section VII; Item 3 (pp. 21 – 22)

Form of Power Purchase Agreement

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Power Purchase Agreement

- The form of the PPA is specified in Appendix 1 of the Solar PPA RFP document, contained in the Supplier Documents of the RFP website.
https://www.firstenergycorp.com/upp/pa/rec_procurements/SolarPPA2022/supplier-documents.html
- Successful bidders must be able to meet all requirements of the PPA.
- Respondents will be required to specify in their Proposals that they accept the form of the PPA.
- Failure to do so will result in exclusion of the Respondent's Proposal(s) from further consideration.

Supplier Delivery Obligations

- Seller shall have made all filings and applications required for accreditation of the Facility in GATS and for the registration, origination, and transfer of SPAECs from the Facility.
- The quantity of Energy required to be delivered by Seller to Buyer shall be equal to Buyer's Percentage of the Energy produced by the Facility, as recognized by PJM at the Interconnection Point.
- The quantity of SPAECs required to be delivered by Seller to Buyer shall be equal to Buyer's Percentage of the Energy produced by the Facility.
- SPAECs provided by Seller to Buyer shall be required to originate from Energy produced by the Facility.

Payment Terms and Default

Payment terms

- Transmit invoice on the 15th day following the end of the month
- All Invoices will be accumulated by Buyer over a sixty (60) day period (the “Accumulation Period”). Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the total amount due on the first(1st) Business Day of the month following the end of the Accumulation Period (such day, the “Settlement Date”).

Supplier Payment Obligations in Event of Default, Availability or Delay

- Available Damages (6.12 & Exhibit C)
- Delay Damages (14.4)
- Damages on Termination (14.5)
- Liquidated Damages (14.9)

Credit Qualification and Collateral

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Credit Qualification and Collateral

- If Seller (or Seller's Guarantor, if any) is rated at or above Investment Grade and provides a Guaranty, Seller shall have no requirement to provide Performance Assurance.
- If during the Contract Term, Seller (or Seller's Guarantor, if any) is no longer rated at or above Investment Grade, Seller must post, within five (5) Business Days, Performance Assurance equal to the Performance Assurance Amount.
- In the latter case (below investment grade), the Performance Assurance Amount is equal to 15% of the remaining value of the contract, as specified in Exhibit G of the Form of PPA Agreement.

* Note: Performance Assurance will be equal to 15% of the Total Notional Value of the PPA and decline annually during commercial operation.

Reference: <https://www.firstenergycorp.com/content/dam/upp/files/pa/srec/2022solarpparfp/Request%20for%20Proposal.pdf>, Section VIII (pp. 22 – 23)

Website Format

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Home Page

https://www.firstenergycorp.com/upp/pa/rec_procurements/SolarPPA2022.html

[Home](#) | [Utility Power & Renewable Procurements](#) | [Pennsylvania](#) | [Solar Power Purchase Agreements \(PPAs\)](#) | [Solar PPA RFP 2022](#)

Solar PPA RFP 2022

[Contact Us](#)

[Supplier Documents](#)

[Calendar](#)

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[Results](#)

Solar PPA RFP 2022

This website will be used to support the Request for Proposal ("RFP") process for Pennsylvania Power Company (Penn Power), Pennsylvania Electric Company (Penelec), West Penn Power Company (West Penn) and Metropolitan Edison Company (Met-Ed) to procure up to 20 MWs of solar capacity for energy and Solar Photovoltaic Alternative Energy Credits (SPAECs) through power purchase agreements ("PPAs") with terms of greater than four and no more than 10 years from utility-scale and grid connected solar projects located in Pennsylvania. Bidders in this RFP can submit proposals to enter into a 4- to 10-year PPA offer to sell energy and SPAECs from physical solar facilities that are not yet in service as of the date of the release of this RFP (October 17, 2022).

The RFP process will be managed by The Brattle Group, a global consulting firm with expertise in energy markets and procurements.

Website Organization

- **Contact Us:** instructs potential bidders to email The Brattle Group with questions
- **Supplier Documents:** links to all of the documents necessary to participate in the RFP, including the Rules, Part 1 and 2 Forms, Purchase and Sale Agreement, and credit documents
- **Calendar:** lists important events and dates for the RFP
- **FAQs:** contains answers to questions we have received throughout the RFP. The FAQs are updated frequently, so it is often worth checking here before asking a question
- **Links:** provides access to other potentially helpful information
- **Results:** Results of the RFP to be posted upon approval by the Pennsylvania Public Utility Commission.

Supplier Documents Page Example

[Home](#) | [Utility Power & Renewable Procurements](#) | [Pennsylvania](#) | [Solar Power Purchase Agreements \(PPAs\)](#) | [Solar PPA RFP 2022](#) | **Supplier Documents**

Solar PPA RFP 2022

Contact Us

► Supplier Documents

Calendar

FAQs

Links

Results

Supplier Documents

Bidder Session Documents

- Bidder Session Presentation (to be posted on Oct 27th, 2022)

Solar PPA RFP Documents

- Request for Proposal 
- Appendix 1 – Form of Power Purchase Agreement 
- Appendix 2 – Pre-Qualification Application 
- Appendix 3 – Standard RFP Response Form 
- Bidder Checklist 

Q&A's

Responses to Questions Will Be
Posted to the Procurement Website

Please Direct All Questions To:

FirstEnergySolar-RFP@brattle.com