

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANA MICHIGAN)
POWER COMPANY (I&M) FOR AN ORDER)
AUTHORIZING (1) PRE-APPROVAL OF A)
CAPACITY PURCHASE AGREEMENT (CPA)) CAUSE NO. 45869
AND (2) TIMELY RECOVERY OF COSTS)
THROUGH I&M'S RESOURCE ADEQUACY)
RIDER (RAR) OF THE COST OF CAPACITY I&M)
WILL INCUR UNDER THE CPA.)

**SUBMISSION OF DIRECT TESTIMONY OF
TIMOTHY B. GAUL**

Applicant, Indiana Michigan Power Company (I&M), by counsel, respectfully submits the direct testimony and attachments of Timothy B. Gaul in this Cause.

Respectfully submitted,



Teresa Morton Nyhart (Atty. No. 14044-49)
Jeffrey M. Peabody (Atty. No. 28000-53)
BARNES & THORNBURG LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Phone: (317) 231-7716
Peabody Phone: (317) 231-6465
Fax: (317) 231-7433
Nyhart Email: tnyhart@btlaw.com
Peabody Email: jpeabody@btlaw.com

Tammara D. Avant (Atty, No. 31466-49)
American Electric Power Service Corporation
101 W. Ohio St., Suite 1320
Indianapolis, Indiana 46204
Phone: (317) 508-9262
Email: tdavant@aep.com

Attorneys for
Indiana Michigan Power Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 30th day of March, 2023, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

T. Jason Haas
Indiana Office of Utility Consumer Counselor
Office of Utility Consumer Counselor
115 West Washington Street
Suite 1500 South
Indianapolis, Indiana 46204
infomgt@oucc.in.gov
thaas@oucc.in.gov



Jeffrey M. Peabody

Teresa Morton Nyhart (Atty. No. 14044-49)
Jeffrey M. Peabody (Atty. No. 28000-53)
BARNES & THORNBURG LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Phone: (317) 231-7716
Peabody Phone: (317) 231-6465
Fax: (317) 231-7433
Nyhart Email: tnyhart@btlaw.com
Peabody Email: jpeabody@btlaw.com

Tammara D. Avant (Atty. No. 31466-49)
American Electric Power Service Corporation
101 W. Ohio St., Suite 1320
Indianapolis, Indiana 46204
Phone: (317) 508-9262
Email: tdavant@aep.com

Attorneys for INDIANA MICHIGAN POWER COMPANY

INDIANA MICHIGAN POWER COMPANY

PRE-FILED VERIFIED DIRECT TESTIMONY

OF

TIMOTHY B. GAUL

Content

I. Introduction of Witness	1
II. Overview of the 2022 All Source RFP and Selected Projects.....	3
III. Competitive RFP Development / Issuance and Engagement of Independent Monitor.....	6
IV. Proposal Review and Project Selection	8
V. Negotiation Process and Market Pressures	14
VI. Overview of the Montpelier CPA and Costs.....	22
VII. Summary and Conclusion	25

**DIRECT TESTIMONY OF TIMOTHY B. GAUL
ON BEHALF OF
INDIANA MICHIGAN POWER COMPANY**

I. Introduction of Witness

1 **Q1. Please state your name and business address.**

2 My name is Timothy B. Gaul and my business address is 1 Riverside Plaza,
3 Columbus, OH 43215.

4 **Q2. By whom are you employed and in what capacity?**

5 I am employed by American Electric Power Service Corporation (AEPSC), a
6 wholly-owned subsidiary of American Electric Power Company, Inc. (AEP), as
7 Director – Regulated Infrastructure Development. AEP is the parent company of
8 Indiana Michigan Power Company (I&M or Company). AEPSC provides
9 engineering, financing, accounting, regulatory, and similar planning and advisory
10 services to AEP's regulated electric operating companies, including I&M.

11 **Q3. Briefly describe your educational background and professional
12 experience.**

13 I have a Bachelor of Science degree from the State University of New York
14 College of Environmental Science and Forestry at Syracuse University, in New
15 York and a Master of Science degree from Creighton University, in Omaha,
16 Nebraska. I also have a graduate certification in Financing and Deploying Clean
17 Energy from Yale University.

18 During my career with AEP, I served as Director of the Transmission Siting
19 Department where I led the team responsible for providing transmission project
20 siting and development support for projects across AEP's 13 state transmission
21 footprint and for competitive transmission siting efforts. I assumed my current

1 position as a Director in the Regulated Infrastructure Development group in
2 2021.

3 Prior to joining AEP in 2016, I was the Vice President of the US Power and
4 Energy Division at Louis Berger, an international architecture, planning, and
5 engineering firm, where I was responsible for the company's US energy
6 program serving utility clients, energy developers, and the federal government.

7 **Q4. What are your responsibilities as Director of Regulated Infrastructure**
8 **Development?**

9 As Director, Regulated Infrastructure Development, I am part of a team that: (1)
10 structures and issues requests for proposals (RFPs) for energy resources; (2)
11 reviews and evaluates proposals received in response; (3) negotiates and
12 finalizes the agreements with the successful respondent(s); (4) serves as the
13 primary interface between the Company and the Independent Monitor; and (5)
14 provides ongoing commercial support as the Company pursues regulatory
15 approvals and moves forward to construction and eventual completion of energy
16 projects.

