



American Electric Power Service Corporation
as agent for
Appalachian Power Company

Request for Proposals
for
Renewable Energy Certificates (RECs)

Associated with electricity generated from
Virginia-sited Wind or Solar Resources
from Qualified Bidders

RFP Issued: May 19, 2021

Proposals Due: June 30, 2021

Web Address: <http://www.appalachianpower.com/rfp>

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BACKGROUND

APCo is pursuing additional wind and solar generation resources consistent with the requirements of the Virginia Clean Economy Act for a Phase I utility via three requests for proposals (RFPs) as follows:

PSA	300 MW Solar and Wind RFP via a purchase and sale agreement (PSA) for purchase of 100% equity interest in a project company. This PSA RFP was issued on February 15, 2021 and proposals were received on March 31, 2021.
PPA	150 MW Solar and Wind Resource RFP via one or more long-term power purchase agreements (PPAs). <u>The PPA RFP has been issued separately and can be found online at www.appalachianpower.com/RFP.</u>
REC only	RFP for renewable energy certificates (RECs) only.

This RFP is associated with the “REC only” RFP.

1. Introduction

American Electric Power Service Corporation (AEPSC) and Appalachian Power Company (APCo, Appalachian Power or Company) are subsidiaries of American Electric Power Company, Inc. (AEP).

AEPSC is administering this Request for Proposals (RFP) on behalf of APCo. Affiliates of AEP and APCo (Affiliate) are permitted to participate in this RFP.

Appalachian Power serves about 1 million customers in West Virginia, Virginia and Tennessee. Its headquarters is in Charleston, W. Va., with regulatory and external affairs offices in both Charleston, W. Va. and Richmond, Va.

Appalachian Power is part of the American Electric Power system, one of the largest electric utilities in the United States, delivering electricity to more than 5 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 32,000 megawatts of generating capacity in the U.S. AEP also owns the nation's largest electricity transmission system, a nearly 39,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP's transmission system directly or indirectly serves about 10 percent of the electricity demand in the Eastern Interconnection, the interconnected transmission system that covers 38 eastern and central U.S. states and eastern Canada, and approximately 11 percent of the electricity demand in ERCOT, the transmission system that covers much of Texas. AEP's utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana and eastern Texas). AEP's headquarters are in Columbus, Ohio. For more information, see our corporate web site, www.aep.com.

APCo Service Territory



2. RFP Overview

- 2.1. APCo has issued this RFP to support its requirement to provide its customers with carbon-free generation, consistent in the requirements of the Virginia Clean Economy Act (“VCEA”) for a Phase I utility. APCo is required to meet annual targets that reach 100% by 2050. APCo intends to meet its obligations through a portfolio of projects utilizing different ownership models. This RFP is for renewable energy certificates (“RECs”) generated by facilities meeting the definition of an RPS eligible source contained in Section 56-585.5.A of the Code (“Eligible Renewable Resources”).
- 2.2. APCo is requesting Proposals that will result in obtaining unbundled RECs from Eligible Renewable Resources (“Project”), as defined further in Section 3.2, located in the Commonwealth of Virginia.
- 2.3. The RECs requested via this RFP will be acquired via REC Agreements. APCo will not consider proposals in this RFP that do not meet the criteria as outlined in this RFP.
- 2.4. Affiliates of AEP and APCo (Affiliate) may participate in this RFP.
- 2.5. Appropriate RFP procedures and a Code of Conduct Policy are in place to safeguard against APCo Affiliates from receiving preferential or discriminatory treatment or preferential access to information.
- 2.6. If Affiliate proposals are offered, they will (i) be submitted in the same format and under the same rules, (ii) be evaluated in the same manner, and (iii) use the same Form REC Agreement (Appendix D) as a basis for contract negotiations as all other Proposals submitted into this RFP.

- 2.7. APCo may execute one or more REC Agreements as a result of this RFP.
- 2.8. Any REC Agreements with which APCo moves forward as a result of this RFP will be subject to APCo's receipt of the necessary regulatory approvals, including but not limited to, a prudence determination from the Virginia State Corporation Commission consistent with §56.585.1:4.H of the Code of Virginia and Commission precedent.
- 2.9. All questions regarding this RFP should be emailed to:
APCoRenewableRFP2021@aep.com

APCo will post a list of the non-confidential "Questions and Answers" on its RFP website <http://www.appalachianpower.com/rfp> on a weekly basis following the issuance of the RFP until the Proposal Due Date.

- 2.10. This RFP is not a commitment by APCo to acquire any RECs and it does not bind the Company or its Affiliates in any manner. The Company in its sole discretion will determine which Bidders, if any, it wishes to engage in negotiations with that may lead to REC Agreements with one or more selected Projects.

