



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 Renewable Portfolio Standard Program
Eligible Renewable Resources
from Qualified Bidders

RFP Issued: June 9, 2022

Proposals Due: July 27, 2022

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

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BACKGROUND

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

PSA	Wind and Solar Energy Resource RFP via a purchase and sale agreement (PSA) for purchase of 100% equity interest in a project company was issued on January 18, 2022.
Energy Storage	A RFP for energy storage will be issued at a later date in 2022.
PPA RFP	A RFP for power purchase agreements has been issued separately.
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 or Appalachian Power) are subsidiaries of American Electric Power Company, Inc. (AEP). AEPSC is administering this RFP on behalf of APCo.

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. Based in Columbus, Ohio, AEP is powering a cleaner, brighter energy future for its customers and communities. AEP’s approximately 16,700 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 5.5 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 7,100 megawatts of renewable energy. The company’s plans include growing its renewable generation portfolio to approximately 50% of total capacity by 2030. AEP is on track to reach an 80% reduction in carbon dioxide emissions from 2000 levels by 2030 and has committed to achieving net zero by 2050. 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. For more information, visit 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 with 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.C of the Code (Eligible Renewable Resources).
- 2.2. APCo is requesting both Spot Proposals and Term Proposals that will result in obtaining unbundled RECs from Eligible Renewable Resources (Project(s)), as defined further in Section 3.
- 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 not participate in this RFP.
- 2.5. APCo may execute one or more REC Agreements as a result of this RFP.
- 2.6. Any Term REC Agreements with which APCo moves forward as a result of this RFP may be subject to APCo's receipt of the necessary regulatory approvals from the Virginia State Corporation Commission and the Public Service Commission of West Virginia.
- 2.7. All questions regarding this RFP should be emailed to: APCoRFP2022@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.

- 2.8. 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 one or more REC Agreements.

3. Product Description and Requirements

- 3.1. Renewable Energy Certificates (RECs): RECs for the purpose of this RFP must meet the Virginia Renewable Portfolio Standard defined in Section 56-585.5 of the Code and are defined as produced from Eligible Renewable Resources as evidenced by a verified certificate number in PJM’s Generation Attribute Tracking System (PJM-GATS).

- 3.2. Contract Term: The Company will accept Spot or Term proposals for RECs that were generated from Eligible Renewable Resources.

- 3.2.1. Spot Proposals: Must include RECs that were generated anytime between January 1, 2021 and July 31, 2022.

- 3.2.2. Term Proposals: Must be for a Term of fifteen (15), twenty (20), twenty-five (25) or thirty (30) years beginning January 1, 2025. However, alternate proposals will be considered.

- 3.3. Eligible Renewable Resources:

- 3.3.1. Spot Proposals: Eligible Renewable Resources shall mean electric-generating resources that generate electric energy derived from (a) wind, sunlight, or falling water and located within the PJM region; (b) biomass, energy from waste, landfill gas, municipal solid waste, or geothermal power and located within the Commonwealth; provided the proportion of electric or thermal energy from a facility that comes from the co-firing of biomass does not supply more than 10% of their annual net electrical generation to the electric grid or more than 15% of their annual total useful energy to any entity other than the manufacturing facility to which the generating resource is interconnected.

- 3.3.2. Term Proposals: Eligible Renewable Resources shall mean electric-generating resources that generate electric energy derived from: (a) solar or wind located within PJM region; (b) non-utility-owned resources from falling water that (1) are less than 65 megawatts, (2) began commercial operation after December 31, 1979, or (3) added incremental generation representing greater than 50 percent of the original nameplate capacity after December 31, 1979, provided that such resources are located in the Commonwealth or are physically located within the PJM region; (c) waste-to-energy or landfill gas-fired generating

resources located in the Commonwealth and in operation as of January 1, 2020, provided that such resources do not use waste heat from fossil fuel combustion or forest or woody biomass as fuel; or (d) biomass-fired facilities in operation in the Commonwealth and in operation as of January 1, 2020, that supply no more than 10 percent of their annual net electrical generation to the electric grid or no more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected.

- 3.3.3. Additional information on Eligible Renewable Resources can be found at the following webpage:

[Virginia RPS Eligible Renewable Resources](#)

3.4. Delivery:

- 3.4.1. Spot Proposals: RECs shall be delivered to APCo upon execution of the REC Agreement and deliveries shall occur through the PJM-GATS system into a designated account determined by APCo.
- 3.4.2. Term Proposals: During the Term, RECs must be produced from a Unit Contingent resource (as defined in §3.5.1) and 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.

3.5. Other Requirements for Term Proposals Only:

- 3.5.1. Unit Contingent: RECs must be sourced from a specified Project that meets the requirements within Section 3.
- 3.5.2. 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.
- 3.5.3. Project Development: If the Project is not already online, Bidder must demonstrate it has obtained required local and/or state siting permits to construct the Project, if such permits are necessary.