17 **Q5. Have you previously testified before any regulatory commissions?**

18 Yes. I have provided testimony before state utility commissions in Indiana,
19 Michigan, Oklahoma, Kansas, Missouri, Illinois, Pennsylvania, West Virginia,
20 Virginia, and New Jersey.

21 **Q6. What is the purpose of your testimony?**

22 I support I&M's request for approval of the proposed Capacity Power Agreement
23 (CPA) with Rockland Capital for generation capacity from the Montpelier
24 Generating Station (Montpelier), which was selected through a competitive all-
25 source RFP.

26 More specifically, my testimony includes the following:

- 27 • Overview of the 2022 All Source RFP (2022 RFP) and selected
28 projects;

- 1 • Review of the RFP development and issuance process and
- 2 engagement of Independent Monitor;
- 3 • Description of the proposal review and selection;
- 4 • Overview of the negotiation process, market pressures;
- 5 • Montpelier CPA;
- 6 • Project Cost; and
- 7 • Summary and Conclusion

8 **Q7. Are you sponsoring any attachments?**

9 Yes, I am sponsoring:

10 Attachment TBG-1 – 2022 All Source RFP

11 Attachment TBG-2C – Bid Score Summary Sheet (Confidential/Highly
12 Competitively Sensitive)

13 Attachment TBG-3 and 3C – Montpelier CPA (Confidential/Highly Competitively
14 Sensitive) (Public and Confidential)

15 **Q8. Were these attachments and workpapers prepared or assembled by you or**
16 **under your direction and supervision?**

17 Yes.

II. Overview of the 2022 All Source RFP and Selected Projects

18 **Q9. Please provide an overview of the RFP.**

19 The I&M 2022 All Source RFP sought to acquire approximately 500 MW of
20 solar, 800 MW of wind, and other supplemental capacity resources through
21 either renewable energy purchase agreements (PPA) or purchase sale
22 agreements (PSA) to meet the overall capacity and energy needs of the
23 Company identified in the Preferred Portfolio in the Integrated Resource Plan
24 (IRP) as discussed by Company witness Becker. The competitive RFP targeted

1 projects with commercial operation dates to support the Company's capacity
2 needs identified in the IRP. The 2022 All Source RFP is summarized in Table
3 TBG-1 below. The 2022 All Source RFP is available in Attachment TBG-1.

4 The RFP was designed in a way that allowed for an open, non-discriminatory
5 competitive procurement process that considered both third-party and utility
6 ownership, a range of resource types or combinations of resource types, and
7 various sizes and capacities within reasonable operational limits for utility needs.
8 The RFP required projects to be located within either Indiana or Michigan for
9 solar or supplemental capacity resources. An expanded geographic scope was
10 used for wind project consideration to engage a broader range of potential
11 projects that included Illinois and Ohio. Additionally, all projects were required
12 to either be pursuing a PJM interconnection service agreement or have firm
13 transmission from MISO into PJM to be considered eligible for consideration.

14

Table TBG-1: I&M 2022 All-Source Request for Proposal Summary			
Category	Wind (Storage Optional)	Solar (Storage Optional)	Supplemental Capacity Resources¹
Nameplate Capacity	Approximately 800 MWac	Approximately 500 MWac	Supplemental capacity to meet overall capacity need.
Location	Indiana, Michigan, Ohio or Illinois	Indiana or Michigan	Indiana or Michigan
Battery Energy Storage Option	Targeting within a ratio of 5:1 to 3:1 of nameplate and greater than or equal to 4 hours of storage	Targeting within a ratio of 5:1 to 3:1 of nameplate and greater than or equal to 4 hours of storage	Greater than or equal to 4 hours of storage, with consideration for projects that can enhance existing I&M facilities
Carbon Emissions Requirement	N/A	N/A	Generating units must have low carbon emissions or mitigating technology
Minimum PPA/PSA Size	5 MWac	5 MWac	5 MWac
Minimum PSA Design Life	30 year	30 year	Preferred 30 year; minimum 15 year (technology dependent)
Minimum PPA Term	15 year (must show a 30 year option)	15 year (must show a 30 year option)	15 year
PPA Price Structure	Fixed price / Non-Escalating All-in around-the-clock price	Fixed price / Non-Escalating All-in around-the-clock price	N/A
Affiliate or Self Build	No	No	No

¹ Standalone Storage, Emerging Technologies, Thermal, and Other Capacity Resources

1 **Q10. Please provide a summary of the Projects selected in the I&M 2022 RFP.**

2 Following the RFP process, I&M entered into two PSAs for 469 MW of solar
3 resources and two PPAs for 280 MW of solar resources, as well as a capacity-
4 only CPA for 210 MW of natural gas peaking capacity. The capacity agreement
5 is the subject of this filing.

6 **Q11. Please describe the Montpelier CPA that is the subject in this proceeding.**

7 The Montpelier CPA is a capacity-only contract I&M has entered into with
8 Rockland Capital for 210 MW of firm PJM accredited capacity from the
9 Montpelier Electric Generating station. I&M's contract does not include any
10 energy purchases.

