

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power Company)
For (1) An Order Approving The Terms And)
Conditions Of The Renewable Energy Purchase)
Agreement For Solar Energy Resources Between)
Kentucky Power Company And Bright Mountain)
Solar, LLC; (2) Authorization To Enter Into The)
Agreement; (3) Recovery Of Costs Through Tariff)
P.P.A.; (4) Approval Of Accounting Practices To)
Establish A Regulatory Asset; And (5) All Other)
Required Approvals And Relief

Case No. 2024-00243

DIRECT TESTIMONY OF
ZACHARY M. YETZER
ON BEHALF OF KENTUCKY POWER COMPANY

**DIRECT TESTIMONY OF
ZACHARY M. YETZER ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

CASE NO. 2024-00243

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EXHIBITS

EXHIBIT

DESCRIPTION

Exhibit ZMY-1

Kentucky Power’s 2023 All Source RFP

Confidential Exhibit ZMY-2

CRA Report

Confidential Exhibit ZMY-3

Detailed Analysis

Confidential Exhibit ZMY-4

Bright Mountain REPA

Confidential Exhibit ZMY-5

Certain Key Terms of the REPA

**DIRECT TESTIMONY OF
ZACHARY M. YETZER ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

CASE NO. 2024-00243

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Zachary M. Yetzer. My business address is One Riverside Plaza,
3 Columbus, Ohio 43215. I am employed by the American Electric Power Service
4 Corporation (“AEPSC”) as a Regulated Infrastructure Development Manager.
5 AEPSC is a wholly owned subsidiary of American Electric Power Company, Inc.
6 (“AEP”). AEP is the parent company of Kentucky Power Company (“Kentucky
7 Power” or “the Company”).

II. BACKGROUND

8 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
9 **BACKGROUND.**

10 A. I received a Bachelor of Science degree in Resource Management, with a
11 concentration in Financial Management and a Minor in Economics in 2008 from
12 The Ohio State University, and a Master of Business Administration in 2020 from
13 Ashland University. I began my career with AEP in 2011 as an Energy Trader
14 managing AEP’s real time power and capacity positions within the PJM, Southwest
15 Power Pool (“SPP”) and ERCOT Regional Transmission Organizations (“RTO”).
16 In 2013, I accepted a position within the Day-Ahead Optimization group where my

1 primary responsibility was to coordinate the strategic and economic optimization
2 of AEP's generation fleet within the PJM, SPP, and ERCOT RTOs. I also supported
3 the solicitation for renewable generation resources and review of settlement
4 activities associated with power purchase agreements. In 2017, I accepted the
5 position as an Energy Business Development Lead in the Renewables Group. In
6 2021, I was assigned the new role of Regulated Infrastructure Development Analyst
7 working in renewable energy. In 2022, I was promoted to my current position as
8 Regulated Infrastructure Development Manager.

9 **Q. WHAT ARE YOUR RESPONSIBILITIES AS REGULATED**
10 **INFRASTRUCTURE DEVELOPMENT MANAGER?**

11 A. I am responsible for leading and supporting requests for proposals ("RFPs") for
12 capacity and energy from fossil and renewable generation resources, including
13 review of proposals, due diligence activities, and integration of generation
14 resources within AEPSC's dispatch center. My primary responsibilities include
15 obtaining direction from AEP's operating companies, including Kentucky Power,
16 drafting RFPs on their behalf, and managing the RFP process which includes the
17 processing of proposals, providing input for the economic analysis, leading due
18 diligence activities, and negotiation of the associated agreements.

19 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY**
20 **PROCEEDINGS?**

21 A. Yes. I have submitted testimony on behalf of Southwestern Electric Power
22 Company (SWEPCO) before the Louisiana Public Service Commission in Docket
23 No. U-36349.

III. PURPOSE OF TESTIMONY

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
 2 **PROCEEDING?**

3 A. The purpose of my testimony is to support Kentucky Power’s application for
 4 approval of a Renewable Energy Purchase Agreement for Solar Energy Resources
 5 (“REPA”) between Bright Mountain Solar, LLC (“Bright Mountain”) and
 6 Kentucky Power for the Bright Mountain Solar Project (the “Project”).
 7 Specifically, I describe:

- 8 • Kentucky Power’s 2023 PPA-only RFPs including the 1) Solar and Wind
 9 Energy RFP, 2) Battery Storage Resources RFP, and 3) New and Existing
 10 Thermal Energy Resources RFP (collectively, the “2023 All Source RFP”)
 11 which sought up to ~875 MW of Accredited Summer Capacity and ~1,300 MW
 12 of Accredited Winter Capacity;
- 13 • an overview of the bid results of the 2023 All Source RFP;
- 14 • the RFP evaluation process and Kentucky Power’s due diligence that resulted
 15 in the selected renewable resource; and
- 16 • the general terms of the REPA.

17 **Q. ARE YOU SPONSORING ANY EXHIBITS AS PART OF YOUR**
 18 **TESTIMONY?**

19 A. Yes. I am sponsoring the following exhibits attached to my testimony:

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
20 Exhibit ZMY-1	Kentucky Power’s 2023 All Source RFP
21 Confidential Exhibit ZMY-2	CRA Report
22 Confidential Exhibit ZMY-3	Detailed Analysis
23 Confidential Exhibit ZMY-4	Bright Mountain REPA
24 Confidential Exhibit ZMY-5	Certain Key Terms of the REPA

IV. KENTUCKY POWER'S 2023 ALL SOURCE RFP AND THE RFP PROCESS

1 **Q. PLEASE PROVIDE AN OVERVIEW OF THE 2023 ALL SOURCE RFP**
2 **ISSUED BY KENTUCKY POWER.**

3 A. On September 22, 2023, consistent with the Company's 2022 Integrated Resource
4 Plan ("IRP"), Kentucky Power issued three RFPs for approximately 875 MW of
5 PJM-accredited summer capacity, and approximately 1,300 MW of PJM-accredited
6 winter capacity via one or more power purchase agreements from the following
7 resources located in the PJM region; solar and wind, thermal, and/or standalone
8 storage. Proposals were due November 8, 2023. The 2023 All Source RFP is filed
9 with this application as Exhibit ZMY-1 to my testimony.

10 **Q. DID KENTUCKY POWER ISSUE THE 2023 ALL SOURCE RFP**
11 **THROUGH A COMPETITIVE RFP PROCESS?**

12 A. Yes. Kentucky Power pursued a competitive RFP to meet its accredited capacity
13 requirements as identified in the Company's 2022 IRP. As described in Company
14 Witness Wolfram's testimony, Kentucky Power has a capacity and energy need
15 beginning in 2026.

16 **Q. WHAT STEPS DID THE COMPANY TAKE PRIOR TO THE ISSUANCE**
17 **OF THE RFP?**

18 A. Prior to the issuance of the 2023 All Source RFP, Kentucky Power (1) retained a
19 third-party consultant; (2) drafted the RFP based on the needs identified in the
20 Company's 2022 IRP; and (3) assessed the pool of projects in the PJM
21 interconnection process that would be eligible to bid into the 2023 All Source RFP
22 based on information available to the Company at that time. Throughout that

1 process, Kentucky Power leadership met weekly with internal subject matter
2 experts and internal legal counsel over the course of approximately four months.

3 **Q. DID KENTUCKY POWER RETAIN A THIRD-PARTY CONSULTANT**
4 **TO ASSIST WITH THE RFP PROCESS?**

5 A. Yes. Kentucky Power retained Charles River Associates (“CRA”) to serve as the
6 third-party consultant for the 2023 All Source RFP to independently verify and
7 support Kentucky Power’s efforts with the development, issuance, and evaluation
8 of the RFP. CRA independently reviewed the design and development of the RFP
9 and conducted an Eligibility and Threshold (“E&T”) review for all proposals to
10 verify Kentucky Power’s analysis and results.

11 **Q. DID CRA PROVIDE AN INDEPENDENT EVALUATION OF THE**
12 **COMPANY’S PROCUREMENT PRACTICES ASSOCIATED WITH THE**
13 **2023 ALL SOURCE RFP?**

14 A. Yes. CRA provided an independent assessment of Kentucky Power’s 2023 All
15 Source RFP, and the results of that assessment are included as Confidential Exhibit
16 ZMY-2 to my testimony. Ultimately, CRA confirmed that Kentucky Power
17 developed the RFP in a clear and transparent manner and evaluated the proposals
18 on a fair and consistent basis, which supported Kentucky Power’s selection of
19 Bright Mountain.

20 **Q. PLEASE DESCRIBE THE GENERAL STEPS IN KENTUCKY POWER’S**
21 **ISSUANCE OF THE 2023 ALL SOURCE RFP.**

22 A. In general, the RFPs comprising the 2023 All Source RFP shared a similar structure
23 consisting of five main steps:

24 Step 1: Issuance of RFP

- 1 Step 2: Receipt and Review of Proposals
- 2 Step 3: Screening for Eligibility & Threshold Requirements
- 3 Step 4: Detailed Analysis & Due Diligence
- 4 Step 5: Final Project Selection (Shortlist), Negotiations, and Execution of
- 5 Agreement

6 **Q. PLEASE DESCRIBE THE INITIAL RFP STEPS.**

7 A. The Regulated Infrastructure Development team worked in cooperation with

8 Kentucky Power to develop the 2023 All Source RFPs. Kentucky Power issued the

9 2023 All Source RFPs by posting them to its website¹, issuing a news release to

10 various publications, and notifying prospective bidders via email. In addition, as

11 part of the RFP process, Kentucky Power provided an opportunity for bidders to

12 submit questions and Kentucky Power posted responses to general questions on its

13 website. Upon receipt of proposals, Kentucky Power reviewed the proposals for

14 completeness and then contacted the bidders if there were any deficiencies, giving

15 them an opportunity to provide the necessary information for Kentucky Power to

16 further evaluate the proposals.

17 **Q. PLEASE DESCRIBE THE INITIAL BID RECEIPT AND OVERALL**

18 **BIDDER RESPONSE TO THE 2023 ALL SOURCE RFP.**

19 A. In total, Kentucky Power received 71 proposals from bidders, representing 36

20 unique projects. The responses included proposals for solar, wind, solar plus

21 storage, gas, and standalone battery storage. Several bidders submitted multiple

22 proposals for the same project (e.g., projects were proposed with and without co-

¹ <https://www.kentuckypower.com/business/b2b/energy-rfps/2023-all-source-rfp>

1 located battery energy storage systems, for multiple term lengths, and/or with
2 multiple sizes), accounting for a greater number of proposals than projects.

3 **Q. PLEASE DESCRIBE THE ELIGIBILITY AND THRESHOLD**
4 **REQUIREMENTS OF THE RFP PROCESS.**

5 A. After review of proposals for completeness as described above, each proposal had
6 to meet all of the E&T Requirements prior to being considered further in the RFP
7 process. The E&T Requirements included criteria such as meeting the RFP's target
8 commercial operation date, minimum project size, location of proposed resources,
9 interconnection status, and minimum contract term. The resource specific E&T
10 Requirements can be found in Section 8.1 of each respective RFP (Exhibit ZMY-
11 1).

12 **Q. PLEASE PROVIDE A SUMMARY OF THE PROPOSALS THAT WERE**
13 **REMOVED FROM FURTHER CONSIDERATION AS A RESULT OF THE**
14 **E&T REVIEW PROCESS.**

15 A. Seventeen proposals were removed from further consideration after E&T review.
16 Those proposals were deemed ineligible for various reasons including but not
17 limited to the project not meeting the minimum interconnection requirements, the
18 proposed commercial operation date of the project, the developer's experience and
19 history with the proposed technology, and the technology or pricing structure
20 failing to comply with the RFP requirements.

21 **Q. PLEASE DESCRIBE THE DETAILED ANALYSIS AND DUE DILIGENCE**
22 **PORTION OF THE RFP PROCESS.**

23 A. The projects that met E&T Requirements underwent a detailed analysis, continuing
24 due diligence, and an evaluation (scoring) process conducted by a multidisciplinary

1 team of knowledgeable industry professionals from AEP and Kentucky Power.
2 Team members had specific expertise in each of the non-price factor topics, as well
3 as with economic modeling of energy and capacity resources, with backgrounds in
4 engineering, project management, operations and maintenance, real estate,
5 economic development, local permitting and zoning, wind, solar, and natural gas
6 resource assessment, transmission planning, environmental science and permitting,
7 energy economics and modeling, and contracts. The Detailed Analysis is provided
8 in Confidential Exhibit ZMY-3 to my testimony.

9 **Q. PLEASE DESCRIBE THE COMPONENTS OF THE ECONOMIC**
10 **ANALYSIS THAT WAS CONDUCTED AS PART OF THE DETAILED**
11 **ANAYLSIS PORTION FOR THE RFP PROCESS.**

12 A. The IRP team completed the economic analysis for each of the proposals that met
13 the E&T Requirements. The analysis included inputs taken directly from the
14 proposals, such as the bid price and term length. It also included various inputs
15 provided by the interdisciplinary team, such as transmission congestion and line
16 loss estimates, fuel costs, dispatch assumptions, emissions, start-up costs, estimated
17 annual energy production, and other operating company-specific modeling
18 variables such as renewable energy credits (“REC”) and financing assumptions.
19 The economic analysis, performed by the IRP team, resulted in several key price
20 metrics that were used to determine the ultimate price score for each of the
21 proposals:

- 22 • Levelized Adjusted Net Cost of Energy (LANCOE);
- 23 • Levelized Adjusted Net Cost of Capacity (LANCOC); and
- 24 • Value to Cost (V/C) Ratio.

1 Each of these metrics are based on determining the total cost of the
2 proposals (e.g. bid price, operations and maintenance costs, tax expenses, fuel costs,
3 transmission interconnection costs, etc.). The V/C Ratio metric is also based on the
4 total value of the proposals, which considers the proposal's expected PJM market
5 energy and capacity revenues and any REC revenues. Below is a brief description
6 of the calculation of each metric:

- 7 • The LANCOE is calculated by dividing the present value of the proposal's
8 total cost, including the cost of any transmission congestion and losses, by
9 the present value of the proposal's expected lifetime energy output.
- 10 • The LANCOE is calculated by dividing the present value of the proposal's
11 total cost, including the cost of any transmission congestion and losses, by
12 the present value of the proposal's accredited capacity rating.
- 13 • The V/C Ratio is calculated by dividing the present value of the proposal's
14 total value by the present value of the proposal's total cost. The V/C Ratio
15 is a tool used to evaluate proposals against each other that may have
16 differing energy and capacity characteristics, such as wind, solar, energy
17 storage, and thermal resources.

18 Additional information on the economic analysis can be found in Section 8.2.1 of
19 each respective RFP (Exhibit ZMY-1).

20 **Q. PLEASE DESCRIBE THE DUE DILIGENCE STEP OF THE RFP**
21 **PROCESS.**

22 A. The due diligence review included an internal review of the expected annual
23 energy, bidders' exceptions to Kentucky Power's form agreement, environmental

1 studies, technology used, interconnection status, transmission congestion, and the
2 bidder's experience in operating generation facilities.

3 **Q. PLEASE DESCRIBE THE SHORTLIST PROCESS.**

4 A. Kentucky Power selected three proposals for its shortlist with which to initiate
5 contract negotiations. Bidders in the final project selection shortlist were engaged
6 in detailed due diligence and negotiations with the aim of producing one or more
7 final executable contracts. Subsequent to the final project selection, one bidder
8 withdrew its proposal from the RFP citing permitting as the main reason. A second
9 bidder provided notice of a price increase to its proposal resulting from an internal
10 pricing error and was subsequently removed from the final project selection.
11 Kentucky Power successfully negotiated and executed the Bright Mountain REPA
12 with Bright Mountain Solar, LLC and now seeks Commission approval of the
13 REPA in this proceeding.

V. **BRIGHT MOUNTAIN REPA**

14 **Q. PLEASE DESCRIBE THE STRUCTURE AND TERMS OF THE BRIGHT**
15 **MOUNTAIN REPA.**

16 A. The Bright Mountain REPA is an 80 MW solar project under development by
17 Bright Mountain, a wholly owned subsidiary of Avangrid Renewables, LLC
18 ("Avangrid") in Perry County, Kentucky, which is located within Kentucky
19 Power's service territory. The facility will be interconnected to the Kentucky
20 Power transmission system via direct connection to the Bonnyman 69 kV Station.
21 The commercial operation date is targeted for April 15, 2027.

1 Under the REPA, Kentucky Power will purchase all of the Renewable
2 Energy Products (defined in the REPA to include the energy, capacity, and RECs)
3 generated by the facility for a term of 15 years at a non-escalating price of \$83.68
4 per MWh. Avangrid will transfer the capacity and RECs directly to Kentucky
5 Power and will bid the energy from the Project into the PJM market. Kentucky
6 Power will receive the net revenue from sale of energy from the Project into the
7 PJM market. Please see Confidential Exhibit ZMY-4 for a copy of the Bright
8 Mountain REPA. Also, please see Confidential Exhibit ZMY-5 for a summary of
9 the major terms of the Bright Mountain REPA.

10 **Q. WHAT RISKS COULD IMPACT THE BRIGHT MOUNTAIN PROJECT?**

11 A. There is the potential that Avangrid, and the energy industry as a whole, may
12 experience development challenges due to future raw material, labor, supply chain,
13 interconnection, and equipment availability and uncertainty during the period in
14 which the Company is seeking regulatory approval with this Commission. These
15 challenges, if realized, could have an economic impact on the project. Kentucky
16 Power adequately mitigated these risks to the greatest extent possible in the REPA
17 Agreement.

18 **Q. IS AVANGRID, BRIGHT MOUNTAIN'S PARENT COMPANY, AN**
19 **EXPERIENCED RENEWABLE ENERGY DEVELOPER?**

20 A. Yes, Avangrid has more than \$10 billion of operating assets totaling more than 8.5
21 GW of operating wind and solar generation in more than 22 states. In addition,
22 Kentucky Power has completed to its satisfaction due diligence on the Project,
23 Avangrid, and Avangrid's financial capabilities.

1 **Q. WHEN WILL BRIGHT MOUNTAIN BEGIN CONSTRUCTION OF THE**
2 **FACILITY?**

3 A. Bright Mountain will initiate the construction phase of the project after receipt of a
4 final non-appealable order from the Kentucky Public Service Commission that is
5 acceptable to Kentucky Power. The REPA requires the Company to obtain that
6 final, non-appealable order by no later than May 1, 2025.

VI. DEVELOPMENT COSTS

7 **Q. COMPANY WITNESSES WOLFFRAM AND COON DISCUSS THE**
8 **PROPOSED RATEMAKING FOR DEVELOPMENT COSTS. PLEASE**
9 **PROVIDE AN OVERVIEW OF THE ACTIVITIES ASSOCIATED WITH**
10 **THESE COSTS.**

11 A. The development and administration of the 2023 All Source RFP involves a wide
12 range of activities that can be organized into discrete phases as I described above.
13 Each of these phases generally builds on the results of the prior phase, culminating
14 in the execution of agreements between the Company and select RFP bidders, as
15 well as the submittal of regulatory filings for approval of the agreements.

16 As I describe above, the first phase of the RFP process involves
17 development and issuance of the RFP and engagement of the third-party consultant.
18 Once the proposals are received, the detailed proposal analysis and selection
19 process begins. Following that, Kentucky Power conducts the E&T review
20 ensuring that all proposals meet a base set of requirements. Eligible proposals are
21 then reviewed and considered by the Company's multidisciplinary team. Members
22 of the multidisciplinary team review each proposal with respect to their area of

1 expertise requesting information as necessary from bidders to support either the
2 economic (price) analysis or the non-price analysis and scoring effort. The detailed
3 analysis and scoring efforts support the selection of a refined set of projects, or
4 shortlist, for further due diligence review and commercial/contractual negotiations.

5 The shortlist phase of the RFP process involves three primary activities,
6 each progressing in parallel. Due diligence continues during this phase with a focus
7 on a deeper evaluation of key areas of project-specific risk, detailed design and
8 equipment reviews, contingency evaluation, and the project's construction scope of
9 work. Commercial and contractual negotiations begin and end during this phase.
10 The final activity of the RFP process involves preparing the filings necessary for
11 state regulatory commission approval of the now executed agreements.

VII. CONCLUSION

12 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

13 A. Yes, it does.



American Electric Power Service Corporation
as agent for
Kentucky Power Company

Request for Proposals
Power Purchase Agreements (PPAs)

from Qualified Bidders
for
Battery Storage Resources

Kentucky Power Company is seeking resources (e.g. wind, solar, thermal, battery storage) via Power Purchase Agreements (PPAs) totaling up to:

Approximately 875 MW of Accredited Summer Capacity, and
Approximately 1,300 MW of Accredited Winter Capacity

This RFP is associated with Battery Storage Resources only.
Other RFPs may be found at the Web Address noted below.

RFP Issued: September 22, 2023

Proposals Due: November 8, 2023

Web Address: <https://www.kentuckypower.com/rfp>



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BACKGROUND

Kentucky Power Company (“KPCO” or the “Company”) is pursuing additional generation resources via three Request for Proposals (“RFPs”) to satisfy the need for additional capacity resources consistent with their 2022 Integrated Resource Plan as follows:

- ~875 MW of Accredited Summer Capacity, *and*
- ~1,300 MW of Accredited Winter Capacity

Resources contracted for as the result of the RFPs will be used to satisfy both the needs of the Summer and Winter Capacity volumes outlined above.

The Company will evaluate each of the RFPs, individually and collectively, to determine the portfolio of projects that it elects to move forward with.

PPA	Wind and Solar RFP seeking one or more power purchase agreements (PPAs).
Thermal	Thermal RFP seeking one or more Power Purchase Agreements (PPAs)
Standalone Storage (PPA)	Standalone Storage RFP seeking energy, capacity, and ancillary services via one or more PPAs with a Battery Storage Resource.

This RFP is associated with Standalone Storage RFP only.

The wind and solar PPA RFP and Thermal RFP may be found at www.kentuckypower.com/rfp.

1. Introduction

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

AEPSC is administering this Request for Proposals (RFP) on behalf of KPCO. Affiliates of AEP and KPCO (Affiliate) will not participate in this RFP.

American Electric Power is one of the largest electric utilities in the United States, delivering electricity and custom energy solutions to approximately 5.6 million customers in 11 states. AEP owns the nation's largest electricity transmission system, a more than 40,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP also operates 225,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 25,000 megawatts of generating capacity in the U.S. AEP also supplies over 5,300 megawatts of renewable energy to customers. 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 east Texas). AEP's



headquarters are in Columbus, Ohio. More information about AEP can be accessed by visiting www.aep.com.

Kentucky Power Company, headquartered in Ashland, KY, encompasses the AEP service territory in Eastern Kentucky. KPCO serves approximately 163,000 customers. KPCO has 1,263 miles of transmission and 10,074 miles of distribution lines. Additional information regarding KPCO can be accessed by visiting www.kentuckypower.com.

2. RFP Overview

- 2.1 KPCO is requesting Proposals which will result in obtaining approximately: 875 MW of PJM Accredited Summer Capacity and 1,300 MW of PJM Accredited Winter Capacity from generation resources to meet overall capacity need. The Projects sought through this RFP are to satisfy the requirements identified in the 2022 IRP. Depending on the results of the RFP, the Company may pursue different quantities or types of resources from those specified in the IRP.
- 2.2 This RFP seeks PPAs for the purchase of Energy Storage Products (Energy, Capacity, and Ancillary Services) from the Battery Storage Resources. KPCO will not consider proposals in this RFP that do not meet these criteria. Proposals for Thermal, and PPAs other than Standalone Storage products should be submitted separately into the Company's Thermal and Wind and Solar PPA RFPs (see "Background," page 1.)
- 2.3 The minimum nameplate rated bid size for this RFP is 1) 20 MWac for PJM Interconnected Projects, and 2) 4 MWac for KPCO Distribution Connected Projects.
- 2.4 Affiliates of AEP and KPCO will not participate in this RFP.
- 2.5 KPCO may execute one or more Energy Storage Project PPAs as a result of this RFP.
- 2.6 Any Project(s) with which KPCO moves forward as a result of this RFP will be subject to receipt of the necessary regulatory approval, including regulatory approval from the Kentucky Public Service Commission (KPSC).
- 2.7 All questions regarding this RFP should be emailed to:

KPCO2023RFP@aep.com

On a weekly basis following the issuance of the RFP until the Proposal Due Date, KPCO will post a list of the non-confidential "Questions and Answers" on its RFP website:

<https://www.kentuckypower.com/rfp>

- 2.8 This RFP is not a commitment by the Company to purchase the Energy Storage Products from any Project 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 PPAs with one or more selected Projects.



3. Product Description and Requirements

- 3.1. Product: The Company is seeking to purchase the Energy Storage Products from a Project to deliver energy into PJM (PJM Interconnection L.L.C.) or KPCO's distribution electrical system via a PPA. Energy Storage Products shall include:
 - 3.1.1. Energy
 - 3.1.2. Capacity
 - 3.1.3. Ancillary Services (if available)
- 3.2. Delivery Period: The Delivery Period for both new and existing Projects shall commence on January 1, 2027, or January 1, 2028, and continue for the length of the Term.
- 3.3. Expected Commercial Operation Date (COD): If not already operational, the Company is pursuing Projects that can achieve an Expected Commercial Operation Date (COD) by December 31, 2026, or December 31, 2027 for the respective Delivery Periods.
- 3.4. Term: The maximum Term of the PPA shall be no more than ten (10) years. Bidder may offer Alternate Term proposals, provided the Term is no more than ten (10) years.
- 3.5. Size: The minimum acceptable Project size is 20 MWac for PJM interconnected Projects and 4 MWac for KPCO distribution interconnected Projects.
- 3.6. The Battery Storage Resource shall have the following Technical and Operational Requirements:
 - 3.6.1. A minimum of 4-hour energy storage system.
 - 3.6.2. Minimum size 4MW/4MWh; 1 MW for 4 Hours or 4 MWs for 1 Hour.
 - 3.6.3. Capability to operate at least 100 cycles per year with a maximum of 350 cycles per year. One cycle is the charge and discharge of a battery's total useable energy storage capability once a day.
 - 3.6.4. Must maintain at least a 98% availability for dispatch in each calendar year.
 - 3.6.5. Existing Projects must demonstrate a minimum roundtrip efficiency of 80%. New Projects must provide documentation to support the proposed technology can achieve a roundtrip efficiency of at least 80%.
 - 3.6.6. Must demonstrate an ability to comply with all PJM generator requirements including but not limited to metering, telemetry, voltage and reactive control, data specifications and capacity accreditation testing as defined in PJM's governing documents and manuals.
 - 3.6.7. Must meet PJM's Generation Capacity Resource Minimum Unit Specific Operating Parameters for Capacity Storage Resources.
- 3.8. Location: Projects must be physically located in the PJM Interconnection, LLC Region. The interconnection point with the PJM transmission system or KPCO's distribution electrical system will be the Point of Delivery.



3.9. Local Goods & Services: KPCO encourages the use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project or United States-based manufacturers using materials or product components made in Kentucky.

3.10. Project Development:

3.10.1. 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.

3.10.2. Construction Labor: KPCO prefers that Bidders use union labor with an affiliation to the Building and Construction Trade Unions for the site preparation and construction of the Project. Proposals for non-union labor will be accepted.

3.10.3. Bidder shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

3.11. Interconnection:

3.11.1. Projects must be interconnected to PJM and have a completed PJM System Impact Study that remains active in the PJM queue.

OR

3.11.2. Projects must be interconnected to KPCO's distribution electrical system and must have a completed Distribution Impact Study from the KPCO Distribution Planning Group prior to the Proposal Due Date. In addition, the application for the Distribution Impact Study shall have a utility date and time stamp no later than September 22, 2023.

3.11.3. Bidders are responsible for following the established policies and procedures that are in effect regarding facility interconnection and operation with the interconnecting utility and PJM.

3.11.4. The Bidder is responsible for all costs associated with transmission interconnections and system upgrades as required by the interconnecting utility and PJM.

4. Bid Price and Structure:

4.1. Pricing provided should be fixed (no escalation) for the proposed monthly capacity, energy, and ancillary services payment. Additional bids may also be submitted if Bidder elects to propose alternate pricing structures.

4.2. Pricing must include all capital costs, fixed and variable O&M costs, taxes, augmentation costs due to degradation, and any other costs, as well as any Federal Tax Credit benefits, associated with delivering the full contracted output of the facility to the bid-specified Point of Delivery. Pricing must include the Company's exclusive use of the storage resource and the right to dispatch the storage resource at its discretion (within operating limitations) and for its benefit.



- 4.3. Optional Project size(s) provided cannot be contingent on Bidder selling the remaining portion of the Project to another party via a sale of a portion of the project company or a power purchase agreement.
- 4.4. Proposals must include a Bid Price for a Term of no more than 10-years.
- 4.5. All costs associated with distribution and/or transmission interconnection (as applicable) and interconnection facilities required for the Project, including any system upgrades, as required by the interconnecting utility or PJM up to the Point of Delivery, shall be included in the Bidder’s pricing where appropriate under current FERC orders and rulings.
- 4.6. The Bid Price shall include any costs associated with meeting the credit requirements stated in the Form Term Sheet.
- 4.7. Associated Attributes. For purposes of this RFP, the sale of Energy Storage Products to KPCO under the long-term PPA includes the transfer of all capacity, energy, and ancillary services (if any), and technology attributes.
- 4.8. 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.
- 4.9. Bidder must acknowledge and accept all responsibilities for PJM capacity performance requirements and penalties.

5. RFP Schedule

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

RFP Issued	September 22, 2023
Proposal Due Date	November 8, 2023
Bidder(s) Selected for Final Contract Negotiations	January 31, 2024
Contract Execution	June 1, 2024
State Regulatory Filings	July 1, 2024
Receipt of Regulatory Approval Order(s)	December 15, 2024
Seller Conditions to NTP achieved	March 31, 2025
Notice to Proceed (NTP)	April 15, 2025
Commercial Operation for new Projects by	December 15, 2026 or December 15, 2027
PPA Delivery Period Start Date	January 1, 2027 or January 1, 2028



6. Proposal Submission

- 6.1. Bidders will be required to sign a Confidentiality Agreement (CA) prior to receiving detailed instructions on how to access the RFP Proposal documents and submit Proposals.
- 6.2. Bidder should request KPCO's Form CA by emailing (KPCO2023RFP@aep.com) and including the following documentation:
 - Supporting documentation of Bidder's experience in developing, engineering, procuring equipment, construction, and commissioning battery storage facilities (> Project bid size) in the United States or any portion of Canada and/or otherwise have demonstrated appropriate experience.
 - Verification of Site Control as required by Section 3.10.
 - PJM Projects: Completed PJM System Impact Study as required by Section 3.11.1.
 - KPCO Distribution Projects: Verification that the 1) Bidder expects to have a completed KPCO Distribution Impact Study as required by Section 3.11.2 prior to the Proposal Due Date, and 2) the application for the Distribution Impact Study had been submitted with a utility date-stamp and time-stamp of no later than September 15, 2023.
- 6.3. A complete Proposal shall be submitted electronically by the Proposal Due Date via a Box site.
- 6.4. Proposals must be complete in all material respects and received in the above-reference Box site no later than 3 p.m. EST on the Proposal Due Date as defined in Section 5.
- 6.5. The Company will send an email to the Bidder acknowledging its receipt of the Bidder's Proposal.
- 6.6. KPCO 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.
- 6.7. Proposals and Bid Pricing must be valid for at least 180 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 Final Project Selection.
- 6.8. A Proposal should be as complete and 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.

7. Proposal Content

Bidders must submit the following information for each Proposal. All electronic versions of the Appendices must be uploaded to the designated Appendix folders in the Box site.



- 7.1. A completed Proposal Content Check Sheet (Appendix A).
- 7.2. An executive summary of the Project’s characteristics and timeline, including any unique aspects and benefits.
- 7.3. A Completed Project Summary for Battery Storage Resource Projects, including the electronic Project Summary Form (link to form in Box), with the following attachments (Appendix B):
 - A completed Battery Storage Design Criteria Data Sheet
 - Interconnection Studies: Include a copy of ALL completed interconnection studies (i.e. System Impact Study, Distribution Impact Study, Facilities Study, etc.)
 - Site Layout: Include a diagram or map identifying anticipated placement of major equipment and other project facilities, including transmission layouts and Point of Delivery.
 - Site Control Documents: Include a copy of all leases, easements, or other ownership documentation (§3.10.1).
 - Permit Matrix: Attach a comprehensive permit matrix and status of all required permits, including, but not limited to Federal (USFWS, FAA), State, County, City, etc.
 - Environmental Report Summary: Summary of all environmental and other reports associated with the site.
 - Bidder must provide documentation showing they have substantial experience in operating and maintaining Battery Storage facilities of an equal or greater MW size in the United States or any portion of Canada within the jurisdiction of NERC, and (ii) meet all applicable requirements under applicable law for operating and maintaining the Battery Storage facility, including the requirements of an RTO / ISO. A Person will be deemed to have such substantial experience if it is a Person that has at least three (3) years of experience in operating and maintaining Battery Storage facilities of a similar MW size or greater in the United States or any portion of Canada within the jurisdiction of NERC.
- 7.4. A completed Appendix C (Proposal Bid Pricing).
- 7.5. A completed Appendix D (Bidder’s Credit-Related Information and Bidder Profile) which shall include:
 - The identity of all persons and entities that have a direct or indirect ownership interest in the Project.
 - Copies of the Annual Reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if available.
 - At least three third-party references.
- 7.6. Provide (i) an affirmative statement that Bidder’s taking no exception to the Form Term



Sheet provided pursuant to this RFP; or (ii) a comprehensive list of exceptions to the terms and conditions contained in the applicable Form Term Sheet (Appendix E).

- 7.7. Bidder shall submit a Finance Plan on a separate form. Bidders must provide a proposed financing plan, including any letters of support, previous correspondence with banks / lenders intending to provide financing for the project. Also provide the proposed on-going debt-equity ratio to be carried by the project during construction and operation (Appendix F).
- 7.8. Completed (Appendix G) including:
 - Use of Local Goods & Services: Plan for use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project. The bidder should identify these Kentucky resources in its proposal. (§3.9)
 - Use of Small and Diverse Suppliers: Plan to use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (§3.10.3)

8. Proposal Evaluation

Proposals must include ALL applicable content requirements as described in Section 7 – Proposal Content. KPCO 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 three main steps, is central to the success of KPCO’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 Proposal does not qualify under any one of the Sections 8.1.1 – 8.1.10, the Bidder’s Proposal will not qualify for this RFP and Bidder will be notified accordingly.
 - 8.1.1 Proposal must be for a PPA and include the Energy Storage Products from a Battery Storage Resource (§3.1).
 - 8.1.2 If not already operational, Projects must be able to achieve an Expected Commercial Operation Date (COD) by December 31, 2026, or December 31, 2027. (§3.3).
 - 8.1.3 PJM interconnected Projects must have a minimum size of 20 MWac and KPCO Distribution interconnected projects must have a minimum size of 4 MWac. (§3.5).
 - 8.1.4 Projects must be 1) physically located in the PJM Region (interconnected to the PJM Transmission system) or 2) interconnected to the KPCO distribution system. (§3.8).
 - 8.1.5 Bidder must have established Site Control (§3.10.1).



- 8.1.6 Bidder must have 1) a completed PJM System Impact Study (§3.11.1) which remains active in the PJM queue, or 2) a completed KPCO Distribution Impact Study prior to the Proposal Due Date and the application for the Distribution Impact Study had been submitted no later than September 15, 2023 (§3.11.2).
 - 8.1.7 Bidder must provide a Bid Price for up to a 10-year Term (§4.4).
 - 8.1.8 Bidder or its affiliates must have completed the development, engineering, equipment procurement, and construction of a project, within the United States or Canada, of the same technology type, and of a size comparable to that of the Bidder's proposed Project and/or have demonstrated appropriate experience (§7.3).
 - 8.1.9 Bidder's exceptions to the Form Term Sheet, considered individually or in the aggregate, are minimally acceptable to the Company as a basis for further discussions (§7.6).
 - 8.1.10 Bidder is required to include requested financial information (Appendix D) so that AEP's credit department can conduct a financial wherewithal assessment. The Proposal price shall include any costs associated with meeting the Term Sheet credit requirements (§4.6).
- 8.2 Detailed Analysis: Proposals meeting the Eligibility and Threshold Requirements in Section 8.1 will move to the Detailed Analysis phase which is comprised of the Economic Analysis and the Non-Price Factor Analysis set forth below. The Economic Analysis will constitute 60% and the Non-Price Factor Analysis 40% of the overall evaluated value of each Proposal.
- 8.2.1 Economic Analysis: The Economic Analysis will include the calculation of three financial metrics which will provide multiple perspectives on cost and value. These will include Levelized Adjusted Net Cost of Energy (LANCOE), Levelized Adjusted Net Cost of Capacity (LANCOC), and a Value to Cost (V/C) Ratio.
- V/C Ratio will be the primary ranking metric, which will constitute 60% of the overall evaluated value of the Proposal in its Final Project Selection. Additional details of the three financial metrics described above are as follows:



$$\text{LANCOE (\$/MWh)} = \frac{\text{Total Cost* (Present value of all Project costs, net of Total Value*)}}{\text{Present Value of Projected Energy Production (MWh)}}$$

$$\text{LANCOC (\$/MW-Day)} = \frac{\text{Total Cost* (Present value of all Project costs, net of Total Value*)}}{\text{Present Value of Projected PJM Accredited Capacity in MW}}$$

$$\text{V/C Ratio} = \frac{\text{Total Value*}}{\text{Total Cost* (Present value of all Project costs*)}}$$

* Defined below

Total Cost: The Company will determine the present value of the costs of each qualifying Proposal. This Total Cost calculation is based on a PSA Proposal’s Bid Price (\$M) plus projected operations and maintenance costs (including land lease costs), fuel expense, Transmission and Congestion costs, tax expenses, decommissioning costs (including expected salvage), and applicable federal tax credits. For PPA bids, Total Costs will be evaluated based on the contract’s demand charges, energy charges, and any other applicable charges. Other costs may be included based on the Company’s discretion to appropriately evaluate each Proposal to ensure the Company is comparing all qualifying Proposals on an equivalent basis.

Total Value: The Company will determine the present value of all the value streams of each qualifying Proposal. The value streams include the expected PJM revenues for the Proposal’s energy, ancillary services and capacity, and the expected value of renewable energy certificates (RECs), and any applicable terminal value. Additionally, other value streams and financial metrics may be included based on the Company’s discretion to appropriately evaluate each Proposal to ensure the Company is comparing all qualifying Proposals on an equivalent basis.

Transmission and Congestion Costs: Transmission and Congestion Costs will be determined by the Company’s transmission screening analysis. The transmission screening analysis will evaluate (i) transmission facilities cost and the network upgrade cost allocated to the Proposal, (ii) expected cost of transmission congestion and losses to the AEP KY’s PJM load zone and (iii) cost of deliverability / curtailment risk mitigation that the Company calculates to ensure that the resources can be designated as firm resources to meet Company’s capacity obligations. Transmission and Congestion Costs will be included in Total Cost calculations.

Accredited Capacity: Accredited Capacity shall be computed by adjusting a qualifying Proposal’s applicable nameplate or contracted capacity by the expected adjustments that are used- or are expected to be used by the PJM RTO to determine the number of MW that the Company will be credited for use in meeting applicable capacity obligations. These adjustments will include, but are not limited to, summer and winter Effective Load Carrying Capability (ELCC) adjustments and forced outage rate adjustments.

8.2.2 Non-Price Factor Analysis: The Non-Price Factor Analysis will be comprised of the following:

8.2.2.1 Project Location.

8.2.2.2 Local economic impacts & benefits, Community relations, and use



of local and diverse suppliers. Please refer to <https://www.aep.com/b2b/suppliers> for guidelines.

- 8.2.2.3 The Project's Dispatch Flexibility including: Dispatch Range, Ramp Rates, Max Operational Hours, Minimum up & down times, and Ancillary Service potential.
- 8.2.2.4 Cost & technology risk including: Natural gas pricing, Firm fuel cost requirements, Storage Charging costs, & PJM Performance Assessment Interval (PAI) Risk.
- 8.2.2.5 Bidder's experience in developing similar projects as included in the Proposal as well as Bidder's operating history of similar generation facilities.
- 8.2.2.6 Status of interconnection process with PJM or KPCO distribution, as applicable.
- 8.2.2.7 The development status of Bidder's generation facility including, but not limited to, permitting status.
- 8.2.2.8 Bidder's exceptions to the Form Term Sheet. The Company will review the exceptions the Bidder proposed to the Company's form agreement with a focus on risks or additional costs to the Company. Prior agreement by AEP in previous negotiations does not constitute acceptance of an exception.

8.3 Final Project Selection: KPCO will consider bids that are reliable, feasible and represent a reasonable cost means of satisfying the requirements of this RFP. Based on the results of the Detailed Analysis described above, the Company will determine which Projects will be included in the Final Project Selection. 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 selected Bidder have executed definitive agreements for the Company's purchase of Energy Storage Products from the Project. The Company has no obligation to accept any Proposal, whether the stated price in such Proposal is the lowest price offered. 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

KPCO 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. KPCO reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. KPCO'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, KPCO 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 Bidder should make its proposal as complete and comprehensive as possible so that KPCO 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. KPCO 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 KPCO at its sole discretion.

