

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY**

SOLAR POWER PURCHASE AGREEMENT

REQUEST FOR PROPOSALS

Issued October 17, 2022

Bids Due:

December 5, 2022 12:00 p.m. Eastern Prevailing Time

Web Address:

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

TABLE OF CONTENTS

	Page
I. Introduction	2
II. Purpose, Desired Product, and General Pricing Guidelines.....	3
II.1 Purpose	3
II.2 Desired Product.....	4
II.3 General Pricing Guidelines.....	5
III. Information, Schedule, and Guidelines for Submitting the Pre-Qualification Application and Proposal.....	5
III.1 Information Provided to Potential Respondents	5
III.2 Information on the RFP Website.....	6
III.3 General Guidelines for Submitting the Pre-Qualification Application and Proposal.....	6
III.4 Clarification of Proposals.....	7
III.5 Schedule.....	7
III.6 Questions.....	8
IV. RFP General Requirements	8
IV.1 Pre-Qualification	9
IV.2 Facility Parameters	9
IV.3 Proposal Quantities.....	9
IV.4 Valid Proposal Duration.....	9
V. Proposal Content Requirements.....	10
V.1 Standard RFP Response Form	10
V.2 Executive Summary	10
V.3 Name and Location.....	10
V.4 Net Capability of Generating Facility	10
V.5 PPA Initial Delivery Date	11
V.6 Generation Technology	11
V.7 PJM Capacity.....	11

V.8	Anticipated Facility Output	11
V.9	Counterparty Financial Information.....	11
V.10	Other Contractual Commitments.....	11
V.11	Project Development Plan	12
V.12	Power Purchase Agreement	14
V.13	Asset Performance.....	14
V.14	Permits	14
V.15	PPA Pricing	14
V.16	Land Use and Other Environmental Considerations	15
V.17	Community and Other Considerations	15
VI.	Minimum Bid Eligibility Requirements.....	16
VII.	Bid Evaluation and Post-Evaluation Process	16
VII.1	Initial Proposal Review.....	16
VII.2	Proposal Evaluation Criteria and Evaluation Process.....	16
VII.3	Selection of Winning Bidders and PA PUC Approval.....	17
VII.4	Execution of PPA	19
VIII.	Credit Qualification and Collateral.....	19
IX.	Reservation of Rights.....	20
X.	Confidentiality of Information	21
XI.	Regulatory Approvals.....	22
XII.	Additional Information	22

Appendices

Form of Power Purchase Agreement.....	Appendix 1
Pre-Qualification Application.....	Appendix 2
Standard RFP Response Form – Operating Data	Appendix 3

DEFINITIONS

EPC contract	The engineering, procurement, and construction contract for the Facility under development.
Evaluation Period	The period of time between the Proposal due date [to be specified] and the selection of the Winning Proposal(s).
Facility	A new or in-development Tier I solar Alternative Energy Systems under Pennsylvania’s Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1 et seq. (“AEPS” or “AEPS Act”). A proposed Facility will be considered to be a new Facility if it has not come online and its construction has not been completed as of the Proposal due date as specified in Section III.5 of this RFP.
Independent Evaluator (“IE”)	The Brattle Group.
PA PUC	Pennsylvania Public Utility Commission (also “Commission”).
PPA	A Power Purchase Agreement for the purchase of the solar energy output and the associated solar photovoltaic alternative energy credits that comply with Pennsylvania’s Alternative Energy Portfolio Standards Act.
Proposal	A response to this RFP, associated with a qualifying Utility-Scale Solar Facility located in the Commonwealth of Pennsylvania, containing a bid price and all other required information as specified in Section V of this solicitation document.
Respondent	A party submitting a Proposal.
RFP	Request for Proposal process, consisting of a single round of sealed bids.
Total Notional Value	The value of the PPA, as specified in Exhibit G of the Form of Power Purchase Agreement (Appendix 1).
Utility-Scale Solar Facility	A solar facility that is connected to the PJM grid (i.e., not behind the meter) and that has ICAP capacity of at least 5 MW. Aggregations of smaller solar facilities do not satisfy this definition.
Winning Proposal	A Proposal that has been selected by the Companies and the IE, and that has resulted in the successful execution of a PPA.

