# American Electric Power Service Corporation

as agent for

Appalachian Power (APCo)

## Request for Proposals

## Battery Energy Storage Systems

## from Qualified Bidders

Blanket Purchase Contract

#

# RFP Issued: May 8, 2023

# Proposals Due: July 18, 2023

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

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### Introduction

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

AEPSC is administering this RFP on behalf of APCo. Affiliates of AEP and APCo are permitted to participate in this RFP, and APCo reserves the right to offer one or more self-build projects.

Appalachian Power serves about 1 million customers in West Virginia, Virginia and Tennessee. Its headquarters are located in Charleston, WV, with regulatory and external affairs offices in Charleston and Richmond, VA.

APCo is part of the American Electric Power system. Based in Columbus, Ohio, AEP is powering a cleaner, brighter energy future for its customers and communities. AEP’s approximately 17,000 employees operate and maintain the nation’s largest electricity transmission system and more than 224,000 miles of distribution lines to safely deliver reliable and affordable power to 5.6 million regulated customers in 11 states. AEP also is one of the nation’s largest electricity producers with approximately 31,000 megawatts of diverse generating capacity, including more than 6,900 megawatts of renewable energy. The company’s plans include growing its renewable generation portfolio to approximately 50% of total capacity by 2032. AEP is on track to reach an 80% reduction in carbon dioxide emissions from 2005 levels by 2030 and has committed to achieving net zero by 2045. AEP is recognized consistently for its focus on sustainability, community engagement, and diversity, equity, and inclusion. AEP’s family of companies also includes utilities AEP Ohio, AEP Texas, Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana, east Texas and the Texas Panhandle). AEP also owns AEP Energy, which provides innovative competitive energy solutions nationwide.

APCo’s service territory


### RFP Overview

* 1. APCo has issued this RFP to support its requirement under the Virginia Clean Economy Act to construct or acquire 400 MW of utility-owned energy storage resources by 2035. APCo intends to meet its obligations through a portfolio of projects. This RFP is for facilities meeting the definition of energy storage under section 20VAC5-335-20 in the Administrative Code.
	2. APCo is requesting a proposal to prepare for a possible future, multi-year blanket purchase agreement, which would contain standard catalog items at designated sizes. The scope would be the manufacture, delivery, off-load and assembly of portions of BESS installations including Batteries, Inverters, MV Transformer, and/or Site Controllers.
	3. A bid containing all four major components of a BESS (Battery, Inverter, MV Transformer, and Site Controller) is preferred, however bids will be accepted that only contain individual components (i.e., just an Inverter, or a Battery and a Site Controller).
	4. The resources requested via this RFP will be acquired via direct purchase contract between BESS manufacturer and APCo. APCo will not consider proposals in this RFP that do not meet these criteria. Proposals for PSAs, PPAs, or REC products are not being sought in this RFP.
	5. This RFP is not a commitment by APCo to acquire any BESS and it does not bind APCo or its Affiliates in any manner. APCo in its sole discretion will determine which Bidders, if any, it chooses to engage in negotiations leading to agreements for the acquisition of one or more selected Projects.
	6. All questions regarding this RFP should be submitted within the online Ariba Sourcing platform. AEPSCwill post a list of the non-confidential “Questions and Answers” on its RFP sourcing platform on a weekly basis following the issuance of the RFP until the Proposal Due Date. Bidders participating in the RFP will receive an email notification of the Q&A and Bidders will be able to view the Q&A in the email or within the sourcing platform. Once this RFP is open, all communication must go through Procurement via the Ariba tool. Failure to comply with this guideline may disqualify your bid. No texts, calls or emails will be accepted. Please do not follow up on the status of the bid. Bids cannot be accepted by e-mail.

### Product Description and Requirements

* 1. The bid shall contain components that are intended to work together to form a fully functional BESS. If only some components are bid (i.e., a Battery but no Inverter) any limitations of interaction with other components should be noted.
	2. The bid shall consist of modular blocks that can be combined to create a larger total installation. Sizes being considered are indicated in Part A of the Price Sheet. These sizes should be considered nominal sizes. Variations are permitted provided the nominal size is still met. For example, a requirement of 1 MW for 4 hours would ideally be served by a 1 MW, 4 MWh battery; however, larger MW or MWh ratings will also be considered. The oversizing should not exceed 25%.
	3. All components shall conform to the technical requirements as detailed in ‘Battery Energy Storage System specification (“the Specification”) included in the attachments. The Specification includes other references to Codes and Regulations, including the references in NFPA 855.
	4. The bidder shall provide any supporting documentation, data, and information that may be required for permitting, including construction and compliance standards, fire-safety compliance, and transportation requirements.
	5. As the BESS will have unique fire needs and involvement of local organizations and fire marshals, the bidder shall provide all information required to ensure adequate safety. The offer should also include training for AEP personnel and local firefighters.
	6. APCo encourages the use of locally sourced goods or services sourced, in whole or in part, from one or more Virginia-based businesses in the construction and/or operation of the project or United States-based manufacturers using materials or product components made in Virginia or the United States.
	7. As part of the documentation provided with the RFP documents in Ariba, Bidders shall review and follow AEP’s Code of Conduct.