3. Product Description and Requirements

- 3.1. Renewable Energy Certificates (RECs): RECs for the purpose of this RFP are defined as produced from a specific Eligible Renewable Resource as evidenced by a Virginia certificate number in PJM's Generation Attribute Tracking System ("PJM-GATS").
- 3.2. Eligible Renewable Resources: Eligible Renewable Resources shall be electric-generating resources that generate electric energy derived from solar or wind located within the Commonwealth of Virginia. For the avoidance of doubt, existing hydro facilities will not be considered.
- 3.3. Expected Commercial Operation Date (COD): The Company is pursuing RECs from Projects that can achieve an Expected Commercial Operation Date (COD) by 12/31/2024, if not already online.
- 3.4. Term: The Term of the REC Agreement shall begin January 1, 2025 and continue for a period of 30 years. In addition, Bidders may offer alternate Terms with a start date beginning January 1, 2025.
- 3.5. Unit Contingent: RECs must be sourced from a specified Eligible Renewable Resource that meets the requirements within this section.
- 3.6. Delivery: The RECs produced from the Unit Contingent resource during the Term shall be delivered to APCo no later than the 15th day following the month the RECs are created. All deliveries shall occur through the PJM-GATS system into a designated account determined by APCo.

3.7. Energy Off-taker: Bidder must demonstrate that there is a commitment for the off-take of energy from this Project for the Term of the REC Agreement or provide documentation as how a sale will be secured.

3.8. Project Development: If the Eligible Renewable Resource is not already online, Bidder must have established site control of the proposed Project. Site control must be in the form of direct ownership, land lease, land lease option or easement. A letter of intent will not be an acceptable form of demonstrated site control.

4. Bid Price and Structure:

4.1. Bidders are required to provide the Bid Price, in \$/REC, applicable for each year for the term.

4.2. The Bid Price must be a fixed, non-escalated price for the term of the REC Agreement.

4.3. Prices must be firm, representing best and final bid. Proposals and bid pricing must be valid for at least 150 days after the Proposal Due Date.

5. RFP Schedule and Proposal Submission

5.1. The schedule and deadlines set out in this section apply to this RFP. APCo reserves the right to revise this schedule at any time and at its sole discretion.

RFP Issued	05/19/21
Proposal Due Date	06/30/21
RFP Short-List Identified	08//05/21
Bidder(s) Selected for Final Contract Negotiations	08/20/21
Contract Execution	10/22/21
Submit Petition to State Regulatory Commissions for Approval	11/01/21
Contract Term Begins	01/01/25

5.2. Proposals must be complete in all material respects and received no later than 3 p.m. EST on the Proposal Due Date as defined in Section 6 of this RFP.

5.3. APCo reserves the right to solicit additional proposals, if it deems necessary to do so, and the right to submit additional information requests to Bidders during the evaluation process.

5.4. Bidders will be required to sign a Confidentiality Agreement (CA) prior to receiving the Form REC Agreement.



5.5. Bidder should request APCo's Form CA by emailing APCoRenewableRFP2021@aep.com

5.6. Proposals and bid pricing must be valid for at least 150 days after the Proposal Due Date at which time Proposals shall expire unless the Bidder has been notified that its Proposal has been included in the Short-List.

5.7. A Proposal should be as comprehensive as possible to enable the Company to make a definitive and final evaluation of the Proposal's benefits to its customers without further contact with the Bidder.

6. Proposal Submittal

One hard copy of Bidder's Executive Summary and Appendix A and two electronic thumb drive copies of the Bidder's complete Proposal shall be submitted by the Proposal Due Date to:

American Electric Power Service Corporation
Attn: 2021 APCo Renewable RFP Manager (REC)
1 Riverside Plaza (25th Floor)
Columbus, OH 43215

7. Proposal Content

7.1. The Bidder is encouraged to provide as much information as possible to aid in the evaluation of the offer. The Bidder should also provide any additional information the Bidder deems necessary or useful to the Company in making a definitive and final evaluation of the benefits of the Bidder's proposal without further interaction between the Company and the Bidder.

7.2. A completed Appendix A (Bid Price and General Project Information).

7.3. The identity of all persons and entities that have a direct or indirect ownership interest in the Project.

7.4. A completed Appendix B (Bidder's Credit-Related Information).

7.5. A completed Appendix C (Bidder Profile). Bidders must provide a general description of its (including its affiliates) background and experience in the development and construction of at least three solar or wind projects similar to the Projects sought to provide RECs to the Company in this RFP. In addition, Bidders should provide at least three third-party references for such projects.