- I.4** The Pennsylvania Public Utility Commission (“PA PUC”) has approved the procedures described in this RFP and the terms of the Power Purchase Agreement (“PPA”) by order dated August 4, 2022 at PA PUC Docket Nos. Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014, and P-2021-3030021 et seq (“PUC Order”). Potential bidders are strongly urged to review both the RFP and the PPA (Appendix 1) and to consult with counsel with respect to requirements and obligations under this RFP and the PPA.
- I.5** You are invited to submit a written proposal in accordance with the requirements described in this RFP. The Companies have retained The Brattle Group (“Brattle”) to manage the RFP process on their behalf for the purpose of soliciting bids to enter into a PPA with each of the Companies. All proposals must meet the general requirements set forth in Section IV (“RFP General Requirements”). All Bidders with in development Facilities that will meet the qualification requirements are invited to submit a bid or bids pursuant to the RFP process.
- I.6** Brattle will serve as an Independent Evaluator to monitor and oversee the evaluation of all bids. Brattle will administer this process through its website (see Subsection III.2) on the Companies’ behalf in accordance with this RFP. Responses to this RFP will be accepted via email at firstenergysolar-RFP@brattle.com.

II. PURPOSE, DESIRED PRODUCT, AND GENERAL PRICING GUIDELINES

II.1 Purpose

The purpose of this RFP is to solicit offers from developmental solar generating facilities located within Pennsylvania. The Companies have a strong preference for resources that will be in service on or before May 31, 2024 (the day before the 2024/25 PJM planning year begins) but will consider bids from Facilities with later planned in-service dates as described in Section II.2.

Each Company intends to enter into a PPA with the winning Respondent(s) in this RFP with a term of more than 4, but not more than 10, years.

The Companies anticipate contracting for between 7 and 20 MW of total capacity across all PPA proposals designated as winners of this RFP. To qualify, the physical Facility must be located in the Commonwealth of Pennsylvania and qualify as a PJM capacity resource.

II.2 Desired Product

The Companies will consider Proposals to enter into a 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). The Companies have a strong preference for facilities that will achieve commercial operation within PJM's 2024/2025 Planning Year or earlier. The Companies will consider bids from facilities with planned in-service dates later than the 2024/2025 Planning Year, but no projects with planned in-service dates after 2025/2026 Planning Year will be considered.

The Companies are seeking to enter into PPAs for between 7 and 20 MW (AC ICAP). To reach this target, each Company may enter into more than one PPA with multiple counterparties.

All bid proposals (each, a "Proposal") must be consistent with the general and content requirements specified in Sections IV and V. The Companies have a preference for resources located within one of the Companies' service territories. A map with the approximate boundaries of the Companies' service territories is provided at the end of this primary solicitation document.

However, the Companies will consider Proposals supported by Facilities not located in any of the Companies' service territories as long as the physical location of those Facilities is in the Commonwealth of Pennsylvania. Any Proposal supported by a Facility not located within Pennsylvania will be disqualified from consideration.

Projects must be Utility-Scale Solar Facilities that can offer energy into the PJM market and accrue AEPS-compliant SPAECs. All Proposals must be supported by a new physical Facility. The Companies will not accept "virtual" bids.

While the Companies may designate multiple Proposals and projects as winners of this RFP, each individual proposal submitted must be supported by a single, new, physical resource that meets the location requirements of this RFP. The Companies will accept Proposals for a share of larger Facilities. Any Proposal supported by a Facility not meeting the basic qualification requirements may be disqualified from consideration.

Through the PPA, the Companies will purchase the specified portion of the Facility's SPAECs and renewable energy output (MWh). In reviewing Proposals, the Companies will not assign value to any attributes other than SPAECs and energy. The inclusion of other attributes may detract from the Proposal's score during evaluation.

Project developers or owners will retain rights to all other Facility output, including capacity and ancillary services. Developers will be free to market such output or consume such output for their own internal needs. The Companies expect and anticipate that Proposal pricing will reflect the ability of the developer to market such attributes outside of any PPA.

II.3 General Pricing Guidelines

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.