### Bid Price and Structure:

* 1. All proposals shall include the following:
		1. Completion of Appendices A and B of this document.
		2. Completion of all Parts of the Price Sheet included with the RFP documents.
		3. Inclusion of all supporting documents required in Appendix C of this document.
	2. Prices must be firm, representing best and final bid. Proposals and bid pricing must be valid for at least 180 days after the Proposal Due Date. Bidders are welcome to include an escalation clause in the relevant space in the price sheet.
	3. The proposal shall not be contingent upon awarding an operations and maintenance agreement for the Project.

### RFP Schedule and Proposal Submission

* 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.

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| RFP Timeline |
| RFP Issued  | May 8, 2023 |
| Proposal Due Date | July 18, 2023 |
| Award Recommendation | November 1, 2023 |
| Anticipated Contract Execution | March 31, 2024 |

* 1. Proposals must be complete in all material respects. Proposals should be as comprehensive as possible to enable APCo to make a definitive and final evaluation of the Proposal’s benefits to its customers without further contact with the Bidder.
	2. Bids shall include typical lead-time of all items, including major milestone durations such as manufacturing, testing, and delivery.
	3. Bidders will be required to electronically sign a Non-Disclosure Agreement (NDA) within the Ariba Sourcing platform prior to gaining access to the bid documents. Bid documents cannot and will not be emailed to bidders
	4. 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 Proposal evaluation process. Such additional information requests will be posted in the Q&A section of the Ariba Sourcing platform.
	5. Proposals must be submitted within the Ariba Sourcing platform no later than the due date of the RFP to be considered. Proposals will not be accepted outside the Ariba Sourcing platform. Bidders are responsible to maintain their own Ariba account and to ensure the appropriate users are actively registered.

### Proposal Evaluation

Proposals must include ALL applicable content requirements. Evaluation and recommendation of award will be completed per the schedule in Section 5.1. Notification of award will follow shortly after, but contract execution will be contingent on regulatory approval and successful contract negotiations. If negotiations between APCo and the Bidder are unsuccessful for any reason after the Award Recommendation has been executed, and prior to contract execution, APCo may not pursue a contract with the Bidder.

Once the awarded Bidder has been notified, in accordance with Article 1.6 of the AEP Safety and Health Supplemental Terms and Conditions, in order to comply with Owner’s registration requirement to the VERO Data Management System operated by Safety Management Group (SMG), Bidder shall, at no additional cost to Owner, register with VERO, by going to https://safetymg.com/preregistration or by contacting SMG at admin@safetymg.com. VERO registration will be required prior to contract execution.

### Reservation of Rights

A Proposal will be deemed accepted only when APCo and the successful Bidder have executed definitive agreements for APCo’s acquisition of the Project. APCo has no obligation to accept any Proposal, whether or not the stated price in such Proposal is the lowest price offered, and APCo 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 APCo 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 APCo 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.

APCo 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. APCo 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, 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 APCo 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 APCo 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.

### 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.

**Appendix A**

**Bidder Profile**

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| Please list Bidder’s Affiliate companies: |
| **References** |

**Appendix B**

**Credit-Related Information**

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| --- |
| 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 (if unavailable, Issuer Rating):1. S&P:
2. Moody’s:
 |
| Bank References & Name of Institution:  |
| Bank Contact: Name: Title:  Address: City: Zip Code: Phone Number: |
| Legal Proceedings: In the box to the right, 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 or a link to the Annual Reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended.  |

**Appendix C**

**Proposal Content Check Sheet**

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| --- | --- | --- | --- |
| **Document Location** | **Document** | **Action** **Needed** | **Action****Taken** |
| Appendix A | Bidders Profile | Submit |  |
| Appendix B | Credit-Related Information | Submit |  |
| Ariba Attachment | Price Sheet | Submit |  |
| Ariba Attachment | Single-Line Diagram | Submit |  |
| Ariba Attachment | Outline | Submit |  |
| Ariba Attachment | Data Sheet | Submit |  |
| Ariba Attachment | All Technical Documentation and Specifications | Provide Exceptions |  |
| Ariba Attachment | General Terms and Conditions for EPC | Provide Redlines |  |
| Ariba Attachment | Security Contract Supplement  | Provide Redlines |  |
| Ariba Attachment | Safety and Health Supplemental Terms and Conditions | No Redlines Accepted |  |
| Ariba Attachment | AEP Use of Technology Systems | Read |  |
| Ariba Attachment | ESD CERD | Read |  |
| Ariba Attachment | Unvouched Liability (UVL) Guidelines | Read |  |
| Ariba Attachment | Unvouched Liability (UVL) Schedule of Value Maximo | Read |  |
| Ariba Attachment | AEP Unmanned Aircraft Addendum (Drones) | Read |  |
| Ariba Attachment | Direct Pay Permit Letter | Read |  |
| Ariba Attachment | Virginia Utility Exemption Repeal Letter | Reference |  |