12. Contacts

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

KPCO2023RFP@aep.com

PJM Interconnection: All correspondence and questions regarding the PJM Interconnection process can be found at:

[PJM Interconnection](#)

KPCO Interconnection: All correspondence and questions regarding the KPCO Interconnection process can be found at:

[KPCO Interconnection](#)



Appendix A

Proposal Content Check Sheet

Section	Item	Completed
7.2	Executive Summary	
7.3	Appendix B (Project Summary)	
	- Completed electronic Project Summary Form (link to form in Box site)	
	- Company & General Project Information	
	- Energy Storage Project Information	
	- Interconnection	
	- Site Information	
	- Permits	
	- Preliminary Site Questions	
	- Bidder Projects Completed	
	Attachments Required:	
	- Battery Storage Design Criteria Data Sheet	
	- Interconnection Studies	
	- Site Layout (Map)	
	- Site Control Documents	
- Permit Matrix		
- Environmental Report Summary		
7.4	Appendix C (Proposal Bid Pricing)	
7.5	Appendix D (Bidder's Credit Related Information & Bidder's Profile)	
7.6	Appendix E (Exceptions to Form Term Sheet)	
7.7	Appendix F (Finance Plan)	
7.8	Appendix G (Local Goods & Services/Supplier Diversity/Community Support)	



Appendix B Project Summary

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

Project Name:		
Project site located (County, State):		
Will Project comply with the Prevailing Wage and Apprenticeship Requirements (PWAR) (Y/N):		
Interconnection Path (select all that apply)	KPCO (Y/N):	PJM (Y/N):
Expected Commercial Operation Date:	Availability %:	
Bidder confirms it has substantial Project site control including to the Point of Interconnection:	(Y/N)	

Energy Storage Project Information

Storage Resource Description:				
Duration (Hours):				
Economic Life Assumption (Years):				
Project Capacity Values, MWac	Nameplate Rating	Winter Rating	Summer Rating	PJM Capacity Value
<i>Additional Storage Project information to be provided in the Battery Storage Design Criteria Data Sheet (BatteryStorageDesignCriteriaDataSheet.xls)</i>				



Interconnection – PJM (if applicable)

PJM Queue #:		Substation Name / Voltage:	
Feasibility Study Complete (Y/N):		Feasibility Study Report Date:	
System Impact Study Complete (Y/N):		System Impact Study Report Date:	
Facilities Study Complete (Y/N):		Anticipated Facilities Study Completion Date:	
Total Network Upgrade Costs (including Affected System Network Upgrade Costs) Allocated to Project from System Impact Study or Facilities Study if completed:		\$	
Total Direct Interconnection costs from System Impact Study or Facilities Study if completed:		\$	
Point of Interconnection with :			
Types of transmission service (NRIS, ERIS)			
PJM Interconnection Status, including description of any communication with PJM specifically indicating project status related to recently proposed PJM Queue Reform (i.e. “Fast Lane”) (describe):			
<i>Please attach a copy of all interconnection studies and/or the expected completion date(s).</i>			

Interconnection - KPCO Distribution (if applicable)

Application Date:	
Distribution Impact Study Completion Date:	
Application #:	Substation Name / Voltage:
Status (describe):	

Site Information

Site Legal Description:		
Address:		
City:	State:	Zip Code:
County:	Latitude:	Longitude:
Site Control (lease, easement, own, site purchase pending, etc.):		
Site Acres Required:	Site Acres Secured:	
Is there potential for expansion (Y / N):	If Yes; acres available:	
<i>Refer to Appendix B (Attachments Required) for Site Layout and Site Control Documents requested.</i>		



Permits

Has Bidder contacted all required permitting agencies and identified all permits for project?
Local (City/County) (Y / N):
State (Y / N):
Federal (Y / N):
Wildlife Resources (Federal, State, etc.) (Y / N):
Other (Y / N):
<i>Refer to Appendix B (Attachments Required) for the Permit Matrix requested.</i>

Preliminary Site Questions (Y/N)

Has the site been assessed for any environmental contamination? Describe any known environmental issues. If necessary, please describe on a separate attachment	
Are there any Tribal Lands or Tribal mineral ownership rights within Project boundary or vicinity?	
Are there any Federally or State owned or controlled lands within Project boundary or vicinity?	
Has The Nature Conservancy or any other non-governmental organizations been engaged?	
Are there Conservation Reserve Program, Wetland Reserve Program or other conservation easements within the Project boundary or vicinity?	
Are there any pollinator vegetation requirements associated with the Project?	
Is the Project located on a brownfield site (e.g. former coal mine)?	
<i>Refer to Appendix B (Attachments Required) for the Environmental Report Summary requested.</i>	



Attachments Required

- **ITC Strategy:** Summary of how the Project will qualify for Federal Tax Credits (e.g. ITCs).
- **Interconnection Studies:** Attach a copy of ALL completed interconnection studies (i.e. System Impact Study, Distribution Impact Study, Facilities Study, etc.).
- **Site Layout:** Include a diagram or map identifying anticipated placement of major equipment and other project facilities, including transmission layouts and Point of Delivery.
- **Site Control Documents:** Attach a copy of all leases, easements or other ownership documentation, including to point of interconnect.
- **Permit Matrix:** Attach a comprehensive permit matrix and status of all required permits, including, but not limited to Federal (USFWS, FAA), State, County, City, etc.
- **Environmental Report Summary:** The initial Proposals shall include a summary of all environmental and other reports associated with the site. (See **Note 1** for reports to summarize)

Note 1: As applicable, the following reports are requested: Tier I / II Site Characterization Report, Environmental Work / Survey Plan, Bat Acoustic Survey Report, Avian Use Survey Report, Raptor Nest Survey Report, Prey-base Survey Report, Wetland, Waters and Playa Survey / Assessment Report, Whooping Crane Habitat Assessment Report, Lesser Prairie Chicken Survey / Assessment Report, Phase I Environmental Site Assessment Report, Historical and Cultural Resource Survey / Assessment Report, All Other Species and Environmental Resource Survey and Study Reports, Record and Notes of all Federal or State Resource Agency Correspondence and Meetings, Turbine and Environmental Resource Shapefiles (.kmz format), and Bird and Bat Conservation Strategy and Eagle Conservation Plan (if available).



Appendix C

Base Proposal Bid Pricing¹

Expected COD by	PPA Term ²	Maximum Annual Cycles	Capacity Payment (\$/kW-month)	Alternative Proposed PPA Price Structure
			\$	

Note 1: Optional size(s) provided cannot be contingent on Bidder selling the remaining portion of the Project to another party via a sale of a portion of the project company or a power purchase agreement.

Note 2: Proposal must be no longer than a 10-year Term. In addition, alternate terms (<10 years) may be submitted.

Please answer the following questions related to the bid price above:

Does Bid Price include the use of union labor?	(Y/N):
------------------------------------------------	--------

Alternate Bid Pricing (not required)

Expected COD by	PPA Term ²	Maximum Annual Cycles	Capacity Payment (\$/kW-month)	Alternative Proposed PPA Price Structure
			\$	

Does Bid Price include the use of union labor?	(Y/N):
------------------------------------------------	--------

Expected COD by	PPA Term ²	Maximum Annual Cycles	Capacity Payment (\$/kW-month)	Alternative Proposed PPA Price Structure
			\$	

Does Bid Price include the use of union labor?	(Y/N):
------------------------------------------------	--------



Appendix D

Bidder's Credit-Related Information

Full Legal Name of the Bidder:
Type of Organization (Corporation, Partnership, etc.):
Bidder's % Ownership in Proposed Project (as of proposal submittal date):
If Bidder's Ownership is <100%, identity of all persons and entities that have a direct or indirect ownership interest in the Project:
Full Legal Name(s) of Parent Corporation: <ol style="list-style-type: none"> 1. 2. 3.
Entity Providing Credit Support on Behalf of Bidder (if applicable): Name: Address: City: Zip Code:
Type of Relationship of Credit Support Provider:
Current Senior Unsecured Debt Rating: <ol style="list-style-type: none"> 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.



Bidder's Profile

Please list Bidder's Affiliate companies:

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

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 E

Exceptions to Form Term Sheet

See Section 6.1 for instructions to obtain the applicable Form Power Purchase Agreement.

Bidder shall include a mark up to the Form Power Purchase Agreement as part of its Proposal.



Appendix F

Financing Plan

Bidder to include a description of its financing plan.



Appendix G

Local Goods & Services

Describe how the Bidder will be using local goods or services sourced whole or in part from one or more Kentucky businesses, as applicable, to the extent practical in the purchase of equipment and material, or services for the Project:

Use of Small and Diverse Suppliers

Describe plan to use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (<https://www.aep.com/b2b/suppliers>):

Community Support

Please provide a description of any economic benefits to local governments and businesses as well as local property and sales tax benefits. Include any executed agreements with the municipality, if available:



American Electric Power Service Corporation
as agent for
Kentucky Power Company

Request for Proposals
Power Purchase Agreements
(PPAs)

from Qualified Bidders

for

New and Existing
Thermal Energy Resources

Kentucky Power Company is seeking resources (e.g. wind, solar, thermal, battery storage) via Power Purchase Agreements (PPAs) totaling up to:

Approximately 875 MW of Accredited Summer Capacity, and
Approximately 1,300 MW of Accredited Winter Capacity

This RFP is associated with Thermal Energy Resources only.

Other RFPs may be found at the Web Address noted below.

RFP Issued: September 22, 2023
Proposals Due: November 8, 2023

Web Address:

<https://www.kentuckypower.com/rfp>



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BACKGROUND

Kentucky Power Company (“KPCO” or the “Company”) is pursuing additional generation resources via three Request for Proposals (“RFPs”) to satisfy the need for additional capacity resources consistent with their 2022 Integrated Resource Plan as follows:

~875 MW of Accredited Summer Capacity, *and*

~1,300 MW of Accredited Winter Capacity

Resources contracted for as the result of the RFPs will be used to satisfy both the needs of the Summer and Winter Capacity volumes outlined above.

The Company will evaluate each of the RFPs, individually and collectively, to determine the portfolio of projects that it elects to move forward with.

PPA	Wind and Solar RFP seeking energy, capacity, environmental attributes, and ancillary services via one or more PPAs.
Thermal	Thermal RFP seeking energy, capacity, and ancillary services via one or more PPAs.
Standalone Storage (PPA)	Standalone Storage RFP seeking energy, capacity, and ancillary services via one or more PPAs with a Battery Storage Resource.

This RFP is associated with the Thermal RFP only.

The PPA RFP and Standalone Storage RFPs may be found at www.kentuckypower.com/rfp.

1. Introduction

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

AEPSC is administering this Request for Proposals (RFP) on behalf of KPCO. Affiliates of AEP and/or KPCO are not permitted to participate in this RFP.

American Electric Power is one of the largest electric utilities in the United States, delivering electricity and custom energy solutions to approximately 5.6 million customers in 11 states. AEP owns the nation's largest electricity transmission system, a more than 40,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP also operates 225,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 25,000 megawatts of generating capacity in the U.S. AEP also supplies over 5,300 megawatts of renewable energy to customers. 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 east Texas). AEP's headquarters are in Columbus, Ohio. More information about AEP can be accessed by visiting www.aep.com.



Kentucky Power Company, headquartered in Ashland, KY, encompasses the AEP service territory in Eastern Kentucky. KPCO serves approximately 163,000 customers. KPCO has 1,263 miles of transmission and 10,074 miles of distribution lines. Additional information regarding KPCO can be accessed by visiting www.kentuckypower.com.

2. RFP Overview

- 2.1 KPCO is requesting Proposals which will result in obtaining approximately: 875 MW of PJM Accredited Summer Capacity and 1,300 MW of PJM Accredited Winter Capacity from generation resources to meet overall capacity need. The Projects sought through this RFP are to satisfy the requirements identified in the 2022 IRP. Depending on the results of the RFP, the Company may pursue different quantities or types of resources from those specified in the IRP. The minimum nameplate rated bid size for this RFP is 20 MWac.
- 2.2 The Resources requested via this RFP will be acquired via a power purchase agreement (PPA) for purchase of the Energy Products (Energy, Capacity, and Ancillary Services) produced by a Natural Gas or Coal resource. Proposals for existing operational projects are eligible to be submitted into the RFP.
- 2.3 Affiliates of AEP and/or KPCO may not participate in this RFP.
- 2.4 KPCO may execute one or more PPAs for Coal or Gas as a result of this RFP.
- 2.5 Any Project(s) which KPCO selects as a result of this RFP will be subject to KPCO's receipt of the necessary regulatory approvals, including regulatory approvals from the Kentucky Public Service Commission (KPSC).
- 2.6 All questions regarding this RFP should be emailed to:

KPCO2023RFP@aep.com

The Company will post a list of the non-confidential "Questions and Answers" on its website on a weekly basis following the issuance of the RFP until the Proposal Due Date.

<https://www.kentuckypower.com/rfp>

- 2.7 This RFP is not a commitment by the Company to contract with any Project 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 PPAs with one or more selected Projects.

3. Product Description and Requirements

- 3.1 **Product:** The Company is seeking to purchase Energy Products from a Thermal Energy (Coal or Gas) resource for delivery into PJM (PJM Interconnection L.L.C.) via a PPA. Bidder must acknowledge and accept all responsibilities for PJM capacity performance



requirements and penalties. For guidance on individual Resources refer to Section 4. Energy Products shall include:

- 3.1.1 Energy
- 3.1.2 Capacity
- 3.1.3 Ancillary Services (if available)

3.2 **Expected Commercial Operation Date (COD):** The Company is pursuing both operational Projects and Projects that can achieve an Expected Commercial Operation Date (COD) December 15, 2027.

3.3 **Term:** The minimum Term for Coal and Gas PPAs shall be seven (7) years and the maximum Term shall be no more than ten (10) years. Bidder may offer Alternate Term proposals provided the Term is between seven (7) and (10) years.

3.4 **Delivery Period:** The Delivery Period shall commence as early as May 1, 2025, and no later than June 1, 2028.

	PPA Delivery Period Commencement
Existing Projects	as early as 5/1/2025 and no later than 6/1/2028
New Projects with COD in 2026	as early as 5/1/2026 and no later than 6/1/2028
New Projects with COD in 2027	as early as 5/1/2027 and no later than 6/1/2028

3.5 **Target Size:** This RFP is seeking approximately: 875 MW of Accredited Summer Capacity and 1,300 MW of Accredited Winter Capacity from Thermal resources to meet overall capacity need. The ultimate amount of any one type of resource selected from all RFPs will depend on AEP’s bid selection process.

3.6 **Minimum Acceptable Project Size:** The minimum acceptable Project size is 20 MWac for PJM interconnected Projects.

3.7 **Location:** Projects must be physically located in the PJM Interconnection, LLC Region and interconnected to the PJM Transmission system. The interconnection point with the PJM transmission system will be the Point of Delivery.

3.8 **Local Content:** KPCO encourages Bidders to use local goods or services sourced, in whole or in part, from one or more Kentucky businesses where feasible. The bidder should identify these resources in their proposal.

3.9 **Project Development:**

3.9.1 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.



3.9.2 Construction Labor: KPCO prefers that Bidders use union labor with an affiliation to the Building and Construction Trade Unions for the site preparation and construction of the Project. Proposals for non-union labor will be accepted.

3.9.3 Bidder shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

3.10 Interconnection:

3.10.1 Project must be interconnected to PJM.

3.10.1.1 Bidder must have a completed PJM System Impact Study which remains active in the PJM Queue

3.10.1.2 Bidders are required to provide the current status of the Project's interconnection queue position in submitted bid materials. KPCO requires further updates on the status of the Project's interconnection queue position if new information arises during the RFP process that may impact the delivery timeline or costs of the project (through either direct coordination with the RTO or as a result of new regulation, guidance, or policy changes).

3.10.1.3 The interconnection point with the PJM transmission system will be the Point of Delivery.

3.10.1.4 Bidders are responsible for following the established policies and procedures that are in effect regarding facility interconnection and operation with the interconnecting utility and PJM, as applicable.

3.10.1.5 The Bidder is responsible for all costs associated with transmission interconnections and system upgrades, including affected system upgrades (if any), as required by the interconnecting utility or PJM, as applicable.

3.10.1.6 Bidders seeking to propose a technology that is not currently reflected in their interconnection agreement or interconnection study documentation must clearly describe the timing and process (including reference to the applicable RTO tariff and/or manual) needed to make such a change in fuel type.

4. Bid Price and Structure

4.1. Gas & Coal Resources: Bidders shall specify in detail the pricing associated with each Energy Product it wishes to include in its proposal.

4.1.1. Pricing provided should be fixed (no escalation) for the proposed monthly capacity payment, while pricing for variable O&M should clearly state the assumed annual escalation.

For start charges, Bidders must clearly state the proposed pricing structure (e.g., cost for each charge; a certain minimum threshold of charges included in base pricing, with a cost for each charge above the threshold, etc.).

For gas charges, Bidders must clearly state its assumption regarding gas supply as well as the various cost components of gas charges, including: transportation



fee, management fee, fuel index, and total delivered price formula capturing each of the aforementioned elements (e.g., $HR \times [(FI + Transportation + Mgmt)/(1 - loss\ factor)]$).

- 4.1.2. Pricing must include all capital costs, fixed and variable O&M costs, taxes and any other costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery.
- 4.2. The Company will pay for Energy Products prior to the Delivery Period at the Real-Time Locational Marginal Price (\$/MWh) at the Point of Delivery minus any associated PJM charges.
- 4.3. All costs associated with transmission interconnection (as applicable) and interconnection facilities required for the Project, including any system upgrades, and affected system upgrades, as required by KPCO or PJM shall be included in the Bidder’s pricing where appropriate under current FERC orders and rulings.
- 4.4. Prices must be firm, representing best and final bid. Proposals and bid pricing must be valid for acceptance at least 180 days after the Proposal Due Date.
- 4.5. Bidder must acknowledge and accept all responsibilities for PJM capacity performance requirements and penalties.

5. RFP Schedule

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

RFP Issued	September 22, 2023
Proposal Due Date	November 8, 2023
Bidder(s) Selected for Final Contract Negotiations	January 31, 2024
Contract Execution	June 1, 2024
State Regulatory Filings	July 1, 2024
Receipt of Full Regulatory Approval Order(s)	December 15, 2024
Seller Conditions to NTP achieved	March 31, 2025
Notice to Proceed (NTP)	April 15, 2025
Commercial Operation for new Projects by	December 15, 2027
PPA Delivery Period Start Date	as early as May 1, 2025 and no later than June 1, 2028

6. Proposal Submission

- 6.1. Bidders will be required to sign a Confidentiality Agreement (CA) prior to receiving detailed instructions on how to access the RFP Proposal documents and submit Proposals.
- 6.2. Bidder should request KPCO’s Form CA by emailing



KPCO2023RFP@aep.com and including the following documentation:

- Supporting documentation of Bidder's experience in developing, engineering, procuring equipment, construction, and commissioning Thermal electric generation facilities (> Project bid size) in the United States or any portion of Canada and/or otherwise have demonstrated appropriate experience.
- Verification of Site Control as required by Section 3.9.1.
- Completed PJM System Impact Study as required by Section 3.10.1.1

6.3. A completed Proposal shall be submitted electronically by the Proposal Due Date via a Box site. **More detailed information on how to submit the proposals will be provided upon a completed Confidentiality Agreement.**

6.4. Proposals must be complete in all material respects and received in the above-reference Box site no later than 3 p.m. EST on the Proposal Due Date as defined in Section 5.

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

6.6. KPCO 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.

6.7. Proposals and bid pricing must be valid for at least 180 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 Final Project Selection.

6.8. A Proposal should be as complete 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.

7. Proposal Content

Bidders must submit the following information for each Proposal. All electronic versions of the Appendices must be uploaded to the designated Appendix folders in the Box site.

7.1. A completed Proposal Content Check Sheet (Appendix A).

7.2. An executive summary of the Project's characteristics and timeline, including any unique aspects and benefits.

7.3. A Completed Project Summary including the electronic Project Summary Form (link to form in Box), which must include the following attachments (Appendix B):

- Interconnection Studies: Include a copy of all completed interconnection studies (i.e., System Impact Study, Facilities Study, etc.).



- Site Layout: Include a diagram or map identifying anticipated placement of major equipment and other project facilities, including transmission layouts and point of interconnection.
 - Site Control Documents: Attach a copy of all leases, easements or other ownership documentation including to the point of interconnection.
 - Permit Matrix: Attach a comprehensive permit matrix that lists and describes all required permits, including, but not limited to, Federal (USFWS, FAA), State, County, City, etc. For each permit, include the status, duration, planned steps, any known mitigation requirements, critical milestones and timelines.
 - Environmental Report Summary: Attach a summary of all environmental studies, reports and agency meetings associated with the Project.
 - Bidder must provide documentation showing they have substantial experience in operating and maintaining electric generation facilities of an equal or greater MW size in the United States or any portion of Canada within the jurisdiction of NERC, and (ii) meet all applicable requirements under applicable law for operating and maintaining the wind or solar (as applicable) facilities, including the requirements of an RTO / ISO. A Person will be deemed to have such substantial experience if it is a Person that has at least three (3) years of experience in operating and maintaining electric generation facilities of a similar MW size or greater in the United States or any portion of Canada within the jurisdiction of NERC.
- 7.4. A completed Proposal Bid Pricing (Appendix C).
- 7.5. A completed Bidder's Credit-Related Information and Bidder Profile (Appendix D) which shall include:
- The identity of all persons and entities that have a direct or indirect ownership interest in the Project.
 - Copies of the Annual Reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if available.
 - At least three third-party references.
- 7.6. Provide (i) an affirmative statement that Bidder's taking no exception to the Form of Power Purchase Agreement provided pursuant to this RFP; or (ii) a comprehensive list of exceptions to the terms and conditions contained in the applicable Form Term Sheet (Appendix E).
- 7.7. All required Thermal Resource Analysis / Study Information. (Appendix F).
- 7.8. A completed Appendix G, which must include:
- Use of Local Goods & Services: Plan for use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project. The bidder should identify these Kentucky resources in its proposal. (§3.8)
 - Use of Small and Diverse Suppliers: Plan to use reasonable efforts to utilize



and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (§3.9.3)

- 7.9. Bidder shall submit a Finance Plan on a separate form. Bidders must provide a proposed financing plan, including any letters of support, previous correspondence with banks / lenders intending to provide financing for the project. Also provide the proposed on-going debt-equity ratio to be carried by the project during construction and operation (Appendix H).
- 7.10. Bidder shall provide basic Environmental, Wildlife, and Site Information material (Appendix I).
- 7.11. Bidders must ensure that proposals for operational projects contain historical operational information over the last five years (or less if commercial operation date was more recent), including (Appendix J):
- Commercial operation date
 - Production availability as well as downtime issues and outlook
 - Congestion and curtailment
 - Environmental issues and violations
 - Safety issues
 - NERC violations and resolution
 - Major scheduled and unscheduled maintenance matters as well as resolution
 - Community relations and external affairs issues
 - Environmental and permitting summary
 - List and description of any outstanding legal matters
 - Confirmation of whether the project holds firm transmission service

8. Proposal Evaluation

Proposals must include ALL applicable content requirements as described in Section 7 – Proposal Content. KPCO 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 three main steps, is central to the success of KPCO’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 Proposal does not qualify under any one of the Sections 8.1.1 – 8.1.11, the Bidder will not qualify for this RFP and will be notified accordingly.

8.1.1 Proposal must be for a Power Purchase Agreement and include the



Energy Products from a Coal or Gas energy resource (§3.1).

8.1.2 Existing Assets: The PPA Term commencement can be as early as 5/1/2025 but no later than 6/1/2028 (§3.4).

New Projects with 2026 COD: The PPA Term commencement can be as early as 5/1/2026 but no later than 6/1/2028 (§3.4).

New Projects with 2027 COD: The PPA Term commencement can be as early as 5/1/2027 but no later than 6/1/2028 (§3.4).

8.1.3 Projects must have a minimum size of 20 MWac (§3.6).

8.1.4 Projects must interconnect to PJM. (§3.10.1)

8.1.5 Bidder must have established Site Control (§3.9.1).

8.1.6 Bidder must have a completed PJM System Impact Study which remains active in the PJM queue (§3.10.1.1).

8.1.7 Bidder must provide a Bid Price (Tolling Agreement with Firm Transportation Agreement) (§4.1.1, §4.1.2).

8.1.8 Bidder must provide a Bid Price for at least a 7-year Term, but no more than a 10-year Term (§3.3).

8.1.9 Bidder shall have completed the development, engineering, equipment procurement and construction of a thermal project within the United States or Canada of size equal to or greater than the Bidder's proposed Project and have demonstrated appropriate operating experience (§6.2).

8.1.10 Bidder's exceptions to the applicable Form Term Sheet, considered individually or in the aggregate, are minimally acceptable to the Company as a basis for further discussions (§7.6).

8.1.11 Bidder is required to include requested financial information (Appendix D) so that AEP's credit department can conduct a financial wherewithal assessment. The Proposal price shall include any costs associated with meeting the Term Sheet credit requirements (§7.5).

8.2 Detailed Analysis: Proposals meeting the Eligibility and Threshold Requirements in §8.1 will move to the Detailed Analysis phase, which is comprised of the Economic Analysis and the Non-Price Factor Analysis set forth below.

8.2.1 Economic Analysis: The Economic Analysis will include the calculation of three financial metrics which will provide multiple perspectives on cost and value. These will include Levelized



Adjusted Net Cost of Energy (LANCOE), Levelized Adjusted Net Cost of Capacity (LANCOC), and a Value to Cost (V/C) Ratio.

V/C Ratio will be the primary ranking metric, which will constitute 60% of the overall evaluated value of the Proposal in its Final Project Selection. Additional details of the three financial metrics described above are as follows:



$$\text{LANCOE (\$/MWh)} = \frac{\text{Total Cost* (Present value of all Project costs, net of Total Value*)}}{\text{Present Value of Projected Energy Production (MWh)}}$$

$$\text{LANCOC (\$/MW-Day)} = \frac{\text{Total Cost* (Present value of all Project costs, net of Total Value*)}}{\text{Present Value of Projected PJM Accredited Capacity in MW}}$$

$$\text{V/C Ratio} = \frac{\text{Total Value*}}{\text{Total Cost* (Present value of all Project costs*)}}$$

* Defined below

Total Cost: The Company will determine the present value of the costs of each qualifying Proposal. This Total Cost calculation is based on a PSA Proposal’s Bid Price (\$M) plus projected operations and maintenance costs (including land lease costs), fuel expense, Transmission and Congestion costs, tax expenses, decommissioning costs (including expected salvage), and applicable federal tax credits. For PPA bids, Total Costs will be evaluated based on the contract’s demand charges, energy charges, and any other applicable charges. Other costs may be included based on the Company’s discretion to appropriately evaluate each Proposal to ensure the Company is comparing all qualifying Proposals on an equivalent basis.

Total Value: The Company will determine the present value of all the value streams of each qualifying Proposal. The value streams include the expected PJM revenues for the Proposal’s energy, ancillary services and capacity, and the expected value of renewable energy certificates (RECs)(If applicable), and any applicable terminal value. Additionally, other value streams and financial metrics may be included based on the Company’s discretion to appropriately evaluate each Proposal to ensure the Company is comparing all qualifying Proposals on an equivalent basis.

Transmission and Congestion Costs: Transmission and Congestion Costs will be determined by the Company’s transmission screening analysis. The transmission screening analysis will evaluate (i) transmission facilities cost and the network upgrade cost allocated to the Proposal, (ii) expected cost of transmission congestion and losses to the AEP KY’s PJM load zone and (iii) cost of deliverability / curtailment risk mitigation that the Company calculates to ensure that the resources can be designated as firm resources to meet Company’s capacity obligations. Transmission and Congestion Costs will be included in Total Cost calculations.

Accredited Capacity: Accredited Capacity shall be computed by adjusting a qualifying Proposal’s applicable nameplate or contracted capacity by the expected adjustments that are used- or are expected to be used by the PJM RTO to determine the number of MW that the Company will be credited for use in meeting applicable capacity obligations. These adjustments will include, but are not limited to, summer and winter Effective Load Carrying Capability (ELCC) adjustments and forced outage rate adjustments.

8.2.2 Non-Price Factor Analysis: The Non-Price Factor Analysis will be comprised of the following:

8.2.2.1 Project Location

8.2.2.2 Local economic impacts & benefits, Community relations, and use of local and diverse suppliers. Please refer to <https://www.aep.com/b2b/suppliers> for guidelines.



- 8.2.2.3 The Projects' Dispatch Flexibility including: Dispatch Range, Ramp Rates, Max Operational Hours, Minimum up & down times, and Ancillary service potential
- 8.2.2.4 Cost & Technology Risk including: Natural gas pricing, Firm fuel cost requirements, O&M, Storage Charging costs, & PJM Performance Assessment Interval (PAI) Risk
- 8.2.2.5 Bidder's experience in developing similar projects as included in the Proposal as well as Bidder's operating history of similar generation facilities
- 8.2.2.6 Status of interconnection process with PJM
- 8.2.2.7 The development status of Bidder's generation facility including, but not limited to, permitting status
- 8.2.2.8 Bidder's exceptions to the Form Term Sheet. The Company will review the exceptions the Bidder proposed to the Company's form agreement with a focus on risks or additional costs to the Company. Prior agreement by AEP in previous negotiations does not constitute acceptance of an exception

8.3 Final Project Selection: KPCO will consider bids that are reliable, feasible, and represent a reasonable cost means of satisfying the requirements of this RFP. Based on the results of the Detailed Analysis described above in Section 8.2, the Company will determine which Projects will be included in the Final Project Selection. 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 selected Bidder have executed a Power Purchase Agreement. 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 of its regulatory filings.

10. Confidentiality

KPCO 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. KPCO reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. KPCO'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, KPCO 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. Bidder should make its proposal as complete and comprehensive as possible so that KPCO 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 to this RFP. KPCO 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 KPCO at its sole discretion.

12. Contacts

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

KPCO2023RFP@aep.com

PJM Interconnection: All correspondence and questions regarding the PJM Interconnection process can be found at:

[PJM Interconnection](#)



Appendix A

Proposal Content Check Sheet

Section	Item	Completed
7.2	Executive Summary	
7.3	Appendix B (Project Summary)	
	- Completed Electronic Project Summary Form (Link in Box Site)	
	- Company & Project Information	
	- Interconnection (PJM)	
	- Site Information	
	- Permits	
	- Preliminary Site Questions	
	- Projects Completed of the Same Technology Type	
	Attachments Required:	
	- Interconnection Studies	
	- Site Layout	
	- Site Control Documents	
	- Permit Matrix	
	- Environmental Report Summary	
7.4	Appendix C (Proposal Bid Pricing)	
7.5	Appendix D (Bidder's Credit Related Information)	
7.6	Appendix E (Exceptions to Form Term Sheet)	
7.7	Appendix F (Thermal Resource Information)	
7.8	Appendix G (Local Goods & Services / Small & Diverse Suppliers / Community Support)	
7.9	Appendix H (Financing Plan)	
7.10	Appendix I (Environmental / Wildlife / Site Information)	
7.11	Appendix J (Operational Project Information)	



Appendix B Project Summary

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.		
<i>Additional company information to be provided in Appendix D – Bidder’s Credit-Related Information and Bidder’s Profile</i>		

General Project Information

Project Name:	
Resource Type:	
<i>(e.g. Coal, NG Simple Cycle, Combined Cycle, etc.):</i>	
Project site located (County, State):	
PJM Queue #:	PJM Study Status:
Expected Commercial Operation Date:	
Design Life (Years); if Operational Project, also include estimated remaining useful life:	
Bidder confirms that it has substantial Project site control (including to the Point of Interconnection:	(Y/N):



Thermal Project Information

Fuel Type (Primary / Secondary):				
Project Capacity Values, MWac	Nameplate Rating	Winter Rating	Summer Rating	PJM Capacity Value
<i>Additional Thermal Project information to be provided in Appendix F – Thermal Resource Information</i>				

Interconnection (PJM)

PJM Queue #:	Substation Name / Voltage:
Feasibility Study Complete (Y/N):	Feasibility Study Report Date:
System Impact Study Complete (Y/N):	System Impact Study Report Date:
Facilities Study Complete (Y/N):	Anticipated Facilities Study Completion Date:
Total Network Upgrade Costs (including Affected System Network Upgrade Costs) Allocated to Project from System Impact Study or Facilities Study if completed:	\$
Total Direct Interconnection costs from System Impact Study or Facilities Study if completed:	\$
Point of Interconnection with:	
Types of transmission service (NRIS, ERIS)	
PJM Interconnection Status, including description of any communication with PJM specifically indicating project status related to recently proposed PJM Queue Reform (i.e. “Fast Lane”) (describe):	
<i>Please attach a copy of all interconnection studies and/or the expected completion date(s).</i>	



Site Information

Site Legal Description:		
Address:		
City:	State:	Zip Code:
County:	Latitude:	Longitude:
Site Control (lease, easement, own, site purchase pending, etc.):		
Site Acres Required:	Site Acres Secured:	
Is there potential for expansion (Y / N):	If yes, acres available:	
<i>Refer to Appendix B (Attachments Required) for Site Layout and Site Control Documents requested.</i>		

Permits

Has Bidder contacted all required permitting agencies and identified all permits for project?
Local (City/County) (Y / N):
State (Y / N):
Federal (Y / N):
Wildlife Resources (Federal, State, etc.) (Y / N):
Other (Y / N):
<i>Refer to Appendix B (Attachments Required) for the Permit Matrix requested.</i>

Preliminary Site Questions

Are there any Federal, State, or Tribal lands in the vicinity?	
What is the current status of Bidder's FAA permitting process? Has the project been issued Determination of NO Hazard? (For the entire project? For a portion of the project? If so, when is the expiration date?)	
Has habitat for any rare, threatened, or endangered species been identified within the vicinity (within 1 mile) of the project? If so, for what species?	
If habitat has been identified in the project vicinity, what is the current status of consultations with the U.S. Fish and Wildlife Service or applicable state agency?	
<i>Additional Site Information provided in Appendix I – Environmental, Wildlife, Land Use and Site Information</i>	



Appendix C

PPA Proposal Bid Pricing

Coal / Gas Base Proposal					
Expected Commence Date	Delivery Period	PPA Term and Expected Annual Energy	Capacity Payment (\$/kW-month)	Variable O&M Charge	Start Charges
					\$

Alternate Bid Pricing (not required)

Coal / Gas Base Proposal					
Expected Commence Date	Delivery Period	PPA Term and Expected Annual Energy	Capacity Payment (\$/kW-month)	Variable O&M Charge	Start Charges
					\$

* Bidder may offer Alternate Term proposals provided the Term is between seven (7) and (10) years.



Appendix D

Bidder's Credit-Related Information

Full Legal Name of the Bidder:
Type of Organization (Corporation, Partnership, etc.):
Bidder's % Ownership in Proposed Project (as of proposal submittal date):
If Bidder's Ownership is <100%, identity of all persons and entities that have a direct or indirect ownership interest in the 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 of Credit Support Provider:
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.



Bidder's Profile

Please list Bidder's Affiliate companies:

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

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 E

Exceptions to Form Term Sheet

See Section 6.2 for instructions to obtain the applicable Form Term Sheet.

Bidder shall include a mark up to the Form Term Sheet as part of its Proposal.



Appendix F

Thermal Resource Information

See Section 6.2 for instructions to obtain any of the documents identified below:

1. Bidder must populate the data required in the Company's following document:
 - Thermal Data Review Form_2023



Appendix G

Kentucky Economic Stimulus Benefits / Community Support / Supplier/Contractor Diversity

Local Goods & Services

Describe how the Bidder will be using local goods or services sourced in whole or in part from one or more Kentucky businesses, as applicable, to the extent practical in the purchase of equipment and material, or services for the Project:

Use of Small and Diverse Suppliers

Describe plan to use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (<https://www.aep.com/b2b/suppliers>):

Community Support

Please provide a description of any economic benefits to local governments and businesses as well as local property and sales tax benefits. Include any executed agreements with the municipality, if available:



Appendix H

Financing Plan

Bidder to include a description of its financing plan.



Appendix I

Environmental / Wildlife / Site Information

1. Bidder must populate the data required in the Company’s “Environmental Wildlife Site Review Form” document (*See Section 6.2 for instructions to obtain*).
2. Bidder must include the following attachments
 - a. Site Layout: Attach a diagram identifying anticipated placement of major equipment and other project facilities, including transmission layouts and Point of Delivery.
 - b. Site Control: Verify site control and reference documentation
 - c. Permit Matrix: List and describe all city, county, state and federal permits required for this project. Include: status, duration, planned steps, any known mitigation requirements, critical milestones, and timelines.
 - d. Environmental Report Summary: The initial Proposals shall include a summary of all environmental studies, reports and agency meetings associated with the Project. (See below for potential reports to summarize, include data summaries, results and findings)
3. Please attach any applicable reports providing environmental information specific to the project, including but not limited to, the following reports as available:
 - a. Critical Issues Analysis
 - b. Site Characterization Assessment and Reports
 - c. Environmental Work / Survey Plan
 - d. Federal / State Rare, Threatened, or Endangered Species Assessments and Surveys
 - e. Bat Acoustic Survey Report
 - f. Avian Use Survey Report
 - g. Raptor Nest Survey Report
 - h. Prey-base Survey Report
 - i. Wetland and Waters Delineation / Assessment Report
 - j. Phase I Environmental Site Assessment Report
 - k. Historical and Cultural Resource Survey / Assessment Report
 - l. All Other Environmental Resource Surveys, Assessments, and Study Reports
 - m. Record and Notes of all Federal and/or State Resource Agency Correspondence and Meetings
 - n. Environmental Justice Analyses
 - o. Aviation / FAA and Glare Studies
 - p. Radar Study
 - q. Noise and Shadow Flicker Study
 - r. Associated Project Infrastructure and Environmental Resource Shapefiles (.kmz format)
Bird and Bat Conservation Strategy and Eagle Conservation Plan (if available)



Appendix J

Operational Project Information

Refer to Section 7.11 for Requested Operational Project Information



American Electric Power Service Corporation
as agent for
Kentucky Power Company

Request for Proposals
Power Purchase Agreements (PPAs)

from Qualified Bidders
for
Solar Energy Resources,
and / or
Wind Energy Resources

Kentucky Power Company is seeking resources (e.g. wind, solar, thermal, battery storage) via Power Purchase Agreements (PPAs) totaling up to:

Approximately 875 MW of Accredited Summer Capacity, and
Approximately 1,300 MW of Accredited Winter Capacity

This RFP is associated with Wind & Solar Resources only.
Other RFPs may be found at the Web Address noted below.

RFP Issued: September 22, 2023
Proposals Due: November 8, 2023

Web Address: <https://www.kentuckypower.com/rfp>



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BACKGROUND

Kentucky Power Company (“KPCO” or the “Company”) is pursuing additional generation resources via three Request for Proposals (“RFPs”) to satisfy the need for additional capacity resources consistent with their 2022 Integrated Resource Plan as follows:

- ~875 MW of Accredited Summer Capacity, *and*
- ~1,300 MW of Accredited Winter Capacity

Resources purchased or contracted for as the result of the RFPs will be used to satisfy both the needs of the Summer and Winter Capacity volumes outlined above.

The Company will evaluate each of the RFPs, individually and collectively, to determine the portfolio of projects that it elects to move forward with.

PPA	Wind and Solar RFP seeking energy, capacity, environmental attributes, and ancillary services via one or more PPAs.
Thermal	Thermal RFP seeking energy, capacity, and ancillary services via one or more PPAs.
Standalone Storage (PPA)	Standalone Storage RFP seeking energy, capacity, and ancillary services via one or more PPAs with a Battery Storage Resource.

This RFP is associated with the Wind and Solar PPA RFP only.

The Thermal and Standalone Storage RFPs may be found at www.kentuckypower.com/rfp.

1. Introduction

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

AEPSC is administering this Request for Proposals (RFP) on behalf of KPCO. Affiliates of AEP and/or KPCO are not permitted to participate in this RFP.

American Electric Power is one of the largest electric utilities in the United States, delivering electricity and custom energy solutions to approximately 5.6 million customers in 11 states. AEP owns the nation's largest electricity transmission system, a more than 40,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP also operates 225,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 25,000 megawatts of generating capacity in the U.S. AEP also supplies over 5,300 megawatts of renewable energy to customers. 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 east Texas). AEP's headquarters are in Columbus, Ohio. More information about AEP can be accessed by visiting www.aep.com.

Kentucky Power Company, headquartered in Ashland, KY, encompasses the AEP service territory in Eastern Kentucky. KPCO serves approximately 163,000 customers. KPCO has 1,263 miles of transmission and 10,074 miles of distribution lines. Additional information regarding KPCO can be accessed by visiting www.kentuckypower.com.

2. RFP Overview

- 2.1 KPCO is requesting Proposals which will result in obtaining approximately: 875 MW of PJM Accredited Summer Capacity and 1,300 MW of PJM Accredited Winter Capacity from generation resources to meet overall capacity need. The Projects sought through this RFP are to satisfy the requirements identified in the 2022 IRP. Depending on the results of the RFP, the Company may pursue different quantities or types of resources from those specified in the IRP.

The minimum nameplate rated bid size for this RFP is 20 MWac for PJM Interconnected Projects and 5 MWac for Kentucky Power Distribution interconnected Projects.

- 2.2. This RFP seeks PPAs for purchase of Renewable Energy Products (Energy, Capacity, Environmental Attributes (including Renewable Energy Certificates) and ancillary services) from Solar and/or Wind Energy Resources. KPCO will not consider proposals in this RFP that do not meet these criteria. Proposals for PSA and Capacity only products will not be accepted (see "Background," page 1.)
- 2.3. Affiliates of AEP and/or KPCO may not participate in this RFP.
- 2.4. KPCO may execute one or more Solar and/or Wind Project PPAs as a result of this RFP.
- 2.5. Any Project(s) with which KPCO moves forward as a result of this RFP will be subject to KPCO's receipt of the necessary regulatory approvals, including regulatory approvals from the Kentucky Public Service Commission (KPSC).
- 2.6. All questions regarding this RFP should be emailed to:

KPCO2023RFP@aep.com

KPCO will post a list of the non-confidential "Questions and Answers" on its RFP website www.kentuckypower.com/rfp on a weekly basis following the issuance of the RFP until the Proposal Due Date.

- 2.7. This RFP is not a commitment by the Company to contract with any Project 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 PPAs with one or more selected Projects.