At this time, the Companies will not consider solar tolling arrangements or pricing structures other than those that specify \$/MWh for the energy and the associated solar AECs. Any Proposal not denominated in this fashion may be disqualified from consideration, or Brattle may request an update to the Proposal pricing structure.

III. INFORMATION, SCHEDULE, AND GUIDELINES FOR SUBMITTING THE PRE-QUALIFICATION APPLICATION AND PROPOSAL

III.1 Information Provided to Potential Respondents

This RFP and all of its appendices and forms, are posted on the RFP website (https://www.firstenergycorp.com/upp/pa/rec_procurements/SolarPPA2022.html).

Interested parties can download the RFP with its required forms and complete the forms in Microsoft Word, Adobe Acrobat, and/or Excel format.

III.2 Information on the RFP Website

The information on the RFP website maintained by Brattle will contain the following:

- (a) This RFP
- (b) Pre-Qualification Document(s)
- (c) Form of PPA
- (d) Standard RFP Response Form
- (e) Frequently Asked Questions ("FAQ") about this RFP
- (f) Updates on this RFP process and other relevant information

III.3 General Guidelines for Submitting the Pre-Qualification Application and Proposal

By the specified deadline, a Respondent shall submit properly completed forms by email to the RFP Submission Email Address (firstenergysolar-RFP@brattle.com).

Respondents with Proposals over 30 MB in size should contact Brattle for instructions on how to submit a Proposal via Brattle's secure FTP platform. Proposals that are nonconforming, incomplete, or that are mailed or hand delivered may be deemed ineligible and may not be considered for further evaluation.

Parties that are interested in bidding shall submit pre-qualification applications by the pre-qualification deadline. Any Proposals received from a Respondent who has not been pre-qualified will be deemed ineligible and not considered for further evaluation.

Please note that the Independent Evaluator (i.e., Brattle) will always confirm receipt of a Proposal. Bidders that do not receive a bid confirmation should notify the Independent Evaluator.

Brattle anticipates sending an electronic mail notice to parties that it considers likely participants in this RFP. The preparation of a Proposal may be initiated at any time provided that such preparations are completed in accordance with the instructions found in this RFP.

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.

III.4 Clarification of Proposals

While evaluating Proposals, Brattle may request additional information about any item in the Proposal. All requests will be made in writing, and the Respondent will be required to respond to the request within five (5) business days of receipt of such request or Brattle may choose to stop evaluating the Respondent's Proposal.

III.5 Schedule

The following schedule and deadlines apply to this RFP. The Companies reserve the right to extend or otherwise modify any portion of this schedule at any time or terminate the RFP process at its sole discretion.

EPT or Eastern Prevailing Time means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect in Reading, Pennsylvania on any date specified.

All Proposals are due by 12:00 p.m. EPT on the proposal due date (below). Proposals received after the specified date and time may be disqualified from further evaluation.

TABLE 1: PROVISIONAL SCHEDULE

Event	Date
Respondent Pre- Qualification Application Deadline	12:00 p.m. EPT, November 7, 2022
Respondents Notified of Results of Pre- Qualification Application Review	12:00 p.m. EPT, November 14, 2022
Proposal Due Date	12:00 p.m. EPT, December 5, 2022
Regulatory Approval of RFP Results and PPA Execution (expected)	First Quarter, 2023

III.6 Questions

All questions regarding this RFP should be submitted to [firstenergysolar-RFP@brattle.com](mailto:RFP@brattle.com) (the "RFP Submission Email Address"). All relevant questions and answers will be posted to the RFP website and made available to all registered process participants. Other than questions and answers submitted through the RFP Submission Email Address and posted on the RFP website, no other individual or bidder-specific explanations or interpretations of this RFP will be given. Written questions will be accepted by Brattle until five (5) days before the date on which Proposals are due. The Respondent should check the website periodically for updates and postings.

In the event that a given Respondent has a question or seeks clarification or explanation of any data or information provided in this RFP, such Respondent is responsible for obtaining the desired information by submitting a written question to Brattle through the RFP Email Address by no later than five (5) days before the date on which Proposals are due.

Any and all communications regarding this RFP will be submitted through the RFP Submission Email Address, posted on the RFP website, or communicated through a public bidder information session. **Under no circumstance should Respondents attempt to contact employees of the Companies directly with any matters related to this RFP.**

IV. RFP GENERAL REQUIREMENTS

Proposals that do not meet the following criteria may be deemed ineligible and not considered for further evaluation.