11 The Montpelier Generating Station is an existing natural gas combustion turbine
12 facility that went into commercial operation in 2001 and is located in Poneto, IN

1 (Wells County). This facility is connected to the AEP transmission system. The
2 contract term for the Montpelier CPA is seven years, starting in PJM capacity
3 year 2027/2028 and ending in 2033/2034.

III. Competitive RFP Development / Issuance and Engagement of Independent Monitor

4 **Q12. What steps were taken by the Company prior to the issuance of the RFP?**

5 Prior to issuance of the RFP, I&M (1) retained an Independent Monitor; (2)
6 drafted the RFP based on the needs outlined in the Company's IRP; (3)
7 assessed the pool of projects in the PJM approval process that would be eligible
8 to bid into the RFP; and (4) engaged with stakeholders to gather input on the
9 RFP's structure and requirements.

10 **Q13. Please describe your role in the Company's 2022 All-Source RFP.**

11 My role in the 2022 All-Source RFP was to oversee and facilitate the RFP
12 process through its development, administration, evaluation, negotiation, and
13 agreement execution phases for the Montpelier CPA, which is the subject of this
14 proceeding. I also served as the primary contact for coordination with the
15 Independent Monitor and I&M throughout the process.

16 **Q14. Please identify and explain the role of the Independent Monitor.**

17 I&M retained Charles River Associates (CRA) to serve as the Independent
18 Monitor on behalf of I&M for the All-Source RFP. As the Independent Monitor,
19 CRA managed the RFP process and helped support the design and
20 development of the RFP; led the stakeholder engagement process and
21 feedback; conducted the Eligibility and Threshold (E&T) review for all proposals;
22 and monitored the RFP administration from issuance to selection. CRA was
23 also consulted post-selection to address emerging issues during contract
24 negotiations, such as pricing changes due to supply constraints, to ensure the
25 competitive procurement process was not compromised. Company witness

1 Koujak discusses CRA's role and experience as Independent Monitor in
2 additional detail in his direct testimony.

3 **Q15. How did the Company develop the structure and requirements of the RFP?**

4 The Regulated Infrastructure Development team worked in cooperation with I&M
5 and the Independent Monitor to develop the RFP based on the overall capacity
6 need identified in I&M's 2021 IRP submitted in January 2022 in Indiana and filed
7 in February 2022 in Michigan. The RFP was developed to conform to
8 requirements approved by the Commission order dated December 8, 2021 in
9 Cause No. 45546¹ as well as the requirements of Michigan's *Competitive*
10 *Procurement Guidelines for Rate-Regulated Electric Utilities* (MI Procurement
11 Guidelines). The RFP was structured to be non-discriminatory and flexible with
12 respect to technology, allow for project sizes as small as 5 MW, allow for
13 stakeholder input in the development of the RFP prior to its issuance, and
14 consider both third-party and utility ownership structures.

15 **Q16. How did the Company collect and incorporate stakeholder input in the**
16 **development of the RFP?**

17 The Independent Monitor facilitated a stakeholder engagement process
18 designed to provide stakeholders with an opportunity to provide input in the
19 development of the RFP. The engagement effort allowed stakeholders to
20 review the overall purpose, process, and schedule of the RFP, review RFP
21 documents, and provide input to CRA and the Company.

22 Stakeholder communications were initiated early January 2022, notifying
23 interested parties that I&M would be releasing an RFP in March 2022. CRA
24 hosted an RFP website (imallsourcerfp.com) that shared information about the
25 RFP development and issuance process, allowed for download of RFP
26 documents and presentations, and provided contact information (phone/email)

¹ See Section A. 8 of Stipulation and Settlement Agreement for the Joint Petition of Indiana Michigan Power Company (I&M) and AEP Generating Company (AEG) for certain determinations with respect to the Commission's jurisdiction over the return of ownership of Rockport 2.

1 for sharing comments and suggestions directly with CRA. Stakeholder
2 questions and responses were published on the website to ensure all
3 participants had equal access to RFP information.

4 On January 18, 2022 CRA hosted an RFP Development Meeting during which
5 the structure of the RFP was shared and stakeholders were asked to provide
6 initial comments to support the development of the Draft RFP. The Draft RFP
7 was then released by CRA on January 28, 2022 followed by a Pre-RFP
8 Stakeholder Meeting on February 8, 2022. Input from stakeholders during and
9 following the Pre-RFP Stakeholder Meeting was received, responded to, and
10 where reasonable, incorporated into the Final RFP that was issued on March
11 10, 2022 via the CRA website.

IV. Proposal Review and Project Selection

12 **Q17. Please describe the initial bid receipt and overall bidder response to the**
13 **2022 All Source RFP.**

14 All bids were submitted electronically to CRA on April 21, 2022 and shared with
15 I&M. In total, CRA (and I&M) received 32 proposals from 12 unique bidders.
16 Proposals included Solar, Wind, Solar plus Storage, Wind/Solar plus Storage,
17 Thermal capacity resources, and standalone battery storage technologies.
18 Several bidders submitted multiple bids for the same project (e.g., bid variations
19 with battery energy storage systems and multiple expected commercial
20 operations dates), accounting for a greater number of bids than projects. A total
21 of approximately 7,500 MW of proposed projects across 32 project bids were
22 received.