3. Product Description and Requirements

- 3.1. Product: The Company is seeking to purchase the Renewable Energy Products from a Project to deliver energy into PJM (PJM Interconnection L.L.C.) or KPCO's distribution electrical system via a Power Purchase Agreement (PPA). Renewable Energy Products shall include:
 - 3.1.1. Energy
 - 3.1.2. Capacity
 - 3.1.3. Environmental Attributes (including RECs)
 - 3.1.4. Ancillary Services (if available)
- 3.2. Expected Commercial Operation Date (COD): The Company is pursuing both operational Projects and Projects that can achieve an Expected Commercial Operation Date (COD) by December 31, 2026 or December 31, 2027.
- 3.3. Term: The base Term of the PPA shall be 20-years. In addition to a 20-year Term, Bidder may offer Alternate Term proposals.
- 3.5. Delivery Period: The Delivery Period shall commence on January 1, 2027, or January 1, 2028, and continue for the length of the Term.
- 3.6. Size: This PPA RFP is seeking approximately: 875 MW of Accredited Summer Capacity and 1,300 MW of Accredited Winter Capacity from Wind and Solar resources to meet overall capacity need. The ultimate amount of any one type of resource selected from all RFPs will depend on AEP's bid selection process. The minimum acceptable Project size is 20 MWac for PJM interconnected Projects and 5 MWac for KPCO distribution interconnected Projects.
- 3.7. Location: Projects must be 1) physically located in the PJM Interconnection, LLC Region and interconnected to the PJM Transmission system, or 2) interconnected to the KPCO distribution system. The interconnection point with the PJM transmission system or KPCO's distribution electrical system will be the Point of Delivery.
- 3.8. Local Goods & Services: KPCO encourages the use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project or United States-based manufacturers using materials or product components made in Kentucky.
- 3.9. Project Development:
 - 3.9.1. 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.



3.9.2. Construction Labor: KPCO prefers that Bidders use union labor with an affiliation to the Building and Construction Trade Unions for the site preparation and construction of the Project. Proposals for non-union labor will be accepted.

3.9.3. Bidder shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

3.10. Interconnection:

3.10.1. Projects must be interconnected to PJM and have a completed PJM System Impact Study which remains active in the PJM Queue.

OR

3.10.2. Projects must be interconnected to KPCO's distribution electrical system and must have a completed Distribution Impact Study from the KPCO Distribution Planning Group prior to the Proposal Due Date. In addition, the application for the Distribution Impact Study shall have a utility date and time-stamp no later than September 22, 2023.

3.10.3. Bidders are responsible for following the established policies and procedures that are in effect regarding facility interconnection and operation with the interconnecting utility and PJM.

3.10.4. The Bidder is responsible for all costs associated with transmission interconnections and system upgrades as required by the interconnecting utility and PJM.

4. Bid Price and Structure:

4.1. The Bid Price must be for a bundled Renewable Energy Product as described in §3.1.

4.2. The Bid Price shall be on an "as-available" per MWh basis with no separate capacity payment.

4.3. All-in Price. Pricing must include all capital costs, fixed and variable O&M costs, taxes and any other costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery. All costs associated with distribution and/or transmission interconnection (as applicable) and interconnection facilities required for the Project, including any system upgrades, as required by PJM up to the Point of Delivery, shall be included in the Bidder's pricing where appropriate under current FERC orders and rulings.

4.4. Bid Price must be an "all-in" around-the-clock Price (\$/MWh) for the entire term of the agreement commencing on January 1, 2027 or January 1, 2028.

4.5. The Bid Price must be a fixed, non-escalating price for the term of the PPA.



- 4.6. Proposals must include a Bid Price for a 20-year Term. Additionally, Bidders may include proposals with Alternate Terms.
- 4.7. The Company will pay for Renewable Energy Products prior to the Delivery Period (§3.5) at the Real-Time Locational Marginal Price (\$/MWh) at the Point of Delivery less any associated PJM charges.
- 4.8. The Bid Price shall include any costs associated with meeting the credit requirements stated in the Form PPA Agreement.
- 4.9. Associated Attributes. For purposes of this solicitation, the sale of Renewable Energy Products to KPCO under the long term PPA includes the transfer of all capacity, energy ancillary services (if any), and environmental attributes including associated renewable energy certificates (RECs) and any other current or future environmental attributes, including any greenhouse gas emission reductions associated with the quantity contracted from the facility from the project for the term of the PPA.
- 4.10. 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.

5. RFP Schedule

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

RFP Issued	September 22, 2023
Proposal Due Date	November 8, 2023
Bidder(s) Selected for Final Contract Negotiations	January 31, 2024
Contract Execution	June 1, 2024
State Regulatory Filings	July 1, 2024
Receipt of Regulatory Approval Order(s)	December 15, 2024
Seller Conditions to NTP achieved	March 31, 2025
Notice to Proceed (NTP)	April 15, 2025
Commercial Operation (COD)	December 31, 2026 or December 31, 2027
PPA Delivery Period Start Date	January 1, 2027 or January 1, 2028

6. Proposal Submission

- 6.1. Bidders will be required to sign a Confidentiality Agreement (CA) prior to receiving detailed instructions on how to access the RFP Proposal documents and submit Proposals.



- 6.2. Bidder should request KPCO's Form CA by emailing (KPCO2023RFP@aep.com) and including the following documentation:
- Supporting documentation of Bidder's experience in developing, engineering, procuring equipment, construction, and commissioning wind or solar powered electric generation facilities (> Project bid size) in the United States or any portion of Canada and/or otherwise have demonstrated appropriate experience.
 - Verification of Site Control as required by Section 3.9.1.
 - PJM Projects: Completed PJM System Impact Study as required by Section 3.10.1.
 - KPCO Distribution Projects: Verification that the 1) Bidder expects to have a completed KPCO Distribution Impact Study as required by Section 3.10.2 prior to the Proposal Due Date, and 2) the application for the Distribution Impact Study had been submitted with a utility date-stamp and time-stamp of no later than September 22, 2023.
- 6.3. A completed Proposal shall be submitted electronically by the Proposal Due Date via a Box site. **More detailed information on how to submit the proposals will be provided upon a completed Confidentiality Agreement.**
- 6.4. Proposals must be complete in all material respects and received in the above-reference Box site no later than 3 p.m. EST on the Proposal Due Date as defined in Section 5.
- 6.5. The Company will provide an email to the Bidder acknowledging its receipt of the Bidder's Proposal.
- 6.6. KPCO 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.
- 6.7. Proposals and bid pricing must be valid for at least 180 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 Final Project Selection.
- 6.8. 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.

7. Proposal Content

Bidders are encouraged to provide as much information as possible to aid in the evaluation of the proposal. 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.



Bidders must submit the following information for each Proposal. All electronic versions of the Appendices shall be uploaded to the designated folders in the Box site.

- 7.1. A completed Proposal Content Check Sheet (Appendix A).
- 7.2. An executive summary of the Project’s characteristics and timeline, including any unique aspects and benefits.
- 7.3. Completed Project Summary (Appendix B) for Solar and/or Wind Projects, including the electronic Project Summary Form (link to form in Box), with the following attachments:
 - PTC/ITC Strategy: Summary of how the Project will qualify for Federal Tax Credits (e.g. PTCs or ITCs).
 - Interconnection Studies: Include a copy of ALL completed interconnection studies (i.e. System Impact Study, Distribution Impact Study, Facilities Study, etc.)
 - Site Layout: Include a diagram or map identifying anticipated placement of major equipment and other project facilities, including transmission layouts and Point of Delivery.
 - Site Control Documents: Include a copy of all leases, easements or other ownership documentation (§3.9.1).
 - Permit Matrix: Attach a comprehensive permit matrix and status of all required permits, including, but not limited to Federal (USFWS, FAA), State, County, City, etc.
 - Environmental Report Summary: Summary of all environmental and other reports associated with the site.
 - Bidder must provide documentation showing they have substantial experience in operating and maintaining wind or solar (as applicable) powered electric generation facilities of an equal or greater MW size in the United States or any portion of Canada within the jurisdiction of NERC, and (ii) meet all applicable requirements under applicable law for operating and maintaining the wind or solar (as applicable) facilities, including the requirements of an RTO / ISO. A Person will be deemed to have such substantial experience if it is a Person that has at least three (3) years of experience in operating and maintaining wind or solar powered electric generation facilities of a similar MW size or greater in the United States or any portion of Canada within the jurisdiction of NERC.
- 7.4. A completed Proposal Bid Pricing (Appendix C).
- 7.5. A completed Bidder’s Credit-Related Information and Bidder Profile (Appendix D) which shall include:
 - The identity of all persons and entities that have a direct or indirect ownership



interest in the Project.

- Copies of the Annual Reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if available.
 - At least three third-party references.
- 7.6. Provide (i) an affirmative statement that Bidder’s taking no exception to the Form PPA provided pursuant to this RFP; or (ii) a comprehensive list of exceptions to the terms and conditions contained in the applicable Form PPA (Appendix E).
- 7.7. Bidder shall submit a Finance Plan on a separate form. Bidders must provide a proposed financing plan, including any letters of support, previous correspondence with banks / lenders intending to provide financing for the project. Also provide the proposed on-going debt-equity ratio to be carried by the project during construction and operation (Appendix F).
- 7.8. A completed Production Profile (Appendix G).
- 7.9. A Completed (Appendix H) including:
- Use of Local Goods & Services: Plan for use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project. The bidder should identify these Kentucky resources in its proposal. (§3.8)
 - Use of Small and Diverse Suppliers: Plan to use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (§3.9.3)

8. Proposal Evaluation

Proposals must include ALL applicable content requirements as described in Section 7 – Proposal Content. KPCO will consider bids that are reliable, feasible and represent the reasonable cost means of satisfying the requirements of this RFP. The Proposal Evaluation Process, which includes three main steps, is central to the success of KPCO’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 Proposal does not qualify under any one of the Sections 8.1.1 – 8.1.11, the Bidder will not qualify for this RFP and will be notified accordingly.
- 8.1.1 Proposal must be for a PPA and include the Renewable Energy Products from a solar or wind energy resource (§3.1).
 - 8.1.2 Projects must have an expected COD by December 31, 2026 or December 31, 2027 (§3.2).



- 8.1.3 PJM interconnected Projects must have a minimum size of 20 MWac and KPCO Distribution interconnected projects must have a minimum size of 5 MWac. (§3.6).
- 8.1.4 Projects must be physically located in the PJM Region (e.g. interconnected to the PJM Transmission system) or interconnected to the KPCO distribution system. (§3.7).
- 8.1.5 Bidder must have established Site Control (§3.9.1).
- 8.1.6 Bidder must have 1) a completed PJM System Impact Study (§3.10.1) which remains active in the PJM queue, or 2) a completed KPCO Distribution Impact Study prior to the Proposal Due Date and the application for the Distribution Impact Study had been submitted no later than September 22, 2023 (§3.10.2).
- 8.1.7 The Bid Price must be a fixed, non-escalating price for the term of the PPA (§4.5).
- 8.1.8 Bidder must provide a Bid Price for a 20-year Term (§4.6).
- 8.1.9 Bidder shall have completed the development, engineering, equipment procurement and construction of a wind or solar project within the United States or Canada of an equal or greater than the Bidder's proposed Project and have demonstrated appropriate operating experience (§7.3).
- 8.1.10 Bidder's exceptions to the Form PPA, considered individually or in the aggregate, are minimally acceptable to the Company as a basis for further discussions (§7.6).
- 8.1.11 Bidder is required to include requested financial information (Appendix D) so that AEP's credit department can conduct a financial wherewithal assessment. The Proposal price shall include any costs associated with meeting the PPA credit requirements (§7.5).

8.2 Detailed Analysis: Proposals meeting the Eligibility and Threshold Requirements in Section 8.1 will move to the Detailed Analysis phase which is comprised of the Economic Analysis and the Non-Price Factor Analysis set forth below. The Economic Analysis will constitute 60% and the Non-Price Factor Analysis will constitute 40% of the overall evaluated value of each Proposal.

8.2.1 Economic Analysis: The Economic Analysis will include the calculation of three financial metrics which will provide multiple perspectives on cost and value. These will include Levelized Adjusted Net Cost of Energy (LANCOE), Levelized Adjusted Net Cost of Capacity (LANCOC), and a Value to Cost (V/C) Ratio.



V/C Ratio will be the primary ranking metric, which will constitute 60% of the overall evaluated value of the Proposal in its Final Project Selection. Additional details of the three financial metrics described above are as follows:

$$\text{LANCOE (\$/MWh)} = \frac{\text{Total Cost* (Present value of all Project costs, net of Total Value*)}}{\text{Present Value of Projected Energy Production (MWh)}}$$

$$\text{LANCOC (\$/MW-Day)} = \frac{\text{Total Cost* (Present value of all Project costs, net of Total Value*)}}{\text{Present Value of Projected PJM Accredited Capacity in MW}}$$

$$\text{V/C Ratio} = \frac{\text{Total Value*}}{\text{Total Cost* (Present value of all Project costs*)}}$$

* Defined below

Total Cost: The Company will determine the present value of the costs of each qualifying Proposal. This Total Cost calculation is based on a PSA Proposal’s Bid Price (\$M) plus projected operations and maintenance costs (including land lease costs), fuel expense, Transmission and Congestion costs, tax expenses, decommissioning costs (including expected salvage), and applicable federal tax credits. For PPA bids, Total Costs will be evaluated based on the contract’s demand charges, energy charges, and any other applicable charges. Other costs may be included based on the Company’s discretion to appropriately evaluate each Proposal to ensure the Company is comparing all qualifying Proposals on an equivalent basis.

Total Value: The Company will determine the present value of all the value streams of each qualifying Proposal. The value streams include the expected PJM revenues for the Proposal’s energy, ancillary services and capacity, and the expected value of renewable energy certificates (RECs), and any applicable terminal value. Additionally, other value streams and financial metrics may be included based on the Company’s discretion to appropriately evaluate each Proposal to ensure the Company is comparing all qualifying Proposals on an equivalent basis.

Transmission and Congestion Costs: Transmission and Congestion Costs will be determined by the Company’s transmission screening analysis. The transmission screening analysis will evaluate (i) transmission facilities cost and the network upgrade cost allocated to the Proposal, (ii) expected cost of transmission congestion and losses to the AEP KY’s PJM load zone and (iii) cost of deliverability / curtailment risk mitigation that the Company calculates to ensure that the resources can be designated as firm resources to meet Company’s capacity obligations. Transmission and Congestion Costs will be included in Total Cost calculations.

Accredited Capacity: Accredited Capacity shall be computed by adjusting a qualifying Proposal’s applicable nameplate or contracted capacity by the expected adjustments that are



used- or are expected to be used by the PJM RTO to determine the number of MW that the Company will be credited for use in meeting applicable capacity obligations. These adjustments will include, but are not limited to, summer and winter Effective Load Carrying Capability (ELCC) adjustments and forced outage rate adjustments.

8.2.2 Non-Price Factor Analysis: The Non-Price Factor Analysis will be comprised of the following:

- 8.2.2.1 Project Location.
- 8.2.2.2 Local economic impacts & benefits, Community relations, and use of local and diverse suppliers. Please refer to <https://www.aep.com/b2b/suppliers> for guidelines.
- 8.2.2.3 The Project's Dispatch Flexibility including: Dispatch Range, Ramp Rates, Max Operational Hours, Minimum up & down times, and Ancillary Service potential.
- 8.2.2.4 Cost & technology risk including: Natural gas pricing, Firm fuel cost requirements, O&M, Storage Charging costs, & PJM Performance Assessment Interval (PAI) Risk.
- 8.2.2.5 Bidder's experience in developing similar projects as included in the Proposal as well as Bidder's operating history of similar generation facilities.
- 8.2.2.6 Status of interconnection process with PJM or KPCO distribution, as applicable.
- 8.2.2.7 The development status of Bidder's generation facility including, but not limited to, permitting status.
- 8.2.2.8 Bidder's exceptions to the Form PPA. The Company will review the exceptions the Bidder proposed to the Company's form agreement with a focus on risks or additional costs to the Company. Prior agreement by AEP in previous negotiations does not constitute acceptance of an exception.

8.3 Final Project Selection: KPCO will consider bids that are reliable, feasible and represent a reasonable cost means of satisfying the requirements of this RFP. Based on the results of the Detailed Analysis described above, the Company will determine which Projects will be included in the Final Project Selection. 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 Renewable Energy Products from the Project. The Company has no obligation to accept any Proposal, whether the stated price in such Proposal is the lowest price offered. 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

KPCO 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. KPCO reserves the right to release any proposals



to agents or consultants for purposes of proposal evaluation. KPCO'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, KPCO 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 complete and comprehensive as possible so that KPCO 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. KPCO 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 KPCO at its sole discretion.

12. Contacts

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

KPCO2023RFP@aep.com

PJM Interconnection: All correspondence and questions regarding the PJM Interconnection process can be found at:

[PJM Interconnection](#)

KPCO Interconnection: All correspondence and questions regarding the KPCO process can be found at:

[KPCO Interconnection](#)

Appendix A

Proposal Content Check Sheet

Section	Item	Completed
7.2	Executive Summary	
7.3	Appendix B (Project Summary)	
	- Completed electronic Project Summary Form (link to form in Box site)	
	- Company & General Project Information	
	- Solar and/or Wind Project Information	
	- Interconnection	
	- Site Information	
	- Permits	
	- Preliminary Site Questions	
	- Bidder Completed Projects	
	Attachments Required:	
	- PTC/ITC Strategy	
	- Interconnection Studies	
	- Site Layout (Map)	
	- Site Control Documents	
	- Permit Matrix	
	- Environmental Report Summary	
7.4	Appendix C (Proposal Bid Pricing)	
7.5	Appendix D (Bidder's Credit Related Information & Bidder's Profile)	
7.6	Appendix E (Exceptions to Form Power Purchase Agreement)	
7.7	Appendix F (Finance Plan)	
7.8	Appendix G (Production Profile)	
7.9	Appendix H (Local Goods & Services/Supplier Diversity/Community Support)	

Appendix B Project Summary

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

Project Name:		
Project site located (County, State):		
Indicate if Project will qualify for the Federal Production Tax Credit or Investment Tax Credit and the applicable percentage (%):		
Will Project comply with the Prevailing Wage and Apprenticeship Requirements (PWAR) (Y/N):		
Interconnection Path (select all that apply)	KPCO (Y/N):	PJM (Y/N):
Expected Commercial Operation Date:		
Bidder confirms it has substantial Project site control including to the Point of Interconnection:	(Y/N)	
<i>Solar Project Information (if applicable)</i>		
Module Manufacturer / Model:	Annual Degradation (%):	
Configuration (Fixed Tilt / Single Axis):	Design Life (years):	
Inverter Manufacturer / Model:	Capacity Factor (%):	
Expected Annual Energy (MWh):	Expected Annual Availability (%):	
Solar Project Nameplate (MWdc):	Solar Project Nameplate (MWac):	
<i>Wind Project Information (if applicable)</i>		
Wind Turbine Manufacturer:	Model:	
Wind Project Size (MW):	Expected Annual Availability (%):	
Independent wind report / analysis completed and included in proposal?	(Y/N):	
Source of wind energy forecast:	Design Life (years):	
Expected Annual Energy (MWh):	Capacity Factor (%):	

Interconnection – PJM (if applicable)

PJM Queue #:	Substation Name / Voltage:
Transmission Provider:	
<i>PJM Study</i>	<i>Completion or Expected Completion Date</i>
Feasibility Study Complete (Y/N):	Report Date:
System Impact Study Complete (Y/N):	Report Date:
Facilities Study Complete (Y/N):	Report Date:

Interconnection - KPCO Distribution (if applicable)

Application Date:	
Distribution Impact Study Completion Date:	
Application #:	Substation Name / Voltage:
Status (describe):	

Site Information

Site Legal Description:		
Address:		
City:	State:	Zip Code:
County:	Latitude:	Longitude:
Site Control (lease, easement, own, site purchase pending, etc.):		
Site Acres Required:	Site Acres Secured:	
Is there potential for expansion (Y / N):	If Yes; acres available:	
<i>Refer to Appendix B (Attachments Required) for Site Layout and Site Control Documents requested.</i>		

Permits

Has Bidder contacted all required permitting agencies and identified all permits for project?
Local (City/County) (Y / N):
State (Y / N):
Federal (Y / N):
Wildlife Resources (Federal, State, etc.) (Y / N):
Other (Y / N):
<i>Refer to Appendix B (Attachments Required) for the Permit Matrix requested.</i>

Preliminary Site Questions (Y/N)

Has the site been assessed for any environmental contamination? Describe any known environmental issues. If necessary, please describe on a separate attachment	
Are there any Tribal Lands or Tribal mineral ownership rights within Project boundary or vicinity?	
Are there any Federally or State owned or controlled lands within Project boundary or vicinity?	
Has The Nature Conservancy or any other non-governmental organizations been engaged?	
Are there Conservation Reserve Program, Wetland Reserve Program or other conservation easements within the Project boundary or vicinity?	
Are there any pollinator vegetation requirements associated with the Project?	
Is the Project located on a brownfield site (e.g. former coal mine)?	
<i>Refer to Appendix B (Attachments Required) for the Environmental Report Summary requested.</i>	

Attachments Required

- **PTC/ITC Strategy:** Summary of how the Project will qualify for Federal Tax Credits (e.g. PTCs or ITCs).
- **Interconnection Studies:** Attach a copy of ALL completed interconnection studies (i.e. System Impact Study, Distribution Impact Study, Facilities Study, etc.).
- **Site Layout:** Include a diagram or map identifying anticipated placement of major equipment and other project facilities, including transmission layouts and Point of Delivery.
- **Site Control Documents:** Attach a copy of all leases, easements or other ownership documentation, including to point of interconnect.
- **Permit Matrix:** Attach a comprehensive permit matrix and status of all required permits, including, but not limited to Federal (USFWS, FAA), State, County, City, etc.
- **Environmental Report Summary:** The initial Proposals shall include a summary of all environmental and other reports associated with the site. (See **Note 1** for reports to summarize)

***Note 1:** As applicable, the following reports are requested: Tier I / II Site Characterization Report, Environmental Work / Survey Plan, Bat Acoustic Survey Report, Avian Use Survey Report, Raptor Nest Survey Report, Prey-base Survey Report, Wetland, Waters and Playa Survey / Assessment Report, Whooping Crane Habitat Assessment Report, Lesser Prairie Chicken Survey / Assessment Report, Phase I Environmental Site Assessment Report, Historical and Cultural Resource Survey / Assessment Report, All Other Species and Environmental Resource Survey and Study Reports, Record and Notes of all Federal or State Resource Agency Correspondence and Meetings, Turbine and Environmental Resource Shapefiles (.kmz format), and Bird and Bat Conservation Strategy and Eagle Conservation Plan (if available).*

Appendix C

Proposal Bid Pricing

Expected COD by	PPA Term	Expected Annual Energy	Capacity Factor	Bid Price, \$/MWh
				\$
Does Bid Price include the use of union labor?				(Y/N):

Alternate Bid Pricing (not required)

Expected COD by	PPA Term	Expected Annual Energy	Capacity Factor ³	Bid Price, \$/MWh
				\$
Does Bid Price include the use of union labor?				(Y/N):

Expected COD by	PPA Term	Expected Annual Energy	Capacity Factor ³	Bid Price, \$/MWh
				\$
Does Bid Price include the use of union labor?				(Y/N):

Appendix D

Bidder's Credit-Related Information

Full Legal Name of the Bidder:
Type of Organization (Corporation, Partnership, etc.):
Bidder's % Ownership in Proposed Project (as of proposal submittal date):
If Bidder's Ownership is <100%, identity of all persons and entities that have a direct or indirect ownership interest in the 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 of Credit Support Provider:
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.

Bidder's Profile

Please list Bidder's Affiliate companies:

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

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 E

Exceptions to Form Power Purchase Agreement

See Section 6.1 for instructions to obtain the applicable Form Power Purchase Agreement.

Bidder shall include a mark up to the Form Power Purchase Agreement as part of its Proposal.

Appendix F

Financing Plan

Bidder to include a description of its financing plan.

Appendix G

Production Profile

Bidder must include an 8760 calendar year hourly energy forecast, net of all losses using the Company's form spreadsheet (See Section 6.1 for instructions to obtain the EnergyInputSheet_2023.xls)

Appendix H

Local Goods & Services

Describe how the Bidder will be using local goods or services sourced in whole or in part from one or more Kentucky businesses, as applicable, to the extent practical in the purchase of equipment and material, or services for the Project:

Use of Small and Diverse Suppliers

Describe plan to use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (<https://www.aep.com/b2b/suppliers>):

Community Support

Please provide a description of any economic benefits to local governments and businesses as well as local property and sales tax benefits. Include any executed agreements with the municipality, if available:



Prepared for:

American Electric Power
Kentucky Power Company
1 Riverside Plaza
Columbus, OH 43215

AEP Kentucky Power Company 2023 All-Source RFP

Outside Consultant's Report on the Solicitation Process and Results

Prepared by:

Margarita Patria
CRA International, Inc. dba Charles River Associates

200 Clarendon Street
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July 31, 2024

Disclaimer

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1. Executive Summary

1.1. Background

This report summarizes Charles River Associates Inc. (CRA) assessment and findings as an Outside Consultant for the All-Source Request for Proposals (RFP) issued by American Electric Power Service Corporation as an agent for Kentucky Power Company (KPCO or the Company). Under the RFPs, KPCO solicited proposals for approximately 875 MW of accredited summer capacity and 1,300 MW of accredited winter capacity. Potential respondents were requested to bid under a power purchase agreement (PPA) for solar energy resources, wind energy resources, battery storage resources, and/or thermal energy resources.

The RFPs were issued pursuant to KPCO's 2022 Integrated Resource Plan (IRP) as filed and submitted in March 2023. Under the IRP, specific MW buildouts of solar, wind, storage, and natural gas CT resources were identified, however, based on the actual market response, the Company reserved the right to pursue more or less of any resource type as result of its competitive procurement process.

Prior to issuance of the RFP, KPCO retained CRA to serve as the Outside Consultant on KPCO's All-Source RFP, covering all jurisdictional requirements set forth by the Kentucky Public Service Commission (KPSC). Pursuant to CRA's agreed to scope of work as Outside Consultant, CRA worked closely with KPCO to develop the process rules and evaluation criteria associated with the RFP, including working with KPCO to clearly define the resources eligible to participate in the process. CRA provided an advisory role throughout the bid review process with KPCO taking on the primary responsibility for the issuance and evaluation of the RFP.

1.2. Summary and Recommendations

We have completed our assessment with respect to the KPCO RFP and find the following:

- The RFP documentation was developed in a clear and transparent manner. The products sought were well defined. The evaluation criteria were indicated clearly in the RFP documentation. Detailed information regarding how KPCO would conduct both the economic and non-price evaluation was provided in the RFP.
- Respondents were given an opportunity to cure noted deficiencies within a reasonable period of time, which helped maintain the range of proposals evaluated and the competition among them.
- The evaluation stage, including the economic and non-price evaluations, was performed on a fair and consistent basis with the process published in the RFP. Use of Levelized Adjusted Cost of Energy (LACOE), Levelized Adjusted Net Cost of Capacity (LANCOC), and Value-to-Cost Ratio as the basis for scoring on economic grounds is reasonable and typical, as were the adjustments ascribed to the proposal types to effectively compare the proposals on an equivalent basis. Proposals for contract durations less than or equal to 10 years were analyzed over the duration of the contract. Proposals for contract durations greater than 10 years were analyzed across a 30-year time horizon with the exception of storage facilities, which were evaluated across a 20-year lifespan. Use of a scoring sheet/matrix is also reasonable and typical.
- The range of scoring guidelines is reasonable and consistent with similar criteria we have developed or observed with electric utilities. KPCO subject matter experts that performed the review and scoring, as overseen by CRA, were consistent in their

approach. The combined scoring and ranking using a weighting between economic and non-price criteria was reasonable.

- The evaluation process was reasonable and demonstrated an effort on the part of KPCO to ensure a competitive solicitation.
- The shortlisting of finalists was also performed on a fair and consistent basis with the process published in the RFP.
- There is no evidence that the evaluation and selection process caused any unfair advantage or disadvantage to any interested party or respondent.

This report summarizes our review and findings as of the date of this report.

2. RFP Development

This section summarizes the process undertaken by KPCO, in coordination with CRA, in the design, development, and issuance of the RFP. As the Outside Consultant, CRA worked closely with KPCO to review the process rules and evaluation criteria associated with the RFP, including working with KPCO to clearly define the resources eligible to participate in the process.

2.1. RFP Issuance

KPCO worked with CRA to develop the draft RFP document and associated documentation. On September 22, 2023, the documents were posted on the RFP website located at <https://www.kentuckypower.com/business/b2b/energy-rfps/2023-all-source-rfp> for review by stakeholders. An e-mail notice was sent out to the distribution list maintained by CRA.

2.2. Stakeholder Feedback Process

Stakeholder feedback was solicited via email to KPCO2023RFP@aep.com and evaluated. Questions and Answers were posted publicly via the KPCO RFP website weekly. Stakeholders submitted a number of questions leading up to the RFP due date of November 8, 2023, including the following:

Table 1: Comments Received on RFP Scope

No.	Question/Comment	Response
1	I have a Project that does not yet have a System Impact Study from PJM. Does that automatically disqualify my Project from participating in the RFP?	Yes. A completed system impact study (Section 8.1.6) is an Eligibility & Threshold Requirement for participation in this RFP.
2	Will KPCO consider alternate sizes and pricing for the same Project?	Yes. Bidders are encouraged to submit Alternate Proposals for different pricing, sizes, and terms. Please follow the instructions in the Bid materials and appendices that are made available after the execution of the Confidentiality Agreement.
3	Do I need to submit a financing plan for already existing assets? If not, is there any other information we need to provide?	A Proposal for a Project already in Commercial Operation does not need to provide any financing documentation. Please ensure that the documents requested in Appendix D –

		Bidder's Credit-Related Information are provided with your Proposal.
4	Would Kentucky Power accept an Earth Mount solar project if it meets all RFP requirements?	Yes, Kentucky Power will accept a Proposal from an Earth Mount Solar Project provided it meets the Eligibility and Threshold Requirements in Section 8 of the RFP.
5	Do I have to execute a Confidentiality Agreement with Kentucky Power if I already have an Agreement in place with a different AEP Operating Company?	Yes, The Confidentiality Agreement is Operating Company and RFP specific. A new Agreement will need to be executed for each RFP.
6	The Battery Storage RFP document specifies a yearly range of cycles between 100 and 350. Pricing will change depending on how many times per year the battery will be cycled and I am curious if Kentucky Power has a preferred cycle amount within that range.	The Company does not have a preferred cycle amount and welcomes the submission of alternate proposals.

Source: KPCO

2.3. Assessment of the final RFP design

KPCO released the RFP to solicit solar, wind, storage, and thermal resources and allowed proposals pursuant to a Power Purchase Agreement (PPA).

The following sections and attachments were included in the RFP release and reviewed by CRA:

- RFP sections
 - Introduction
 - RFP Overview
 - Product Description and Requirements
 - Bid Price and Structure
 - RFP Schedule
 - Proposal Submission
 - Proposal Content
 - Proposal Evaluation
 - Reservation of Rights
 - Confidentiality
 - Bidder's Responsibility
 - Contacts
- RFP attachments
 - Proposal Content Check Sheet
 - Project Summary
 - Proposal Bid Pricing

- Bidder's Credit-Related Information Bidder's Profile
- Exceptions to Form Power Purchase Agreement/Term Sheet
- Financing Plan
- Production Profile
- Local Goods & Services/Supplier Diversity/Community Support
- Environmental, Wildlife, and Site Information
- Operational Project Information
- Thermal Resource Information

Specifically, CRA reviewed the RFP overview document to ensure it is clear and transparent. As part of this review, the CRA team reviewed the document to confirm that requested submittal items were aligned substantially with the internal scoring criteria and that all items necessary for evaluation were requested in the RFP. The team also reviewed the RFP document to determine whether sufficient information about the scoring criteria was included. The purpose of this is to ensure bidders are apprised of the key areas they will be evaluated against so they may prepare their bids accordingly. KPCO adopted CRA's comments in its final issued RFP.

Proposals were evaluated using the criteria and selection process described in Section 8 of the RFP documents (Proposal Evaluation). For a proposal to advance to the evaluation process, it had to pass through a screening process to confirm that the proposals provided were complete with respect to content and conform to the bid requirements stated in the RFP. In some cases, proposals were evaluated and scored while those bidders were provided an opportunity to clarify statements or submit missing information related to the eligibility and threshold screening criteria.

2.3.1. Wind and Solar Resource RFP Qualification Criteria

- Conforming bid to RFP requirements:
 - PPA, including energy, capacity, environmental attributes, and ancillary services if available.
 - Commercial operation date (COD) by December 31, 2026, or December 31, 2027.
 - Delivery period to commence on January 1, 2027, or January 1, 2028 and continue for the length of the term.
 - Base Term of 20 years (Bidder may offer alternate Term proposals).
 - Minimum project size of 20 MWac for PJM interconnected projects and 5 MWac for KPCO distribution interconnected projects.
 - Located in the PJM Interconnection, LLC Region and interconnected to the PJM Transmission system or interconnected to the KPCO distribution system.
 - Established site control of the proposed project in the form of direct ownership, land lease, land lease option or easement.
 - Projects must be interconnected to PJM and have a completed PJM System Impact Study which remains active in the PJM Queue, or Projects must be interconnected to KPCO's distribution electrical system and must have a completed Distribution Impact Study from the KPCO Distribution Planning

Group prior to the Proposal Due Date. In addition, the application for the Distribution Impact Study shall have a utility date and time-stamp no later than September 22, 2023.

- The Bidder is responsible for all costs associated with transmission interconnections and system upgrades as required by the interconnecting utility and PJM.
- Bidder must show that they have substantial experience in operating and maintaining wind or solar (as applicable) powered electric generation facilities of an equal or greater MW size in the United States or any portion of Canada within the jurisdiction of NERC.
- Preferred bid elements:
 - KPCO encourages the use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project or United States-based manufacturers using materials or product components made in Kentucky.
 - KPCO prefers that Bidders use union labor with an affiliation to the Building and Construction Trade Unions for the site preparation and construction of the Project. Proposals for non-union labor will be accepted.
 - Bidder shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

Other requirements noted in the RFP are related to proposal completeness, which are to provide the evaluation team with sufficient information to conduct the evaluation.

2.3.2. Thermal Resource RFP Qualification Criteria

- Conforming bid to RFP requirements:
 - PPA including energy, capacity, and ancillary services if available.
 - Project should either be operational or can achieve an expected Commercial Operation Date (COD) by December 15, 2027.
 - Delivery period to commence as early as May 1, 2025, and no later than June 1, 2028.
 - The minimum term for coal and gas PPAs shall be seven (7) years and the maximum term shall be no more than ten (10) years (bidder may offer alternate term proposals between seven and ten years.)
 - Minimum project size of 20 MWac for PJM interconnected projects.
 - Located in the PJM Interconnection, LLC Region and interconnected to the PJM Transmission system.
 - Established site control of the proposed project in the form of direct ownership, land lease, land lease option, or easement.
 - Projects must be interconnected to PJM and have a completed PJM System Impact Study which remains active in the PJM Queue.
 - The Bidder is responsible for all costs associated with transmission interconnections and system upgrades as required by the interconnecting utility and PJM.

- Bidder must show that they have substantial experience in operating and maintaining thermal powered electric generation facilities of an equal or greater MW size in the United States or any portion of Canada within the jurisdiction of NERC.
- Preferred bid elements:
 - KPCO encourages the use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project or United States-based manufacturers using materials or product components made in Kentucky.
 - KPCO prefers that Bidders use union labor with an affiliation to the Building and Construction Trade Unions for the site preparation and construction of the Project. Proposals for non-union labor will be accepted.
 - Bidder shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

Other requirements noted in the RFP related to proposal completeness are designed to provide the evaluation team with sufficient information to conduct the evaluation.

2.3.3. Standalone Storage Resource RFP Qualification Criteria

- Conforming bid to RFP requirements:
 - PPA including energy, capacity, and ancillary services if available.
 - Project should either be operational or can achieve an expected Commercial Operation Date (COD) by December 31, 2026, or December 31, 2027 for the respective Delivery Periods.
 - Delivery period for both new and existing Projects shall commence on January 1, 2027, or January 1, 2028.
 - The maximum Term of the PPA shall be no more than ten (10) years (Bidder may offer alternate Term proposals).
 - Minimum project size of 20 MWac for PJM interconnected projects and 4 MWac for KPCO distribution interconnected projects.
 - Minimum 4-hour duration energy storage system.
 - Minimum 4 MW/4MWh; 1 MW for 4 hours or 4 MW for 1 hour.
 - Capability to operate at least 100 cycles per year with a maximum of 350 cycles per year.
 - Maintain at least a 98% availability for dispatch in each calendar year.
 - Roundtrip efficiency of at least 80%.
 - Demonstrate an ability to comply with all PJM generator requirements and must meet PJM's Generation Capacity Resource Minimum Unit Specific Operating Parameters for Capacity Storage Resources.
 - Located in the PJM Interconnection, LLC Region and interconnected to the PJM Transmission system or interconnected to the KPCO distribution system.

- Established site control of the proposed project in the form of direct ownership, land lease, land lease option or easement.
- Projects must be interconnected to PJM and have a completed PJM System Impact Study which remains active in the PJM Queue. Alternatively, projects must be interconnected to KPCO's distribution electrical system, and a completed Distribution Impact Study from the KPCO Distribution Planning Group must be completed prior to the Proposal Due Date. In addition, the application for the Distribution Impact Study shall have a utility date and time-stamp no later than September 22, 2023.
- The Bidder is responsible for all costs associated with transmission interconnection and system upgrades as required by the interconnecting utility and PJM.
- Bidder must show that they have substantial experience in operating and maintaining battery storage facilities powered electric generation facilities of an equal or greater MW size in the United States or any portion of Canada within the jurisdiction of NERC.
- Preferred bid elements:
 - KPCO encourages the use of local goods or services sourced, in whole or in part, from one or more Kentucky businesses in the construction and/or operation of the Project or United States-based manufacturers using materials or product components made in Kentucky.
 - KPCO prefers that Bidders use union labor with an affiliation to the Building and Construction Trade Unions for the site preparation and construction of the Project. Proposals for non-union labor will be accepted.
 - Bidder shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

Other requirements noted in the RFP related to proposal completeness, included to provide the evaluation team with sufficient information to conduct the evaluation.

2.3.4. Evaluation Process

After the proposals were screened, bids were then evaluated based on economics and non-price evaluation criteria. For the purposes of the economic evaluation, KPCO proposed capturing the overall cost of the proposed projects on a unitized and levelized cost per megawatt-hour (MWh), per megawatt (MW), and value to cost (revenue) basis to facilitate a cross-proposal comparison. The industry standard is to adopt an impact on revenue requirements basis to assess and determine the relative value to customers across the range of options presented. KPCO's economic evaluation in this procurement process met this industry standard.

KPCO's non-price evaluation criteria (as stated in RFP) included the following pertinent areas.

Location & Economic Benefits: Evaluates location related parameters including:

- Project location
- Local economic impacts & benefits, Community relations, and use of local and diverse suppliers

Dispatchability & Flexibility: Evaluates operational characteristics, including:

- Dispatch capability
- Dispatch range
- Ramp rates
- Max operational hours
- Minimum run time
- Minimum down time
- Ancillary service potential

Resource Diversity, Cost Risk, & Technology: Evaluates diversity and risk related parameters including:

- Resource diversity
- Firm fuel cost requirements
- O&M
- Storage charging cost
- Performance Assessment Interval (PAI) risk

Proposal Risk & Project Quality: Evaluates factors including the following:

- Asset-specific benefits and risks
- Developer experience and financial wherewithal
- Exceptions to AEP generation facility design standards
- Exceptions to Form PPA/Term Sheet
- Interconnection status
- Development status

Social Benefits & Risk: Evaluate factors including the following:

- Environmental/Social Justice, Contractor/Supplier Diversity

The areas noted above are in line with utility best practices, which seeks to distill the relative state of readiness of the projects proposed and the risks/impediments that each face toward COD.

The technical, operations, and maintenance criteria assessed the proposals from an ownership and operational standpoint to ensure quality, production certainty, interoperability, and ease of operations. These criteria also ensure that the project development team has considered the technical factors necessary to deliver a project that reliably delivers power and conforms to both industry and PJM standards for interconnection purposes. Prior experience in developing solar and wind facilities is a typical area reviewed by utilities to ensure that the developer is fully familiar with the requisite steps needed to take a project from the development stage through COD. Correspondingly, those that provide financing assess renewable energy developers similarly—on their track record and history. Obtaining financing during project construction is on the critical path toward meeting the COD.

As part of our RFP review, CRA, as the Outside Consultant, developed several recommendations for the RFP overview documents, including:

- Clarification of language throughout RFP documents;
- Consistency, clarity, and specificity of non-price scoring elements;
- Consistent treatment of technologies.

CRA was satisfied with these changes as KPCO was responsive to our team’s concerns. KPCO issued the RFP on September 22, 2023.

3. Score Sheet Development

3.1. Economic Criteria

A comprehensive levelized cost model was developed by KPCO to compare proposals. The levelized cost model creates a unitized, discounted comparative figure to compare proposals on an equivalent cost basis. The generally accepted lens in the industry to facilitate comparisons between ownership and non-ownership options is from an impact to utility revenue requirements basis.

The proposals were evaluated based on three levelized cost metrics:

1. Levelized Adjusted Net Cost of Energy (LANCOE)
2. Levelized Adjusted Net Cost of Capacity (LANCOC)
3. Value to Cost Ratio

For LANCOE, the expected energy production, on a MWh basis, is equivalently discounted back to year 0. With the costs being the numerator and the energy output being the denominator, the quotient is a levelized \$/MWh comparator. The LANCOC is calculated by dividing the total cost by the present value of the proposal’s installed capacity rating. The Value to Cost Ratio is the present value of all PJM revenue streams divided by total cost. These metrics are further illustrated in Figure 1 below.

Figure 1: Summary of Price Metrics

Price Metric	Calculation	Scoring Metric
Levelized Adjusted Net Cost of Energy (LANCOE)	$\frac{\text{Total Cost}}{\text{Present value of projected energy production in MWh}}$	LANCOE was the supporting ranking metric
Levelized Adjusted Net Cost of Capacity (LANCOC)	$\frac{\text{Total Cost}}{\text{Present value of projected PJM accredited capacity in MW}}$	LANCOC was the supporting ranking metric
Value to Cost Ratio	$\frac{\text{Total Value}}{\text{Total Cost}}$	Value to cost ratio was the primary ranking metric, constituting 60% of the overall evaluated value of the proposal

CRA’s view is that components included are reasonable and are in-line with similar practices conducted by other utilities when comparing utility-owned resources against third-party ownership. More information about the need for and use of each price metric are included in section 4.6 below.