IV.1 Pre-Qualification

To be eligible to submit a Proposal in response to this RFP, Respondents must be pre-qualified.

To pre-qualify, Respondents must:

- (a) Submit a completed Pre- Qualification Application (Appendix 2) to the RFP Submission Email Address (firstenergysolar-RFP@brattle.com); and
- (b) Receive confirmation from Brattle that Respondent is pre-qualified to submit a Proposal.

Any Proposals received from a Respondent who has not been pre-qualified will be deemed ineligible and not considered for further evaluation.

IV.2 Facility Parameters

All Proposals must be supported by a new physical Facility. Each Facility supporting a PPA with the Companies under a Proposal must:

- (a) be located within the Commonwealth of Pennsylvania;
- (b) be a solar-powered resource;
- (c) be Utility Scale and grid-connected; and
- (d) qualify for SPAECs under the AEPS Act and be able to sell its power into the PJM energy market.

IV.3 Proposal Quantities

Through this RFP, the Companies seek between 7 and 20 MW of AC ICAP solar capacity. The Companies will accept partial shares of larger Facilities.

IV.4 Valid Proposal Duration

Proposal pricing must remain valid for six (6) months following the Proposal due date, upon which time Proposals shall expire unless the Respondent has been notified that its Proposal has been selected.

V. PROPOSAL CONTENT REQUIREMENTS

This section describes the Companies' expectations and requirements for the content of Proposals. Proposals that do not meet the following criteria will be deemed ineligible and not considered for further evaluation. 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. 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 following topics:

V.1 Standard RFP Response Form

Respondents shall provide a completed Appendix 3 (RFP Response Form). Please note that Appendix 3 does not capture all of the information required to be provided in response to this RFP.

V.2 Executive Summary

Proposals must include an executive summary of the Proposal's characteristics, including any unique aspects and benefits.

V.3 Name and Location

Respondents shall state the name of the Facility, the county and EDC service territory where the generating facility is located, the owner of the Facility, the PJM commercial pricing node associated with the Facility, and the expected commercial in-service date for the facility. The location must be in the Commonwealth of Pennsylvania and serviced by PJM.

V.4 Net Capability of Generating Facility

Respondents shall state the net capability of the Facility that would be applicable for each month of a calendar year as well as the nameplate capacity of the Facility.

V.5 PPA Initial Delivery Date

In preparing their Proposals, Respondents shall assume that the deliveries under the PPA would commence on or about June 1, 2024. However, Brattle will accept alternative timelines to the extent that such timelines may allow for more competitive pricing.

V.6 Generation Technology

Respondents shall describe the generation technology of the Facility, including the make of the key equipment.

V.7 PJM Capacity

Respondent shall provide the projected ICAP (or nameplate) and the projected UCAP for the next three (3) years.

V.8 Anticipated Facility Output

The estimated monthly output in MWh for each of the next five (5) years. Respondents shall also provide expected (p50 and p90) capacity factors, including hourly shapes (based on weather data).

V.9 Counterparty Financial Information

Respondents shall submit audited or unaudited financial statements, including balance sheets, income statements, and cash flow statements for the proposed PPA counterparty. Respondents should provide this information for the past three years.

V.10 Other Contractual Commitments

Respondents shall state whether there are other contractual commitments limiting or affecting the operation of the Facility. Respondents shall state whether there are any other agreements in place for or claims on output from the Facility. Such information

should include any obligations that may restrict or compromise the Companies' rights to Facility output.

V.11 Project Development Plan

All Proposals must have a well-defined and credible development plan for Respondent to complete the development, construction, and commissioning of the Facility on their proposed development timeline. Respondents should review the "Development Risk" evaluation metric and be sure to discuss key development milestones in their Proposal.

If available, Respondents shall submit a copy of:

- (1) An executed pro-forma PJM Service Agreement and Interconnection Construction Services Agreement;
- (2) A completed PJM Facilities Study; and
- (3) A completed PJM System Impact Study.