23 **Q18. Were proposals offered on an exclusive basis to the Company?**

24 No. The proposals were not offered to the Company on an exclusive basis and
25 the bidders could withdraw their proposal at any time.

1 **Q19. Please outline the general process steps in the proposal review and**
2 **project selection process.**

3 The proposal review and project selection process involved the following
4 general steps:

5 Step 1: Bid Clarification and Eligibility & Threshold (E&T) Review

6 Step 2: Detailed Analysis & Due Diligence

7 Step 3: Shortlist Identification and Negotiations

8 Step 4: Final Project Selection and Agreement Execution

9 **Q20. Please describe the Bid Clarification process.**

10 Upon receipt of proposals, the Company and the Independent Monitor reviewed
11 the proposals for completeness. If information was either missing or unclear in
12 a specific proposal, bidders were given the opportunity to provide clarifying
13 information to the Independent Monitor and the Company to further evaluate the
14 proposal. Initial bid clarification requests were compiled within a month of
15 proposal receipt, primarily focused on verifying key E&T requirement information
16 and pricing assumptions.

17 **Q21. Please describe the E&T review.**

18 An initial review of the proposals was conducted by the Independent Monitor to
19 ensure all bids conformed with the E&T requirements listed in the 2022 RFP
20 Section 9.1 (see Attachment TBG-1). The E&T requirements included criteria
21 such as meeting the RFP target commercial operation date, minimum project
22 size, location of proposed resources, interconnection status, and minimum
23 design life.

24 The E&T review was conducted in parallel with the bid clarification process,
25 ensuring that bidders were given reasonable opportunity to clarify
26 inconsistencies or data gaps in their respective proposals. If a proposal did not
27 reasonably meet any of the requirements of Sections 9.1.1 – 9.1.12 of the 2022
28 RFP, the proposal was deemed to be ineligible for further evaluation and the

1 bidder notified accordingly. Further detail on this process is provided by
2 Witness Koujak.

3 **Q22. Were any projects removed from further consideration that passed the**
4 **E&T review?**

5 Yes. Two of the three wind projects that had passed the E&T review ultimately
6 rescinded their bids from the RFP to pursue other agreements. One of the
7 projects subsequently entered into a PPA with an outside industrial customer.
8 The other project was ultimately selected by I&M's sister company Appalachian
9 Power Company. Appalachian Power Company had been reviewing the wind
10 project before the I&M RFP was released and ultimately selected the project
11 after completing the detailed bid analysis phase.

12 **Q23. Please describe the Detailed Analysis portion of the RFP process.**

13 Those projects that passed the E&T review underwent a detailed analysis,
14 continuing due diligence, and evaluation (scoring) process conducted by a
15 multidisciplinary team of knowledgeable industry professionals from AEP, I&M,
16 and select outside consultants.² Team members had specific expertise in each
17 of the non-price factor topics with backgrounds in engineering, project
18 management, operations and maintenance, real estate, economic development,
19 wind and solar resource assessment, transmission planning, environmental
20 science and permitting, energy economics and modeling, and contract law.

21 The multidisciplinary team conducted an Economic Analysis (further detailed
22 below), which accounted for 60 points (60%) of the proposal's total score, and
23 non-price factors, which accounted for 40 points (40%) of the proposal's total
24 score. The two scores were then combined to determine an overall score for
25 each bid. All scores were reviewed by the Independent Monitor for
26 reasonableness and consistency. The detailed analysis process allowed the

² Outside consultants included: DNV, Inc., for third party evaluation of the solar resource information; Simon Wind, for third party evaluation of the wind resource information; and HDR, Inc. for support conducting an environmental and social justice assessment of each project.

1 Company to objectively evaluate and rank each eligible bid, which informed the
2 decision to move forward with negotiations and further due diligence on the
3 proposals.

4 **Q24. What were the components of the Economic Analysis?**

5 The Integrated Resource Planning team completed the Economic Analysis for
6 each of the proposals that met the E&T requirements. The analysis included
7 inputs directly from the proposals, such as the bid price, interconnection costs,
8 and term length. It also included various inputs from the interdisciplinary team
9 such as transmission congestion and line loss estimates, estimated operation
10 and maintenance costs, and other operating company specific modeling
11 variables such as applicable federal tax credits and financing assumptions. The
12 Economic Analysis resulted in several key price metrics that were used to
13 determine the ultimate price score for each of the proposals. A more detailed
14 description of the Economic Analysis, price metrics, and price scoring can be
15 found in Company witness Becker's testimony.

16 **Q25. How was pricing compared across different proposal contract types, with**
17 **different term lengths, and different energy product offerings in the**
18 **Economic Analysis?**

19 Price comparisons across proposals with different contract types, technologies,
20 and term lengths were facilitated through a two-phased process focused on
21 three price-based metrics. The first phase (Phase 1) of the Economic Analysis
22 focused on the assessment and comparison of projects of similar generation
23 type (wind, solar, or supplemental capacity) using either a calculated Levelized
24 Adjusted Cost of Energy (LACOE) or Levelized Adjusted Cost of Capacity
25 (LACOC) metric. The second phase (Phase 2) then assessed and compared
26 the projects across all technology types based on a Value to Cost (V/C) ratio.
27 The V/C ratio allowed for the holistic consideration of all the value streams
28 provided by each generation type in the comparison. Across both phases, the
29 metrics were calculated in a manner that ensured proposals could be compared

1 on an equivalent basis across the range of technology types, contract structures
2 (PSA or PPA), contract term lengths, and energy product offerings.