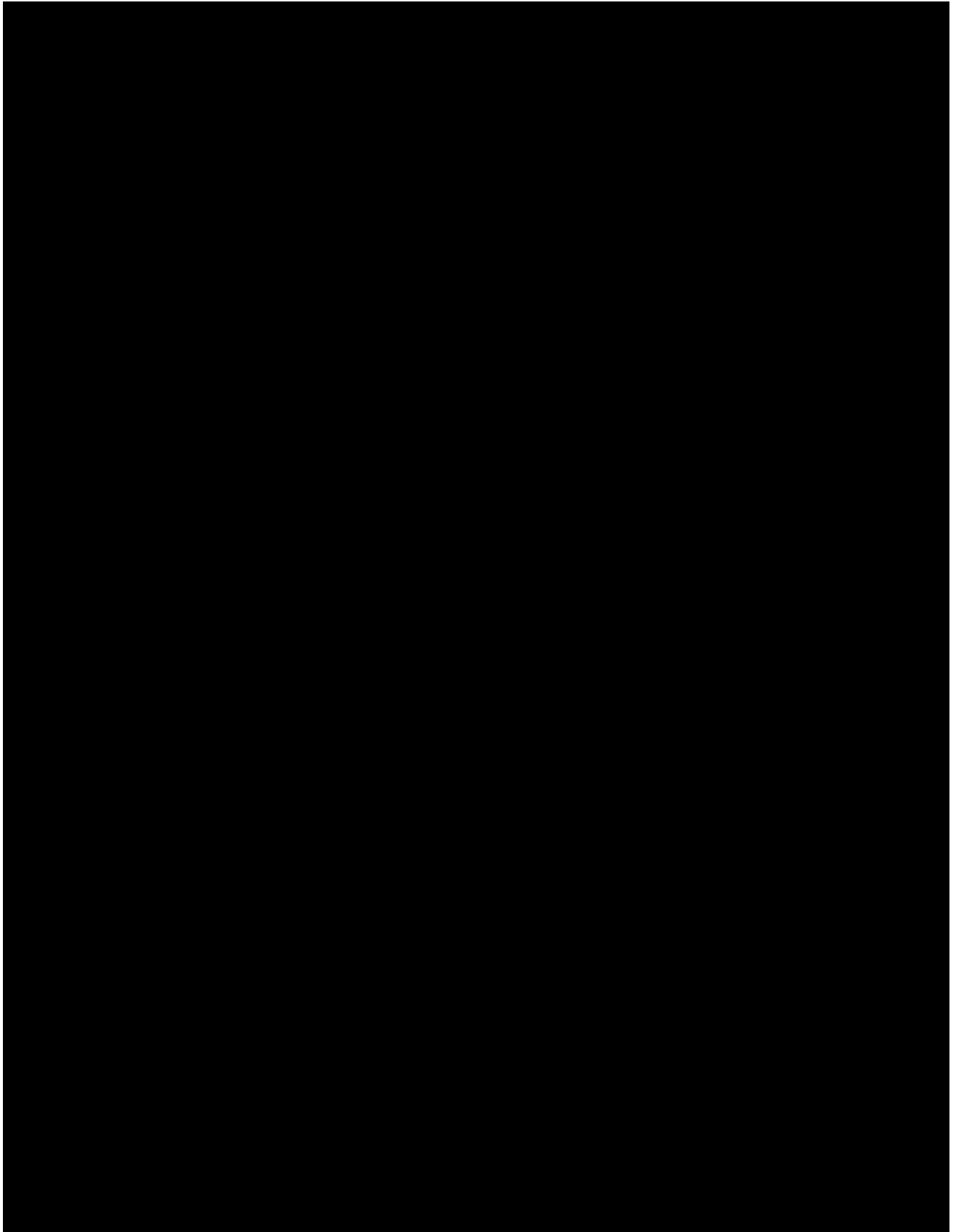
3.2. Non-price Criteria

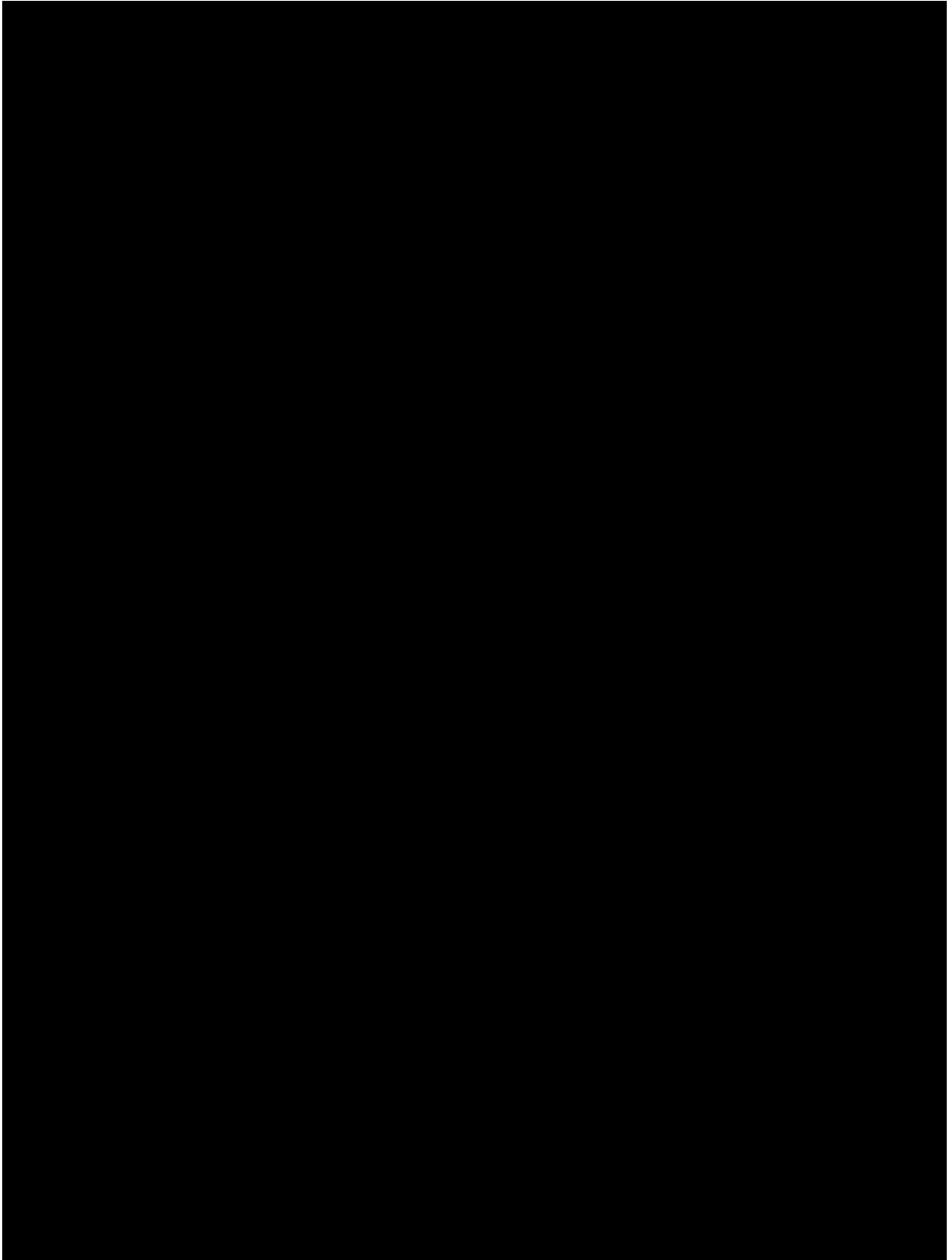
Based on the criteria noted in the RFP, KPCO prepared a score sheet to facilitate the non-price evaluation. KPCO detailed scoring criteria based on a rating scale of 0 (lowest score) to 40 (highest score) for each evaluated criteria, shown in **Error! Reference source not found.** Establishing these criteria prior to proposal receipt greatly enhances the overall transparency and fairness of the solicitation. In addition to defining the scoring criteria, CRA and KPCO held a series of sessions to review the evaluation criteria and scoring system.

Table 2: Non-price Scoring System

Category	Evaluation Criteria	Max Score
A Location & Economic Benefits	Project Location	
	<u>Category A Total:</u>	10
B Dispatchability & Flexibility	Dispatch Capability	
	Dispatch Range	
	Ramp Rates	
	Max Operational Hours	
	Minimum Run Time	
	Minimum Down Time	
	Ancillary Service Potential	
	<u>Category B Total:</u>	7
C Resource Diversity, Cost Risk & Technology	Resource Diversity	
	Firm Fuel Cost Requirements	
	O&M	
	Storage Charging Cost, Gas Cost Risk	
	Performance Assessment Interval (PAI) Risk	
	Other	
	<u>Category C Total:</u>	7
D Proposal Risk & Project Quality	Developer Experience & Financial Wherewithal	
	Environmental & Operational Project Risks	
	Exceptions to Form PPA / Term Sheet	
	Interconnection Status	
	Development Status	
	<u>Category D Total:</u>	12
E Social Benefits & Risk	Social Benefits & Risks, Contractor/Supplier Diversity	
	<u>Category E Total:</u>	4
TOTAL NON-PRICE SCORE (MAX = 40)		40

Source: KPCO





0-2	Supplier/Contractor Diversity
-----	-------------------------------

As part of the development of the evaluation process, the KPCO team established the relative weighting of the solicitation across the overall economic and non-price criteria as well as the subcomponent weighting of the areas evaluated under the non-price criteria. Under the bid rules, the combined scoring between the economic and non-price criteria establishes the rank-order list for final selection.

4. Proposal Receipt and Proposal Qualification

4.1. Prior to Proposal Receipt

Through a press release on September 22, 2023, KPCO detailed the RFP and directed interested bidders to the website where they could submit proposals. KPCO made all documentation and information related to the RFP available on the KPCO website. In addition, CRA sent out a direct communication to known stakeholders including interested parties.

Throughout the solicitation process, KPCO received comments and questions from the interested parties and respondents through the RFP email address and supplied answers as requested.

4.2. Proposal Receipt

On the proposal due date, November 8, 2023, the following submissions were received:

Table 4: Received Proposal Submissions

Proposal Type	Number of Unique Bidders	Number of Proposals
Wind Resources	3	3
Solar Resources	11	33
Storage Resources	3	8
Thermal Resources	7	24
Total	24	68¹

Source: CRA

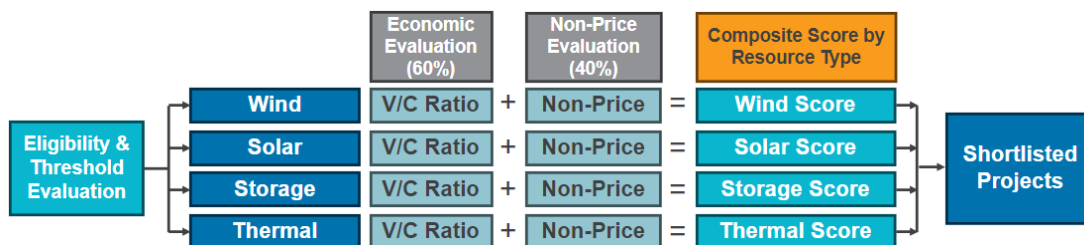
The information made available by the respondents via email was available to both the KPCO and CRA team for evaluation purposes.

¹ One of the projects submitted three different proposal variations (different sizes), counting that 71 total proposals were received.

4.3. Evaluation Process

Pursuant to the RFP, the evaluation was a multistage process including an eligibility and threshold screening stage and a detailed economic and non-price evaluation stage. Figure 2 illustrates the flow of work through the evaluation process.

Figure 2: Flowchart of the Evaluation Process



Source: CRA

4.4. Proposal Threshold Screening

Under the eligibility and threshold evaluation stage, proposals were assessed for compliance with the initial qualifying eligibility and threshold criteria established under the RFP. Conditions of the eligibility and threshold screening are illustrated in Table 5.

Table 5: Eligibility and Threshold Requirements

Category	Condition
Base Proposal	PPA for all eligible products
COD Date	Wind and Solar: COD: 12/31/26, 12/31/27 Thermal: COD: 05/01/25, 06/01/28 Storage: COD: 12/31/26, 12/31/27
Minimum Nameplate	Wind and Solar: 20MW PJM, 5MW KPCO-D Thermal: 20MW PJM Storage: 20MW PJM, 4MW KPCO-D
Location	Wind and Solar: PJM Region, Interconnect to KPCO Dist. Thermal: PJM Region Storage: PJM Region, Interconnect to KPCO Dist.
Interconnection Status	Wind and Solar: Complete SIS + Active in Queue, Complete KPCO-D IS Thermal: Complete SIS + Active in Queue Storage: Complete SIS + Active in Queue, Complete KPCO-D IS
Site	Established Site Control
Bid Price	Wind and Solar: Fixed, Non-Escalating for Term Thermal: Tolling + Firm Transportation Agreements Storage: Fixed, Non-Escalating for Term
Bid Term	Wind and Solar: 20-Year Term Thermal: 7 or 10-Year Term Storage: 10-Year Term
Bidder Experience	Projects => size than proposal, demonstrated operating experience
Exceptions to Form PPA	Minimally acceptable for further discussion
Financial Info Provided	Complete Appx. D, Cost of Credit Included

Source: KPCO

As noted above, evaluation of all proposals proceeded while bidders were given a reasonable opportunity to clarify statements or provide missing information related to the threshold screening criteria. CRA independently conducted the eligibility and threshold evaluation of proposals. After thorough review of the proposals, 51 proposals met the threshold requirements and 17 proposals did not, as follows:

- Two (2) thermal proposals did not meet the base proposal requirements;
- One (1) wind proposal and five (5) solar proposals were not compliant with the COD requirement;
- Six (6) of the solar proposals were not compliant with the minimum project size requirement;
- Three (3) of the solar proposals were not compliant with the complete SIS and queue requirements;

Additionally, 10 proposals removed themselves from the RFP. In total, there were 44 proposals for consideration.

CRA communicated the results of its independent review to KPCO. Proposals that met the eligibility and threshold requirements of the RFP were advanced to the non-price and economic evaluation phase of the evaluation process conducted by KPCO with oversight by CRA.

4.5. Non-Price Evaluation

The purpose of the non-price evaluation is to assess whether the bidder's proposed project:

- meets certain quality standards,
- can provide needed dispatchability and flexibility offerings to the KPCO system,
- limits risk to the KPCO system and customers,
- considers impacts to the environment and local communities,
- benefits the local economy, and
- can provide additional value to KPCO's customers.

Overall, the non-price evaluation highlights potential risks and benefits of the proposed project that are not readily quantified in the pricing evaluation, and allows for consideration of these factors in the bid evaluation process. The non-price factor evaluation represents 40% of the total score of a bidder's proposal.

Scoring of the non-price criteria was performed in accordance with section 3.2 above. Subject matter experts at KPCO for each of the representative non-price criteria performed a detailed analysis of the proposals in accordance with the developed scoring methodology and presented the results to CRA. CRA reviewed the outputs of the scores as performed by KPCO and flagged issues to ensure consistency. In response to our recommendations, KPCO updated the evaluation where necessary to ensure consistency in the evaluation. CRA reviewed and agreed with the final non-price evaluation results that were used as a basis for the final shortlist determination. Note that the non-price score was used in two phases of the evaluation:

- The first phase compares resource types (Wind, Solar, and Other Capacity Resources) relative to each other.
- The second phase compares all resource types relative to each other.

4.6. Economic Evaluation

The purpose of the economic evaluation is to assess where a project ranks in terms of its financial value to KPCO's customers as compared to its cost. The economic evaluation represents 60% of the total score of a bidder's proposal.

There were two phases to the economic evaluation:

- The first phase compares the relative economics of the same resource types (Wind, Solar and Other Capacity Resources). The basis of comparison was LANCOE for Solar and Wind, and LANCOG for Storage and Thermal Resources.
- The second phase which compares all resource types. The basis of comparison was the Value-to-Cost ratio.

A team from KPCO convened to review the economic criteria. This team consisted of KPCO's subject matter experts experienced in financial modeling and those who prepared the financial models for proposal cost inputs. Key parameters for evaluation consisted of the cost metrics described in section 3.1 above. KPCO provided the resulting scoring to CRA. CRA evaluated the assumptions and results of the financial model underpinning the economic analysis independently. CRA found the approach and results for both Phase 1 and 2 were reasonable.

4.7. Final Shortlist Development

Proposals were ranked according to their combined score reflective of the economic and non-price evaluation. The top-ranking proposals were considered for shortlisting. KPCO proceeded down the list in order of ranking until a sufficient and reasonable number of proposals that would satisfy procurement objectives were selected to advance to the final shortlist stage for negotiation and execution. Through the final shortlisting process, KPCO observed any limitations in the final selection process, as follows:

- In certain instances, multiple proposals were advanced for the same project, which reflected options such as different COD dates, term lengths, etc.
- Certain projects that were initially shortlisted withdrew from the process, citing a lengthy regulatory process as the main reason.
- No standalone storage resources were shortlisted due to the unfavorable economics of the received proposals.
- No thermal resources were shortlisted due to the volatile regulatory environment related to carbon emissions. AEP is still evaluating the feasibility of the received proposals under the new EPA carbon pollution standards.²

² Environmental Protection Agency. (2024, May 9). New source performance standards for greenhouse gas emissions from new, modified, and reconstructed fossil fuel-fired electric generating units; Emission guidelines for greenhouse gas emissions from existing fossil fuel-fired electric generating units; and repeal of the Affordable Clean Energy Rule. Federal Register. Retrieved 2024, July 15, from <https://www.federalregister.gov/documents/2024/05/09/2024-09233/new-source-performance-standards-for-greenhouse-gas-emissions-from-new-modified-and-reconstructed>

At this time, one solar project was shortlisted based upon the final combined scoring and will proceed to final negotiations. Appendix A to this report shows the rank order of the combined scoring by proposal, with the selected project noted in **bold** lettering. The selected proposal received higher evaluation scores given their respective ratings in the economic and non-price criteria, which indicate they are of higher relative quality and are competitively priced against other proposals still active in the RFP.

4.8. Results

A single PPA proposal has been selected to proceed to final negotiations at this time. This proposal received high evaluation scores given their respective ratings in the economic and non-price criteria, indicating that the selected project has low development risk and is competitively priced. Other proposals ranking higher than the selected proposal withdrew from the RFP or constituted thermal proposals, which are still being evaluated due to changes in the regulatory environment. The selected proposal is for a 15-year term, which was preferred over the 20-year term for the same project. KPCO selected the following proposal, which represents the least risk and relative cost to the company:

Project Name	State	Technology Type	Offered Capacity - Nameplate	Contract Start Year (June 1)	PPA Years
Bright Mountain	KY	Solar (Fixed)	80	2026	15

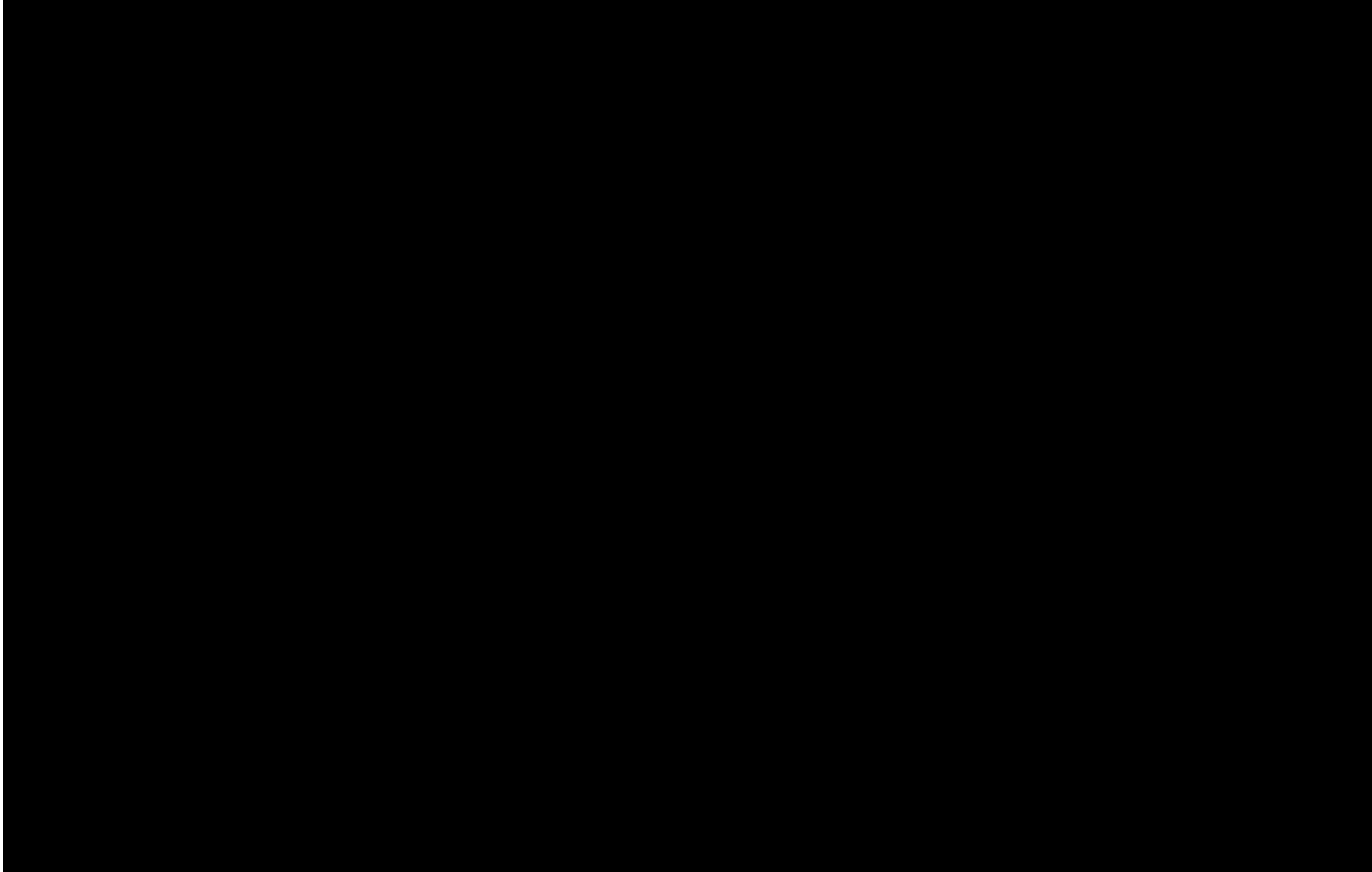
5. Conclusion

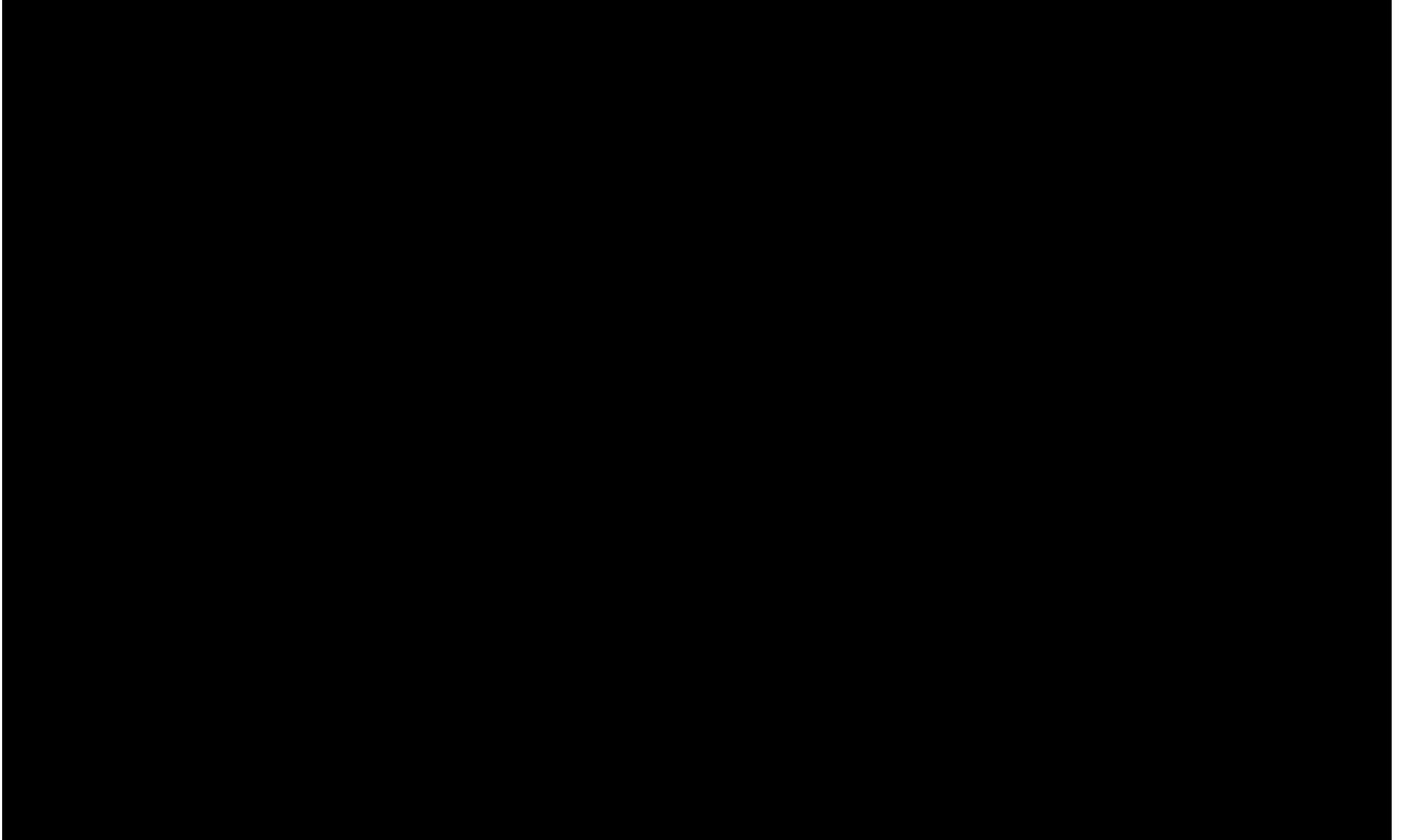
The following is CRA's independent assessment of whether the goals of the RFP were achieved and assessment of the RFP process conducted by KPCO:

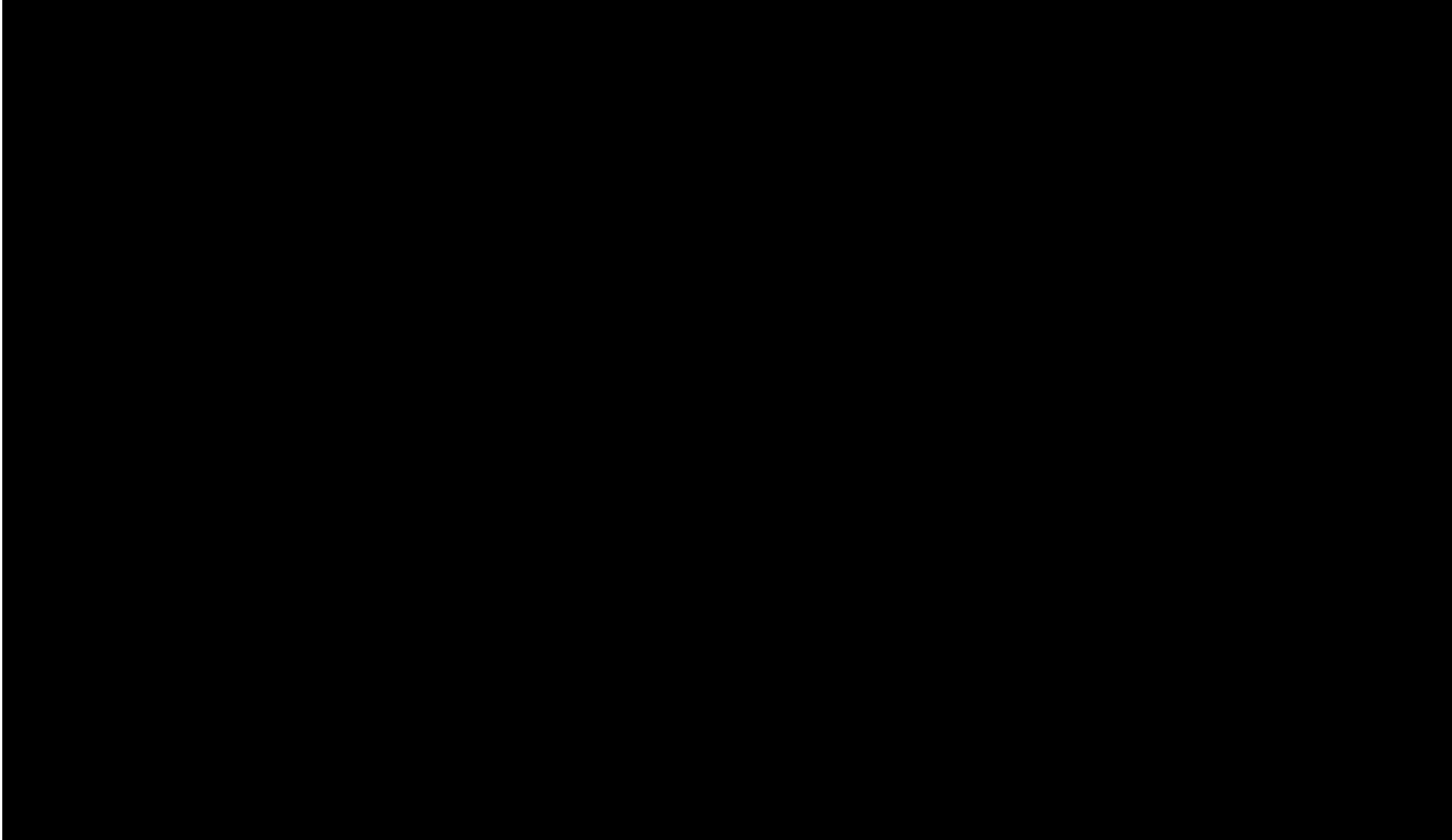
- Our overall assessment is that the goals of the RFP were achieved with respect to the solar/wind resource target; the RFP was competitive with 24 respondents that submitted 68 total proposals.
- The RFP documentation was developed in a clear and transparent manner. The products sought were well defined. The evaluation criteria were indicated clearly in the RFP documentation. Detailed information regarding how KPCO would conduct both the economic and non-price evaluation was provided in the RFP.
- The qualification evaluation was performed on a fair and consistent basis using the process noted in the RFP. Initially excluded respondents were given an opportunity to cure their deficiencies within a short but reasonable period of time, which helped maintain the range of proposals evaluated and the competition between them.
- The evaluation stage, including the economic and non-price evaluations, was performed on a fair and consistent basis with the process noted in the RFP. Use of LANCOE, LANCOC, and Value-to-Cost Ratio as the basis for scoring on price is reasonable and typical.
- Using a score sheet and scoring guide for the non-price criteria scoring is also reasonable and typical. The final range of rating guidelines is reasonable and

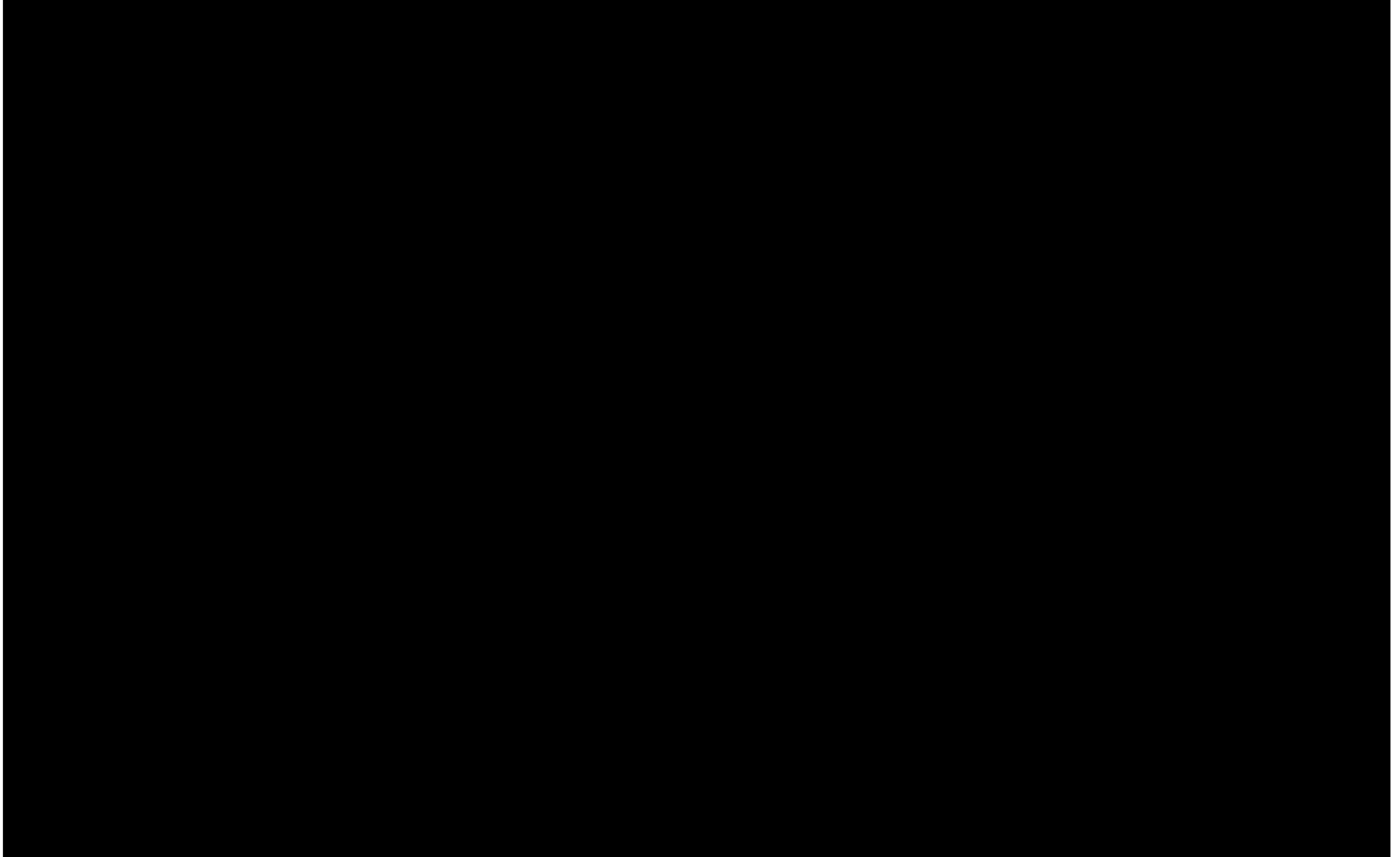
consistent with similar criteria we have developed or observed. The CRA team had an opportunity to review and comment on the scoring criteria, and KPCO adopted the recommendations we proposed to our satisfaction. KPCO subject matter experts that performed the evaluation and scoring, overseen by CRA, were consistent in their approach. The combined scoring and ranking using a weighting between economic/non-price criteria is reasonable.

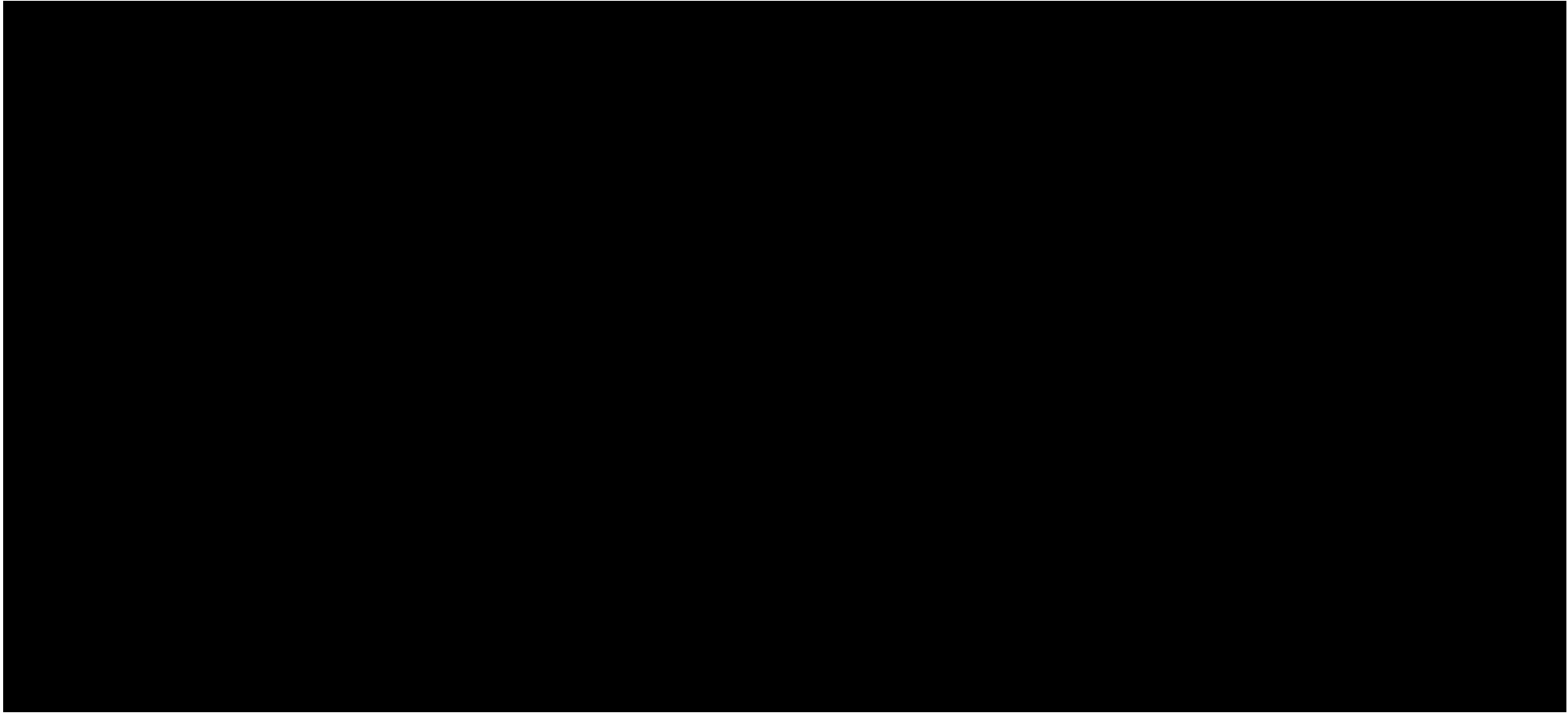
- The advancement through the screening process of a significant number of wind, solar, storage, and thermal resources, as applicable, through the evaluation process was reasonable and demonstrated an effort on the part of KPCO to ensure a competitive solicitation.
- Selection of the finalist was also performed on a fair and consistent basis with the process published in the RFP.
- Based on our review and observations, there is no evidence that the evaluation and selection process caused any unfair advantage or disadvantage to any interested party or respondent











Confidential Exhibit ZMY-3 is redacted in its entirety.

Execution Copy

**RENEWABLE ENERGY PURCHASE AGREEMENT
FOR
SOLAR ENERGY RESOURCES**

BETWEEN

BRIGHT MOUNTAIN SOLAR, LLC

AND

Kentucky Power Company

July 19, 2024 (the "Effective Date")

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EXHIBIT L	FORM OF CONSENT AND AGREEMENT
EXHIBIT M	FORM OF [REDACTED]

RENEWABLE ENERGY PURCHASE AGREEMENT
BETWEEN
BRIGHT MOUNTAIN SOLAR, LLC
AND
KENTUCKY POWER COMPANY

This Renewable Energy Purchase Agreement (the "REPA") is made this 19th day of July 2024, by and between Bright Mountain Solar, LLC ("Seller"), a Delaware limited liability company, with a principal place of business at 2701 NW Vaughn St., Suite 300, Portland, Oregon 97210, and Kentucky Power Company ("Purchaser"), a Kentucky corporation, with a principal place of business at c/o American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215-2355. Seller and Purchaser are hereinafter referred to individually as a "Party" and collectively as the "Parties".

INTRODUCTION

WHEREAS Seller desires to develop, design, construct, own or lease and operate a solar photovoltaic electric generating facility with a total nameplate capacity of 80 MW AC, and which is further defined below as the "Facility"; and

WHEREAS Seller intends to locate the Facility in Perry County, Kentucky, and to interconnect the Facility with the Transmission Provider's System; and

WHEREAS Seller desires to sell and deliver to Purchaser at the Point of Delivery all of the Renewable Energy Products generated by the Facility, and Purchaser desires to buy the same from Seller; and

WHEREAS Purchaser has accepted Seller's offer to sell such Renewable Energy Products in accordance with the terms and conditions set forth in this REPA.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE 1
DEFINITIONS AND RULES OF INTERPRETATION

1.1 Rules of Construction.

The capitalized terms listed in this Article shall have the meanings set forth herein whenever the terms appear in this REPA, whether in the singular or the plural or in the present or past tense. Other terms used in this REPA but not listed in this Article shall have meanings as commonly used in the English language and, where applicable, in Good Utility Practices. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. In addition, the following rules of interpretation shall apply:

(A) The masculine shall include the feminine and neuter.

(B) References to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or exhibits of this REPA.

(C) The Exhibits attached hereto are incorporated in and are intended to be a part of this REPA; provided, that in the event of a conflict between the terms of any Exhibit and the terms of Articles 1 through 20 of this REPA, the terms of 1 through 20 of this REPA shall take precedence.

(D) This REPA was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this REPA and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this REPA or any part hereof.

(E) The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this REPA. Unless expressly provided otherwise in this REPA, (i) where the REPA requires the consent, approval, or similar action by a Party, such consent, approval or similar action shall not be unreasonably withheld, conditioned or delayed, and (ii) wherever the REPA gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be reasonable.