7.6. Any exceptions to the terms and conditions contained in the applicable Form REC Agreement (Appendix D).

7.7. A description of environmental justice factors by the Environmental Justice Act (Va. Code §§ 2.2-234, et. seq.) that are relevant to the Project. If an Environmental Justice

or Fenceline community is potentially affected by the Project, list the steps taken by the Project regarding the Commonwealth's environmental justice policy.

- 7.8. A description of commitment for the off-take of energy from this Project for the Term of the REC Agreement or provide documentation as how a sale will be secured and the Project will be ultimately financed and built if not already online.

8. RFP Proposal Evaluation

Proposals must include ALL applicable content requirements as described in Section 7 – Proposal Content. APCo will consider bids that are reliable, feasible and represent the reasonable cost means of satisfying the requirements of this RFP. The Evaluation Process, which includes four main steps, is central to the success of APCo's RFP process.

- Section 8.1: Eligibility and Threshold Requirements
- Section 8.2: Economic Analysis
- Section 8.3: Short List
- Section 8.4: Award Group

8.1. Eligibility and Threshold Requirements: If the Bidder does not qualify under any one of the Sections 8.1.1 – 8.1.5, the Bidder will not qualify for this RFP and will be notified accordingly.

- 8.1.1. Proposal must be for a REC Agreement and include RECs only from a specified Eligible Renewable Resources (§2.3).
- 8.1.2. Bidder must provide a Bid Price (\$/REC) (non-escalated) for a thirty (30) year term beginning January 1, 2025 (§3.4).
- 8.1.3. Bidder's exceptions to the Form REC Agreement, considered individually or in the aggregate, are minimally acceptable to the Company as a basis for further discussions (§7.6).
- 8.1.4. Bidder must address Environmental Justice requirements (§7.7).
- 8.1.5. A description of commitment for the off-take of energy from this Project for the Term of the REC Agreement or provide documentation as how a sale will be secured and the Project will be ultimately financed and built if not already online (§7.8).

Economic Analysis: The bid evaluation process will include an assessment of Bid Price and creditworthiness of the Bidder. Proposals with the lowest overall cost to the Company, meet the Company's credit standards, and all other requirements specified in this RFP may be selected for further consideration.

8.2. Short-List: APCo will identify one or more Short-Listed Bidders for further discussions. Bidders not selected to the Short-List will be notified promptly. During the Short-List

evaluation process, the Company will consider all applicable factors including, but not limited to, the following to determine the viability of the Proposal:

- Economic Analysis
- The terms of the Proposal
- Bidder's financial wherewithal
- Bidder's experience
- Project nameplate capacity
- Consideration of impact on Environmental Justice and Fenceline communities
- Community relations and economic development considerations
- The development status of Bidder's generation facility including, but not limited to the permitting status of the Project and interconnection process with PJM or APCo distribution, as applicable
- The degree of risk as to the availability of the REC's during the term of the REC Agreement

8.3. Award Group: APCo will consider bids that are reliable, feasible and represent a reasonable cost means of satisfying the requirements of this RFP. APCo may identify one or more Short-Listed Bidders for further discussions and negotiations of one or more executable agreements. Bidders not selected to the Award Group will be notified promptly.

9. Reservation of Rights

A Proposal will be deemed accepted only when the Company and the successful Bidder have executed definitive agreements for the Company's purchase of REC's from the Project. The Company has no obligation to accept any Proposal, whether or not the stated price in such Proposal is the lowest price offered, and the Company may reject any Proposal in its sole discretion and without any obligation to disclose the reason or reasons for rejection.

By participating in the RFP process, each Bidder agrees that any and all information furnished by or on behalf of the Company in connection with the RFP is provided without any representation or warranty, express or implied, as to the usefulness, accuracy, or completeness of such information, and neither the Company nor its Affiliates nor any of their personnel or representatives shall have any liability to any bidder or its personnel or representatives relating to or arising from the use of or reliance upon any such information or any errors or omissions therein.