3 Ultimately, given the number of projects remaining after the E&T analysis, the
4 Independent Monitor and I&M agreed that no project would be eliminated in the
5 first phase and all eligible projects would proceed from Phase 1
6 (LACOE/LACOC) to Phase 2 (V/C) comparisons. A more detailed review of the
7 economic analysis and scoring can be found in the Direct Testimony of Witness
8 Becker.

9 **Q26. What non-price factors were considered in the evaluation of each of the**
10 **proposals?**

11 A total of ten non-price factors grouped into four categories were considered in
12 the evaluation of each proposal. The four categories each accounted for up to
13 ten points of the total non-price score of each bid. The categories are described
14 below with respect to the individual non-price factors considered in each.

15 The Asset-Specific Benefits and Risks category included two factors, 1) the
16 *Contract Term/Asset Life-Related Market Risks* factor, and 2) the Ownership
17 Optionality and Flexibility Benefits factor. Overall, this category evaluated the
18 project configuration and contract terms of the proposals with respect to
19 operational flexibility and performance expectations of the resource, while also
20 considering the potential for increased exposure of the Company to future
21 market volatility.

22 The Development Status and Risks category included two factors, the 1)
23 *Development Status, Interconnection Status, and Other Project Completion*
24 *Risks* factor, and the 2) *Project Timing* factor. This category assessed each
25 project with respect to its potential to meet its proposed commercial operation
26 date, its interconnection progress, and any notable material supply risks. It also

1 awarded points to those projects that could be available for the 2025-2026
2 capacity year.

3 The Environmental, Social, and Economic Impacts/Benefits category was
4 comprised of three factors, 1) the *Carbon Emissions* factor, 2) the
5 *Environmental and Wildlife Impact / Permitting* factor, and 3) the *Economic*
6 *Stimulus Benefits, Community Support, and Supplier/Contractor Diversity* factor.
7 Together these factors assessed the overall impact on communities, inclusive of
8 considerations for natural and/or historic resources, environmental and social
9 justice, and local zoning or permitting approvals. The Company engaged a
10 third-party consultant HDR, Inc. to assist with the environmental and social
11 justice analysis. This category also included consideration of potential
12 community benefits such as the potential for increased value to (or use of) local
13 businesses, economic development, and the developer's plan to use small and
14 diverse suppliers and subcontractors, and/or contractors based in Indiana or
15 Michigan.

16 The Proposal and Project Quality category was also comprised of three non-
17 price factors: 1) *Bidder Experience and Financial Wherewithal* factor; 2)
18 *Exceptions to AEP Generation Facility Design Standards* factor; and 3)
19 *Exceptions to Form PSA or PPA* factor. Together, these factors evaluated the
20 overall experience of the developer, their financial status, and their willingness
21 to adhere to AEP's design and contracting expectations.

22 **Q27. Please provide a summary of the total scores for all the eligible proposals.**

23 Once the economic and non-price evaluations were completed and reviewed by
24 the Independent Monitor for consistency and completeness, the scores were
25 combined to yield a Total Score for each bid. Total scores for all the eligible
26 bids ranged from roughly 55 to 93 out of 100. A full report of the price and non-
27 price scores for each of the eligible bids is provided in the Bid Score Sheet,
28 Attachment TBG-2C. Further discussion on the selection process and rationale
29 are provided by Witness Koujak.

1 **Q28. What projects were selected for detailed contract negotiations (shortlist)?**

2 The Company selected the lowest reasonable cost facilities that best met the
3 energy and capacity needs of the Company. A total of seven project proposals
4 were selected for further shortlist contract negotiations. Ultimately, five of the
5 seven projects were successfully negotiated. These projects include two solar
6 PPAs, two solar PSAs, and the Montpelier CPA.

V. Negotiation Process and Market Pressures

7 **Q29. Describe the contract negotiation activities with the developers of the**
8 **shortlisted projects.**

9 The Company began commercial contractual negotiations once the parties were
10 formally notified that their bids were selected for shortlist negotiations. Due
11 diligence efforts contained in this phase focused on further review and
12 assessment of each project's site development plans, land agreements, and
13 local approval status, grid interconnection studies and status, as well as
14 continual refinement of the engineering studies, design expectations, and
15 construction scope of work to support negotiations. Formal commercial and
16 contractual discussions included regular focused discussions on key contract
17 terms as well as ongoing commercial discussions as design requirements, the
18 construction scope of work, and contract terms were finalized.

19 Ultimately, the Company was successful in executing agreements for two solar
20 PPAs, two solar PSAs, and the Montpelier CPA. The Montpelier CPA is
21 provided as Attachment TBG-3 and 3C.

22 **Q30. Why were two projects removed from further consideration during**
23 **shortlist negotiations?**

24 Two shortlisted projects were ultimately removed from further consideration as a
25 result of new information that arose during additional due diligence and ongoing
26 discussions during contract negotiations.