If Respondent cannot provide this information, Respondent must indicate why it cannot be provided and must provide a timeline showing its ability to complete key development milestone requirements prior to June 1, 2024, including the above-referenced items for the PJM generator interconnection queue.

Respondent shall also detail its PJM generator interconnection queue position, if any, and the types and amounts of transmission service requested. Respondents submitting Proposals should also submit a copy of a fully executed engineering, procurement, and construction ("EPC") contract if available.

Respondents should also provide the following:

1. The roles and responsibilities of the companies involved in the design, development, procurement, and construction of the Facility. Information about key contributors shall extend to the status of the contractual relationship with each key contributor; key contractual assurances; guarantees; warranties, or

commitments supporting the Proposal, including an executed EPC contract; and any past experience of Respondent working with each key contributor;

2. A description of the status of major equipment procurement, as well as processes for engineering, procurement, and construction bids and awards;
3. A description of the Facility site and Respondent's rights (i.e., whether owned, leased, or under option) to such site. Please indicate whether additional land rights are necessary for the development, construction, and/or operation of the Facility;
4. A discussion of the development schedule and associated risks and risk-mitigation plans for that schedule, including whether there are contract commitments from contractors supporting the proposed schedule. The Respondent should be prepared to document and commit to a proposed development schedule, which should include a commercial operation date;
5. A discussion of the financing arrangements secured by the Respondent, including an overview of the sources of funds, and level of commitment from debt, equity, or other investors;
6. A discussion of permitting, including a list of all required permits, permitting status of each, and key risks to securing necessary future permit approvals;
7. A description of Respondent's status in PJM's queue process and presentation of documents described above; and
8. Financial information regarding guarantors and sources of equity funding along with either the Respondent's or guarantors' senior unsecured debt and/or corporate issuer ratings documentation from Moody's and Standard & Poor's ("S&P") showing the name of the rating agency, the type of rating, and the rating of the Respondent or guarantor.

The Companies will not assume any responsibility for the successful development, construction, interconnection, and/or completion of a proposed Facility. Accordingly,

development schedule, budget, permits, and approval risk will be the sole responsibility of the Respondent.

V.12 Power Purchase Agreement

Successful bidders must be able to meet all requirements of the PPA provided in Appendix 1 of this RFP. Respondents will be required to demonstrate in their Proposals that they can meet all specified terms of the PPA and that they take no exception to the PPA terms. Failure to do so will result in exclusion of the Respondent's Proposal(s) from further consideration.

V.13 Asset Performance

For all contractual structures, bidders should specify the "guarantees" associated with their Proposal. For example, mechanical availability, anticipated production under given conditions, etc.

Respondents shall clearly articulate expected performance metrics which may include performance guarantees and metrics, among others.

V.14 Permits

Facilities must have all relevant environmental and other permits necessary for their operation and maintenance. Respondents shall provide a description of all permits required for the operation and maintenance of the Facility. Respondents should also indicate the status of each permit, including, but not limited to, whether the permit has been obtained, when it will be obtained if it has not yet, and the eventual need to renew such permits, as well as the likelihood of renewal.

Respondents shall also provide a description of any identified environmental liabilities (e.g., potential site remediation requirements, pending future regulatory requirements, etc.) for the Facility.

V.15 PPA Pricing

Respondents shall submit a PPA price associated with their bid. The Companies will accept a fixed pricing structure (or one with specified annual changes) denominated in \$/MWh for energy and associated AEPS-compliant SPAECs. The evaluation of the bids will be based on the anticipated cost and inherent uncertainty associated with the proposed PPA pricing structure.

V.16 Land Use and Other Environmental Considerations

Respondents should highlight 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).

V.17 Community and Other Considerations

Respondents are encouraged to highlight their impact on the community and, in particular, communities served by the Companies.

- Respondents may identify if their project is located within one of Pennsylvania's HUBZones, which the Small Business Administration defines as historically underutilized business zones where at least 35% of employees reside within the Hubzone.³
- To the extent that a bidder qualifies as a minority business enterprise ("MBE"), a veteran-owned business ("VET"), a business owned by a service-disabled veteran ("SDV"), a small business that meets the small size standards matched in the North American Industry Classification System ("NAICS") codes, or women owned business ("WBE"), such qualification may be highlighted in the proposal.