The Company reserves the right to modify or withdraw this RFP, to negotiate with any and all qualified Bidders to resolve any and all technical or contractual issues, or to reject any or all Proposals and to terminate negotiations with any Bidder at any time in its sole discretion. The Company reserves the right, at any time and from time to time, without prior notice and without specifying any reason and, in its sole discretion, to (a) cancel, modify or withdraw this RFP, reject any and all Proposals, and terminate negotiations at any time during the RFP process; (b) discuss with a Bidder and its advisors the terms of any Proposal and obtain clarification from the Bidder and its advisors concerning the Proposal; (c) consider all Proposals to be the property of the Company, subject to the provisions of this RFP relating to confidentiality and any confidentiality agreement executed in connection with this RFP, and destroy or archive any information or materials developed by or submitted to the Company in this RFP; (d) request from a Bidder information that is not explicitly detailed in this RFP, but which may be useful for evaluation of that Bidder's Proposal; (e) determine which Proposals to accept, favor, pursue or reject; (f) reject any Proposals that are not complete or contain irregularities, or waive irregularities in any Proposal that is submitted; (g) accept Proposals that do not provide the lowest evaluated cost; (h) determine which Bidders are allowed to participate in the RFP, including disqualifying a Bidder due to a change in the qualifications of the Bidder or in the event that the Company determines that the Bidder's participation in the RFP has failed to conform to the requirements of the RFP; (i) conduct negotiations with any or all Bidders or other persons or with no Bidders or other persons; (j) execute one or more definitive agreements with any Bidder, and (k) utilize a Bidder's completed Appendices and any supplemental information submitted by the Bidder in any its regulatory filings.

10. Confidentiality

APCo will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all bids submitted. Bidders should clearly identify each page of information considered to be confidential or proprietary. APCo reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. APCo's disclosure policies and standards will automatically bind such agents or consultants. Regardless of the confidentiality, all such information may be subject to review by or in proceedings before the appropriate state authority, or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. Under such circumstances, APCo and AEPSC will make reasonable efforts to protect Bidder's confidential information.

11. Bidder's Responsibilities

11.1. It is the Bidder's responsibility to submit all requested material by the deadlines specified in this RFP.

- 11.2. The Bidder should make its proposal as comprehensive as possible so that APCo may make a definitive and final evaluation of the proposal's benefits to its customers without further contact with the Bidder.
- 11.3. Bidders are responsible for the timely completion of the project and are required to submit proof of their financial and technical wherewithal to ensure the successful completion of the project.
- 11.4. The Bidder will be responsible for any expenses Bidder incurs in connection with the preparation and submission of a Proposal and/or any subsequent negotiations regarding a Proposal in response this RFP. APCo will not reimburse Bidders for their expenses under any circumstances, regardless of whether the RFP process proceeds to a successful conclusion or is abandoned by APCo at its sole discretion.

12. Contacts

- 12.1. General RFP Questions: All correspondence and questions, with the exception of interconnection related questions, regarding this RFP should be directed to:

APCoRenwableRFP2021@aep.com

Appendix A

Bid Price Company Information

Bidder (Company):		
Contact Name:		
Contact Title:		
Address:		
City:	State:	Zip Code:
Work Phone:	Cell Phone:	
Email Address:		
Is the Proposal being submitted through a partnership, joint venture, consortium, or other association? _____ If so, please identify all partners, joint ventures, members, or other entities or persons comprising same.		

General Project Information of Eligible Renewable Resource

Project Name:	
Resource Type (Wind / Solar):	
Project site located (County, State):	
PJM Queue #	PJM Study Status:
Commercial Operation Date (Actual or Expected):	
Facility ID Number:	
GATS Registered (Y/N):	
Project Nameplate Capacity (MWac):	

Energy Off-taker (§3.7):

Bidder has secured an off-taker for the energy from the Project for the Term (Y/N)	
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Proposal Bid Pricing

Term Start Date	REC Agreement Term	Expected Annual RECs	Capacity Factor	Bid Price, \$/REC
01/01/25	30 years ¹			\$
				\$

¹30 Year Term required for this RFP, but alternative bids accepted

Appendix B

Bidder's Credit-Related Information

Full Legal Name of the Bidder:
Type of Organization (Corporation, Partnership, etc.):
Bidder's % Ownership in Proposed Project:
Full Legal Name(s) of Parent Corporation: 1. 2. 3.
Entity Providing Credit Support on Behalf of Bidder (if applicable): Name: Address: City: Zip Code:
Type of Relationship:
Current Senior Unsecured Debt Rating: 1. S&P: 2. Moodys:
Bank References & Name of Institution:
Bank Contact: Name: Title: Address: City: Zip Code: Phone Number:
Legal Proceedings: As a separate attachment, please list all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been or are engaged that could affect the Bidder's performance of its bid. Identify the parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters.
Financial Statements: Please provide copies of the Annual Reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if available. If available electronically, please provide link:



Appendix C

Bidder Profile

Please list Bidder's Affiliate companies:

- 1.
- 2.
- 3.
- 4.

Please attach a summary of Bidder's background and experience in Wind and/or Solar Energy projects.

References

1. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

2. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

3. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

4. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:



Appendix D

Form REC Agreement

See Section 5.4 for instructions to obtain the applicable Form REC Agreement