1 A standalone storage project was initially selected for its capacity-only bid.
2 However, upon further review of the project, I&M determined that [REDACTED]

3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 A solar project was ultimately removed from further consideration due to

8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 **Q31. Did any of the projects change during the shortlist negotiation process?**

14 Yes. The majority of projects that bid into the RFP were early in their
15 development, with many of the key design, construction, and procurement
16 decisions still outstanding in the normal course of a project development
17 timeline. During the roughly eight-month period from when proposals were
18 submitted until contracts were negotiated, bidders continued with the
19 development efforts that are typical for renewable energy projects at this stage
20 in their development. [REDACTED]

21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

26 In some cases, the negotiation process itself resulted in changes to the
27 proposed project. This was the case for the Montpelier CPA proposal, which
28 was bid in as a Supplemental Capacity resource. Supplemental Capacity
29 resources were included in the RFP, in part, to help 'fill in the gaps' of the
30 broader portfolio of renewables in terms of overall capacity and timing. I&M

1 recognized that the capacity-only bid for the existing Montpelier facility could
2 provide a measure of protection from the inherent risks associated with the
3 approval and construction schedules of the new renewable projects. For that
4 purpose, I&M worked with Rockland Capital to modify the timing and term of
5 their proposed capacity-only bid to begin before the Rockport retirement (when
6 the renewables would come online) and end to better coincide with the
7 scheduled expiration of existing wholesale contracts.

8 **Q32. How did market pressures impact the RFP bid and review process?**

9 Developers submit bids into the RFP with cost estimates that are backed by a
10 range of both explicit and implied assumptions about material supply chains,
11 contracting costs, design expectations, and the legal and regulatory framework
12 understood at the time of submittal. [REDACTED]

13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

19 **Q33. What market pressures influenced the bids received in response to the**
20 **2022 All Source RFP?**

21 A range of events impacted markets both immediately before and during the bid
22 selection and negotiation process for the 2022 All Source RFP, including: the
23 Uyghur Forced Labor Prevention Act (UFLPA) and subsequent detainment of
24 module deliveries by U.S. Customs and Border Protection, Russia's invasion of
25 Ukraine, the initiation of the Antidumping Duty and Countervailing Duty
26 (AD/CVD) investigation by the U.S. Department of Commerce (Commerce), the
27 enactment of the Inflation Reduction Act (IRA), the release of guidance around
28 the IRA's Prevailing Wage and Apprenticeship requirements, PJM
29 interconnection queue reform, and the rise in inflation and interest rates. [REDACTED]

1
2
3
4

[REDACTED]

5 **Q34. Which market pressures had the most impact on project schedules for**
6 **new generation resources?**

7 Ongoing supply chain risks and delays in the PJM interconnection process have
8 been the primary drivers of schedule changes during the bid review and
9 negotiation process. Continuing supply chain risks and commodity inflation
10 driven by the war in Ukraine, pending solar module tariff outcomes of the
11 AD/CVD investigation, and competition among developers for material supply
12 and contractor support have all added scheduling risks to projects.

13 However, delays and uncertainty in the PJM interconnection process have likely
14 had the most significant impact on project development timelines. Generation
15 interconnection requests have more than tripled since in the last several years.³
16 This rapid increase in queue volume has caused significant delays, increasing
17 the time required for acquiring an executed interconnection agreement from a
18 little over two years in 2015 to nearly five years today. The extended timeline
19 has been problematic for developers since many projects face financial
20 uncertainty until the interconnection study process can identify the scope and
21 cost of network upgrades that are required for the project to come online.

22 The overall effect of the PJM queue delays has been a reduction in the supply of
23 projects that can support the increasing demand for renewables in a manner
24 that meets the timing of energy and capacity needs of the system. Although
25 FERC has approved reforms to help resolve the generation interconnection
26 queue bottleneck, the plan itself will take years to execute and new generation

³ PJM, 2022. PJM Members Endorse Plans to Revamp and Improve the Generation Interconnection Process. <https://www.pjm.com/-/media/about-pjm/newsroom/2022-releases/20220427-pjm-members-endorse-plans-to-revamp-and-improve-the-generation-interconnection-process.ashx>

1 interconnection requests are no longer being accepted until more of the backlog
2 is processed.

3 **Q35. What market pressures and/or economic factors affected commodities,**
4 **equipment, and labor costs?**

5 A range of economic factors caused increases to cost and volatility in raw
6 materials, equipment costs, interest rates, and labor during the bid evaluation
7 and negotiation process. Each of these factors impacted bid pricing and shaped
8 contract negotiations.

9 Raw materials, including steel and aluminum, continue to see higher pricing and
10 volatility driven by lingering impacts of the pandemic, the war in Ukraine,
11 inflation, and the energy crisis in Europe. As an example, early in 2022, the Hot
12 Rolled Coil (HRC) steel index⁴, which generally fluctuated between \$500 – \$800
13 per ton in the years preceding the pandemic, rose from \$1,000 to \$1,500 per ton
14 driven by Russia's invasion of Ukraine (the two countries together account for
15 nearly 50% of the world's pig iron, a key component in steel production).