³ See <https://www.sba.gov/federal-contracting/contracting-assistance-programs/hubzone-program> for details.

VI. MINIMUM BID ELIGIBILITY REQUIREMENTS

This section outlines the minimum requirements that all Proposals must meet to be eligible to participate in this RFP. Proposals unable to meet the following criteria will be deemed ineligible and will not be considered for further evaluation.

- Respondents must meet the general requirements in accordance with Section IV of this RFP.
- Proposals must include all content requirements described in Section V of this RFP, including all requested information and completed forms.

VII. BID EVALUATION AND POST-EVALUATION PROCESS

VII.1 Initial Proposal Review

After the Proposal due date, Brattle will review all responses for completeness, responsiveness, and compliance with the minimum bid eligibility requirements specified in Section VI of this RFP. Brattle will not accept updated pricing from Respondents during the Evaluation Period unless such information is requested by Brattle.

Preliminary due diligence will also be conducted at this stage to identify any flaws associated with the Proposal that would make it unacceptable. As a result of this screening, Brattle may either eliminate Proposal(s) from further consideration or contact Respondent(s) to clarify their Proposal or request additional information. Brattle will make such requests in writing via email, and Respondents will be required to respond to the request within five (5) business days of receipt of such request, or Brattle may choose to stop evaluating a Respondent's Proposal (see Section III).

VII.2 Proposal Evaluation Criteria and Evaluation Process

Proposals that meet the requirements in Section VI of this RFP will be evaluated consistent with the evaluation criteria set forth in this RFP. Points will be awarded and deducted based on:

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; and
6. Other Asset or Proposal Specific Benefits and Risk Factors.

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. Bids will be ranked based on the stated evaluation criteria, and assets will be selected based on the Companies' needs. Consistent with that objective, each Company may need to contract with multiple generating assets. In order to secure the overall portfolio of assets that best meets the Companies' needs, there is no assurance that the individual, highest-scoring qualified proposal(s) will be selected due to the fixed MW associated with each individual bid.

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. Discussions with a Respondent shall in no way be construed as the commencement of contract negotiations.

VII.3 Selection of Winning Bidders and PA PUC Approval

Upon completion of the evaluation of Proposals, Brattle shall prepare a report of the RFP results in consultation with the Companies, summarizing Respondent's qualification process and the Proposals and identifying the successful and unsuccessful Respondents and Proposals. The report shall then be submitted to the PA PUC for approval. The PA PUC will have ten (10) calendar days to review the Brattle report and approve the report

and bid prices submitted by successful bidders. Bids from at least three bidders, who are not affiliated with each other, must be received in response to the RFP as a condition for PA PUC approval of any successful bids. If the results are approved, the Companies shall notify all Respondents of the PA PUC's decision and the results of the RFP. If the results are not approved, the Companies will not sign any PPAs with winning bidders.

VII.4 Execution of PPA

Upon approval of the results by the PA PUC and subject to all provisions of this RFP (including Section IX), each Company shall prepare two copies of a PPA with information from the successful bidder's proposal inserted and transmit those copies to the applicable Respondent within five (5) business days of notification by the Companies. Respondent shall execute and return each PPA to the appropriate Company with any collateral as required under the PPA within ten (10) business days.

VIII. CREDIT QUALIFICATION AND COLLATERAL

Bidders submitting Winning Proposals may be required to post collateral at the time of execution of a PPA. The Companies and Brattle will evaluate the credit quality and related collateral posting requirements for each Respondent submitting a Proposal(s) in accordance with a uniform and consistent application of the Companies' risk management practices and standards. This evaluation will occur as part of Brattle's evaluation of a Respondent's pre-qualification application.

Credit Requirements are as follows:

Respondent counterparties that have a minimum investment grade credit rating shall be deemed to have met the creditworthiness standard and shall not be required to post Performance Assurance. Performance Assurance may be in the form of cash, a letter of credit, or other security in a form acceptable to the Companies. A minimum investment grade credit rating is defined as the most recently published unsecured senior long-term debt rating (or corporate issuer rating if unsecured long-term debt rating is not available) of **BBB-** from Standard & Poor's (S&P), **BBB-** from Fitch Ratings (Fitch), or **Baa3** from Moody's Investor Service (Moody's), respectively. If the Respondent is rated by more than one agency and the ratings differ, the lowest rating will be used.