(F) Each reference in this REPA to any agreement or document (including those set forth electronically on an internet web site) or a portion or provision thereof shall be construed as a reference to the relevant agreement or document as amended, supplemented or otherwise modified from time to time.

(G) Each reference in this REPA to applicable laws and to terms defined in, and other provisions of, applicable laws (including those set forth electronically on an internet web site) shall be references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time.

(H) Each reference in this REPA to a Person includes its successors and permitted assigns and, in the case of a Governmental Authority, any Person or Persons succeeding, in whole or in part, to its functions and capacities.

(I) In this REPA, the words "include," "includes" and "including" are to be construed as being at all times followed by the words "without limitation."

1.2 Interpretation with Interconnection Agreement.

(A) The Parties recognize that Seller will enter into a separate Interconnection Agreement with the Interconnection Provider and the Transmission Operator.

(B) The Parties acknowledge and agree that the Interconnection Agreement shall be a separate and free-standing contract and that the terms of this REPA are not binding upon the Interconnection Provider or the Transmission Operator.

(C) Notwithstanding any other provision in this REPA, nothing in the Interconnection Agreement shall alter or modify Seller's or Purchaser's rights, duties and obligations under this REPA. This REPA shall not be construed to create any rights between Seller and the Interconnection Provider or the Transmission Operator.

(D) Seller expressly recognizes that, for purposes of this REPA, the Interconnection Provider shall be deemed to be a separate entity and separate contracting party whether or not the Interconnection Agreement is entered into with Purchaser or an Affiliate of Purchaser.

1.3 Interpretation of Arrangements for Electric Supply to the Facility.

(A) The Parties recognize that this REPA does not provide for the supply of any electric service by Purchaser to Seller or to the Facility and Seller must enter into separate arrangements for the supply of electric services to the Facility, including the supply of start-up and shutdown house power and Energy.

(B) The Parties acknowledge and agree that the arrangements for the supply of electric services to the Facility shall be separate and free-standing arrangements and that the terms of this REPA are not binding upon the supplier of such electric services.

(C) Notwithstanding any other provision in this REPA, nothing in the arrangements for the supply of retail electric services to the Facility shall alter or modify Seller's or Purchaser's rights, duties and obligations under this REPA. This REPA shall not be construed to create any rights between Seller and the supplier of such retail electric services.

(D) Seller expressly recognizes that, for purposes of this REPA, the supplier of retail electric services to the Facility shall be deemed to be a separate entity and separate contracting party whether or not the arrangements for the supply of retail electric services to the Facility is entered into with Purchaser or an Affiliate of Purchaser.

1.4 Definitions.

The following terms shall have the meanings set forth below when used herein:

"Abandonment" means, on and after the Commercial Operation Date, the relinquishment of all possession and control of the Facility by Seller, other than a transfer permitted under this REPA.

"AC" means alternating current.

"Acceptable Credit Rating" means a Credit Rating of (a) BBB- or better from Standard & Poor's Rating Services and (b) Baa3 or better from Moody's Investors Service, Inc.

"Acceptable Issuing Bank" means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof or a foreign bank with a U.S. branch office, which is not the account party or the account party's Affiliate under the letter of credit, with (i) a Credit Rating of at least "A-" by Standard & Poor's Rating Services and "A3" by Moody's Investors Services, Inc. and (ii) having a capital surplus of at least \$10,000,000,000.

"Actual Availability" shall have the meaning set forth in Exhibit H.

"Adjusted Estimated Seller Cost" shall have the meaning set forth in Section 6.2(B).

"Affiliate" of any Person means any other Person that Controls, is under the Control of, or is under common Control with, the named entity.

"Ancillary Services" means regulation and frequency response services, energy imbalance services, automatic generating control, spinning reserve, non-spinning reserve, replacement reserve, reactive power, voltage support and any other services that support the transmission of capacity and energy or the reliable operation of the Transmission Provider's transmission system, all to the extent included as ancillary services in the Transmission Operator's open access transmission tariff, in each case, to the extent commonly sold or saleable.

"Applicable Law" means any treaty, constitution, law, statute, ordinance, rule, order, decree, regulation or other directive which is legally binding and has been enacted, issued or promulgated by any Governmental Authority.

"Availability" [REDACTED]

"Available Minutes" [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

"Back-Up Metering" shall have the meaning set forth in Section 5.4(C).

"Baseline Estimated Seller Cost" shall have the meaning set forth in Section 6.2(A).

"Beneficial Environmental Interests" means all Non-Power Attributes associated in any way, directly or indirectly, with the Facility and all RECs associated with such Non-Power Attributes, excluding Renewable Energy Incentives.

"Business Day" means any calendar day that is not a Saturday, a Sunday, or a NERC Holiday.

"Calculation Period" [REDACTED]

"Capacity" means the output level, expressed in MW AC, that the Facility, or the components of equipment thereof, is capable, as of a given moment, of continuously producing and making available at the Point of Delivery, taking into account the operating condition of the equipment at that time, the auxiliary loads and other relevant factors. Capacity includes all installed capacity and unforced capacity attributed to the Facility by the Transmission Operator, RFC or any Governmental Authority, or that is commonly sold or saleable to third parties.

"Capacity Resource" shall have the meaning set forth in the OATT.

"Cash" shall have the meaning set forth in Section 11.1(C)(2).

"Change of Control" [REDACTED]

"Clock Hour" means sixty-minute increments commencing at the top of the hour on the clock (i.e., 12 o'clock)

"Close of the Business Day" means 5:00 PM EPT on a Business Day.

"Commercial Operation Date" or "COD" means the date that Seller provides notification to Purchaser, pursuant to Section 4.7, of Seller's declaration that all of the Conditions specified in Section 4.7 have occurred or otherwise been satisfied.

"Commercial Operation Milestone" means the anticipated Commercial Operation Date for the Facility. [REDACTED] the Commercial Operation Milestone is specified as no later than April 15, 2027.

"Communications Equipment" means the communication circuits from the Facility to Purchaser for the purpose of telemetering, supervisory control and data acquisition and transmittal of real time data as described in Exhibit G and voice communications as reasonably required by Purchaser.

[REDACTED]

"Conditions" shall have the meaning set forth in Section 4.7.

"Consent and Agreement" means a Consent and Agreement in substantially the form of Exhibit L.

"Contract Administration Committee" means one representative each from Purchaser and Seller pursuant to Section 10.3(A).

"Contract Administration Procedures" means those procedures developed pursuant to Section 10.3(B).

"Contract Rate" means the applicable rate set forth in Exhibit B.

"Contract Year" means each full calendar year of the Term, whether such calendar year is comprised of 365 or 366 Days, subject to the Proration Factor.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management of policies of a Person, whether through ownership interest, by contract or otherwise.

"Control Area" means the system of electrical generation, distribution, and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

"Credit Rating" means, for any Person, the senior unsecured and non-credit-enhanced long term debt rating of such Person or, if such Person does not have a senior unsecured and non-credit-enhanced long term debt rating, the issuer rating of such Person.

"Creditworthy Entity" means (i) a United States Person having at the applicable time an Acceptable Credit Rating, or (ii) a foreign Person acceptable to Purchaser in its sole discretion having at the time an Acceptable Credit Rating.

[REDACTED]

"Day" means a calendar day.

"DC" means direct current.

[REDACTED]

"Delivery Period" means the period that commences at 0000 hours on the Commercial Operation Date and continues through the remainder of the Term.

"Design Requirements" shall have the meaning set forth in Section 3.3.

"Dispute" shall have the meaning set forth in Section 13.9(A).

"Dispute Notice" shall have the meaning set forth in Section 13.9(A).

"Distribution Provider" means any Person or Persons that provides Energy distribution services in the retail electric territory in which the Facility is located.

[REDACTED]

"Effective Date" is defined on the cover page.

"Electric Metering Device(s)" means all meters, submeters, metering equipment, and data processing equipment used to measure, record, or transmit data relating to the Renewable Energy from the Facility.

"Emergency" means an emergency condition as defined under the Interconnection Agreement or the OATT.

"Energy" means three-phase, 60-cycle alternating current electric energy, expressed in MWh.

"Environmental Contamination" means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Site will not be available or usable for the purposes contemplated by this REPA.

"EPT" means Eastern Prevailing Time.

"Event of Default" shall have the meaning set forth in Article 12.

"Expected Generation" [REDACTED]

"Facility" means Seller's electric generating facility and Seller's Interconnection Facilities, as identified and described in Article 3 and Exhibit A to this REPA, including all of the following, the purpose of which is to produce electricity and deliver such electricity to the Point of Delivery: Seller's equipment, buildings, all of the generation facilities, including panels, inverters, step-up transformers, output breakers, facilities necessary to connect to the Point of Delivery, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the electric generating facility that produces the Renewable Energy Products subject to this REPA.

"Facility Capacity" [REDACTED]

"Facility Financiers" means, collectively, any lenders, tax equity investors or any other financiers providing any Facility Financing.

"Facility Financing" means the obligations of Seller or its Affiliates to any Facility Financier pursuant to the Financing Documents, including principal of, premium and interest on indebtedness, return of equity invested, return on equity invested, fees, expenses or penalties, amounts due upon acceleration, prepayment or restructuring, swap or interest rate hedging breakage costs and any claims or interest due with respect to any of the foregoing.

"Facility Financing Representative" means, during any period when there is only one Facility Financier, the Facility Financier, and during any period when there is more than one Facility Financier, any trustee or agent on behalf of the Facility Financiers or such other single representative designated in writing by Seller.

"Failure to Extend Condition" shall have the meaning set forth in Section 11.1(C)(1).

"Failure to Replace Condition" shall have the meaning set forth in Section 11.1(D).

"Federal Funds Effective Rate" means the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H. 15 (519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

"FERC" means the Federal Energy Regulatory Commission.

"Final Non-Appealable Order" means a final non-appealable order from the Kentucky Public Service Commission (i) approving without modification this REPA, (ii) authorizing Purchaser to enter into this REPA, (iii) authorizing Purchaser to recover all of the costs associated with the REPA through an appropriate recovery mechanism(s) and (iv) otherwise acceptable to Purchaser in its sole discretion.

"Financing Documents" means the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, deeds of trust, interest rate exchanges, swap agreements, equity contribution or subscription agreements, partnership or limited liability agreements and other documents relating to the development, bridge, tax equity, construction or permanent debt financing for the Facility, including any credit enhancement, credit support, working capital financing, letter of credit facilities, and all such documents or agreements related to any refinancing or replacement of any of the foregoing, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion

of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"Force Majeure" shall have the meaning set forth in Section 14.1(A).

"Forced Outage" means any condition at the Facility that requires unplanned removal of the Facility, or some part thereof, from service, another outage state, or a reserve shutdown state. This type of outage results from, among other things, immediate mechanical, electrical or other control system trips and operator-initiated trips in response to Facility conditions or alarms.

"GATS" means the Generation Attribute Tracking System administered by PJM Environmental Information Services, Inc. ("PJM-EIS") and providing environmental and emissions attributes reporting and tracking services to its subscribers in support of renewable portfolio standards and other information disclosure requirements that may be implemented by Governmental Authorities. GATS tracks generation attributes and the ownership of the attributes as they are traded or used to meet standards of Governmental Authorities. GATS includes any successor tracking system or systems with the same or similar purpose administered by PJM-EIS.

"GATS Certificates" means certificates recognized by GATS and associated with the generation of electricity from the Facility.

"Good Utility Practices" means the practices, methods, and acts (including the practices, methods, and acts engaged in or approved by a significant portion of the solar power generation industry, the Transmission Operator or NERC) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, permits, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. Good Utility Practices are not intended to be the optimal practice, method or act to the exclusion of all others, but rather are intended to be any of the practices, methods or acts generally accepted for facilities similar to the Facility in the region in which the Facility is located during the relevant time period. With respect to the Facility, Good Utility Practices include, but are not limited to, taking reasonable steps to ensure that:

(A) equipment, materials, resources, and supplies, including spare parts inventories, are available in commercially reasonable quantities to meet the Facility's needs;

(B) sufficient operating personnel are available to operate the Facility on a 24 hour basis in accordance with reasonable solar industry operating practices for solar power generation equipment and are adequately experienced and trained and licensed as necessary to operate the Facility properly, efficiently, and in coordination with Purchaser and are capable of responding to reasonably foreseeable Emergency conditions whether caused by events on or off the Site;

(C) preventive, routine, and non-routine maintenance and repairs are performed on a basis that enables, to a commercially reasonable extent, reliable, long-term and safe operation, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;

(D) appropriate monitoring and testing are performed to determine that equipment is functioning in compliance with this REPA;

(E) equipment is not operated in a reckless manner, in violation of manufacturer's guidelines or in a manner unsafe to workers, the general public, or the interconnected system or in violation of Applicable Law; and

(F) equipment and components meet or exceed the standard of durability that is generally used for electric generation operations of this type in the region in which the Site is located and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Site (which are not Force Majeure events) and under both normal and reasonably anticipated Emergency conditions (which are not Force Majeure events).

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

[REDACTED]

"Guaranteed Availability" shall have the meaning set forth in Section 7.2(A).

"Hazardous Materials" means any substance, material or particulate matter that is regulated by any Governmental Authority as an environmental pollutant or

dangerous to public health, public welfare, or the natural environment including protection of nonhuman forms of life, land, water, groundwater, and air, including any material or substance that is (i) defined as "toxic," "polluting," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "solid waste" or "restricted hazardous waste" under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1251); (vii) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6901); (viii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601); (ix) defined as a "chemical substance" under the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.* (15 U.S.C. §2601); or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 *et seq.* (7 U.S.C. §136).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

"Independent Engineer" means an independent engineering firm mutually acceptable to the Parties.

"Interconnection Agreement" means the separate generation interconnection agreement between Seller, the Interconnection Provider and the Transmission Operator for interconnection of the Facility to the Transmission Provider's System, as such agreement may be amended from time to time.

"Interconnection Facilities" means the facilities necessary to connect Transmission Provider's System to the Point of Delivery, including breakers, bus work, bus relays, and associated equipment installed by the Interconnection Provider for the direct purpose of interconnecting the Facility, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities. Arrangements for the installation and operation of the Interconnection Facilities shall be governed by the Interconnection Agreement.

"Interconnection Provider" means the Transmission Operator or any Transmission Provider, or Distribution Provider, or other reliability authorities, responsible for the operation of the Interconnection Facilities and other equipment and facilities with which the Facility interconnects at the Point of Delivery.

"Investment Tax Credits" means the investment tax credit under Section 38 of the Code as determined under Sections 46 and 48 of the Code and the clean electricity investment tax credit as determined under Section 48E of the Code.

"Issuer" means (a) with respect to a Security Fund in the form of a letter of credit or Cash, an Acceptable Issuing Bank, or (b) with respect to a Security Fund in the form of a payment guaranty, a Creditworthy Entity that is not engaged in any material dispute or litigation with Purchaser or any of its Affiliates.

"Locational Marginal Price" or "LMP" means the hourly or sub-hourly, as applicable, integrated market clearing marginal price for Energy, including losses and congestion, at or closest to the Point of Delivery.

"Market Participant" shall have the meaning set forth in the OATT.

[REDACTED]

"MW" means megawatt, an amount of power equal to 1,000 kilowatts or 1,000,000 watts.

"MWh" means megawatt-hour, an amount of power equal to 1,000 kilowatt-hours or 1,000,000 watt-hours.

"NERC" means the North American Electric Reliability Corporation.

"NERC Holiday" means every Day other than a Saturday or Sunday which the NERC declares to be a holiday for power scheduling purposes.

"Non-Power Attributes" means any characteristic of the Facility related to its benefits to the environment, including any avoided, reduced, displaced or off-set emissions of pollutants to the air, soil or water such as sulfur dioxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), mercury (Hg), particulates, and any other pollutant that is now or may in the future be regulated under federal, state or local pollution control laws, regulations or ordinances or any voluntary rules, guidelines or programs; and further include any avoided emissions of carbon dioxide (CO₂) and any other greenhouse gas (GHG) that contributes to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere. Non-Power Attributes do not include Renewable Energy Incentives.

"OATT" means the FERC filed Open Access Transmission Service Tariff of the Transmission Operator, as it may be amended and approved by FERC.

"Operating Records" means operating logs, blueprints for construction, operating manuals, all warranties on equipment, and all documents, whether in printed or electronic format, that the Seller uses or maintains for the operation of the Facility.

[REDACTED]

[REDACTED]

"Party" or "Parties" shall have the meaning set forth in the preamble of this REPA.

"Penalties" means penalties imposed by Governmental Authorities.

[REDACTED]

"Person" means an individual, corporation, limited liability company, voluntary association, joint stock company, business trust, partnership, Governmental Authority, or other entity.

"PJM" means PJM Interconnection, LLC.

"PJM Amounts" means any scheduling, imbalance or other penalties, fees or charges as are now or at any time in the future assessed or imposed by PJM for failure to satisfy requirements of the PJM Manuals and Agreements.

"PJM Manuals and Agreements" means, collectively, (i) all instructions, rules, procedures and guidelines established by PJM, (ii) all documents and protocols issued by PJM and (iii) all agreements to which Seller, Purchaser or any Affiliates of Purchaser, on the one hand, and PJM, on the other hand, are parties, either bilaterally or in concert with other entities, as may be in effect from time to time, in each case for the operation, planning, and accounting requirements of PJM and the PJM Interchange Energy Market, including the OATT.

"PJM Node" means a pricing node established by PJM that represents the Facility or the closest PJM pricing node to the Facility.

"Point of Delivery" means the AEP Bonnymon 69 kV point, as shown on Exhibit F, at which point the quantities of Renewable Energy and Ancillary Services delivered are recorded and measured by the Interconnection Provider's revenue meters.

"Power Station" means each of those structures within the Facility containing an inverter, a step-up transformer, internal switchgear and monitoring equipment.

"Pre-Delivery Period Renewable Energy Production" means all Renewable Energy Products which are produced by the Facility prior to the commencement of the Delivery Period.

"Production Tax Credit" means the production tax credit under Section 38 of the Code as determined under Section 45 of the Code and the clean electricity production tax credit as determined under Section 45Y of the Code.

"Proration Factor" [REDACTED]

"Purchaser's Security" means Cash, a guaranty in substantially the form of Exhibit K from an Issuer that is a Creditworthy Entity or an irrevocable standby letter of credit in substantially the form of Exhibit J from an Issuer that is an Acceptable Issuing Bank.

"Qualified Operator" means a Person that has (i) substantial experience in operating and maintaining solar photovoltaic electric generation facilities in the United States and (ii) met all applicable requirements under Applicable Law for operating and maintaining the Facility, including the requirements of the Transmission Operator. A Person will be deemed to have such substantial experience if it is a Person that has [REDACTED] of experience in operating and maintaining solar photovoltaic electric generation facilities in the United States.

"Reliability Curtailment" means any curtailment of delivery of Renewable Energy that is not an Economic Curtailment and that results from (i) an Emergency, (ii) any other order or directive of the Interconnection Provider, the Transmission Provider, the Transmission Operator or the RFC, which order or directive may be directly communicated to Seller by the Interconnection Provider, the Transmission Provider, the Transmission Operator or the RFC or indirectly to Seller by Purchaser promptly upon receipt thereof, (iii) Seller's failure to maintain in full force and effect any permit, consent, license, approval, or authorization from any Governmental Authority required by law to construct or operate the Facility, or (iv) Seller's operation of the Facility in a manner inconsistent with Good Utility Practices.

"Remaining Cost Threshold" shall have the meaning in Section 6.2(C).

"Renewable Energy" means the net electric Energy generated exclusively by the Facility from the sun and delivered to the Point of Delivery as measured by the Electric Metering Devices installed pursuant to Section 5.4. Renewable Energy shall be of a power quality of 60 cycle, three-phase alternating current that is compliant with the Interconnection Agreement.

"Renewable Energy Certificate" or "REC" means any credit, certificate, allowance or similar right that is related to the Non-Power Attributes of the Facility, whether arising pursuant to law, regulation, certification, markets, trading, off-set, private transaction, renewable portfolio standards, voluntary programs or otherwise.

"Renewable Energy Incentive" means: (a) federal, state, and local tax credits or other tax incentives associated with the construction, ownership, or production of electricity from the Facility (including Investment Tax Credits, Production Tax Credits, credits under Sections 38, 45, 45Y, 48 and 48E of the Internal Revenue Code as in effect from time to time during the Term and any grants paid in lieu thereof); (b) any federal, state, and local governmental or nongovernmental payments, grants or other negotiable attributes relating in any way to the Facility or the output thereof; and (c) any other form of incentive that is not a Non-Power Attribute or Beneficial Environmental Interest that is available with respect to the Facility.

"Renewable Energy Products" means, collectively, the Renewable Energy and Ancillary Services produced by the Facility and all of the associated Capacity, RECs and other Beneficial Environmental Interests.

"REPA" means this Renewable Energy Purchase Agreement between Seller and Purchaser, including the Exhibits attached hereto.

[REDACTED]

[REDACTED]

"RFC" means the Reliability *First* Corporation, one of the eight regional reliability councils approved by the North American Electric Reliability Corporation (NERC), and any successor regional reliability organization having jurisdiction over the Facility.

"Scheduled Outage/Derating" means a planned interruption or reduction of the Facility's generation by Seller that both (i) has been coordinated in advance with Purchaser, with a mutually agreed start date and duration in accordance with Section 10.8, and (ii) is required for inspection, or preventive or corrective maintenance.

"Security Beneficiary" means, as applicable, (i) Purchaser [REDACTED]
[REDACTED]

"Security Fund" means (i) with respect to Seller, the performance security that Seller is required to establish and maintain, pursuant to Section 11.1, as security for its performance under this REPA, [REDACTED]
[REDACTED]

"Security Provider" means, as applicable, (i) Seller [REDACTED]
[REDACTED]

"Seller Design Standards" means the design requirements and standards provided by Seller as of the date hereof, which are incorporated into and made a part of this REPA.

"Seller's Interconnection Facilities" means the equipment between the high side disconnect of the step-up transformer and the Point of Delivery, including all related relaying protection and physical structures as well as all transmission facilities required to access the Transmission Provider's System at the Point of Delivery, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities. On the high side of the step-up transformer it includes Seller's load control equipment as provided for in the Interconnection Agreement. This equipment is located within the Site and is conceptually depicted in Exhibit A to this REPA.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

"Site" means the parcel or parcels of real property on which the Facility will be constructed and located, including any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of the Facility. The Site is more specifically described in Section 3.2 and Exhibit A to this REPA.

"Solar Unit" means each unit of devices for collecting sunlight and generating electricity at the Facility, consisting of photovoltaic modules, a Power Station, and associated racking systems, collection lines, circuits and related equipment.

"Standard Test Conditions" or "STC" means the conditions at which the photovoltaic (PV) modules comprising the Facility are tested to determine the module nominal power output and performance characteristics. The Standard Test Conditions are defined to be 1000 W/m², a relative air mass of 1.5, and 25°C (77°F) cell temperature.

"Tax" or "Taxes" shall have the meaning set forth in Section 20.2(B).

"Term" means the period of time during which this REPA shall remain in full force and effect, and which is further defined in Article 2.

[REDACTED]

[REDACTED]

"Transmission Operator" means PJM or any successor independent system operator, regional transmission operator or other transmission operator from time to time having authority to control the transmission Control Area to which the Facility is interconnected.

"Transmission Provider" means any Person or Persons that owns, operates or controls facilities used for the transmission of Energy from the Facility in interstate commerce.

"Transmission Provider's System" means the contiguously interconnected electric transmission facilities, including Interconnection Provider's Interconnection Facilities, over which the Transmission Provider has rights to manage the bulk transmission of Capacity and Energy from the Point of Delivery.

[REDACTED]

"Weather Station" shall have the meaning set forth in Section 3.3(D).

"Wildlife Permit Restrictions" means any (i) incidental take permit issued to Seller or (ii) avian, bat or other wildlife mitigation plan or technical guidance imposed on Seller by the United States Fish and Wildlife Service or other Governmental Authority, in either case that restricts Seller's ability to lawfully operate the Facility.

ARTICLE 2 TERM AND TERMINATION

This REPA shall become effective as of the date of its execution, and shall remain in full force and effect until the end of the fifteenth (15th) anniversary of the Delivery Period (the "Term"), unless terminated earlier in accordance with the terms and conditions hereof. Applicable provisions of this REPA shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination and, as applicable, to provide for: final billings and adjustments related to the period prior to termination, repayment of any money due and owing to either Party pursuant to this REPA, repayment of principal and interest associated with the Security Fund, the indemnifications specified in this REPA, and the resolution of Disputes between the Parties.

ARTICLE 3 FACILITY DESCRIPTION

3.1 Summary Description.

Seller shall construct, own, operate, and maintain the Facility, which, as of the Effective Date, is expected to consist of those solar modules and associated equipment having a total nameplate capacity of 80 MW AC (113 MW DC) listed in Exhibit A; [REDACTED]

[REDACTED]

If Seller installs one or more additional phases at the Site, Seller shall enter into a separate interconnection agreement such that Renewable Energy delivered under this REPA is delivered, metered and scheduled separately from the renewable energy generated by any such additional phase. Exhibit A to this REPA provides a detailed description of the Facility, including identification of the equipment and components, which make up the Facility, which Seller shall supplement once the final design for the Facility is determined, which supplement shall include the number of photovoltaic modules in the Facility. The aggregate nameplate MW rating of the Facility shall be no more than 80 MW AC and the MW DC rating as of the Commercial Operation Date throughout the Term.

3.2 Location.

The Facility shall be located on the Site and shall be identified as Seller's Bright Mountain Solar Facility. The Facility is located in Perry County, Kentucky. A scaled map that identifies the Site, the location of the Facility at the Site, the location of the Point of Delivery and the location of the important ancillary facilities and Interconnection Facilities, is included in Exhibit A to this REPA.

3.3 General Design of the Facility.

Seller shall construct the Facility in accordance with Good Utility Practices, the Seller Design Standards, the Interconnection Agreement and rules of the Transmission Operator, including the PJM Manuals and Agreements (collectively, the "Design Requirements"). Seller shall maintain the Facility according to Good Utility Practices and the Interconnection Agreement. In addition to the requirements of the Interconnection Agreement, the design of the Facility shall at all times include:

(A) metering accuracy current transformers and voltage transformers located at the Point of Delivery (or some other point mutually agreed to by the Parties) as required to connect to the Electric Metering Devices.

(B) the required panel space and 125V DC battery supplied voltage to accommodate Purchaser's metering, telemetering equipment and Communications Equipment;

(C) the Communications Equipment; and

(D) suitable solar irradiation and meteorological meters of the types necessary to monitor and measure the solar resource and ambient conditions at the Site to support calculations under this REPA, including the estimation of the quantity of Renewable Energy designated as Economic Curtailment Energy under Section 7.4 (each, a "Weather Station"). Such Weather Stations shall be calibrated by Seller at its cost annually in accordance with Good Utility Practices and the standards described in item 1 of Exhibit G to this REPA.

3.4 [REDACTED].

[REDACTED]

ARTICLE 4
COMMERCIAL OPERATION

4.1 Commercial Operation.

(A) Subject to Section 4.10, the Facility shall achieve the Commercial Operation Date, and shall be fully capable of reliably producing the Renewable Energy Products to be provided under this REPA and delivering such Renewable Energy Products to Purchaser at the Point of Delivery, no later than the Commercial Operation Milestone.

(B)

[REDACTED]

(C)

[REDACTED]

4.2 Wildlife Studies and Siting.

(A) Seller shall conduct such wildlife studies with respect to the Site and the Facility as may be required pursuant to Applicable Law and Good Utility Practices.

(B) Seller shall provide to Purchaser, promptly after issuance, a true and complete copy of any Wildlife Permit Restrictions issued with respect to the Facility.

4.3 Site Report.

Seller shall conduct a Phase I environmental investigation of the Site and shall provide Purchaser, on or before sixty (60) days after the execution of this REPA, with a copy of the issued Phase I environmental site assessment summarizing such investigation, together with any data or information generated pursuant to such investigation. If such Phase I site assessment identifies any recognized environmental conditions that, in Purchaser's reasonable judgment, are likely to materially impact the construction, operation or maintenance of the Facility, Seller shall provide to Purchaser, and implement, a written remediation plan satisfactory to Purchaser.

4.4 Facility Contracts.

Seller shall provide to Purchaser, no later than eighteen (18) months prior to the Commercial Operation Milestone, a certificate of an officer of Seller, in a form reasonably acceptable to Purchaser, stating that Seller has sufficient Solar Units under contract to satisfy its obligations hereunder. Upon reasonable notice and request by Purchaser, Seller shall provide Purchaser with copies of major engineering drawings relating to the Facility. Information that is commercially sensitive, confidential or proprietary, as reasonably determined by Seller, may be redacted from the documents provided to Purchaser pursuant to this paragraph. All such information shall be treated as confidential information subject to Section 20.15 hereof. Seller shall provide sufficient information for Purchaser to be reasonably assured that Seller has contracted with financially responsible vendors as part of the Facility construction process.

4.5 Progress Reports.

Commencing upon the execution of this REPA, Seller shall submit to Purchaser, within the first fifteen (15) Days of each calendar month until the Commercial Operation Date is achieved, reports regarding development and construction progress in a form reasonably satisfactory to Purchaser. These progress reports shall describe the status of the development and construction of the Facility as of the end of the preceding month, including (a) a description of the progress of development and construction based on a comprehensive list of all of Seller's deliverables required under this REPA (including the Conditions to COD set forth in Section 4.7), (b) an explanation of any material changes in the development and construction schedule and (c) an estimate of the Commercial Operation Date. Commencing upon the date that is two months prior to the earlier of (x) the Commercial Operation Milestone and (y) the estimated Commercial Operation Date, Seller will additionally advise Purchaser weekly on the status of Solar Unit commissioning until the Commercial Operation Date is achieved.

4.6 Purchaser's Rights During Construction.

Purchaser shall have the right to monitor the construction, start-up and testing of the Facility during normal business operating hours, and Seller shall comply with all reasonable requests of Purchaser with respect to the monitoring of these events, provided, however, that Purchaser provides Seller reasonable advance written notice, shall not unreasonably interfere with or disrupt the activities of the Seller. Seller shall cooperate in such physical inspections of the Facility as may be reasonably requested by Purchaser during and after completion of construction. All persons visiting the Facility on behalf of Purchaser shall comply with all of Seller's applicable safety and health rules and requirements. Purchaser's technical review and inspection of the Facility shall not be construed as endorsing the design thereof nor as any warranty of safety, durability, or reliability of the Facility, nor shall Purchaser's review and inspection of the Facility constitute a waiver by Purchaser of any right or remedy hereunder.

4.7 Conditions to Commercial Operation.

Seller shall notify Purchaser when the Facility has achieved the Commercial Operation Date, which notice shall not be unreasonably withheld or delayed by Seller. This notification is contingent upon Seller providing evidence reasonably acceptable to Purchaser of the satisfaction or occurrence of all of the conditions set forth in this Section 4.7 ("Conditions") and shall include a certification by Seller to that effect. The Parties agree that review and approval of such Conditions may occur on an ongoing and incremental basis, pending resolution of any Dispute, as such Conditions are satisfied. The Conditions are:

(A) Seller has successfully completed all testing of the Facility that is required by the Financing Documents, the Facility's permits issued by Governmental Authorities, the Interconnection Agreement, Seller's module supply, inverter supply and construction contracts for the Facility and manufacturers' warranties for the commencement of commercial operations at the Facility;

(B) an officer of Seller, familiar with the Facility, has provided a list of the Facility's major equipment, including the make, model and serial number of all photovoltaic modules, inverters, step-up transformers, switchgear and Weather Stations;

(C) the Facility has achieved initial synchronization with the Transmission Provider's System;

(D) an Independent Engineer's certification has been obtained by Seller and delivered to Purchaser stating (i) that the Facility has been completed in all material respects (excepting punch list items that do not materially and adversely affect the ability of the Facility to operate as intended hereunder) in accordance with this REPA, (ii) the Facility has been constructed in accordance with the Design Requirements and (iii) the designed maximum output of the entire Facility, which total shall not exceed 80 MW AC;

(E) the interconnection of the Facility to the Transmission Provider's System has been completed in accordance with the Interconnection Agreement and has operated at a generation level acceptable to the Interconnection Provider in accordance with the operating requirements of the Interconnection Agreement;

(F) Seller has made all arrangements and executed all agreements required to deliver the Renewable Energy from the Facility to the Point of Delivery in accordance with the provisions of this REPA;

(G) Seller shall have demonstrated to Purchaser's reasonable satisfaction that it can reliably transmit real time data and measurements to Purchaser (i) in accordance with the requirements of the Interconnection Agreement and (ii) in accordance with the requirements of Exhibit **G**, including the data and measurements from the Weather Stations [REDACTED]

(H) all arrangements for the supply of required electric services to the Facility, including the supply of start-up and shutdown power and Energy, house power and maintenance power have been completed by Seller separate from this REPA, are in effect, and are available for the supply of such electric services to the Facility;

(I) the Security Fund meeting the requirements of Article 11 has been established;

(J) certificates of insurance evidencing the coverages required by Article 16 have been obtained and submitted to Purchaser;

(K) Seller has submitted to Purchaser a certificate of an officer of Seller familiar with the Facility after due inquiry stating that (i) all permits, consents, licenses, approvals, and authorizations required to be obtained by Seller from any Governmental Authority to construct and operate the Facility in compliance with Applicable Law and this REPA have been obtained and are in full force and effect; (ii) Seller is a PJM member, and; (iii) Seller is otherwise in compliance with the terms and conditions of this REPA in all material respects;

(L) Seller has made all necessary filings and applications with Governmental Authorities for accreditation and participation in GATS and in any other applicable federal and state REC certification program pursuant to Section 10.9;

(M) Seller shall have provided the following items to Purchaser at least one hundred fifty (150) Days prior to the Commercial Operation Date: (1) the Facility layout of the Site with the latitude and longitude and solar module specification sheets; (2) a non-binding, good faith 12 month x 24 hour forecast of net Energy production from the Facility; and (3) historical solar data for the Site; provided that the data set forth in the foregoing item (1) above shall be updated and re-submitted to the Purchaser no later than five (5) Business Days after the Commercial Operation Date;

(N) The Contract Administration Committee shall have developed the Contract Administration Procedures in accordance with Section 10.3(B);

(O) Seller shall have provided Purchaser with a copy of the final Phase I environmental report referred to in Section 4.3 and either (i) such report shall confirm that no conditions involving Environmental Contamination exist at or under the Site that would materially impact performance of Seller's obligations under this REPA or (ii) Seller shall have provided to Purchaser prior to the Commercial Operation Date a remediation plan for removal of such Environmental Contamination;

(P) Seller shall have provided Purchaser with a copy of the final wildlife studies and documentation referred to in Section 4.2 and either (i) such studies shall confirm that no federally or state designated threatened or endangered species or other legally protected wildlife (including, but not limited to, species protected by the Migratory Bird Treaty Act, Bald and Golden Eagle Protection Act or state law) exists at, under or above the Site that would materially impact performance of Seller's obligations under this

REPA or (ii) Seller shall have provided to Purchaser prior to the Commercial Operation Date copies of all applicable Wildlife Permit Restrictions;

(Q) Seller shall have established with PJM the PJM Node;

(R) Seller shall have demonstrated that it is a Qualified Operator or that Seller has engaged a Qualified Operator to operate and maintain the Facility, consistent with its representation in Section 10.1; and

(S) Seller shall have completed applications, registrations or filings required by PJM in order to effectuate the delivery of the Capacity of the Facility to Purchaser in accordance with Section 5.6(D).

4.8 Pre-Delivery Period Renewable Energy Production.

Seller shall coordinate the production and delivery of Pre-Delivery Period Renewable Energy Production with the Transmission Operator and be responsible for all scheduling activities and shall be entitled to all credits and charges associated with the delivery of such Pre-Delivery Period Renewable Energy Production into PJM for Seller's account. Purchaser shall cooperate with Seller to facilitate Seller's testing of the Facility necessary to satisfy the Conditions set forth in Section 4.7.

4.9 QF Waiver.

For so long as this REPA is in effect, Seller waives, and agrees not to assert, the rights Seller may have against Purchaser to cause Purchaser to purchase or transmit energy or capacity pursuant to 18 C.F.R. Section 292.303 or Section 292.304 by virtue of the status of the Facility as a qualifying cogeneration facility as defined in the Public Utility Regulatory Policies Act of 1978, as amended.

4.10 [REDACTED]

[REDACTED]

ARTICLE 5
DELIVERY AND METERING

5.1 Seller's and Purchaser's Obligations.

Subject to, and in accordance with, the terms and conditions of this REPA, Purchaser does hereby agree to purchase and pay for, and Seller does hereby agree to sell and deliver, or cause to be delivered, all of the Renewable Energy Products generated by the Facility during the Delivery Period. Purchaser shall have the exclusive right to purchase and receive all of such Renewable Energy Products during the Delivery Period, with the exception of Energy produced by Seller for its own use at the Facility for station power.

5.2 Required Operation.

Except to the extent the Facility is actually unavailable or limited (including in accordance with Good Utility Practices), Seller shall operate the Facility to provide the Renewable Energy Products to Purchaser in all daylight hours of the Delivery Period. Seller agrees that, notwithstanding anything herein to the contrary, Seller will not curtail or otherwise reduce deliveries of Renewable Energy Products in order to sell such Renewable Energy Products to other purchasers.

5.3 Delivery Arrangements.

(A) Prior to the Commercial Operation Date, Seller shall establish and shall maintain throughout the Term with PJM, the PJM Node for purposes of identification of the Facility with PJM.

(B) Prior to the Commercial Operation Date, Seller shall establish a separate sub-account to Seller's main PJM account for purposes of (i) identification of the Renewable Energy Products, (ii) Seller's scheduling obligations under Section 5.6, and (iii) the settlement of operating reserves and other charges and credits for which Purchaser is responsible under Section 5.6.

(C) Seller shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver the Renewable Energy from the Facility to Purchaser at the Point of Delivery. Purchaser shall be responsible for all electric losses, transmission and ancillary service arrangements and costs required to receive the Renewable Energy at the Point of Delivery and deliver such Energy to points beyond the Point of Delivery.

(D) Seller shall be responsible for paying any and all transmission upgrade costs identified by the Transmission Operator as Seller's responsibility in order to designate the Facility as a Capacity Resource.

(E) In the event Purchaser subsequently desires to create an aggregate Capacity Resource (as recognized by PJM), Seller shall fully cooperate with providing all data and information necessary at Purchaser's cost to qualify the Facility as part of an aggregate Capacity Resource under PJM.

5.4 Electric Metering Devices.

Seller will comply with the terms and conditions of the Interconnection Agreement. The following provisions on Electric Metering Devices shall apply only to the extent they do not conflict with the performing Party's rights and obligations under the Interconnection Agreement or the OATT, as applicable.

(A) All Electric Metering Devices used to measure the Renewable Energy made available to Purchaser by Seller under this REPA and to monitor and coordinate operation of the Facility shall be owned, installed, and maintained by Seller according to Good Utility Practice. Such Electric Metering Devices shall measure only the Renewable Energy delivered to Purchaser from the Solar Units commissioned under this REPA and not from any other solar units installed on the Site, which solar units shall not comprise the Facility even though they may share the same Point of Delivery or revenue meter with the Solar Units commissioned under this REPA. If the Electric Metering Devices are sub-meters, the amount of Renewable Energy delivered to Purchaser and measured by such Electric Metering Devices shall be reduced to account for the losses of Renewable Energy between the Point of Delivery and such Electric Metering Devices. All Electric Metering Devices used to provide data for the computation of payments shall be sealed and Seller shall break the seal only when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this Article. Seller shall specify the number, type, and location of such Electric Metering Devices.

(B) Seller, at its own expense, shall inspect and test all Electric Metering Devices upon installation and at least annually thereafter. Seller shall provide Purchaser with reasonable advance notice of, and permit a representative of Purchaser to witness and verify, inspections and tests of the Electric Metering Devices, provided, however, that Purchaser shall not unreasonably interfere with or disrupt the activities of Seller and shall comply with all of Seller's safety standards. Upon request by Purchaser, Seller shall perform additional inspections or tests of any Electric Metering Device and shall permit a qualified representative of Purchaser to inspect or witness the testing of any Electric Metering Device, provided, however, that Purchaser shall not unreasonably interfere with or disrupt the activities of Seller and shall comply with all of Seller's safety standards. The actual expense of any such requested additional inspection or testing shall be borne by Purchaser, unless upon such inspection or testing an Electric Metering Device is found to register inaccurately by more than the allowable limits established in this Article, in which event the expense of the requested additional inspection or testing shall be borne

by Seller. If requested by Purchaser in writing, Seller shall provide copies of any inspection or testing reports to Purchaser.

(C) Purchaser and Seller each may elect to install and maintain, at its own expense, backup metering devices ("Back-Up Metering") in addition to the Electric Metering Devices. Each Party, at its own expense, shall inspect and test its Back-Up Metering upon installation and at least annually thereafter. Each Party shall provide the other Party with reasonable advance notice of, and permit a representative of the other Party to witness and verify, such inspections and tests, provided, however, that the observing Party shall not unreasonably interfere with or disrupt the activities of the testing Party and shall comply with all of the testing Party's safety standards. Upon request by a Party, the other Party shall perform additional inspections or tests of its Back-Up Metering and shall permit a qualified representative of the requesting Party to inspect or witness the testing of such Back-Up Metering, provided, however, that the observing Party shall not unreasonably interfere with or disrupt the activities of the testing Party and shall comply with all of the testing Party's safety standards. The actual expense of any such requested additional inspection or testing shall be borne by the requesting Party, unless, upon such inspection or testing, the Back-Up Metering is found to register inaccurately by more than the allowable limits established in this Article, in which event the expense of the requested additional inspection or testing shall be borne by the testing Party. If requested by the requesting Party in writing, the testing Party shall provide copies of any inspection or testing reports to the requesting Party.

(D) If any Electric Metering Devices, or any Back-Up Metering, are found to be defective or inaccurate, they shall be adjusted, repaired, replaced, or recalibrated as near as practicable to a condition of zero error by the Party owning such defective or inaccurate device and at that Party's expense. The Party discovering such defect or inaccuracy shall promptly notify the other Party of such discovery.