16 Although prices declined in the latter half of the year, steel prices (at the time of
17 this testimony) have risen again to nearly \$1,200 per ton displaying a
18 combination of high pricing and volatility that continue to impact supplier pricing
19 for steel products which directly affect solar racking, tracking and piling systems.

20 The solar module industry has been impacted by a range of regulatory changes,
21 investigations, uncertainty, and supply challenges that have driven up pricing
22 and slowed solar deployments. The UFLPA signed into law in late 2021,
23 resulted in significant bottlenecks at U.S. ports in mid-2022 as Customs and
24 Border Protection (CBP) officials worked through compliance reviews on a
25 growing backlog of shipments. Soon after, Commerce initiated an investigation
26 to determine if the United States should impose additional
27 antidumping/countervailing duties (AD/CVD) on imports of solar cells and

⁴ S&P Capital IQ Pro Website, Steel – Domestic Hot Rolled Coil (CME-NYMEX) data. Accessed March, 24 2023. S&P Global Market Intelligence, 55 Water Street, New York, NY 10041

1 modules coming from Cambodia, Malaysia, Thailand, and Vietnam. The
2 investigation stems from claims that Chinese companies were attempting to
3 circumvent current U.S. AD/CVD tariffs by performing a minor production step in
4 these countries. A preliminary determination in the investigation was released in
5 late 2022 that suggested certain suppliers from the four countries could be
6 assessed duties of between 15-240% on their modules. Together, these actions
7 have both increased schedule concerns around solar module delivery and
8 added uncertainty around solar module pricing.

9 Rising inflation driven by an array of pandemic-related factors in 2021 led to an
10 increase in interest rates. This, in turn, has affected project finance costs,
11 reduced the ability of developers to attract tax equity financing⁵, and further
12 exacerbated pricing impacts from ongoing supply chain challenges. Though
13 inflation is on a slow decline, uncertainty around Federal Reserve actions and
14 effect on interest rates continues to be a concern for bidders.

15 The IRA, passed in August of 2022, included an array of benefits for renewable
16 deployment. The extension and expansion of renewable energy tax credits
17 resulted in a boom of planned development, with new planned renewable
18 deployments increasing significantly since its enactment. [REDACTED]

19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

⁵ Sweeney, 2023. Renewable project financing to rebound in 2023 as energy transition accelerates. S&P Global Commodity Insights. S&P Global Market Intelligence, 55 Water Street, New York, NY 10041

1 **Q37. Please elaborate on how the Company has responded to the industry**
2 **challenges described above through contract negotiations.**

3 As discussed above, recent supply chain disruptions, inflation, regulatory
4 uncertainty, and other market pressures have impacted the energy industry and
5 the world economy in general. These challenges are ongoing and will continue
6 to impact the development and deployment of new generation needed to
7 support the company's near-term capacity needs.

8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]

29 As shown in the following section, each agreement also incorporates financial
30 assurances that the developer will meet its contractual obligations; that the

1 facilities will align with performance expectations; and that major equipment
2 suppliers and contractors will honor all warranties, guarantees, and
3 commitments to the projects.

4 Overall, the Company's [REDACTED] Best Estimate is reasonably
5 designed [REDACTED] allowing the Company to
6 acquire the resources needed to meet our customers' need for energy and
7 capacity resources.

8 **Q38. Does the Montpelier CPA provide a unique opportunity for I&M and its**
9 **customers to reduce or eliminate several of the above market risk factors?**

10 Yes, this is discussed in my testimony below.

VI. Overview of the Montpelier CPA and Costs

11 **Q39. Please describe the structure and terms of the Montpelier CPA.**

12 The Montpelier Electric Generating Station is an existing 236 MW gas facility
13 located in Wells County, Indiana, consisting of 4 Pratt-Whitney Combustion
14 Turbines, owned by Rockland Capital, placed into operation 2001. I&M will
15 purchase a 7-year, 210MW capacity-only product (starting capacity available for
16 PJM planning year '27/'28 and extending through '33/'34), with a negotiated
17 price of [REDACTED] and a [REDACTED]
18 [REDACTED]. Please see Attachment TBG-3 and 3C for a more
19 detailed breakdown of the 7-year pricing structure.

20 In addition, the following are several key features of the Montpelier CPA:

21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 **Q40. What are the advantages for considering an existing asset.**

8 Contracting with an existing asset removes much of the market, commodity, and
9 supply chain risks I have described in my testimony. As an existing resource,
10 the Montpelier facility provides necessary and timely capacity without any of the
11 development risks currently impacting new generation builds. In this way, the
12 Montpelier CPA serves as an important capacity resource that helps to ensure
13 that I&M continues to meet its Fixed Resource Requirement plan while
14 transitioning to more renewable energy resources.

15 Importantly, per the CPA, Rockland Capital [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED] I&M gains a valuable resource not only
19 to manage through the variability of new generation development timelines and
20 success rates, but also to manage its capacity portfolio overall.

21 **Q41. How did I&M ensure the facility could meet performance and capacity
22 needs fulfilled by this agreement?**

23 Significant due diligence was performed by I&M including review of Generating
24 Availability Data System (eGADS) data, Equivalent Demand Forced Outage
25 Rate (EFORd) evaluation, site walk-downs, review of current and prior
26 maintenance plans/records, and inspection reports. I&M observed favorable
27 due diligence results, with the Montpelier facility positioning themselves for
28 strong performance and reliability for an additional [REDACTED] years beyond the
29 contracted date.