- If a Respondent counterparty is either not rated by the aforementioned public rating agencies or has ratings below investment grade (as defined above), the creditworthiness standard may be met with cash, a Letter of Credit, or by issuing a corporate guaranty from an acceptable credit support provider that satisfies the above minimum investment grade standard.

- The Companies' acceptance of a corporate guaranty shall be subject to a satisfactory review of the credit support provider that is issuing the guaranty. In addition, the guaranty shall be in a form acceptable to the Companies.

Any Respondent that does not meet the above creditworthiness requirements or provide an acceptable guaranty shall have the corresponding obligation to provide Performance Assurance. Performance Assurance will be equal to 15% of the Total Notional Value of the PPA, as specified in Exhibit G of the PPA (Appendix 1). The amount of required Performance Assurance will decline annually during commercial operation.

Any Letter of Credit must be issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a credit rating of at least A- from S&P, or the equivalent credit rating from Moody's or Fitch, and a minimum of \$10 billion in assets. The Letter of Credit must be in a form acceptable to the applicable Company, in whose favor the Letter of Credit is issued.

IX. RESERVATION OF RIGHTS

The Companies reserve the right, without qualification, to reject any or all Proposals and to waive any irregularity in submitted information. There is no assurance, expressed or implied, that any agreement will be executed pursuant to this RFP. The Companies may terminate negotiations with any Respondent at any time without liability.

Respondents are advised that any PPA executed by the Companies and any selected Respondent may not be an exclusive contract. In submitting a Proposal, Respondents will be deemed to have acknowledged that the Companies may contract with others for the same or similar deliverables or may otherwise obtain the same or similar deliverables by other means and on different terms.

The Companies also reserve the right to evaluate all Proposals received in any manner they elect to employ, to solicit additional Proposals if deemed necessary to do so, and to submit additional information requests to Respondents during the Proposal evaluation process.

This RFP shall not, by itself, give any right to any party for any claim against the Companies. Furthermore, by submitting a Proposal, the Respondent shall be deemed to have acknowledged that the Companies assume no liability in any fashion with respect to this RFP or any matters related thereto. By submission of a Proposal, the Respondent, for itself as well as for its successors and assignees (if any), agrees that, as between Respondent and the Companies, Respondent is solely responsible for all claims; demands; accounts; damages; costs; losses; and expenses in law or equity, known or unknown, foreseen or unforeseeable; arising from or out of this RFP.

The Companies shall not reimburse Respondent and Respondent is responsible for any cost(s) incurred in the preparation or submission of a Proposal, in negotiations for an agreement, and/or any other activity contemplated by the Proposal submitted in connection with this RFP.

X. CONFIDENTIALITY OF INFORMATION

All Proposals submitted in response to this RFP become the property of the Companies upon submittal. The Companies will take reasonable precautions and use reasonable efforts to protect any proprietary or confidential information contained in a Proposal, provided that the Respondent has clearly identified such information as proprietary and/or confidential on the page on which it appears. However, Respondent acknowledges that the Companies may be required to make such proprietary and/or confidential information available to Brattle, the PA PUC, court or other governmental agencies having jurisdiction over the services and products related to this RFP. In making such disclosure, the Companies will use reasonable efforts by, among other things, limiting disclosure to generic information (number of responsive Proposals and range of prices, contract lengths, and energy and SPAEC quantities) and refraining from disclosing the identity of any Respondent or providing any Respondent-specific information so long as such information otherwise continues to be confidential. The Companies will not be required to appeal or challenge any determination by the PA PUC, a court, or other governmental entity on the confidentiality or proprietary status of any information provided pursuant to this RFP.

XI. REGULATORY APPROVALS

Respondent agrees to cooperate, to the fullest extent necessary, to obtain any and all state, federal, or other regulatory approvals the Companies deem to be required for the effectiveness of the PPA.

XII. ADDITIONAL INFORMATION

The map below indicates the approximate boundaries of the Companies' respective footprints.

Figure 1: FirstEnergy Pennsylvania Utilities Service Territories