5.5 Adjustment for Inaccurate Meters.

The following provisions on Adjustment for Inaccurate Meters shall apply only to the extent they do not conflict with the performing Party's rights and obligations under the Interconnection Agreement or the OATT, as applicable.

(A) If an Electric Metering Device, or Back-Up Metering, fails to register, or if the measurement made by an Electric Metering Device, or Back-Up Metering, is found upon testing to be inaccurate by more than [REDACTED] from the measurement made by the standard meter used in the test, an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device, or Back-Up Metering, for both the amount of the inaccuracy and the period of the inaccuracy, in the manner set forth in Section 5.5(B), (C) and (D) below.

(B) In the event that the Electric Metering Device is found to be defective or inaccurate, the Parties shall use the Back-Up Metering, if installed, to determine the amount of such inaccuracy, provided that the Back-Up Metering has been tested and maintained in accordance with the provisions of this Article. If both Parties have installed

Back-Up Metering, and the Back-Up Metering of both Parties is inaccurate by not more than [REDACTED] from the measurements made by the standard meter used in the test, the readings from the Back-Up Metering whose readings most closely conform with the measurements made by the standard meter shall be used. In the event that neither Party has installed Back-Up Metering, or the Back-Up Metering is also found to be inaccurate by more than [REDACTED] from the measurement made by the standard meter used in the test, the Parties shall estimate the amount of the necessary adjustment on the basis of deliveries of Renewable Energy from the Facility during periods of similar operating conditions when the Electric Metering Device was registering accurately. The adjustment shall be made for the period during which inaccurate measurements were made.

(C) In the event that the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period during which the measurements are to be adjusted shall be the shorter of (i) the last one-half of the period from the last previous test of the Electric Metering Device to the test that found the Electric Metering Device to be defective or inaccurate, or (ii) the one hundred eighty (180) Days immediately preceding the test that found the Electric Metering Device to be defective or inaccurate.

(D) To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Purchaser, Purchaser shall use the corrected measurements as determined in accordance with this Article to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by Purchaser for this period from such re-computed amount. If the difference is a positive number, the difference shall be paid by Purchaser to Seller; if the difference is a negative number, that difference shall be paid by Seller to Purchaser, or at the discretion of Purchaser, may take the form of an offset to payments due Seller by Purchaser (or by payment to Purchaser, if sufficient payments do not remain to offset). Payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives notice of the amount due, unless Purchaser elects payment via an offset.

5.6 Scheduling Arrangements.

The Parties will effectuate delivery and receipt of Renewable Energy Products at the Point of Delivery as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(D) Seller shall be responsible for all costs related to delivery of Renewable Energy to the Point of Delivery or to the extent any such costs are incurred as a result of the failure by Seller to curtail deliveries in connection with a Reliability Curtailment [REDACTED]. To the extent either Party (or its agent) incurs costs or expenses which are the responsibility of the other Party under this Section 5.6, such costs or expenses shall be added to or shall be netted against the invoice for Renewable Energy. In the event that after the date of execution of this REPA, the PJM Manuals and Agreements governing costs and expenses to be paid by schedulers of Renewable Energy Products are modified resulting in a material effect on the allocation of the PJM charges or credits incurred by Seller (or Seller's agent) in connection with scheduling the Renewable Energy or Capacity that Purchaser would have incurred if Purchaser was scheduling and effecting settlements with respect to the Renewable Energy or Capacity or any credits associated therewith, the Parties hereby agree to amend this REPA to effectuate the intent of this Section 5.6, notwithstanding such modification of the PJM Manuals and Agreements.

(E) To effectuate the delivery and receipt of Capacity from the Facility to Purchaser, Seller will transfer the Capacity to Purchaser using the PJM Capacity Exchange via unit specific, bilateral transactions of "Unoffered Capacity" (as defined in PJM Manual 18).

ARTICLE 6 CONDITIONS PRECEDENT

6.1 Purchaser Conditions Precedent.

(A) Unless waived by Purchaser in writing or deemed waived pursuant to the provisions of this Section 6.1, it shall be a condition precedent to the Parties' obligations under this REPA that Purchaser has obtained a Final Non-Appealable Order.

(B) No later than seventy-five (75) Days after execution of this REPA, Purchaser may, but shall not be obligated to, initiate the process to obtain a Final Non-Appealable Order from the Kentucky Public Service Commission. Seller acknowledges and agrees that the form of Purchaser's approval application to the Kentucky Public Service Commission for a Final Non-Appealable Order, including cost recovery, and the conduct by Purchaser of any proceedings, including any settlement or appeal, related to or arising from such approval application shall be determined in the sole discretion of Purchaser. If Purchaser fails to initiate the process to obtain the Final Non-Appealable Order during such seventy-five (75) Day period, the condition precedent in Section 6.1(A) shall be deemed waived and this REPA shall remain in full force and effect thereafter.

(C) After Purchaser initiates the process to obtain a Final Non-Appealable Order during such seventy-five (75) Day period, Purchaser shall use its commercially reasonable efforts to obtain such Final Non-Appealable Order as soon as reasonably practicable. At any time on or prior to twenty five (25) Days after May 1, 2025, Purchaser will provide written notice to Seller stating either (i) that Purchaser has determined it has a Final Non-Appealable Order and satisfied the Section 6.1(A) condition precedent, and this REPA shall remain in full force and effect thereafter; (ii) that Purchaser has determined it does not have a Final Non-Appealable Order, and Purchaser will not waive the Section 6.1(A) condition precedent, and this REPA will terminate without any financial or other obligation to either Party arising out of such termination, except that Purchaser shall return the Security Fund to Seller; or (iii) Purchaser has determined it will expressly waive the Article 6.1(A) condition precedent, and this REPA shall remain in full force and effect thereafter. If Purchaser fails to deliver such a notice during such twenty-five (25) Day period, the condition precedent in Article 6.1(A) shall be deemed waived and this REPA shall remain in full force and effect thereafter.

(D) Prior to May 1, 2025, if the Parties are interested in extending the date by which a Final Non-Appealable Order is obtained for purposes of the Section 6.1(A) condition precedent, the Parties will meet to discuss, and if they mutually agree upon extending the date for Purchaser to obtain a Final Non-Appealable Order, an amendment to this REPA will be prepared to replace the May 1, 2025 date, including any mutually agreed upon adjustment to the Commercial Operation Milestone date and Purchaser requirement for regulatory approval, including a Final Non-Appealable Order, and such amendment shall be fully executed no later than April 25, 2025.

6.2 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.3 [REDACTED].

[REDACTED]

6.4 [REDACTED]

[REDACTED]

[REDACTED]

ARTICLE 7
SALE AND PURCHASE OF RENEWABLE ENERGY

7.1 Sale and Purchase.

Beginning on the Commercial Operation Date, Seller shall generate from the Facility, deliver to the Point of Delivery, and sell to Purchaser, and Purchaser shall purchase and pay for, at the Contract Rate, all Renewable Energy Products generated by the Facility. Purchaser shall have no obligation to pay for any Energy that has not actually been generated by the Facility, measured by the Electric Metering Device(s) and delivered to Purchaser at the Point of Delivery, [REDACTED]

[REDACTED]

7.2 Guaranteed Availability.

(A) Seller guarantees an Availability of the Facility for each Calculation Period during the Term [REDACTED]

[REDACTED]

(B) [REDACTED]

[REDACTED]

(C) [REDACTED]

[REDACTED]

(D) On or prior to January 31 of each Contract Year, Seller shall deliver to Purchaser an outage summary for the prior Calculation Period that is sourced from PJM's Generator Availability Data System (eGADS) accompanied by a statement showing Seller's computation of the [REDACTED] if any, for the prior Calculation Period. To the extent required, Seller shall true up any such statement as promptly as practicable following its receipt of actual results for the relevant Calculation Period. Based

on such statement, Purchaser shall calculate and issue a statement to Seller for the amount due Purchaser for [REDACTED] pursuant to Section 7.2(C) in respect thereof. Seller shall pay the amounts due under each such invoice within thirty (30) Days of receipt thereof.

(E) Each Party agrees and acknowledges that (i) the damages that Purchaser would incur due to the Facility's failure to achieve the [REDACTED] would be difficult or impossible to predict with certainty, (ii) the [REDACTED] contemplated by this provision are a fair and reasonable calculation of such [REDACTED] and (iii) the required payment by Seller of such [REDACTED] shall be Purchaser's sole remedy for such [REDACTED] and the [REDACTED].

7.3 Title and Risk of Loss.

As between the Parties, Seller shall be deemed to be in control of the Renewable Energy output from the Facility up to the Point of Delivery, and Purchaser shall be deemed to be in control of such Renewable Energy output from and after the Point of Delivery. Title to and risk of loss of the Renewable Energy delivered by Seller to Purchaser hereunder shall transfer from Seller to Purchaser at the Point of Delivery. Title to and risk of loss of the Renewable Energy Certificates shall pass from Seller to Purchaser as provided in the rules governing GATS.

7.4 Curtailments.

(A) Seller shall at all times during the Term comply with the directives of the Transmission Operator, the Transmission Provider and the Interconnection Provider given pursuant to the Interconnection Agreement. In addition, Purchaser shall have the right to notify Seller, by telephonic communication or other method as reasonably determined by Purchaser, of a Reliability Curtailment directed by the Transmission Operator, the Transmission Provider or the Interconnection Provider [REDACTED]. In all cases of Reliability Curtailment, Seller shall reduce the net Energy delivered by the Facility at the Point of Delivery to the level directed by the Transmission Operator, the Transmission Provider or the Interconnection Provider, as applicable. If Purchaser receives any such directive of Reliability Curtailment, Purchaser shall promptly notify Seller via electronic mail of the maximum amount of Renewable Energy, if any, during such Reliability Curtailment that Seller may continue to deliver and the duration thereof, and Seller shall ensure that the amount of net Energy delivered by the Facility at the Point of Delivery does not exceed such amount for such duration. If Seller receives any such directive of Reliability Curtailment, Seller shall (i) promptly (and in any event within sixty (60) minutes) notify Purchaser by electronic mail or phone of the maximum amount of Renewable Energy, if any, during such Reliability Curtailment that Seller may continue to deliver and the duration thereof, if such duration is known to the Seller, (ii) promptly (and in any event within sixty (60) minutes) notify Purchaser of any change to such amount or duration, if any, and (iii) ensure that the amount of net Energy delivered

by the Facility at the Point of Delivery does not exceed any such amount for any such duration. Except as provided in Section 7.1, no compensation shall be due from Purchaser to Seller as a result of any curtailment of the Facility's generation arising from any Reliability Curtailment directed by the Transmission Operator, the Transmission Provider or the Interconnection Provider.

[REDACTED]

(C) Each Party agrees and acknowledges that (i) the damages that [REDACTED] be difficult or impossible to predict with certainty, (ii) the amounts contemplated by Section 7.4(B) are a fair and reasonable calculation of such damages, and (iii) the required payment by Purchaser of such amounts shall be [REDACTED] sole remedy [REDACTED]

7.5 Renewable Energy Incentives.

(A) If, for any reason, Seller does not receive the Renewable Energy Incentives for any period or sells or transfers any Renewable Energy Incentive, the cost of Renewable Energy Products delivered to Purchaser under this REPA shall not be affected, and the risk of not obtaining the Renewable Energy Incentives shall be borne solely by Seller.

(B) Seller shall be entitled to all Renewable Energy Incentives, and Purchaser acknowledges that Seller has the right to sell or transfer the Renewable Energy Incentives, at any rate and upon any terms and conditions that Seller may determine in its sole discretion without liability to Purchaser hereunder. Purchaser shall have no claim, right or interest in such Renewable Energy Incentives or in any amount that Seller realized from the sale of such incentives.

ARTICLE 8
PAYMENT CALCULATIONS

8.1 Payments at Contract Rate.

Commencing on the first Day of the Delivery Period, Purchaser shall pay Seller the Contract Rate for (i) Renewable Energy delivered to Purchaser by Seller to the Point of Delivery and for other Renewable Energy Products associated therewith [REDACTED]

8.2 No Payment Obligation.

For avoidance of doubt, Purchaser shall not be obligated to make any payment to Seller under Section 8.1 for any Energy which, regardless of reason or event of Force Majeure affecting either Party, (i) does not qualify as Renewable Energy, (ii) is not measured by the Electric Metering Device(s) installed pursuant to Section 5.4, as such measurement may be adjusted pursuant to Section 5.5, or (iii) is delivered to Purchaser at a location other than the Point of Delivery.

ARTICLE 9
BILLING AND PAYMENT

9.1 Billing Invoices.

The monthly billing period shall be the calendar month. No later than ten (10) Business Days after the end of each calendar month, Seller shall provide to Purchaser, by first-class mail or electronically, an invoice for the amount due Seller by Purchaser for the services provided by Seller and purchased by Purchaser, under this REPA, for each monthly billing period. In each case, Seller's invoice will show: (a) with respect to the previous calendar month, all billing parameters, the Contract Rate, any adjustments (including those made pursuant to Sections 5.3(A), and 9.3), [REDACTED]

9.2 Payments.

Unless otherwise specified herein, payments due under this REPA for undisputed amounts shall be due and payable on or before the later of (i) the twentieth (20th) Day of the month following the month to which such payment relates and (ii) the tenth (10th) Business Day following receipt of the billing invoice. Unless Seller directs Purchaser otherwise, all payments by Purchaser to Seller shall be made by electronic funds transfer. If the amount due is not paid on or before the due date, a late payment charge shall be applied to the unpaid balance and shall be added to the next billing statement. Such late payment charge shall be calculated using an annual interest rate equal to the prime

lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such Day (or if not published on such Day on the most recent preceding Day on which published), plus two percent (2%). If the due date occurs on a Day that is not a Business Day, the late payment charge shall begin to accrue on the next succeeding Business Day.

9.3 Billing Disputes.

Purchaser may dispute invoiced amounts on or prior to the second (2nd) anniversary of the issuance of the invoice related to such invoiced amounts, but shall pay to Seller the undisputed portion of invoiced amounts on or before the date set forth in Section 9.2. To resolve any billing Dispute, the Parties shall use the procedures set forth in Section 13.9. When the billing Dispute is resolved, the Party owing shall pay the amount owed within ten (10) Business Days of the date of such resolution, with late payment interest charges calculated on the amount owed in accordance with the provisions of Section 9.2 from the date such amount was originally due. Purchaser and Seller at any time may offset against any and all amounts that may be due and owed to the other Party under this REPA any amounts that are owed by such other Party to Purchaser or Seller, as applicable, pursuant to this REPA including damages and other payments. Undisputed and non-offset portions of amounts invoiced under this REPA shall be paid on or before the due date or shall be subject to the late payment interest charges set forth in Section 9.2.

ARTICLE 10 OPERATIONS AND MAINTENANCE

10.1 Facility Operation.

Seller hereby represents that it is and will remain a Qualified Operator during the Delivery Period or that Seller will engage a Qualified Operator to operate and maintain the Facility during the Delivery Period. Seller shall staff, control, and operate the Facility consistent at all times with Good Utility Practices and the Contract Administration Procedures developed pursuant to Section 10.3. Personnel capable of starting, operating, and stopping the Facility shall be available, either at the Facility or capable of remotely starting, operating and stopping the Facility within ten (10) minutes' notice. In all cases, personnel capable of starting, operating, and stopping the Facility shall be continuously reachable by phone or pager. Seller shall maintain the Communications Equipment in good operating order at all times during the Term.

10.2 Outage and Performance Reporting.

(A) Seller shall comply with all NERC, RFC and the Transmission Operator generating unit outage and performance reporting requirements, including GATS reporting requirements, as they may be revised from time to time, and as they apply to the Facility.

(B) When Forced Outages of [REDACTED] or greater of the Facility Capacity occur that Seller reasonably expects to continue into the next Day, Seller shall

(i) notify Purchaser by electronic mail or phone of the existence, nature, and expected duration of the Forced Outage as soon as practical, but in no event later than thirty (30) minutes after the Forced Outage occurs and (ii) update the Availability Notice within sixty (60) minutes after the Forced Outage occurs. Seller shall thereafter inform Purchaser on a daily basis by electronic mail of changes in the expected extent or duration of the Forced Outage (as soon as practical, but in no event later than sixty (60) minutes after such change) unless relieved of this obligation by Purchaser.

(C) When Forced Outages of [REDACTED] or greater of the Facility Capacity occur that are expected to be of a duration exceeding one hour and be resolved within the same Day of the Forced Outage. Seller shall update the Availability Notice within sixty (60) minutes after the Forced Outage occurs.

(D) Seller shall provide Purchaser with prompt notice by telephone of any malfunction or other failure of the Communications Equipment.

10.3 Contract Administration Committee and Contract Administration Procedures.

(A) Purchaser and Seller shall each appoint one representative and one alternate representative to act in matters relating to the Parties' performance obligations under this REPA and to develop operating arrangements for the generation, delivery and receipt of Renewable Energy hereunder. Such representatives shall constitute the Contract Administration Committee, and shall be as specified on Exhibit C. The Contract Administration Committee shall act in accordance with the Contract Administration Procedures. The Parties shall notify each other in writing of such appointments and any changes thereto. The Contract Administration Committee shall have no authority to modify the terms or conditions of this REPA.

(B) Prior to the Commercial Operation Date, the Contract Administration Committee shall develop mutually agreeable written Contract Administration Procedures, which shall include, but not be limited to, method of day-to-day communications; curtailment, outage and performance reporting; metering, telemetering, telecommunications and data acquisition procedures; key personnel list for applicable Purchaser and Seller operating centers; operations and maintenance scheduling and reporting; Renewable Energy reports; unit operations log; and such other matters as may be mutually agreed upon by the Parties.

10.4 Access to Facility.

Appropriate representatives of Purchaser shall at all reasonable times, including weekends and nights, and with reasonable prior notice, have access to the Facility to read meters, to perform maintenance and service of Purchaser's equipment and to perform all inspections and operational reviews as may be reasonably appropriate to facilitate the performance of this REPA; provided that Purchaser does not interfere in any material respect with the operation of the Facility, and causes all persons visiting the

Facility on its behalf to comply with all of Seller's applicable safety, health and similar rules and requirements.

10.5 Reliability Standards.

Seller shall operate the Facility in a manner that complies in all material respects with all national and regional reliability standards, including standards set by the Transmission Operator, RFC, NERC and FERC, or any successor agencies setting reliability standards for the operation of generation facilities. To the extent that Seller does not operate the Facility in accordance with such standards that result in monetary penalties being assessed to Purchaser by the Transmission Operator, RFC, NERC, or FERC, Seller shall reimburse Purchaser for its share of such monetary penalties.

10.6 Beneficial Environmental Interests.

The Parties acknowledge that future or existing legislation or regulation may create value in the ownership, use or allocation of the Beneficial Environmental Interests of the Facility. Purchaser shall own or be entitled to claim all Beneficial Environmental Interests to the extent they may exist during the Term; [REDACTED]

10.7 Forecasts.

Seller shall furnish to Purchaser a notice substantially in the form attached hereto as Exhibit I (an "Availability Notice") at or before 6:00 a.m. EPT on the Business Day immediately prior to the first Day to which such Availability Notice shall relate that shall set forth the Facility Capacity that Seller anticipates will actually be available in each hour through the next Business Day and each subsequent Business Day to which such Availability Notice relates. Seller also shall furnish to Purchaser a revised Availability Notice promptly after the occurrence of any Force Majeure event, Forced Outage, unscheduled outage or other unplanned maintenance, derating, or other event that would reduce or interrupt Renewable Energy or Ancillary Services associated with Facility Capacity or cause the controlling Availability Notice to be inaccurate or incomplete in any material respect, with a description of the circumstances thereof. Each such Availability Notice shall be effective until delivery of a subsequent Availability Notice. Seller does not guarantee the accuracy of said Availability Notices, and said Availability Notices are only intended to be its good faith estimate of the projected availability of the Facility at the time such notice is given.

10.8 Planned Maintenance Schedule.

No later than (a) two (2) months prior to the Commercial Operation Date and (b) two (2) months prior to each calendar year thereafter during the Term, Seller shall submit to Purchaser a schedule of planned maintenance for the following calendar year for the Facility. Such schedule shall be consistent with the requirements of Good Utility Practices

and the Interconnection Agreement, and otherwise in accordance with this REPA. Seller shall revise such schedule throughout the year to reflect any changes to its actual expected planned maintenance activities, including any cancellation, postponement, or addition of planned maintenance activities. No planned maintenance of the Facility substation or any other portion of the Facility that would affect the availability [REDACTED] of the Facility Capacity at any one time may be scheduled during the [REDACTED] during the Delivery Period; provided, however, that planned maintenance may be scheduled during such period to the extent (i) required by or necessary to preserve any equipment warranties or (ii) the failure to perform such planned maintenance is contrary to operation in accordance with Good Utility Practices. Such schedule shall indicate the planned commencement and completion dates for each planned maintenance during the period covered thereby, as well as the affected portion(s) of the Facility. If Purchaser desires to change the scheduled commencement or duration of planned maintenance, the Purchaser shall notify the Seller of the requested change and the Seller shall use reasonable efforts to accommodate the requested change. At least one (1) week prior to any planned maintenance, Seller shall notify Purchaser via e-mail and telephonically of the expected commencement date of such planned maintenance, the affected portion(s) of the Facility during such planned maintenance and the expected completion date of such planned maintenance.

10.9 REC Certification.

(A) Seller shall be responsible for causing the GATS Certificates delivered under this REPA to meet all requirements for entry into GATS. Seller shall be responsible for registering and maintaining compliance during the duration of this REPA with GATS and will be responsible for timely delivery as allowed by GATS. [REDACTED]

(B) Seller shall, [REDACTED] take all actions necessary to register for and maintain participation in any applicable systems or programs to monitor, track, certify or trade RECs established by the State of Kentucky or federal Governmental Authorities. [REDACTED]

[REDACTED] to register for and maintain participation in all applicable systems and programs established by any other state Governmental Authorities in any other states within PJM to monitor, track, certify or trade RECs, as requested by Purchaser, with Purchaser initially requesting registration of the Facility in Pennsylvania and Virginia. To the extent necessary, Seller shall assign to Purchaser all rights, title and authority for Purchaser to register, own, hold and manage certificates that represent RECs in Purchaser's own name and to Purchaser's account, including any rights associated with any such federal or applicable state renewable energy information or tracking system that may be established with regard to monitoring, tracking, certifying, or trading such RECs. Upon the request of Purchaser from time to time, (i) Seller shall deliver or cause to be delivered to Purchaser such attestations/certifications of RECs as may be required to comply with any such federal or applicable state certification system

or program, and (ii) Seller shall provide full cooperation in connection with Purchaser's registration and certification of RECs. Purchaser shall assist Seller with the matters described in this subsection (B) to the extent reasonably requested by Seller during the Term.

10.10 Public Statements/Other Use.

Without the written consent of Purchaser, Seller shall not (i) make any public statement or representation that is inconsistent with Purchaser's entitlement to the Renewable Energy Products (or any portion thereof), (ii) use the Facility's Beneficial Environmental Interests to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable energy portfolio standard or other renewable energy mandate, or (iii) advertise, market, sell, retire, convey or otherwise transfer or seek to transfer the Facility's Beneficial Environmental Interests, which rights are expressly reserved to Purchaser during the Term.

10.11 Real-Time Information.

Seller will use commercially reasonable efforts on and after the Commercial Operation Date to continuously and reliably transmit real-time data and measurements to Purchaser in compliance with Exhibit G. Purchaser and Seller shall each bear the cost of and responsibilities for their respective systems, equipment and communications links required for receipt of such real-time information. Seller shall notify Purchaser by electronic mail of the existence, nature, and expected duration of any Weather Station outage (partial or full) as soon as practical, but in no event later than two (2) hours after the Weather Station outage occurs. In the event that Seller fails to continuously transmit real-time data to Purchaser in compliance with Exhibit G, [REDACTED]

[REDACTED]

10.12 Web-Based Operational Reporting.

Purchaser may at its option make available to Seller on the Internet an electronic system which will provide the Parties with the capability to generate and submit standardized reports for purposes of satisfying the requirements of the Parties contained in Sections 10.2, 10.7 and 10.8. Purchaser will develop user requirements for such reporting system in consultation with Seller.

ARTICLE 11 SECURITY FOR PERFORMANCE

11.1 Security Fund.

(A) Seller shall establish the Security Fund [REDACTED]

[REDACTED]



(B) If a breach of Security Provider's obligations under this REPA has occurred and is continuing, then in addition to any other remedy available to it, Security Beneficiary may, before or after termination of this REPA and so long as the Security Fund is required to be outstanding after termination of this REPA pursuant to Section 11.1(F), draw from the Security Fund. Security Beneficiary may, in its sole discretion, draw all or any part of such amounts due to it from any form of Security Fund, and from all such forms, and in any sequence Security Beneficiary may select. Any failure to draw upon the Security Fund or other security for any damages or other amounts due to Security Beneficiary shall not prejudice Security Beneficiary's rights to recover such damages or amounts in any other manner.

(C) The Security Fund shall be maintained at Security Provider's expense, shall be issued by or deposited in an Issuer (as applicable), and shall be in the form of one or more of the following instruments. Security Provider may replace the form of the Security Fund at any time and from time to time upon reasonable prior notice to Security Beneficiary, but the Security Fund must at all times be comprised of one or any combination of the following:

(1) An irrevocable standby letter of credit in substantially the form of Exhibit J from an Issuer that is an Acceptable Issuing Bank. Such security must be issued for a minimum term of three hundred and sixty (360) Days. Security Provider shall cause the renewal or extension of the security for additional consecutive terms of three hundred and sixty (360) Days or more (or, if shorter, the remainder of the period described in Section 11.1(F)) no later than thirty (30) Days prior to each expiration date of the security. If the security is not renewed or extended as required herein (such condition, the "Failure to Extend Condition"), Security Beneficiary shall have the right to draw immediately upon the letter of credit and be entitled to hold the amounts so drawn as security, provided Security Beneficiary satisfies the conditions of Section 11.1(C)(2)(i). If Security Beneficiary does not meet the conditions of Section 11.1(C)(2)(i), Security Beneficiary will place the amounts so drawn in an interest bearing account or escrow in accordance with Section 11.1(C)(2)(ii), until and unless Security Provider provides a substitute form of such security meeting the requirements of this Section 11.1. Such amounts shall constitute part of the Security Fund pursuant to Section 11.1(C)(2) for all purposes of this REPA (including for the return of such Cash to Security Provider according to Section 11.1(F)).

(2) United States currency ("Cash") deposited with (i) Security Beneficiary, provided that Security Beneficiary satisfies the following conditions: (a) it is not a defaulting Party and (b) Security Beneficiary is a Creditworthy Entity. In such event, Security Beneficiary will pay interest to Security Provider on Cash held at the Federal Funds Effective Rate and may draw on the Cash only in the circumstances, and in the amounts, that a letter of credit in the form of Exhibit J could be drawn (except that the Failure to Extend Condition or Failure to Replace Condition shall not apply as a valid reason for disbursement); or (ii) if, and only if, Security Beneficiary does not meet the aforementioned conditions of Section 11.1(C)(2)(i), then the Cash shall be held with an Issuer that is an Acceptable Issuing Bank, either: (a) in an account under which Security Beneficiary is designated as beneficiary with sole authority to draft from the account or otherwise access the security only in the circumstances, and in the amounts, that a letter of credit in the form of Exhibit J could be drawn (except that the Failure to Extend Condition or Failure to Replace Condition shall not apply as a valid reason for disbursement); or (b) held by Issuer as escrow agent with instructions to pay claims made by Security Beneficiary pursuant to this REPA, such instructions to allow drawing by Security Beneficiary only in the circumstances, and in the amounts, that a letter of credit in the form of Exhibit J could be drawn (except that the Failure to Extend Condition or Failure to Replace Condition shall not apply as a valid reason for disbursement). Security held pursuant to Section 11.1(C)(2)(ii) shall be subject to the following: (x) include a requirement for prompt notice to Security Beneficiary from Security Provider in the event that the sums held as security in the account or escrow do not at any time meet the required level for the Security Fund as set forth in this Section 11.1 and (y) funds held in the account or escrow may be deposited in a money-market fund, short-term treasury obligations, investment-grade commercial paper and other liquid investment-grade investments with maturities of three months or less, with all investment income thereon to be taxable to, and to accrue for the benefit of, Security Provider. Security Provider grants to Security Beneficiary a present and continuing first priority security interest in all Cash which has been transferred to Security Beneficiary or held by Issuer. At such times as the balance of Cash held by Security Beneficiary or by Issuer exceeds the amount of Security Provider's obligation to provide security hereunder, Security Beneficiary shall remit to Security Provider on demand any excess in the account above Security Provider's obligations.

(3) A guaranty in substantially the form of Exhibit K from an Issuer that is a Creditworthy Entity.

(D) If the Issuer of any Security Fund instrument ceases to be an Acceptable Issuing Bank (in the case of a letter of credit Issuer or holder of Cash) or a Creditworthy Entity (in the case of an Issuer of a payment guaranty) or any Security Fund instrument ceases to be in full force and effect, then Security Provider shall be required to replace the affected Security Fund instrument with another Security Fund instrument meeting the criteria set forth in Section 11.1(C) no later than ten (10) Days after receiving notice from Security Beneficiary that such replacement of the Security Fund instrument is required pursuant to this Section 11.1(D). If the Security Fund instrument is a letter of credit and is not replaced as required herein (such condition, the "Failure to Replace

Condition"), Security Beneficiary shall have the right to draw immediately upon the letter of credit and be entitled to hold the amounts so drawn as security, provided Security Beneficiary satisfies the conditions of Section 11.1(C)(2)(i). If Security Beneficiary does not meet the conditions of Section 11.1(C)(2)(i), Security Beneficiary will place the amounts so drawn, in an interest bearing account or escrow in accordance with Section 11.1(C)(2)(ii), until and unless Security Provider provides a substitute form of such security meeting the requirements of this Section 11.1. Such amounts shall constitute part of the security pursuant to Section 11.1(C)(2) for all purposes of this REPA (including for the return of such Cash to Security Provider according to Section 11.1(F)).

(E) If any Security Fund instrument is replaced in accordance with Section 11.1(C) or 11.1(D), (i) if the Security Fund instrument replaced is Cash, Security Beneficiary shall immediately return the Cash (including any interest earned thereon) to Security Provider, or (ii) if the Security Fund instrument being replaced is not Cash, the Issuer shall be deemed released from all obligations under such replaced Security Fund instrument, and Security Beneficiary shall execute any documents reasonably requested by Security Provider or the Issuer thereof to confirm such release.

(F) On the later of (i) one hundred eighty (180) days after the termination or expiration of this REPA or (ii) the resolution of all then-pending Disputes under this REPA, (a) if Cash is part of the Security Fund, Security Beneficiary shall immediately return to Security Provider such Cash (together with any interest earned thereon), and (b) if a guaranty or letter of credit is part of the Security Fund, the Issuer(s) that provided or issued such Security Fund instrument shall be deemed released from all obligations under such Security Fund instrument, and Security Beneficiary shall execute any documents reasonably requested by Security Provider or the Issuer thereof to confirm such release.

[REDACTED]

[REDACTED]

ARTICLE 12
DEFAULT AND REMEDIES

12.1 Events of Default of Seller.

(A) Any of the following shall constitute an "Event of Default" of Seller upon its occurrence and no cure period shall be applicable:

(1) Seller's dissolution or liquidation;

(2) Seller's assignment of this REPA or any of its rights hereunder for the benefit of creditors (except for an assignment to the Facility Financing Representative as security under the Financing Documents as permitted by this REPA);

(3) Seller's voluntary filing of a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or Seller voluntarily taking advantage of any such law or act by answer or otherwise;

(4) The filing of a case in bankruptcy or any proceeding under any other insolvency law against Seller or the Issuer providing a guaranty pursuant to Section 11.1(C)(3) hereof as debtor, and such case or proceeding has not been dismissed within sixty (60) Days; or

(5) The sale by Seller to a third party, or diversion by Seller for any use, of Renewable Energy Products committed to Purchaser by Seller, except to the extent permitted by this REPA.

(B) Seller's failure to comply with its obligations under Section 11.1 shall constitute an Event of Default of Seller if not cured within [REDACTED] after the date of written notice from Purchaser to Seller and the Facility Financing Representative as provided for in Section 13.1.

(C) Seller's failure to make any payment required under this REPA (net of any other rights of offset that Seller may have pursuant to Section 9.3), shall constitute an Event of Default of Seller if not cured within [REDACTED] after the date of written notice from Purchaser to Seller and the Facility Financing Representative as provided for in Section 13.1.

(D) Any of the following shall constitute an Event of Default of Seller if not cured within [REDACTED] after the date of written notice from Purchaser to Seller and the Facility Financing Representative as provided for in Section 13.1:

(1) Abandonment;

(2) Seller's failure to maintain in effect any material agreements required to deliver the Renewable Energy committed to Purchaser hereunder to the Point

of Delivery pursuant to Section 5.3, including any breach of the Interconnection Agreement that interferes with Seller's production and/or delivery of any Renewable Energy Product to be produced or delivered pursuant to this REPA or Purchaser's ability to accept or receive such Renewable Energy Products;

(3) Seller's failure to comply with any material obligation under this REPA, other than as expressly specified in this Article 12, which would result in a material adverse impact on Purchaser;

(4) Seller's assignment of this REPA, or Seller's sale or transfer of its interest, or any part thereof, in the Facility, except as permitted in accordance with Article 19; or

(5) Any representation or warranty made by Seller in this REPA shall prove to have been false in any material respect when made, except to the extent expressly limited to the time when made, if such cessation would reasonably be expected to result in a material adverse impact on Purchaser.

(E) Seller's failure to meet the Commercial Operation Milestone shall constitute an Event of Default of Seller if not cured within [REDACTED] after the date of written notice from Purchaser to Seller and the Facility Financing Representative as provided for in Section 13.1; *provided*, however, that Seller shall have an [REDACTED] to achieve the Commercial Operation Date; *provided further*, that on or before the expiration of the [REDACTED] Seller pays to Purchaser all [REDACTED] payable with respect to the [REDACTED]. This provision allows for a total cure period of [REDACTED] if all conditions of this paragraph are met. [REDACTED]

(F) If the Availability of the Facility is less than [REDACTED] of the [REDACTED] it shall constitute an Event of Default of Seller if Seller does not, prior to [REDACTED] after the date of written notice from Purchaser to Seller and the Facility Financing Representative as provided for in Section 13.1 [REDACTED], initiate commercially reasonable efforts to attempt to increase Availability of the Facility such that, for the [REDACTED] beginning on the Shortfall Notice Date, the Availability of the Facility exceeds [REDACTED] of the [REDACTED]; provided, however, that, even if Seller does initiate such commercially reasonable efforts prior to [REDACTED] if, at the end of the [REDACTED], the Availability of the Facility for such period does not exceed [REDACTED] for such period, it shall constitute an Event of Default of Seller. Purchaser may require the retention of an Independent Engineer by Seller, at Seller's cost, to confirm that Seller's efforts to increase Availability of the Facility such that, for the [REDACTED] beginning

on the [REDACTED], the Availability of the Facility [REDACTED]
[REDACTED] is reasonably achievable.

12.2 Facility Financiers' Right to Cure Default of Seller.

Seller shall provide Purchaser with a notice identifying the Facility Financing Representative and the Parties shall use commercially reasonable efforts to enter into a Consent and Agreement in substantially the form of Exhibit L attached hereto with such Facility Financing Representative. Following execution of a Consent and Agreement, Purchaser shall provide notice of any default of Seller under Section 12.1 to the Facility Financing Representative, and Purchaser will accept a cure to such Event of Default of Seller performed by the Facility Financing Representative, in accordance with the terms of the applicable Consent and Agreement.

12.3 Events of Default of Purchaser.

(A) Any of the following shall constitute an "Event of Default" of Purchaser upon its occurrence and no cure period shall be applicable:

- (1) Purchaser's dissolution or liquidation;
- (2) Purchaser's assignment of any of its rights hereunder for the benefit of creditors;
- (3) Purchaser's voluntary filing of a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any State, or Purchaser voluntarily taking advantage of any such law or act by answer or otherwise;
- (4) The filing of a case in bankruptcy or any proceeding under any other insolvency law against Purchaser and such case or proceeding is not dismissed within sixty (60) Days; or
- (5) Purchaser's assignment of this REPA, except as permitted in accordance with Article 19.

(B) Purchaser's failure to make any payment due hereunder (net of outstanding damages and any other rights of offset that Purchaser may have pursuant to this REPA) shall constitute an Event of Default of Purchaser if not cured within thirty (30) Days after the date of written notice from Seller to Purchaser as provided for in Section 13.1.

(C) Purchaser's failure to comply with any material obligation under this REPA, other than as otherwise expressly specified in this Article 12, which would result in a material adverse impact on Seller, shall constitute an Event of Default of Purchaser if not cured within thirty (30) Days after the date of written notice from Seller to Purchaser as provided for in Section 13.1.

(D) Any representation or warranty made by Purchaser in this REPA shall prove to have been false in any material respect when made, except to the extent expressly limited to the time when made, or ceases to remain true during the Term if such cessation would reasonably be expected to result in a material adverse impact on Seller, and shall constitute an Event of Default of Purchaser if not cured within thirty (30) Days after the date of written notice from Seller to Purchaser as provided for in Section 13.1.

12.4 Damages Prior to Termination.

For all breaches or Events of Default (other than those in respect of any delay of the Commercial Operation Date and [REDACTED] for which Sections 4.10 and 7.2 of REPA provide a remedy that is stated to be an exclusive remedy of Purchaser), the non-breaching or non-defaulting Party shall be entitled to receive from the breaching or defaulting Party its actual, direct damages resulting from such breach or Event of Default.

12.5 Termination.

[REDACTED]

12.6 Specific Performance.

In addition to the other remedies specified in this Article 12, in the event that any breach of this REPA by a Party is not cured within the applicable cure period set forth herein, the other Party shall have the right to specific performance.

12.7 [REDACTED]

[REDACTED]

[REDACTED]

12.8 Waiver and Exclusion of Other Damages.

The Parties confirm that the express remedies and measures of damages provided in this REPA satisfy the essential purposes hereof. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct, actual damages only. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES BY STATUTE, IN TORT OR CONTRACT (EXCEPT TO THE EXTENT EXPRESSLY PROVIDED HEREIN); PROVIDED, THAT IF EITHER PARTY IS HELD LIABLE TO A THIRD PARTY FOR SUCH DAMAGES AND THE PARTY HELD LIABLE FOR SUCH DAMAGES IS ENTITLED TO INDEMNIFICATION THEREFORE FROM THE OTHER PARTY HERETO, THE INDEMNIFYING PARTY SHALL BE LIABLE FOR, AND OBLIGATED TO REIMBURSE THE INDEMNIFIED PARTY FOR, SUCH DAMAGES. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

12.9 Payment of Damages.

Without limiting any other provisions of this Article 12 and at any time before or after termination of this REPA, the non-defaulting Party may send the other Party an invoice for such damages (including, if applicable, [REDACTED] or other amounts as are due to the non-defaulting Party at such time from the defaulting Party under this REPA and such invoice shall be payable in the manner, and in accordance with the applicable provisions, set forth in Article 9, including the provision for late payment charges. In the case of damages owed by Seller to Purchaser, Purchaser may, subject to the provisions of Section 11.1, withdraw funds from the Security Fund, as needed to provide payment for such invoice if the invoice is not paid by Seller on or before the tenth (10th) Business Day following the invoice due date.

12.10 Duty to Mitigate.

Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of the REPA.

ARTICLE 13 CONTRACT ADMINISTRATION AND NOTICES

13.1 Notices in Writing.

Notices required by this REPA shall be addressed to the other Party, including the other Party's representative on the Contract Administration Committee, at the addresses noted in Exhibit C as either Party updates them from time to time by written notice to the other Party. Any notice, request, consent, or other communication required or authorized under this REPA to be given by one Party to the other Party shall be in writing. It shall either be hand delivered or sent by certified mail, postage prepaid, return receipt requested, or by overnight mail or courier to the representative of said other Party. If mailed, the notice, request, consent or other communication shall be simultaneously sent by electronic means. Any such notice, request, consent, or other communication shall be deemed to have been received by the Close of the Business Day on which it was hand delivered or transmitted electronically (unless hand delivered or transmitted after such close in which case it shall be deemed received at the close of the next Business Day). Real-time or routine communications concerning Facility operations, including communications specified in Section 7.4 and Section 10.2, shall be exempt from this Section.

13.2 Representative for Notices.

Each Party shall maintain a designated representative to receive notices. Such representative may, at the option of each Party, be the same person as that Party's representative or alternate representative on the Contract Administration Committee, or a different person. Either Party may, by written notice to the other Party, change the representative or the address to which such notices and communications are to be sent.

13.3 Authority of Representatives.

The Parties' representatives designated above shall have authority to act for its respective principals in all technical matters relating to performance of this REPA and to attempt to resolve Disputes or potential Disputes. However, they, in their capacity as representatives, shall not have the authority to amend or modify any provision of this REPA.

13.4 Operating Records.

Seller and Purchaser shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this REPA, including such records as may be required by state or federal regulatory authorities and the Transmission Operator in the prescribed format. Seller and Purchaser shall cause such Operating Records to be kept for a period equal to at least five (5) years following the creation thereof, unless either Seller or Purchaser is required by any Governmental Authority to keep such Operating Records for a longer period of time.

13.5 Operating Log.

Seller shall maintain an accurate and up-to-date operating log, in electronic format, at the Facility with records of production for each Clock Hour; changes in operating status; Scheduled Outages/Deratings and Forced Outages for the purposes of proper administration of this REPA, including such records as may be required by state or federal regulatory authorities and the Transmission Operator in the prescribed format.

13.6 Billing and Payment Records.

To facilitate payment and verification, Seller and Purchaser shall, for a period of at least five (5) years following the creation thereof, keep all books and records necessary for billing and payments in accordance with the provisions of Article 9 and grant the other Party reasonable access to those records. All records of Seller pertaining to the operation of a Facility shall be maintained on the premises of the Facility or at the notice address listed in Exhibit C. For audit and verification purposes, Seller will grant Purchaser read-only access to the PJM eSuite accounts for the PJM Node.