4. **Bid Price and Structure:**

- 4.1. Bidders are required to provide the Bid Price, in \$/REC.
- 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, unless the Bidder has been notified that its Proposal has been selected for Final Contract Negotiations.

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	06/09/22
Proposal Due Date	07/27/22
Final Project Selection	09/30/22
Contract Execution	11/15/22
Submit Petition to State Regulatory Commissions for Approval (Term Proposals only)	12/01/22
Term Contract Begins	01/01/26

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 5.1.

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. Bidder should request APCo's Form CA by emailing: APCoRFP2022@aep.com

5.5. 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

6.1 A completed Proposal shall be submitted by the Proposal Due Date via email to: APCoRFP2022@aep.com

6.2 The Company will provide an email to the Bidder acknowledging its receipt of the Bidder's Proposal.

7. Proposal Content

All Proposals:

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 Summary). If the facility is not already in-service, include the permitting status of the Project and interconnection process with PJM or APCo distribution, as applicable.
- 7.3. A completed Appendix B (Bidder's Credit-Related Information).
- 7.4. Any exceptions to the terms and conditions contained in the applicable Form REC Agreement (Appendix D).

Term Proposals Only:

- 7.5. The identity of all persons and entities that have a direct or indirect ownership interest in the Project.
- 7.6. 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 renewable 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.
- 7.7. A description of environmental justice factors by the Environmental Justice Act (Va. Code §§ 2.2-234, et. seq.) that are relevant to the Project(s) from which the RECs are being sourced.] If an Environmental Justice or Fenceline community is potentially affected by the Project(s), list the steps taken by the Project(s) regarding the Commonwealth's environmental justice policy.

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 most reasonable cost means of satisfying the requirements of this RFP. The Evaluation Process, which includes three phases, is central to the success of APCo's RFP process.

Section 8.1: Eligibility and Threshold Requirements

Section 8.2: Detailed Analysis

Section 8.3: Final Project Selection

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 to participate in this RFP and will be notified accordingly.

8.1.1. Proposal must be for a REC Agreement (§2.3) and include RECs only from Eligible Renewable Resources (§3.3).

- 8.1.2. Bidders must provide a Bid Price (\$/REC) that is non-escalated for the Term of the proposal (§4.2).
- 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 (§7.4).
- 8.1.4. Bidders providing Term Proposals must address Environmental Justice requirements (§7.6).
- 8.1.5. Bidders providing Term Proposals must provide 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).

8.2. Detailed Analysis:

- 8.2.1. 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 and that meet the Company's credit standards and all other requirements specified in this RFP may be selected for further consideration.
- 8.2.2. Non-Price Factor Analysis: The Non-Price Factor Analysis will be comprised of the following factors:
 - The terms of the Proposal
 - Bidder's financial wherewithal

For Term Proposals Only:

- Bidder's background and 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 Project
- The degree of risk as to the availability of the RECs during the term of the REC Agreement

- 8.3. Final Project Selection: APCo will consider bids that are reliable, feasible and represent a reasonable cost means of satisfying the requirements of this RFP. The Company will notify Bidders whether or not their Proposal has been selected and negotiation of definitive agreements will commence with Bidders whose Proposals have been selected.

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 RECs 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

All correspondence and questions regarding this RFP should be directed to:

APCoRFP2022@aep.com

Appendix A

Bid Price Summary *Company Information*

Bidder (Company):		
Contact Name:		
Contact Title:		
Address:		
City:	State:	Zip Code:
Work Phone:	Cell Phone:	
Email Address:		
<p>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.</p>		

General Project Information of Eligible Renewable Resources

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

Term Proposals Only: Energy Off-taker (§3.5.2):

Bidder has secured an off-taker for the energy from the Project for the Term (Y/N)	
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Demonstration of Required Permits (§3.5.3):

<p>Bidder shall attach documents demonstrating required state and/or local siting permits have been obtained.</p>

Appendix A (continued)

Spot Proposal Bid Pricing

Vintage (Year Generated)	Total # RECs	Bid Price \$/REC
		\$

Term Proposal Bid Pricing

Term Start Date	REC Agreement Term ¹	Guaranteed Annual REC Volume	Bid Price, \$/REC ²
01/01/25			\$
01/01/25			\$

¹15, 20, 25 or 30 Year Term required for this RFP; however, alternate terms will be considered.

²Must be non-escalating for the Term

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. Moody's:
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

(Term Proposals Only)

Please list Bidder's Affiliate companies:

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

Please attach a summary of Bidder's background and experience in VA RPS qualified renewable 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 (Spot or Term).