13.7 Examination of Records.

Seller and Purchaser may examine the financial and Operating Records and data kept by the other Party relating to transactions under and administration of this REPA, at any time during the period the records are required to be maintained, upon request and during normal business hours, for a period of at least five (5) years following the creation of such financial and Operating Records and data.

13.8 Exhibits.

Either Party may change the information for their notice addresses in Exhibit C at any time upon written notice to but without the approval of the other Party. Exhibit C may only be changed in accordance with Section 20.4. Exhibit D may be changed in accordance with Section 16.2. All other Exhibits may only be modified by the mutual agreement of Seller and Purchaser.

13.9 Dispute Resolution.

(A) In the event of any dispute, controversy or claim arising out of or relating to this REPA (a "Dispute"), within ten (10) Days following the delivered date of a written request by either Party (a "Dispute Notice"), (i) each Party shall appoint a representative (individually, a "Party Representative", together, the "Parties' Representatives"), and (ii) the Parties' Representatives shall meet, negotiate and attempt in good faith to resolve the Dispute quickly, informally and inexpensively. In the event the Parties' Representatives have not resolved the Dispute within thirty (30) Days after commencement of negotiations, within ten (10) Days following any request by either Party at any time thereafter, each Party Representative (I) shall independently prepare a written summary of the Dispute describing the issues and claims, (II) shall exchange its summary with the summary of the Dispute prepared by the other Party Representative, and (III)

shall submit a copy of both summaries to a senior officer of the Party Representative's Party with authority to irrevocably bind the Party to a resolution of the Dispute. Within ten (10) Business Days after receipt of the Dispute summaries, the senior officers for both Parties shall negotiate in good faith to resolve the Dispute. If the Parties have not resolved the Dispute within fourteen (14) Days following receipt of the Dispute summaries by the senior officers, either Party may seek available legal and equitable remedies.

(B) Notwithstanding any provision in this REPA to the contrary, if no Dispute Notice has been issued within six (6) months following the occurrence of all events and the existence of all circumstances giving rise to the Dispute (regardless of the knowledge or potential knowledge of either Party of such events and circumstances), the Dispute and all claims related thereto shall be deemed waived and the aggrieved Party shall thereafter be barred from proceeding thereon; provided, however, that the limitation set forth in this subsection (B) shall not apply to any Dispute Notices regarding claims for indemnification under this REPA for third party claims.

(C) Seller and Purchaser each hereby knowingly, voluntarily and intentionally waive any rights they may have to a trial by jury in respect of any litigation based hereon, or arising out of, under, or in connection with, this REPA or any course of conduct, course of dealing, statements (whether oral or written) or actions of Seller and Purchaser related hereto and expressly agree to have any Disputes arising under or in connection with this REPA be adjudicated by a judge of the court having jurisdiction without a jury.

ARTICLE 14 FORCE MAJEURE

14.1 Definition of Force Majeure.

(A) The term "Force Majeure", as used in this REPA, means causes or events beyond the reasonable control of the Party claiming Force Majeure and which (i) is not occurring and cannot reasonably be foreseen on the date hereof, (ii) could not be avoided, prevented or removed by such Party's use of commercially reasonable efforts and (iii) are not caused by or result from the negligence or breach or failure of such Party to perform its obligations hereunder and the affected Party has taken all reasonable precautions, care and alternative measures to avoid or mitigate the effects thereof in accordance with Applicable Law and Good Utility Practices. So long as the requirements of the preceding sentence are met, causes and events of Force Majeure include acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes; high winds of sufficient strength or duration to materially damage the Facility or significantly impair its construction or operation for a period of time longer than normally encountered under comparable circumstances; long-term material changes in solar irradiance across the Facility; lightning; fire; ice storms; pandemics; sabotage; vandalism beyond that which could reasonably be prevented by Seller; terrorism; war; riots; fire; explosion; blockades; insurrection; strike; slow down or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); and actions

or inactions by any Governmental Authority taken after the date hereof (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by such Governmental Authority) but only if such requirements, actions, or failures to act prevent or delay performance.

(B) The term Force Majeure does not include (i) any acts or omissions of any third party, in its capacity as vendor, materialman, customer, contractor or supplier of Seller, unless such acts or omissions are themselves excused by reason of Force Majeure; (ii) any full or partial curtailment in the electric output of the Facility that is caused by or arises from a mechanical or equipment breakdown or other mishap or events or conditions attributable to normal wear and tear or flaws, unless such curtailment or mishap is caused by one of the following: catastrophic equipment failure; acts of God; sudden actions of the elements, including floods, hurricanes, or tornadoes; sabotage; terrorism; war; riots; and emergency orders issued by a Governmental Authority; (iii) loss of Purchaser's markets or Purchaser's inability to use or resell the Renewable Energy Products; (iv) Seller's ability to sell the Renewable Energy Products at a price greater than the applicable Contract Rate; (v) changes in market conditions that affect the cost of Purchaser's or Seller's supplies, or that affect demand or price for any of Purchaser's or Seller's products or (vi) lack of funds or inability to make timely payments of money.

14.2 Applicability of Force Majeure.

(A) Other than as set forth in Section 14.3, neither Party shall be responsible or liable for any delay or failure in its performance under this REPA (other than the obligation to make payment of amounts due and payable under this REPA), nor shall any delay, failure, or other occurrence or event become an Event of Default, to the extent such delay, failure, occurrence or event is substantially caused by conditions or events of Force Majeure, provided that:

(1) the non-performing Party gives the other Party prompt written notice describing the particulars of the occurrence of the Force Majeure;

(2) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

(3) the non-performing Party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other Party describing actions taken to end the Force Majeure; and

(4) when the non-performing Party is able to resume performance of its obligations under this REPA, that Party shall give the other Party prompt written notice to that effect.

(B) Except as otherwise expressly provided for in this REPA, the existence of a condition or event of Force Majeure shall not relieve the Parties of their obligations under this REPA (including payment obligations) to the extent that

performance of such obligations is not precluded by the condition or event of Force Majeure.

14.3 Limitations on Effect of Force Majeure.

In no event will any delay or failure of performance caused by any conditions or events of Force Majeure extend this REPA beyond its stated Term. In the event that any delay or failure of performance caused by conditions or events of Force Majeure prevents the performance of a Party's obligations hereunder in any material respect and continues for an uninterrupted period of three hundred sixty-five (365) Days from its occurrence or inception, as noticed pursuant to Section 14.2(A), the Party not claiming Force Majeure may, at any time following the end of such three hundred sixty-five (365) Day period, terminate this REPA upon written notice to the affected Party, without further obligation or liability by either Party except as to costs and balances incurred prior to the effective date of such termination. The Party not claiming Force Majeure may, but shall not be obligated to, extend such three hundred sixty-five (365) Day period, for such additional time as it, at its sole discretion, deems appropriate, if the affected Party is exercising due diligence in its efforts to cure the conditions or events of Force Majeure.

ARTICLE 15 REPRESENTATIONS, WARRANTIES AND COVENANTS

15.1 Seller's Representations, Warranties and Covenants.

Seller hereby represents and warrants as follows:

(A) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller is qualified to do business in each other jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller; and Seller has all requisite power and authority to conduct its business, to own its assets, and to execute, deliver, and perform its obligations under this REPA.

(B) The execution, delivery, and performance of its obligations under this REPA by Seller have been duly authorized by all necessary limited liability company action, and do not and will not:

(1) require any consent or approval by any governing body of Seller, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to Purchaser upon its request);

(2) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to Seller or violate any provision in any formation documents of Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this REPA;

(3) result in a breach or constitute a default under Seller's formation documents or bylaws, or under any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this REPA; or

(4) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this REPA) upon or with respect to any of the assets of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this REPA.

(C) This REPA is a valid and binding obligation of Seller.

(D) The execution and performance of this REPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or the Facility.

(E) To the knowledge of Seller, and except for those permits, consents, agreements, approvals, licenses and authorizations which Seller anticipates will be obtained by Seller in the ordinary course of business, all permits, consents, agreements, approvals, licenses, authorizations, or other action required by any Governmental Authority (including permits, consents, agreements, approvals, licenses, authorizations, or other action relating to the protection of wildlife (including, but not limited to, federally and stated protected wildlife)), to authorize Seller's execution, delivery and performance of this REPA have been duly obtained and are in full force and effect.

(F) Seller is (1) an "eligible contract participant" as defined in 12 U.S.C. 5301, or (2) a producer, processor, or commercial user of, or a merchant handling, the electricity that is the subject of this REPA, or the products or byproducts thereof, and Seller is entering into this REPA solely for purposes related to its business as such.

(G) Seller shall comply with all applicable local, state, and federal laws, regulations, and ordinances, including applicable equal opportunity and affirmative action requirements and all applicable federal, state, and local environmental laws and regulations presently in effect or which may be enacted during the Term.

(H) Seller shall disclose to Purchaser, the extent of, and as soon as practicable following the time it is known to Seller, any material violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Site, alleged to exist by any Governmental Authority having jurisdiction over the Site, or the

existence of any past or present enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination.

15.2 Purchaser's Representations, Warranties and Covenants.

Purchaser hereby represents and warrants as follows:

(A) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Kentucky and is qualified to do business in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of Purchaser; and Purchaser has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this REPA.

(B) The execution, delivery, and performance of its obligations under this REPA by Purchaser have been duly authorized by all necessary corporate action, and do not and will not:

(1) require any consent or approval of Purchaser's Board of Directors, or shareholders, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to Seller upon its request);

(2) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to Purchaser or violate any provision in any corporate documents of Purchaser, the violation of which could have a material adverse effect on the ability of Purchaser to perform its obligations under this REPA;

(3) result in a breach or constitute a default under Purchaser's corporate charter or bylaws, or under any agreement relating to the management or affairs of Purchaser, or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Purchaser is a party or by which Purchaser or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this REPA; or

(4) result in, or require the creation or imposition of, any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this REPA) upon or with respect to any of the assets or properties of Purchaser now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this REPA.

(C) This REPA is a valid and binding obligation of Purchaser.

(D) The execution and performance of this REPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which

Purchaser is a party or any judgment, order, statute, or regulation that is applicable to Purchaser.

(E) To the best knowledge of Purchaser, all approvals, authorizations, consents, or other action required by any Governmental Authority to authorize Purchaser's execution, delivery and performance of this REPA, have been duly obtained and are in full force and effect.

ARTICLE 16 INSURANCE

16.1 Evidence of Insurance.

Seller shall, prior to the commencement of construction and promptly upon renewal of insurance each calendar year or partial calendar year during the Term, provide Purchaser, at the insurance address listed in Exhibit C, with a copy of insurance certificates acceptable to Purchaser evidencing that insurance coverages for the Facility are in compliance with the specifications for insurance coverage set forth in this Article 16 and Exhibit D to this REPA. Such certificates shall (a) identify Purchaser and its Affiliates as additional insureds (except workers' compensation); (b) provide for a waiver of any rights of subrogation against Purchaser, its Affiliates and their officers, directors, agents, subcontractors, and employees; and (c) indicate that the Commercial General Liability policy has been endorsed as described in Exhibit D. Seller shall use commercially reasonable efforts to ensure that the insurance policies required by this REPA are procured and stipulate that Purchaser shall receive thirty (30) Days prior written notice of non-renewal, cancellation of, or significant modification to any of the corresponding policies (except that such notice shall be ten (10) Days for non-payment of premiums); provided, however, that, if Seller is unable to require its insurers to provide such notices to Purchaser, Seller shall provide such notice to Purchaser, at the insurance address listed in Exhibit C. In the event Seller receives notice from one of its insurers, it shall provide notice to Purchaser as soon as practicable but in no event later than five (5) Business Days following Seller's receipt. All policies shall be written with insurers that Purchaser, in its reasonable discretion, deems acceptable (such acceptance will not be unreasonably withheld, conditioned or delayed). All policies shall contain an endorsement that Seller's policy shall be primary and non-contributory with respect to any insurance maintained by Purchaser, in all instances regardless of like coverages, if any, carried by Purchaser. Seller's liability under this REPA is not limited to the amount of insurance coverage required herein.

16.2 Term and Modification of Insurance.

All insurance required under this REPA shall be on an occurrence-basis and shall be in effect during the Term and for a period of two (2) years after the Term. In the event that any insurance as required herein is commercially available only on a "claims-made" basis, such insurance shall provide for a retroactive date not later than the date of this REPA and such insurance shall be maintained by Seller, with a retroactive date not later than the retroactive date required above, for a minimum of five (5) years after the Term.

ARTICLE 17
[REDACTED]

17.1 [REDACTED]

[REDACTED]

17.2 [REDACTED]

[REDACTED]

17.3 [REDACTED].

[REDACTED]

17.4 [REDACTED]

[REDACTED]

ARTICLE 18
LEGAL AND REGULATORY COMPLIANCE

18.1 Compliance with Laws.

Each Party shall at all times comply with all Applicable Law, ordinances, rules and regulations applicable to it except for any non-compliance which, individually or in the aggregate, could not reasonably be expected to have a material effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder. As applicable, each Party shall give all required notices, shall procure and maintain all permits, licenses, and inspections required by any Governmental Authority and necessary for performance of this REPA, and shall pay its respective charges and fees in connection therewith.

18.2 Cooperation.

Each Party shall cooperate with the other Party in providing such information as may be reasonably requested, to the extent permitted by Applicable Law and subject to such confidentiality and use limitations as the providing Party may reasonably require, to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including administrative proceedings before utility regulatory commissions.

ARTICLE 19
ASSIGNMENT, SUBCONTRACTING, AND FINANCING

19.1 No Assignment Without Consent.

Except as permitted in this Article 19, neither Party shall assign this REPA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided (i) at least thirty (30) Days prior notice of any such assignment shall be given to the other Party; (ii) any assignee shall expressly assume the assignor's obligations hereunder, unless otherwise agreed to by the other Party, and no assignment, whether or not consented to, shall relieve the assignor of its obligations hereunder in the event the assignee fails to perform, unless the other Party agrees in writing in advance to waive the assignor's continuing obligations pursuant to this REPA; (iii) no such assignment shall impair any security given by Seller hereunder; and (iv) before the REPA is assigned by Seller, the assignee must first obtain such approvals as may be required by all applicable regulatory bodies. For the avoidance of doubt, a merger of either Party with another Person shall not qualify as an assignment and shall not be subject to the restrictions set forth in this Section 19.1.

(A) Seller's consent shall not be required for Purchaser to assign this REPA to an Affiliate of Purchaser, provided that Purchaser provides assurances and executes documents reasonably required by Seller and the Facility Financiers regarding Purchaser's continued liability for all of Purchaser's obligations under this REPA in the event of any nonperformance on the part of such assignee and that such assignee is a Creditworthy Entity. In the event that the assignee has or obtains an investment grade senior unsecured debt rating equivalent to or better than the senior unsecured debt rating of Purchaser (but in no event worse than the equivalent of BBB), then Seller agrees to relieve Purchaser from its obligations under this REPA if Purchaser requests to be so relieved in a written notice provided to Seller.

(B) Seller shall have the right, without Purchaser's prior written consent, to assign this REPA (i) subject to the provisions of Section 19.2, to a purchaser of all or substantially all of the assets of Seller; (ii) to an Affiliate of Seller; (iii) in connection with a merger of Seller with another Person or any other transaction resulting in a direct or indirect Change of Control of Seller, or (iv) for collateral purposes to the Facility Financing Representative or any Facility Financier provided that the Parties and the Facility Financing Representative have executed the applicable Consent and Agreement; and in any event provided that such purchaser, Affiliate or the Person surviving such merger, as applicable, (x) meets the requirements of this Section 19.1, (y) complies with the requirements of Section 11.1, and (z) is a Qualified Operator or engages a Qualified Operator to operate and maintain the Facility.

19.2 Right of First Offer.

(A) Provided that no Event of Default by Purchaser is continuing and only in the event Seller terminates this REPA pursuant to Section 6.2(B), Section 6.4 or there is a Seller Event of Default that results in Purchaser's termination of this REPA, Seller

shall not enter into an agreement to sell or transfer the Renewable Energy Products generated by the Facility for a period of twelve (12) months after such applicable termination of this REPA, unless prior to such sale or transfer, Seller provides written notice thereof to Purchaser. Such notice shall contain a description of the price and other material terms upon which Seller (or any direct or indirect parent of Seller) desires to sell or transfer such Renewable Energy Products. If Purchaser desires to enter into negotiations with Seller regarding the sale or transfer of the product(s) that are the subject of the notice, Purchaser shall notify Seller of such decision within fifteen (15) Days of receipt of Seller's notice (a "ROFO Notice"), which ROFO Notice shall set forth the price and other material terms upon which Purchaser desires to purchase the products. Upon Seller's receipt of a ROFO Notice, Purchaser and Seller shall negotiate in good faith, on an exclusive basis for no more than sixty (60) Days (unless a longer period is otherwise mutually agreed to) (the "ROFO Period"), the terms of the sale or transfer of the products to Purchaser or, at Purchaser's option, an Affiliate of Purchaser. Seller will provide in a timely manner, information regarding such reasonable information as Purchaser may request regarding the Facility in order for Purchaser to perform due diligence and to negotiate in good faith for the purchase of the Facility's output. During the ROFO Period, Seller shall not, and shall cause its Affiliates, directors, officers, personnel and other representatives not to, engage in any discussions or negotiations with any third party regarding any sale or transfer of the products or provide any information to any third party in furtherance of any such transaction. For the avoidance of doubt, the ROFO Period will apply beyond the twelve (12) month period, in any instance where Seller's initial notice is sent before the end of the twelve (12) month period.

(B) If Purchaser delivers a ROFO Notice, Seller may not sell the Renewable Energy Products to any other Person for a purchase price less than one hundred and one percent (101%) of the purchase price offered by Purchaser in its ROFO Notice or on other terms and conditions materially more favorable, in the aggregate, to such Person than the terms and conditions offered by Purchaser in its ROFO Notice.

(C) If Purchaser does not purchase the Renewable Energy Products (either because Purchaser does not deliver a ROFO Notice or because Purchaser and Seller are unable to agree upon terms pursuant to which they consummate a sale of the Renewable Energy Products to Purchaser), and Seller subsequently does not consummate the sale or transfer of the Renewable Energy Products, then within the later of (i) the date that is the end of ROFO Period or (ii) twelve (12) months after the termination of this REPA, Seller (or any direct or indirect parent of Seller) shall not sell or transfer all or any Renewable Energy Products, unless prior to such sale or transfer it complies with the provisions of Section 19.2(A).

(D) The provisions of this Section 19.2 shall terminate twelve (12) months after a termination of this REPA under Section 6.2(B) or 6.4.

19.3 Reserved.

19.4 Accommodation of Facility Financiers.

To facilitate Seller's obtaining of financing with respect to the Facility, Purchaser shall make reasonable efforts to enter into the Consent and Agreement (with respect to any debt financing) or an estoppel in a form reasonably satisfactory to Purchaser (with respect to any equity financing) and to provide such other certifications, representations or other documents as the Facility Financing Representative may reasonably request and are in form and substance satisfactory to Purchaser; provided, that in responding to any such request, Purchaser shall have no obligation to enter into any agreement that materially adversely affects any of Purchaser's rights, benefits, risks or obligations under this REPA. Seller shall reimburse, or shall cause the Facility Financing Representative to reimburse, Purchaser for expenses (including the reasonable fees and expenses of counsel) incurred by Purchaser in the preparation, negotiation, execution and delivery of the applicable Consent and Agreement, estoppel and other documents pursuant to this Section 19.3 in an amount for each closing of any such financing equal to the actual third-party expenses incurred by Purchaser in connection with such closing.

19.5 Notice of Facility Financier Action.

Within ten (10) Days following Seller's receipt of each written notice from the Facility Financiers of default, or Facility Financiers' intent to exercise any remedies, under the Financing Documents, Seller shall deliver a copy of such notice to Purchaser.

19.6 Transfer Without Consent is Null and Void.

Any sale, transfer, or assignment of any interest in the Facility or in this REPA made without fulfilling the requirements of the REPA shall be null and void and shall constitute an Event of Default pursuant to Article 12.

ARTICLE 20
MISCELLANEOUS

20.1 Waiver.

Subject to the provisions of Section 13.9(B), the failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this REPA, or to take advantage of any of its rights thereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

20.2 Taxes.

(A) Each Party shall use reasonable efforts to implement the provisions of and to administer this REPA in accordance with the intent of the Parties to minimize all

Taxes, so long as neither Party is materially adversely affected by such efforts. Notwithstanding the foregoing, neither Party shall be obligated to incur any financial burden to reduce taxes for which the other Party is responsible hereunder.

(B) Seller shall pay or cause to be paid (and shall indemnify and hold Purchaser harmless from and against) all sales, use, excise, ad valorem, transfer and other similar taxes that are imposed by any taxing authority (individually, a "Tax" and collectively, "Taxes") on or with respect to the Facility or the sale of Renewable Energy Products incurred prior to the delivery of Renewable Energy Products to the Point of Delivery. Purchaser shall pay or cause to be paid (and shall indemnify and hold Seller harmless from and against) all Taxes on or with respect to the sale of Renewable Energy Products incurred upon and after the delivery of Renewable Energy Products to the Point of Delivery (other than ad valorem, franchise, income, or commercial activity taxes, and transactional taxes or fees imposed by law on the Seller that are related to the sale of Renewable Energy Products and are, therefore, the responsibility of the Seller). If a Party is required to remit or pay Taxes that are the other Party's responsibility hereunder, the responsible Party shall promptly reimburse the other for such Taxes.

(C) In the event any of the sales of Renewable Energy Products hereunder are exempt or excluded from any particular Tax(es) payable by Purchaser, Purchaser shall provide Seller with all necessary documentation within thirty (30) Days after the execution of this REPA to evidence such exemption or exclusion (or, with regard to any such Tax(es) enacted after the date of this REPA, Purchaser shall provide Seller with such documentation before the date on which the enactment requires the delivery of documentation to Seller in order to effect an exclusion or exemption from such Tax(es)). In the event Purchaser does not provide such documentation, then Purchaser shall indemnify, defend and hold Seller harmless from any liability with respect to Tax(es) to which Purchaser is exempt or excluded.

20.3 Fines and Penalties.

(A) Seller shall pay when due all fees, fines, penalties or costs to the extent incurred by Seller or its agents, employees or contractors for noncompliance by Seller, its employees, or subcontractors with any provision of this REPA, or any contractual obligation, permit or requirements of law except for such fines, penalties and costs that are being actively contested in good faith and with due diligence by Seller and for which adequate financial reserves have been set aside to pay such fines, penalties or costs in the event of an adverse determination.

(B) If fees, fines, penalties, or costs are claimed or assessed against either Party by any Governmental Authority due to noncompliance by the other Party with this REPA, any requirements of law with which compliance is required by this REPA, any permit or contractual obligation, or, if the work of the other Party or any of its contractors or subcontractors is delayed or stopped by order of any Governmental Authority due to the other Party's noncompliance with any requirements of law with which compliance is required by this REPA, permit, or contractual obligation, penalized Party shall indemnify

and hold other Party harmless against any and all reasonable losses, liabilities, damages, and claims suffered or incurred by other Party, including claims for indemnity or contribution made by third parties against other Party, except to the extent other Party recovers any such losses, liabilities or damages through other provisions of this REPA.

20.4 Rate Changes.

The terms and conditions and the rates for service specified in this REPA shall remain in effect for the Term. Absent the Parties' written agreement, this REPA shall not be subject to change by application of either Party pursuant to Section 205, 206 or 306 of the Federal Power Act.

Absent the agreement of all parties to the proposed change, the standard of review for changes to this REPA whether proposed by a Party, a non-party, or the Federal Energy Regulatory Commission acting *sua sponte* shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008) and *NRG Power Marketing, LLC et al. v. Maine Public Utilities Commission*, 558 U.S. 165 (2010) (the "Mobile-Sierra" doctrine), or such other standard of review permissible to preserve the intent of the Parties pursuant to this Section to uphold this REPA without modification.

20.5 Disclaimer of Third Party Beneficiary Rights.

In executing this REPA, neither Party does, nor should it be construed to, extend its credit or financial support for the benefit of any third parties, including those lending money to or having other transactions with the other Party. Except with respect to the Consent and Agreement and the rights of the Indemnified Parties under Section 17.1, nothing in this REPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any Person not a party to this REPA.

20.6 Relationship of the Parties.

(A) This REPA shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation or liability upon either Party nor to create any agency relationship between the Parties or impose any fiduciary responsibility on either Party or create any trust or trust obligations on either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

(B) Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform its obligations under this REPA, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of Purchaser for any

purpose; nor shall Seller represent to any Person that he or she is or shall become a Purchaser employee.

20.7 Equal Employment Opportunity Compliance Certification.

Seller acknowledges that as a government contractor Purchaser is subject to various federal laws, executive orders, and regulations regarding equal employment opportunity and affirmative action. These laws may also be applicable to Seller as a subcontractor to Purchaser. Seller shall comply with all applicable equal opportunity and affirmative action federal laws, executive orders, and regulations, including, if applicable, 41 C.F.R. §60-1.4(a)(1-7).

20.8 Survival of Obligations.

Cancellation, expiration, or earlier termination of this REPA shall not relieve the Parties of obligations that by their nature should survive such cancellation, expiration, or termination, prior to the term of the applicable statute of limitations, including warranties, remedies, or indemnities, which obligations shall survive for the period of the applicable statute(s) of limitation.

20.9 Severability.

In the event any of the terms, covenants, or conditions of this REPA, its Exhibits, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the REPA and their application not adversely affected thereby shall remain in force and effect; provided, however, that Purchaser and Seller shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this REPA with a view toward effecting the purposes of this REPA by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

20.10 Complete Agreement; Amendments.

The terms and provisions contained in this REPA constitute the entire agreement between Purchaser and Seller with respect to the Facility and shall supersede all previous communications, representations, or agreements, either verbal or written, between Purchaser and Seller with respect to the sale of Renewable Energy Products from and associated with the Facility. This REPA may be amended, changed, modified, or altered, provided that such amendment, change, modification, or alteration shall be in writing and signed by both Parties hereto.

20.11 Binding Effect.

This REPA, as it may be amended from time to time pursuant to Section 20.10, shall be binding upon and inure to the benefit of the Parties hereto and

their respective successors-in-interest, legal representatives, and assigns permitted hereunder.

20.12 Headings.

Captions and headings used in this REPA are for ease of reference only and do not constitute a part of this REPA.

20.13 Counterparts.

This REPA may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

20.14 Governing Law.

The interpretation and performance of this REPA and each of its provisions shall be governed and construed in accordance with the laws of the State of New York, without regard to its conflicts of laws provisions.

20.15 Confidentiality.

This REPA and any information provided by either Party to the other Party pursuant to this REPA and labeled "CONFIDENTIAL" or with words of similar meaning will be utilized by the receiving Party solely in connection with the purposes of this REPA and will not be disclosed by the receiving Party to any third party, except with the providing Party's consent, and upon request of the providing Party will be returned thereto, except that the receiving Party will not be obligated to return any such information contained in documents generated by the receiving Party that: (1) reflect or refer to confidential information provided by the disclosing Party; and (2) are stored electronically by the receiving Party. With respect to any such retained electronically stored confidential information, the receiving Party will continue to comply with the obligations of this Section 20.15. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that such confidential information may be disclosed to (i) the Interconnection Provider, the Transmission Operator, Affiliates or any other Person (including subcontractors, consultants, accountants, financial advisors, experts, legal counsel and other professional advisors to the Parties) as required for settlement and billing or otherwise to perform under or administer or schedule under this REPA, recognizing that such confidential information shall not be disclosed under any circumstances, directly or indirectly, to any power marketing or trading personnel, affiliated or otherwise; and (ii) in case of Seller, to Facility Financiers or potential Facility Financiers, potential bidders and bidders for, and potential purchasers and purchasers of, direct or indirect ownership interests in the Facility (including direct or indirect interests in the equity interests of Seller). To the extent that such disclosures are necessary, the Parties also agree that they will in disclosing such information seek to preserve the confidentiality of such disclosures, by requiring a party receiving confidential information to be bound by the terms of this REPA applicable to such a confidential information. Without limiting the foregoing, this Section 20.15 will not prevent a Party from providing confidential

information to any Governmental Authority formally or otherwise, as required in connection with any regulatory proceeding, as required for obtaining any regulatory approval or making any regulatory filing, provided that each Party agrees to cooperate with the other to maintain the confidentiality of the provisions of this REPA by requesting confidential treatment with all filings to the extent appropriate and permitted by Applicable Law. This provision will not prevent either Party from providing any confidential information received from the other Party to any court or regulatory proceeding or in accordance with a proper discovery request or in response to the reasonable request or need of any Governmental Authority charged with regulating the disclosing Party's affairs or in accordance with the request of any applicable stock exchange, provided that, if feasible, the disclosing Party will give prior notice to the other Party of such disclosure and, if so requested by such other Party, will have used all reasonable efforts to oppose or resist the requested disclosure, as appropriate under the circumstances, or to otherwise make such disclosure pursuant to a protective order or other similar arrangement for confidentiality. Notwithstanding anything herein to the contrary, neither Party may issue a press release or public statement regarding entering into this REPA without the other Party's consent. In the event Seller utilizes an Affiliate or a non-affiliated entity to serve as its agent for purposes of scheduling and submitting Purchaser's forecasts, Purchaser reserves the right to require such Affiliate or non-affiliated entity to sign a separate confidentiality agreement directly with Purchaser setting forth such entity's obligation to keep Purchaser's information confidential and to not share such information with any trading or marketing personnel.

20.16 Forward Contract.

The Parties acknowledge and agree that this REPA and the transactions contemplated by this REPA constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that each Party is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this REPA as of the date set forth in the preamble hereof.

Seller:

Bright Mountain Solar, LLC

By: /s/ Jorge Pedron_____

Name: Jorge Pedron_____

Title: Authorized Representative

By: /s/ Jorge Alvarez_____

Name: Jorge Alvarez_____

Title: Authorized Representative

Purchaser:

Kentucky Power Company

By: /s/ Cynthia G. Wiseman_____

Name: Cynthia G. Weisman_____

Title: President & COO– Kentucky Power

EXHIBIT A

FACILITY DESCRIPTION AND SITE MAP

Facility Description, as of the Effective Date, as may be updated pursuant to Section 3.1:

Size: 80 MW AC, 113 MW DC

Location: Perry County, Kentucky, [REDACTED]

Site Acreage: Approximately 360 acres

Point of Interconnection Busbar for the AEP-Bonnymon 69kV substation

Major Equipment:

[REDACTED]

Site Map

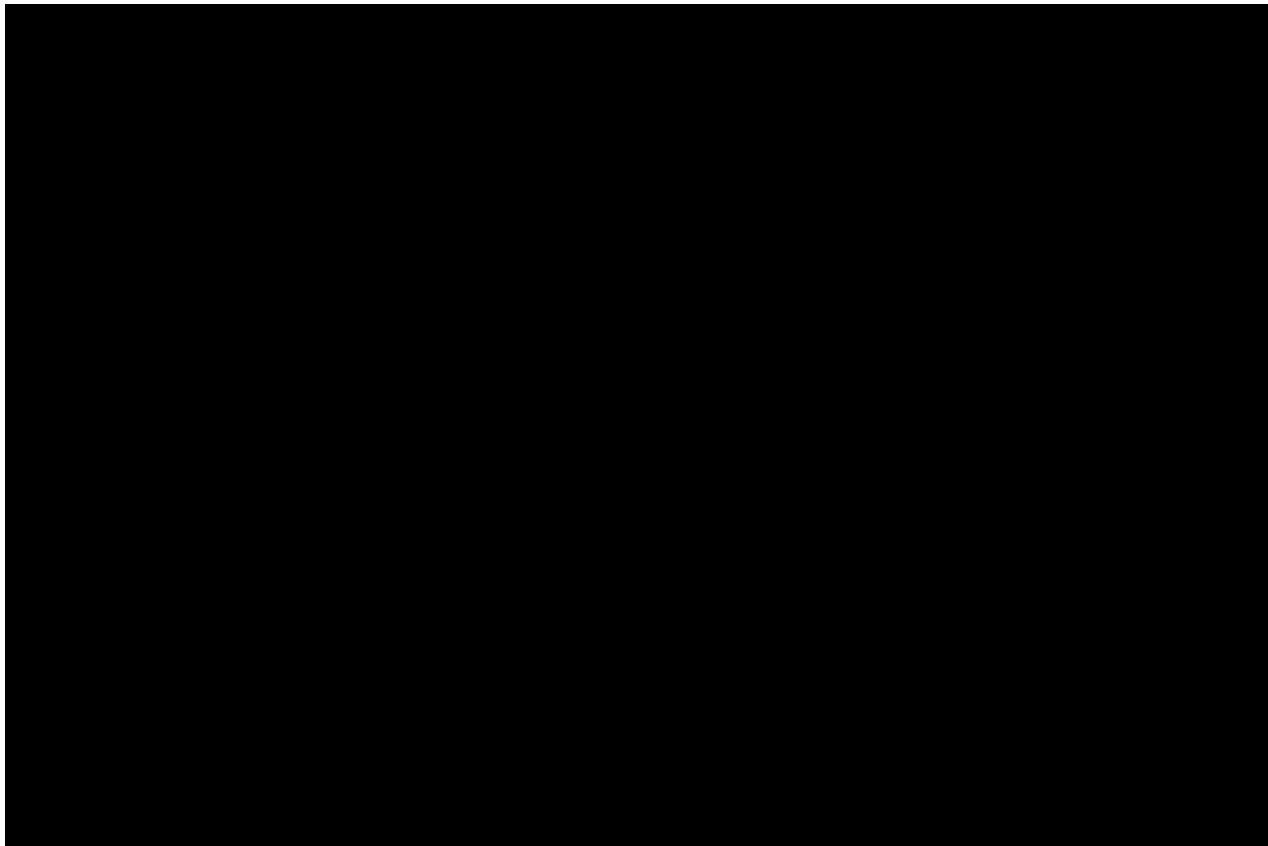


EXHIBIT B

CONTRACT RATE

(\$ Per MWh)

The Contract Rate during the Delivery Period shall be an "around the clock" price of \$83.68 per MWh and shall be fixed throughout the Term.

EXHIBIT C

NOTICE ADDRESSES

Purchaser	Seller
<p>Invoices: [REDACTED]</p> <p>Notices and Insurance (other than invoices):</p> <p>Kentucky Power Company c/o American Electric Power Service Corporation 1 Riverside Plaza, 14th Floor Columbus, OH 43215 Attn: Contract Administration</p> <p><u>with copies to:</u></p> <p>American Electric Power Service Corporation 1 Riverside Plaza, 27th Floor Columbus, OH 43215 Attn: Director, Credit Risk Department and</p> <p>American Electric Power Service Corporation 1 Riverside Plaza, 29th Floor Columbus, OH 43215 Attn: Legal - J. Jadwin</p>	<p>Notices: Bright Mountain Solar, LLC Attn: Contract Administration 2701 NW Vaughn St. # 300 Portland, OR 97209 Phone: [REDACTED] Email: [REDACTED]</p> <p>Notices (other than operational notices):</p> <p>To be designated in writing by Seller at or prior to the commencement of construction of the Facility.</p> <p><u>with copies to:</u></p> <p>For Invoices, Payments & Collections: Attn: [REDACTED] 2701 NW Vaughn St. # 300 Portland, OR 97209 Phone: [REDACTED] Email: [REDACTED]</p> <p>For Scheduling: Attn: [REDACTED] 2701 NW Vaughn St. # 300 Portland, OR 97209 Phone: [REDACTED] Email: [REDACTED]</p> <p>For Credit and Collateral: Attn: [REDACTED] 2701 NW Vaughn St. # 300 Portland, OR 97209 Phone: [REDACTED] Email: [REDACTED]</p> <p>For Notices of an Event of Default: Attn: Office of the General Counsel 2701 NW Vaughn St. # 300</p>

	Portland, OR 97209 Phone: [REDACTED]
Contract Administration Committee Representative: [REDACTED] Phone: [REDACTED] Email: [REDACTED] Alternate: To be designated in writing by Purchaser at or prior to the first meeting of the Contract Administration Committee	Contract Administration Committee Representative: Alternate: To be designated in writing by Seller at or prior to the first meeting of the Contract Administration Committee

EXHIBIT D

INSURANCE COVERAGE

(Refer to Article 16 Insurance for Additional Requirements)

<u>Type of Insurance</u>	<u>Minimum Limits of Coverage</u>
Commercial General Liability (CGL)	<p>\$11,000,000 combined single limit per occurrence, which may be met by any combination of Primary and Excess/Umbrella coverages. If CGL insurance contains a general aggregate limit, it shall apply separately to the Facility.</p> <p>CGL insurance shall be written on an ISO occurrence form reasonably acceptable to Purchaser and shall cover liability arising from premises, operations, independent contractors, products/completed operations, contracts, property damage, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), all with limits as specified above. CGL insurance shall include ISO endorsement CG 24 17 (or an equivalent endorsement) which modifies the definition of "Insured contract" to eliminate the exclusion of easement or license agreements in connection with construction or demolition operations on or within 50 feet of a railroad. There shall be no endorsement or modification of the CGL insurance limiting the scope of coverage for liability arising from explosion, collapse, or underground (XCU) property damage.</p> <p>Purchaser shall be included as an additional insured under the CGL policy, using ISO additional insured endorsement CG 20 10 (or a substitute providing equivalent coverage), and under the commercial excess/umbrella insurance. The commercial excess/umbrella insurance shall provide coverage in excess of the limits afforded by the CGL insurance, the Business Automobile Liability insurance, and the Employers Liability insurance.</p> <p>The CGL and commercial umbrella insurance to be obtained by or on behalf of Seller shall be endorsed as follows:</p> <p style="padding-left: 40px;">Such insurance as afforded by this policy for the benefit of Purchaser shall be primary as respects any claims, losses, damages, expenses, or liabilities arising out of this REPA, and insured hereunder, and any insurance carried by Purchaser shall be excess of and noncontributing with insurance afforded by this policy.</p>
Business Automobile Liability	<p>\$1,000,000 combined single limit (each accident), including all Owned, Non-Owned, Hired and Leased Autos</p>

	<p>Business Automobile Liability insurance shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. The policy shall provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.</p>
Workers Compensation	<p>Statutory Requirements. Seller may comply with these requirements through the use of a qualified self-insurance plan.</p>
Employers Liability	<p>\$1,000,000 each accident for bodily injury and disease. .</p>
Builder's Risk	<p>Maximum foreseeable loss.</p> <p>Builder's Risk insurance, or an installation floater, shall include coverage for earthquake and flood, collapse, faulty workmanship, materials and design, testing of machinery or equipment, freezing or changes in temperature, debris removal, and partial occupancy.</p>
Environmental Impairment Liability	<p>\$5,000,000 each occurrence.</p>
"All-Risk" Property insurance covering physical loss or damage to the Facility	<p>"All risk" property insurance covering the maximum foreseeable loss of the Facility on a replacement costs basis. A commercially reasonable deductible may be carried which deductible shall be the sole responsibility of Seller.</p> <p>"All-Risk" Property insurance shall include coverage for all risks of physical loss or damage unless otherwise excluded, including coverage for: (i) coverage for fire, flood, wind and storm, tornado and earthquake with respect to facilities similar in construction, location and occupancy to the Facility, with sublimits of no less than \$10,000,000 each for flood and earthquake; and (ii) breakdown insurance covering all objects customarily subject to such insurance, including modules and inverters, in an amount equal to their full replacement value.</p>
Business Interruption insurance	<p>Amount required to cover Seller's continuing or increased expenses, resulting from full interruption, for a period of twelve (12) calendar months</p> <p>Business Interruption insurance shall cover loss of revenues and the increased expense to resume operations attributable to the Facility by reason of total or partial suspension or delay of, or interruption in, the operation of the Facility as a result of an insured peril covered under Property insurance as set forth above, to the extent available on commercially reasonable terms as determined by Purchaser, subject to a reasonable deductible or waiting period, which shall be the responsibility of Seller. Notwithstanding any other provision of this REPA, Seller shall not be required to have Business Interruption insurance until the Commercial Operation Date.</p>

EXHIBIT E

CALCULATION OF PERFORMANCE RATIO

The following procedure shall be used at the end of each Contract Year to calculate the Performance Ratio (PR) for the next Contract Year, starting at the end of the first Contract Year to calculate the PR for the second Contract Year.

1.) On an annual basis, Seller shall calibrate and test (a) all Electric Metering Devices in accordance with Section 5.4 of the REPA and (b) all pyranometers using the National Renewable Energy Laboratory's (NREL) Broadband Outdoor Radiometer Calibration (BORCAL) procedures (or equivalent). Purchaser will be provided documentation of all testing and calibration results.

2.) At the end of the Contract Year, Seller shall log the total amount of Renewable Energy (kWh/yr) generated by the facility during the Contract Year.

3.) [REDACTED]

4.) [REDACTED]

5.) [REDACTED]

6.) [REDACTED]

7.) [REDACTED]

[REDACTED]

[REDACTED]

EXHIBIT F
POINT OF DELIVERY

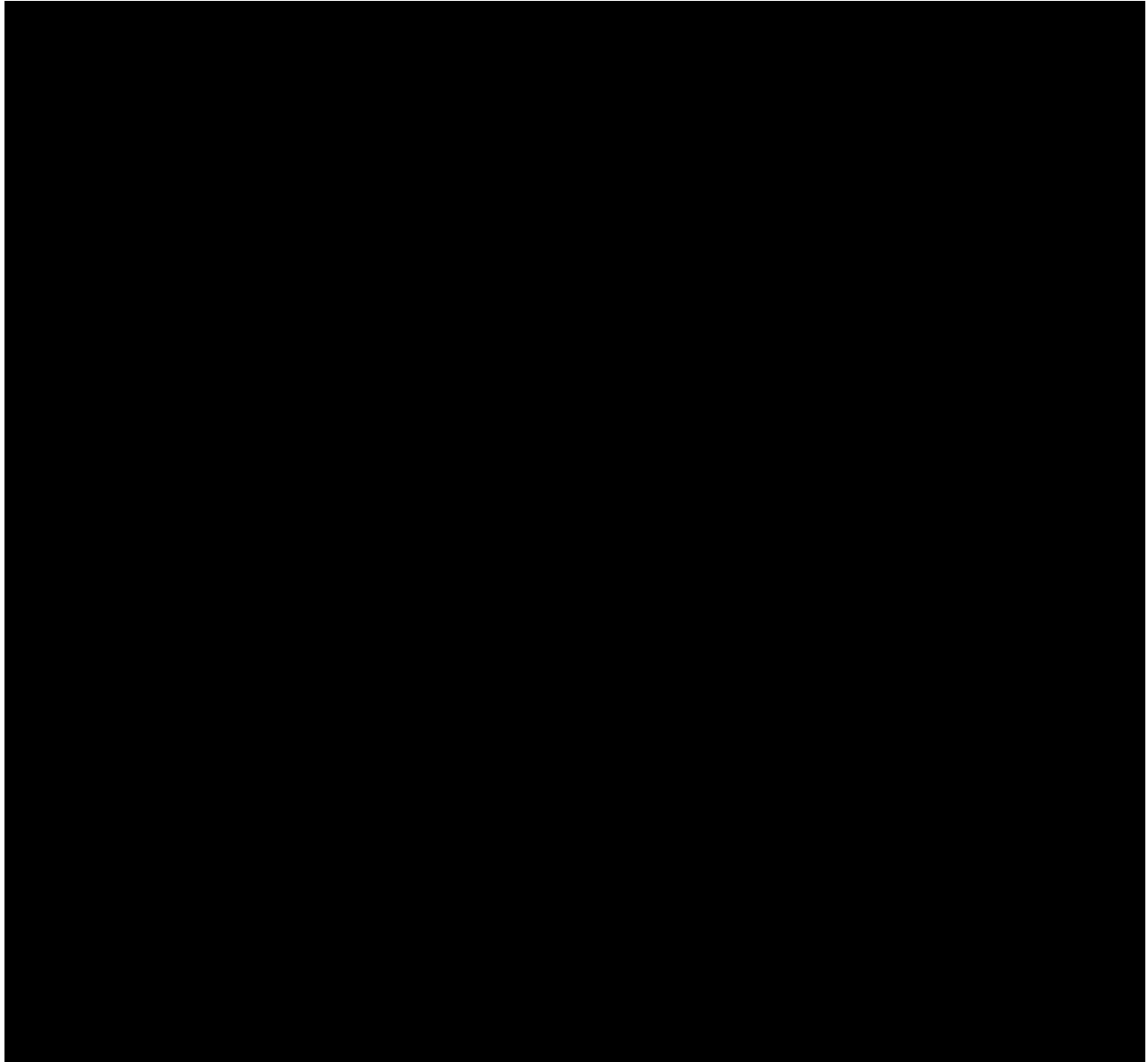


EXHIBIT G



Solar Farm Data Requirements PJM PPA non-MP

Revision History

Date	Version	Description	Author
4-30-2021	1.0	New document created for Solar PPA	CommOps, PSCO, Transmission Settlements

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

EXHIBIT H

CALCULATION OF [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]
[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

EXHIBIT I
FORM OF AVAILABILITY NOTICE

Hour Ending	AVAILABILITY, %
01:00	
02:00	
03:00	
04:00	
05:00	
06:00	
07:00	
08:00	
09:00	
10:00	
11:00	
12:00	
13:00	
14:00	
15:00	
16:00	
17:00	
18:00	
19:00	
20:00	
21:00	
22:00	
23:00	
24:00	

credit shall (i) become effective immediately for the term of one (1) year and shall expire on [] (the "Expiration Date"), and (ii) is subject to the following:

1. Funds under this letter of credit shall be made available to Beneficiary against its draft drawn on us in the form of Annex 1 hereto, accompanied by (a) a certificate in the form of Annex 2 hereto, appropriately completed and signed by an authorized representative of Beneficiary, dated the date of presentation and (b) the original of the letter of credit and all amendments (or photocopy of the original for partial drawings) and presented at our office located at [Issuing Bank's address which is in the United States], attention [] (or at any other office which may be designated by us by written notice delivered to you). A presentation under this letter of credit may be made only on a day, and during hours, in which such office is open for business (a "Business Day"). If we receive your presentation at such office on any Business Day, in conformity with this letter of credit, we will honor the same by making payment in accordance with your payment instructions on or before the third succeeding Business Day after such presentation. Partial and multiple drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; *provided* that the Available Amount shall be reduced by the amount of each such drawing.

2. This letter of credit shall terminate upon the earliest to occur of (i) our receipt of a notice in the form of Annex 3 hereto signed by an authorized representative of Beneficiary, accompanied by this letter of credit for cancellation, (ii) our close of business at our aforesaid office on the Expiration Date or any automatically extended expiration date, or if the Expiration Date is not a Business Day, then on the preceding Business Day. This letter of credit shall be surrendered to us by you upon the earlier of presentation or expiration.

3. It is a condition of the letter of credit that it shall be deemed to be automatically extended without amendment for additional one-year periods until [] (the "Final Expiration Date"), unless at least ninety (90) calendar days prior to the Expiration Date we send you notice by registered mail, return receipt requested or courier service or hand delivery at the above address that we hereby elect not to consider this letter of credit extended for such additional period.

4. This letter of credit shall be governed by, and construed in accordance with, the terms of the International Standby Practices, ISP 98, International Chamber of Commerce Publication No. 590 (the "ISP"), to the extent that such terms are not inconsistent with this letter of credit. As to matters not governed by the ISP, this letter of credit shall be governed by, and construed in accordance with, the laws of the State of New York, including, without limitation, the Uniform Commercial Code as in effect in the State of New York.

5. This letter of credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Annexes 1, 2 and 3 hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as otherwise provided in this paragraph 5.

6. In the event of an Act of God, riot, civil commotion, insurrection, war or any other cause beyond our control that interrupts our business (collectively, an "Interruption Event") and

causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date twenty (20) calendar days after the place for presentation reopens for business.

7. Except as stated herein, this Letter of Credit is not subject to any condition or qualification and is our individual obligation which is in no way contingent upon reimbursement or any right of subrogation. We irrevocably waive any and all rights of subrogation, whether as provided by statute or otherwise, now or hereafter that might, but for such waiver, exist, in respect to this Letter of Credit or any payment we make under it, as to the Applicant, you, or the transaction between you and _____ . We further give irrevocable notice that we are not now and will not be the secondary obligor or co-obligator of Applicant's or _____ 's obligations and liabilities to you for any purpose. Our obligations to you under this Letter of Credit are our primary obligations and are strictly as stated herein.

8. Please direct all correspondence in connection with this Letter of Credit in writing to [Issuer address], by phone to [Issuer phone number], or by email to [Issuer email address] and refer to this Letter of Credit number.

9. Banking charges are the sole responsibility of the Applicant.

Very truly yours,

[LOC Issuer]

Authorized signature

ANNEX 1
TO LETTER OF CREDIT NO. _____

Draft under Letter of Credit No.

[Month, Day , Year]

On [*third business day next succeeding date of presentation*]

Pay to [_____] U.S. \$ _____ [not to exceed the Available Amount]
[Address 1]
[Address 2]

[*insert any wire instructions*]

For value received and charge to account of Letter of Credit No. _____ .

By:

Title: _____

ANNEX 2
TO LETTER OF CREDIT NO. _____

SIGHT DRAFT AND CERTIFICATE

[BANK]
[Address]
Attention: [Standby Letter of Credit Section]

Re: [Bank] Irrevocable Standby Letter of Credit No. _____, dated [DATE]
("Letter of Credit")

All capitalized terms used, but not defined herein, shall have respective meanings assigned to them in the Letter of Credit. The term "REPA" means that certain Renewable Energy Purchase Agreement for Solar Energy Resources, dated [DATE], between _____ ("Seller") and the Beneficiary.

The undersigned hereby certifies to you as follows:

(a) The undersigned is duly authorized by the Beneficiary to execute and deliver this Sight Draft and Certificate.

(b) The draw event authorizing this Sight Draft and Certificate is: [SELECT THE APPLICABLE DRAW EVENT]:

(i) Seller has failed to renew or replace the Letter of Credit with a substitute Seller Security Fund pursuant to the REPA at least thirty (30) calendar days prior to the date on which the Letter of Credit shall terminate; or

(ii) The unsecured debt rating of the issuer of the Letter of Credit has fallen below A-/A3 or the issuer has a capital surplus of less than \$10,000,000,000, and the Seller has failed to replace the Letter of Credit with a substitute Seller Security Fund pursuant to the REPA within ten (10) calendar days after receiving written notice from Beneficiary to do so; or

(iii) The amount of U.S.\$ _____ (the "Owed Amount") is due and payable under the REPA by Seller to the Beneficiary, which Owed Amount Beneficiary has not been paid within thirty (30) calendar days after Beneficiary has given Seller written notice thereof; or

(iv) An Event of Default (as defined in the REPA) other than the Event of Default described in Section 12.1(C) has occurred and is continuing with respect to Seller under the REPA.

The undersigned Beneficiary is making a drawing under the Letter of Credit in the case of the applicable draw event described in (b)(iii) above, [in the amount of the Owed Amount]

OR in the case of such other draw event described in (b) above, for the entire undrawn amount of the Letter of Credit.

The proceeds from this drawing under the Letter of Credit will be used to satisfy Seller's obligations to the Beneficiary under the REPA.

This demand for a drawing under the Letter of Credit and certification are made as of the date hereof.

Kentucky Power Company

By: _____
Name:
Title:

ANNEX 3
TO LETTER OF CREDIT NO. _____

Notice of surrender of Letter of Credit No. _____

Date:

Attention: Letter of Credit Department

Re: Letter of Credit No. _____ issued for the account of [*account party*]

Ladies and Gentlemen:

We refer to your above-mentioned irrevocable standby Letter of Credit (the "Letter of Credit"). The undersigned hereby surrenders the Letter of Credit to you for cancellation as of the date hereof. No payment is demanded of you under this Letter of Credit in connection with this surrender.

Very truly yours,

By:

Title: _____

EXHIBIT K-1
FORM OF GUARANTY
GUARANTY

THIS GUARANTY, dated as of _____ 20____, is issued by Avangrid, Inc., a New York corporation ("Guarantor") in favor of _____[Insert beneficiary], a _____[Insert state of incorporation and type of organization] ("Guaranteed Party"). [Insert supported entity], a [Insert state of incorporation and type of organization], ("Obligor") is a wholly owned indirect subsidiary of Guarantor.

RECITALS

A. Obligor and Guaranteed Party have entered into an agreement for the _____[insert description of agreement for which guaranty is to be issued], dated as of _____, 20____ (the "Agreement").

B. This Guaranty is delivered to Guaranteed Party by Guarantor pursuant to the Agreement.

AGREEMENT

1. Guaranty.

A. Guaranty of Obligations Under the Agreement. For value received, Guarantor hereby absolutely, unconditionally and irrevocably guarantees the payment when due of all present and future payment obligations, whether now in existence or hereafter arising, by Obligor to Guaranteed Party pursuant to the Agreement, whether such obligations are due or to become due, secured or unsecured, absolute or contingent, joint or several (collectively, the "Obligations"). This Guaranty is one of payment and not of collection and should any Obligations not be paid by Obligor when due, Guaranteed Party may proceed against the Guarantor to satisfy such Obligations at any time, without notice and without any proceeding or action against Obligor. This Guaranty is a primary obligation of Guarantor and shall be construed as a continuing guaranty and shall apply regardless of whether recovery of all such Obligations may be or become discharged or uncollectible in any bankruptcy, insolvency or other similar proceeding, or otherwise unenforceable, or any circumstances which might otherwise constitute a legal or equitable discharge or defense of Guarantor. The obligations of the Guarantor are several and not joint with Obligor or any other person.

B. Maximum Guaranteed Amount. Exclusive of any reasonable costs incurred by Guaranteed Party to enforce this Guaranty, Guarantor's aggregate obligation to Guaranteed Party hereunder is limited to _____ U.S. Dollars (\$____) (the "Maximum Guaranteed Amount") (it being understood for purposes of calculating the Maximum Guaranteed Amount of Guarantor hereunder that any payment by Guarantor either directly or indirectly to the Guaranteed Party, pursuant to a demand made upon Guarantor by Guaranteed Party or otherwise made by Guarantor pursuant to its obligations under this Guaranty including any indemnification

obligations, shall reduce Guarantor's maximum aggregate liability hereunder on a dollar-for-dollar basis). EXCEPT AS PERMITTED IN THE AGREEMENT, IN NO EVENT SHALL GUARANTOR BE SUBJECT TO ANY CONSEQUENTIAL, EXEMPLARY, EQUITABLE, LOSS OF PROFITS, PUNITIVE, TORT OR OTHER SIMILAR DAMAGES.

2. Payment; Currency. All sums payable by Guarantor hereunder shall be made in freely transferable and immediately available funds and shall be made in the currency in which the Obligations were due. If Obligor fails to pay any Obligation when due, the Guarantor will pay that Obligation directly to Guaranteed Party within twenty (20) days after written notice to Guarantor by Guaranteed Party. The written notice shall provide a reasonable description of the amount of the Obligation and explanation of why such amount is due.

3. Waiver of Defenses. The obligations of Guarantor hereunder shall not be affected by (a) any lack of validity or enforceability of or defect or deficiency in the Agreement or any other documents executed in connection with the Agreement; (b) any modification, extension or waiver of any of the terms of the Agreement; (c) any change in the time, manner, terms or place of payment of or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Agreement or any other instrument executed in connection therewith; (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed or any liabilities incurred directly or indirectly hereunder or any setoff against any of said liabilities, or any release or amendment or waiver of or consent to departure from this Guaranty or any other guaranty, for all or any of the Obligations; (e) except as to applicable statutes of limitation, failure, omission, delay, waiver or refusal by Guaranteed Party to exercise, in whole or in part, any right or remedy held by Guaranteed Party with respect to the Agreement or any transaction under the Agreement; (f) any change in the existence, structure or ownership of Guarantor or Obligor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligor or its assets or (g) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Obligor or any other individual, partnership, joint venture, corporation, association, trust or other enterprise that is a party to any agreement or instrument (including any guarantor) in respect of the Obligations, other than payment in full of the Obligations. Except as set forth above, Guarantor hereby waives notice of acceptance of this Guaranty and of the Obligations and any action taken with regard thereto, and waives presentment, demand for payment, protest, notice of dishonor or non-payment of the Obligations, suit, or the taking of and failing to take other action by Guaranteed Party against Obligor, Guarantor or others and waives any defense of a surety. Without limitation, Guaranteed Party may at any time and from time to time without notice to or consent of Guarantor and without impairing or releasing the obligations of Guarantor hereunder: (a) together with the Obligor, make any change to the terms of the Obligations; (b) take or fail to take any action of any kind in respect of any security for the Obligations; (c) exercise or refrain from exercising any rights against Obligor or others in respect of the Obligations or (d) compromise or subordinate the Obligations, including any security therefor. Except as otherwise provided herein, the obligations of Guarantor hereunder shall not be subject to any counterclaim, setoff, deduction, abatement or defense based upon any claim Guarantor or the Obligor may have against Beneficiary, unless provided for in the Agreement.

4. Term. This Guaranty shall continue in full force and effect until [insert term or whether it automatically expires upon final payment]. Guarantor further agrees that this

Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored or returned due to bankruptcy or insolvency laws or otherwise. Guaranteed Party shall return this original executed document to Guarantor within twenty (20) days of termination of this Guaranty. This Guaranty shall not be affected by any change in the entity status or business structure of Obligor. If Obligor's assets or a major portion thereof are transferred to any other party or parties other than by operation of law, and if Guaranteed Party enters into any transaction whereby such transferee or transferees become indebted to Guaranteed Party, this Guaranty, subject to all the other terms hereof, shall apply to any Obligations or balance of Obligations of such other transferee or transferees to Guaranteed Party

5. Subrogation. Until all Obligations are indefeasibly performed in full, but subject to Section 6 hereof, Guarantor hereby waives all rights of subrogation, reimbursement, contribution and indemnity from Obligor with respect to this Guaranty and any collateral held therefor, and Guarantor hereby subordinates all rights under any debts owing from Obligor to Guarantor, whether now existing or hereafter arising, to the prior payment of the Obligations.

6. Expenses. Whether or not legal action is instituted, Guarantor agrees to reimburse Guaranteed Party on written demand for all reasonable attorneys' fees and all other reasonable costs and expenses incurred by Guaranteed Party in enforcing its rights under this Guaranty. Notwithstanding the foregoing, the Guarantor shall have no obligation to pay any such costs or expenses if, in any action or proceeding brought by Guaranteed Party giving rise to a demand for payment of such costs or expenses, Guaranteed Party is successful in such litigation.

7. Assignment. Guarantor may not assign its rights or its obligations under this Guaranty in whole or part without written consent of Guaranteed Party, and any such assignment without such prior written consent of the Guaranteed Party shall be null and void and of no force and effect, *provided, however*, that Guarantor may assign its rights and its obligations under this Guaranty without the consent of Guaranteed Party if (a) such assignment is pursuant to the assignment of all of Guarantor's rights and obligations hereunder, to a partnership, limited liability company, corporation, trust or other organization in whatever form that succeeds to all or substantially all of Guarantor's assets and business and that assumes such obligations by contract, *provided, further*, such entity (i) has an Investment Grade Rating by Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc. ("S&P"), and (ii) is organized under State law within the continental United States, or (b) such assignment is made to an entity within the Iberdrola S.A. group of companies that (i) has an Investment Grade Rating by Moody's and S&P, and (ii) is organized under State law within the continental United States. For purposes of this Section 7, "Investment Grade Rating" means for any entity a minimum credit rating for senior unsecured debt and non-credit-enhanced long term debt rating of such entity, or if such entity does not have a senior unsecured and non-credit-enhanced long term debt rating, the issuer rating of such entity of BBB- by S&P and Baa3 by Moody's, in each case, without any negative watch or outlook. Upon any such assignment and assumption of obligations contained within part (b) above to a qualifying Iberdrola S.A. affiliate, Guarantor shall be relieved of and fully discharged from all obligations hereunder, for obligations that arise after such assignment and assumption. Guaranteed Party may not assign its rights hereunder except in connection with a permitted assignment of its rights and obligations under the Agreement *provided, however*, that Guaranteed Party may assign its rights and its

obligations under this Guaranty without the consent of Guarantor if (a) such assignment is to an entity that succeeds to all or substantially all of Guaranteed Party's assets and business and that assumes such obligations under the Agreement or (b) such assignment is made to an entity within the American Electric Power group of companies.

8. Non-Waiver. The failure of Guaranteed Party to enforce any provisions of this Guaranty at any time or for any period of time shall not be construed to be a waiver of any such provision or the right thereafter to enforce same. All remedies of Guaranteed Party under this Guaranty shall be cumulative and shall be in addition to any other remedy now or hereafter existing at law or in equity. The terms and provisions hereof may not be waived, altered, modified or amended except in a writing executed by Guarantor and Guaranteed Party.

9. Entire Agreement. This Guaranty and the Agreement are the entire and only agreements between Guarantor and Guaranteed Party with respect to the guaranty of the Obligations of Obligor by Guarantor. All agreements or undertakings heretofore or contemporaneously made, which are not set forth herein, are superseded hereby.

10. Notice. Any demand for payment, notice, request, instruction, correspondence or other document to be given hereunder by Guarantor or by Guaranteed Party shall be in writing and shall be deemed received (a) if given personally, when received, (b) if mailed by certified mail (postage prepaid and return receipt requested), five days after deposit in the U.S. mails, (c) if given by facsimile, when transmitted with confirmed transmission or (d) if given via overnight express courier service, when received or personally delivered, in each case with charges prepaid and addressed as follows (or such other address as either Guarantor or Guaranteed Party shall specify in a notice delivered to the other in accordance with this Section):

If to Guarantor:

Avangrid, Inc.
2701 NW Vaughn Street, Suite 300
Portland, OR 97210
Attn: [REDACTED]
Telephone: [REDACTED]
Email: [REDACTED]

If to Guaranteed Party:

Attn: _____

11. Counterparts. This Guaranty may be executed in counterparts, each of which when executed and delivered shall constitute one and the same instrument.

12. Governing Law; Jurisdiction. This Guaranty shall be governed by and construed in accordance with the laws of the state of New York without giving effect to principles of conflicts of law. Guarantor and Guaranteed Party agree to the exclusive jurisdiction of any state and federal district court located in New York, New York over any disputes arising or relating to this Guaranty, and irrevocably waive, to the fullest extent permitted by law, any objections to venue or inconvenient forum. **GUARANTOR AND GUARANTEED PARTY HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY.**

13. Warranties; Further Assurances. Guarantor represents and warrants that, at the time of execution and delivery of the Guaranty, nothing (whether financial condition or any other condition or situation) exists to impair in any way the obligations and liabilities of Guarantor to Beneficiary under this Guaranty. Guarantor further represents and warrants to Beneficiary that: (a) it is a corporation duly organized, validly existing and in good standing in its jurisdiction of incorporation, with full power and authority to make and deliver this Guaranty; (b) that the execution, delivery and performance of this Guaranty by Guarantor have been duly authorized by all requisite corporate action of Guarantor, and does not and will not violate provisions of any applicable law or Guarantor's certificate of incorporation or bylaws; and (c) that the person signing this Guaranty on Guarantor's behalf has been properly authorized by corporate action to do so. Guarantor shall cause to be promptly and duly taken, executed and acknowledged and delivered, such further documents and instruments as Guaranteed Party may from time to time reasonably request in order to carry out the intent and purposes of this Guaranty.

14. Limitation on Liability. Guaranteed Party shall have no claim, remedy or right to proceed individually against any director or officer of the Guarantor for the payment of any of the Obligations.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Guarantor has executed and delivered this Guaranty as of the date first set forth above.

**Avangrid, Inc.,
a New York corporation**

By: _____
Name:
Title:

By: _____
Name:
Title:

Acknowledged and agreed:

_____[Insert Party]

EXHIBIT K-2

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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EXHIBIT L

FORM OF CONSENT AND AGREEMENT

CONSENT AND AGREEMENT

This Consent and Agreement (this "Agreement") dated as of [●] is made by and between [●], a [●] ("Purchaser"), [●], a [company] organized under the laws of [●] ("Seller"), and [●], a [●], as collateral agent (in such capacity, "Collateral Agent"), for the benefit of various lenders (collectively, the "Project Lenders") providing financing to Seller. Purchaser, Seller, and Collateral Agent may sometimes be referred to herein individually as a "Party" and collectively as the "Parties".

Recitals

A. Seller intends to develop, construct, install, test, own, operate and use an approximately 80 MW AC solar-powered generating facility located in Perry County, Kentucky, commonly known as the Bright Mountain Solar project (the "Project").

B. Pursuant to that certain Renewable Energy Purchase Agreement, dated as of [●], between Purchaser and Seller (as modified, amended or restated from time to time, and including all related agreements, instruments and documents, collectively, the "Assigned Agreement"), Purchaser has agreed to enter into certain transactions with respect to energy, capacity attributes and environmental attributes generated by the Project.

C. In order to finance the development, construction, installation, testing, operation and use of the Project, the Project Lenders have provided, or have agreed to provide, to Seller financing pursuant to certain financing documents between Seller, the Project Lenders and the Collateral Agent (the "Financing Documents"), and require that Collateral Agent be provided certain rights with respect to the Assigned Agreement and the Assigned Agreement Accounts (as defined below) in connection with such financing.

The Parties hereby agree as follows:

1. Definitions. Unless otherwise defined herein, capitalized terms used but not defined herein have the meanings given to such terms in the Assigned Agreement.
2. Consent. Nothing in this Agreement shall make Purchaser liable for any damages or others amounts under the Financing Documents or for any other damages for which it would not otherwise be liable to Seller under the Assigned Agreement. Purchaser irrevocably consents to and approves the pledge and assignment by Seller to Collateral Agent pursuant to the Financing Documents of: (a) the Assigned Agreement, and (b) the accounts, revenues and proceeds of the

Assigned Agreement (collectively such accounts, revenues and proceeds, the "Assigned Agreement Accounts").

3. Limitations on Assignment.

(a) Collateral Agent acknowledges and confirms that, notwithstanding any provision to the contrary under applicable law or in any Financing Document executed by Seller, Collateral Agent will not assume, sell or otherwise dispose of the Assigned Agreement (whether by foreclosure sale, conveyance in lieu of foreclosure or otherwise), and any such purported assumption, sale or disposition will be null and void, unless, on or before the date of any such assumption, sale or disposition, Collateral Agent or any third party, as the case may be, assuming, purchasing or otherwise acquiring the Assigned Agreement: (i) cures any and all defaults of Seller under the Assigned Agreement (each, a "Default"), other than any Defaults in the nature of insolvency or bankruptcy that are not capable of being cured, (ii) executes and delivers to Purchaser a written assumption of and agreement to be bound by all of Seller's rights and obligations and terms and conditions under the Assigned Agreement in form and substance reasonably satisfactory to Purchaser, (iii) otherwise satisfies and complies with all requirements of the Assigned Agreement, (iv) provides such tax and enforceability assurance as Purchaser may reasonably request, and (v) is a Permitted Transferee (as defined below). Collateral Agent further acknowledges that the assignment of the Assigned Agreement and the Assigned Agreement Accounts is for security purposes only and that Collateral Agent has no rights under the Assigned Agreement to enforce the provisions of the Assigned Agreement unless and until it has assumed the Assigned Agreement pursuant to this Section 3.

(b) For purposes of this Agreement, "Permitted Transferee" means any person that: (i) meets all the requirements of the Assigned Agreement, including, without limitation, Section 19.1 of the Assigned Agreement, (ii) complies with all the requirements of the Assigned Agreement, including Section 11.1 of the Assigned Agreement, and (iii) is a Qualified Operator (as defined in the Assigned Agreement) or engages a Qualified Operator to operate or maintain the Project in accordance with the Assigned Agreement.

(c) For purposes of determining whether a proposed transferee of the Assigned Agreement is reasonably acceptable to Purchaser for purposes of Section 3(b), Collateral Agent will from time to time, following the occurrence of a Seller default under the Financing Documents (a "Financing Default") of which it has notified Purchaser in writing, notify Purchaser in writing of the identity of a proposed transferee of the Assigned Agreement that Collateral Agent reasonably believes qualifies as a Permitted Transferee pursuant to Section 3(b), together with documentation reasonably demonstrating that such proposed transferee meets the requirements of Section 3(b) (an "Initial Notice"), which proposed transferee may include Collateral Agent, in connection with the enforcement of Collateral Agent's rights under the Financing Documents, and

Purchaser will, within 10 Business Days of its receipt of an Initial Notice, acknowledge such receipt to Collateral Agent in accordance with Section 10(a) (a "Receipt Notice"). If Purchaser fails to acknowledge its receipt of an Initial Notice within such ten (10) Business Day period, then Collateral Agent will resend such notice (a "Follow-up Notice") (including with any such Follow-up Notice, the Initial Notice that preceded it) to Purchaser. Purchaser will, within 20 Business Days of its receipt of a Follow-up Notice or delivery of a Receipt Notice, as applicable, confirm to Collateral Agent whether or not such proposed transferee is a Permitted Transferee, it being understood that if Purchaser fails to respond to Collateral Agent within such 20 Business Day period related to the Follow-up Notice such proposed transferee will be deemed to be a Permitted Transferee.

4. Cure Rights.

(a) Notice to Collateral Agent. Purchaser will, upon delivery of any notice of Default to Seller (a "Default Notice") under the Assigned Agreement, provide a copy of such Default Notice to Collateral Agent as provided in the Assigned Agreement to the address set forth in Section 10(a); provided that any failure of Purchaser to send such notice shall not give rise to any liability to any person or entity on the part of Purchaser hereunder.

(b) Notice to Purchaser. Collateral Agent will, concurrently with the delivery of any notice of a Financing Default to Seller, provide a copy of such notice to Purchaser to the address set forth in Section 10(a).

(c) Cure Rights. Subject to the terms of this Agreement, the Collateral Agent shall have the right, but not the obligation, to cure any Seller Event of Default under the Assigned Agreement which is capable of being cured. Such cure periods shall commence with respect to the Collateral Agent as of the date notice is given to the Collateral Agent by Purchaser. Once a Seller Event of Default under the Assigned Agreement is timely cured by the Collateral Agent, such event or condition shall no longer be deemed to be an Event of Default under the Assigned Agreement. Notwithstanding the foregoing, Collateral Agent will not have an additional cure period for any Defaults that do not provide Seller with a cure period pursuant to the Assigned Agreement.

(d) Extension for Foreclosure Proceedings. If possession of the Project is necessary for Collateral Agent to cure a Seller Default under the Assigned Agreement and Collateral Agent commences foreclosure proceedings against Seller within 30 days of receiving a Default Notice from Purchaser or Seller, whichever is received first, Collateral Agent will be allowed a reasonable additional period to complete such foreclosure proceedings, such period not to exceed in any case (including the period of any stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Seller) 150 days from receipt of such Default Notice; provided, however, that Collateral Agent will deliver a written

notice to Purchaser within 10 Business Days of receiving a Default Notice that it intends to commence foreclosure proceedings with respect to Seller, and such written notice must include the time, place any and other details of any foreclosure proceedings. Collateral Agent or any third party that succeeds to Seller's interest in the Project pursuant to the terms of this Agreement must satisfy the requirements of a Permitted Transferee and conditions to transfer set forth in Section 3.

(e) Bankruptcy. If the Assigned Agreement is rejected or terminated in a bankruptcy or similar proceeding involving Seller, and Collateral Agent on behalf of the Project Lenders or a potential third-party Permitted Transferee identified by Collateral Agent confirms to Purchaser that it intends to perform the obligations of Seller under the Assigned Agreement, then Collateral Agent (or such Permitted Transferee) and Purchaser will enter into a replacement Assigned Agreement for the balance of the remaining Term on the same terms and conditions as the Assigned Agreement unless another price is mutually agreed to by the Collateral Agent or Permitted Transferee, as applicable, and Purchaser, provided that, all defaults under the Assigned Agreement are capable of being cured by Collateral Agent or its designated Permitted Transferee.

5. Setoffs and Deductions. Each of Seller and Collateral Agent agrees that Purchaser has the right to set-off or deduct from payments due to Seller each and every amount due Purchaser from Seller whether or not arising out of or in connection with the Assigned Agreement. Collateral Agent further agrees that it takes the assignment for security purposes of the Assigned Agreement and the Assigned Agreement Accounts subject to any defenses or causes of action Purchaser may have against Seller.

6. Representations and Warranties of Purchaser. In connection with the execution and delivery of this Agreement, Purchaser makes the following representations and warranties as of the date hereof, in each case except as set forth on Schedule 1 to this Agreement:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation.

(b) The execution, delivery and performance of this Agreement and the Assigned Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions of its governing documents, any material contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except for such violations, defaults (or rights of termination, cancellation, or acceleration with respect to material contracts) that would not, in the aggregate, reasonably be expected to result in a material adverse effect on its ability to perform its obligations under the Agreement or the Assigned Agreement.

(c) This Agreement, the Assigned Agreement and each other document executed and delivered in accordance with this Agreement and the Assigned Agreement constitute a legally

valid and binding obligation enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally or by general equitable principles.

(d) No Event of Default or Force Majeure event with respect to Purchaser has occurred and is continuing. Purchaser: (i) has not delivered any notice of default to Seller, (ii) has not delivered or received a notice of Force Majeure event, and (iii) to Purchaser's actual knowledge after due inquiry, there exists no Event of Default under the Assigned Agreement and no events or circumstances that with the giving of notice or the passage of time, or both, would constitute an Event of Default under the Assigned Agreement. The Assigned Agreement has not been amended, modified or supplemented in any manner, except as may be amended, modified or supplemented by this Agreement.

(e) The Assigned Agreement has not been assigned by Purchaser and Purchaser has not received any written notice of assignment by Seller other than by the Collateral Agent and the Project Lenders hereunder.

7. No Representation or Warranty. Seller and Collateral Agent each recognize and acknowledge that Purchaser makes no representations or warranties, express or implied, that Seller has any right, title, or interest in the Assigned Agreement or as to the priority of the assignment for security purposes of the Assigned Agreement or the Assigned Agreement Accounts. Collateral Agent is responsible for satisfying itself as to the existence and extent of Seller's right, title, and interest in the Assigned Agreement, and Collateral Agent releases Purchaser from any liability resulting from the assignment for security purposes of the Assigned Agreement and the Assigned Agreement Accounts.

8. Amendment to Assigned Agreement. Collateral Agent acknowledges and agrees that Purchaser may agree with Seller to modify or amend the Assigned Agreement, and that Purchaser is not obligated to notify Collateral Agent of any such amendment or modification to the Assigned Agreement. Collateral Agent hereby releases Purchaser from all liability arising out of or in connection with the making of any amendment or modification to the Assigned Agreement.

9. Miscellaneous.

(a) Notices. All notices hereunder must be in writing and will be deemed received: (i) at the close of business of the date of receipt, if delivered by hand or other electronic means, or (ii) when signed for by recipient, if sent registered or certified mail, postage prepaid; provided that such notice was properly addressed to the appropriate address indicated on the signature page hereof or to such other address as a party may designate by prior written notice to the other parties, at the address set forth below:

If to Purchaser:

[X]

With a copy to:

[X]

If to Seller:

Bright Mountain Solar, LLC
2701 NW Vaughn St., Suite 300
Portland, OR 97210
Attn.: Aren-settlements@avangrid.com

With a copy to:

Avangrid Renewables, LLC
2701 NW Vaughn Street, Suite 300
Portland, OR 97210
Attention: Office of the General Counsel

If to Collateral Agent:

[ADDRESS]

- (b) No Assignment. Subject to Section 3 hereof, this Agreement will be binding upon and inure to the benefit of the successors and assigns of Purchaser and will be binding upon and inure to the benefit of Collateral Agent and its respective successors and permitted transferees and assigns under the Financing Documents.
- (c) No Modification. This Agreement is neither a modification of nor an amendment to the Assigned Agreement.
- (d) Choice of Law. The parties hereto agree that this Agreement will be construed and interpreted in accordance with the laws of the State of New York, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.
- (e) No Waiver. No term, covenant or condition hereof will be deemed waived, and no breach excused unless such waiver or excuse is in writing and signed by the party claimed to have so waived or excused.
- (f) Counterparts. This Agreement may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, will constitute a single binding agreement.

- (g) No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.
- (h) Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.
- (i) Amendments. This Agreement may be modified, amended, terminated or rescinded only by writing expressly referring to this Agreement and signed by all parties hereto.
- (j) Waiver of Trial by Jury. TO THE EXTENT PERMITTED BY APPLICABLE LAW, PURCHASER, SELLER AND COLLATERAL AGENT HEREBY IRREVOCABLY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

IN WITNESS WHEREOF, each of the Parties have duly executed this Agreement as of the date first written above.

PURCHASER:

By: _____
Name:
Title:

[COLLATERAL AGENT]

By:
Name:
Title:

By:
Name:
Title:

ACKNOWLEDGEMENT

The undersigned hereby acknowledges the Consent and Agreement set forth above, makes the agreements set forth therein as applicable to Seller, and confirms that Collateral Agent identified above, and the Project Lenders, have provided or are providing financing to the undersigned.

SELLER:

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1 TO CONSENT AND AGREEMENT

Disclosed Exceptions to Purchaser Representations and Warranties

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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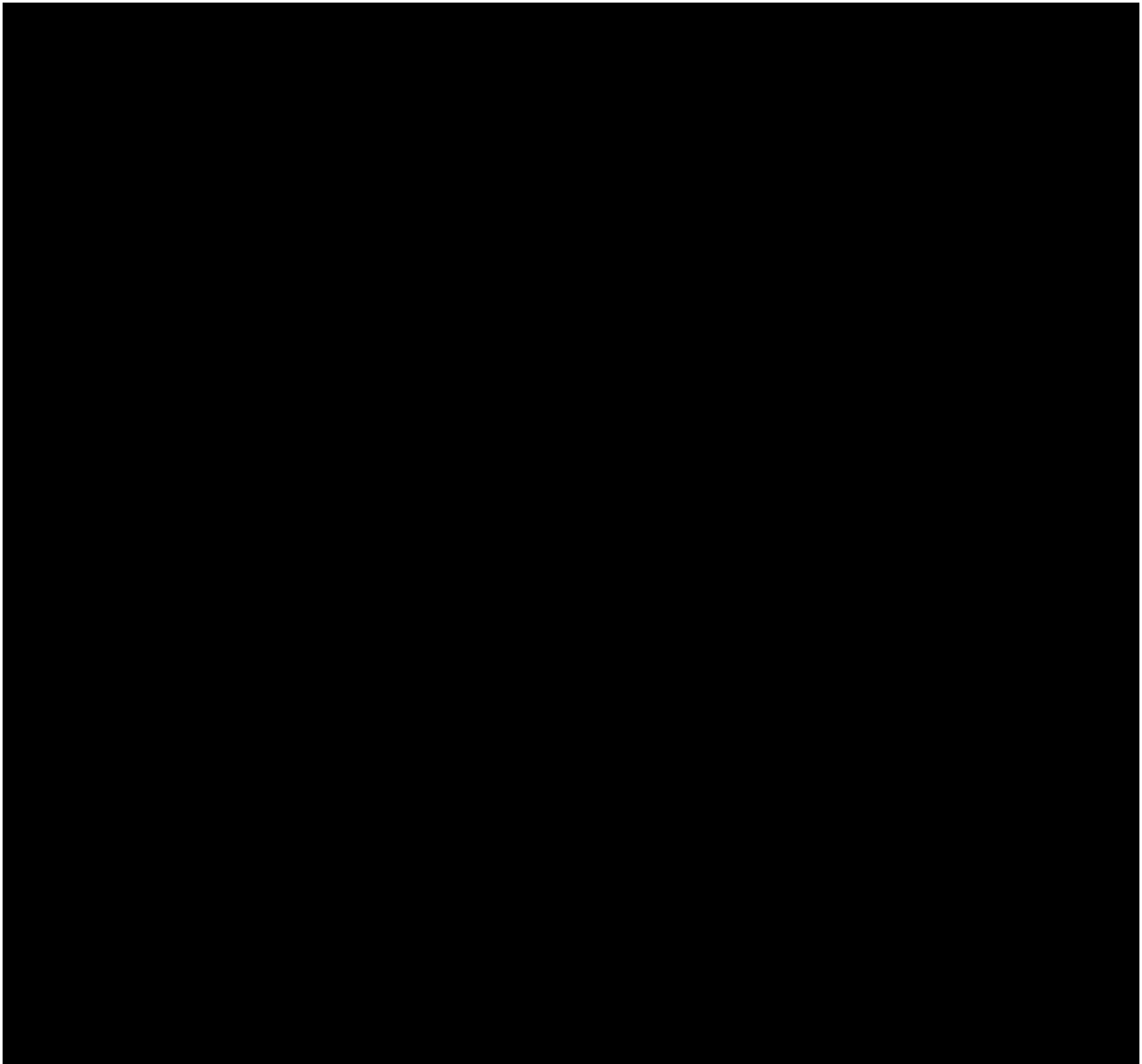
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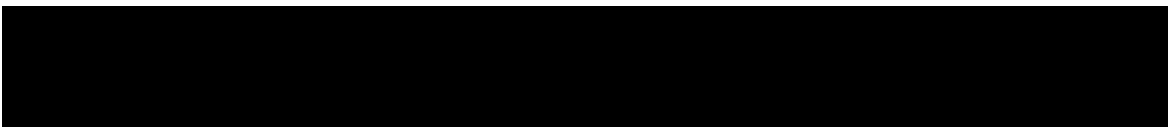
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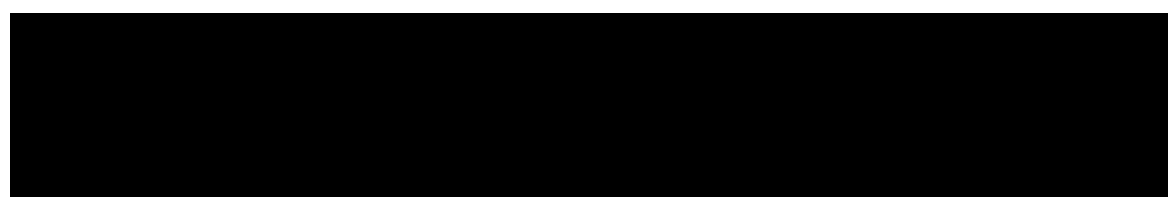
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Certain key terms of the Bright Mountain REPA¹ are summarized below:

- Under the Bright Mountain REPA, the Company will purchase 80 MW of a bundled product (energy, capacity, and RECs) produced from the 80 MW Bright Mountain solar facility. The REPA will continue for a fifteen-year term upon commercial operation, which is expected to occur Q4 2026, but no later than April 15, 2027.
- The Contract Rate for the REPA is \$83.68 / MWh. This is a flat (non-escalating) price for the 15-year term of the REPA.
- Avangrid will initiate the construction phase of the project after receipt of a final non-appealable order from the Kentucky Public Service Commission that is acceptable to Kentucky Power. The REPA requires the Company to obtain that order by no later than May 1, 2025.
- The Commercial Operation Milestone Date is April 15, 2027, which can be extended on a day-for-day basis up to April 15, 2028, for events of force majeure, grid delays, customs delays or Generation Interconnection Agreement delays.

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¹ All capitalized terms used in this Exhibit have the same meaning as in the Bright Mountain REPA, unless expressly defined otherwise.

- [REDACTED]
- [REDACTED]
- [REDACTED]

Other key characteristics of the Project are as follows:

- [REDACTED]
- Interconnection will be to the Company's 69kV Bonnyman Substation.

VERIFICATION

The undersigned, Zachary M. Yetzer, being duly sworn, deposes and says he is the Regulated Infrastructure Development Manager for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing testimony and the information contained therein is true and correct to the best of his information, knowledge, and belief after reasonable inquiry.




Zachary M. Yetzer

State of Ohio)
)
County of Franklin)

Case No. 2024-00243

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Zachary M. Yetzer, on July 28, 2024



Notary Public



My Commission Expires November 30, 2028

Notary ID Number 2023-RE-871121