1 Furthermore, to ensure future visibility and compliance with operation and
2 maintenance standards, contractual requirements were agreed to by both
3 parties addressing operational requirements, planned maintenance, and forced
4 outages. These contractual commitments help ensure proper monitoring of the
5 plant facility performance and maintenance, and will ultimately help to uphold
6 commitments in the CPA.

7 **Q42. Does the Montpelier CPA provide any financial assurances that Rockland
8 Capital will meet its obligations?**

9 Yes. Rockland has agreed to a fixed independent amount (calculated as an
10 annual payment) via Letter of Credit (Collateral) as a first-year baseline amount
11 which covers maximum PAI risk and penalties that could be incurred. The fixed
12 independent amount will be modified for each Delivery Year to include any
13 capacity penalties incurred. I&M also negotiated other financial commitments if
14 the unit fails to deliver, and for other non-performance events.

15 **Q43. In your opinion, are the estimated costs of the Montpelier CPA
16 reasonable?**

17 Yes. The CPA costs are the result of the competitive All-Source RFP process
18 and direct arms' length negotiation and executed transaction as discussed
19 above. Respondents to the RFP were motivated to reply with competitive bids in
20 order to be considered for review and negotiation of an agreement.

21 Montpelier was selected as the reasonable least-cost capacity-only product
22 when compared to the only other capacity-only bid submitted as described
23 above. Securing the cost for capacity under this agreement provides I&M
24 security and control over future market volatility and capacity pricing risk.

VII. Summary and Conclusion

1 **Q44. Please summarize your testimony and conclusions.**

2 The Montpelier CPA presented in my testimony is the result of a competitive
3 RFP process, including arms' length negotiations, and represents a reasonable
4 least-cost capacity-only product. The Montpelier CPA terms are reasonably
5 designed to manage industry and economic challenges while facilitating the
6 capacity required by the Company to meet its obligation to ensure I&M has firm
7 capacity available to service customers.

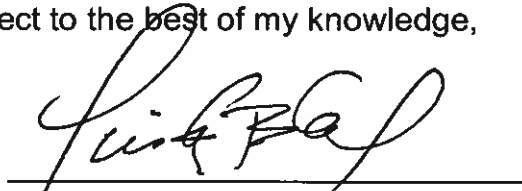
8 **Q45. Does this conclude your pre-filed verified direct testimony?**

9 Yes, it does.

VERIFICATION

I, Timothy B. Gaul, Director – Regulated Infrastructure Development at American Electric Power Service Corporation, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Date: 3/8/23



Timothy B. Gaul



**American Electric Power Service Corporation
as agent for
Indiana Michigan Power Company**

Request for Proposals

Approximately 800 MWac of nameplate rated
Wind Energy Resources,
(with Optional Energy Storage Systems)

Approximately 500 MWac of nameplate rated
Solar Energy Resources,
(with Optional Energy Storage Systems)

**Supplemental Capacity to Meet Overall Capacity Need from
Standalone Storage, Emerging Technologies, Thermal,
and Other Capacity Resources**

The Resources requested via this RFP will be acquired via Purchase and Sale Agreements (PSA) for purchase of 100% of the equity interest of the Project's limited liability company (Project LLC) at Mechanical Completion for solar projects (or other ITC qualifying projects), and on or about final completion for wind projects (or other Non-ITC qualifying projects)

OR

Power Purchase Agreements (PPA) for purchase of the Renewable Energy Products produced by a Solar and/or Wind Energy Resource and Supplemental Capacity Products produced by Supplemental Capacity Resources.

**RFP Issued: March 10, 2022
Proposals Due: April 21, 2022**

Web Address: <https://www.IMAllSourceRFP.com>



Table of Contents

	Page
1) Introduction	1
2) RFP Overview	3
3) Product Description and Requirements	4
4) PSA Bid Price and Structure	8
5) PPA Bid Price and Structure	9
6) RFP Schedule and Proposal Submission.....	11
7) Proposal Submittal.....	12
8) Proposal Content	13
9) RFP Proposal Evaluation.....	14
10) Reservation of Rights	20
11) Confidentiality.....	21
12) Bidder's Responsibility	22
13) Contacts	22



Attachments

Project Summary.....Appendix A

Bidder’s Credit-Related InformationAppendix B

Bidder ProfileAppendix C

Form Purchase and Sale Agreement (PSA).....Appendix D

Form Power Purchase Agreement (PPA)Appendix E

AEP Generation Facility Standard.....Appendix F

AEP Requirements for Connection of Facilities.....Appendix G

Wind Resource Information.....Appendix H

Solar Resource InformationAppendix I

Storage Resource InformationAppendix J

Thermal Resource Information.....Appendix K

Emerging Technology Resource Information.....Appendix L

Project Land Lease Costs / Decommissioning Costs / Auxiliary Load.....Appendix M

Project Technical Due Diligence Material.....Appendix N

Environmental / Wildlife / Site Information.....Appendix O

Indiana and Michigan Economic Stimulus Benefits / Community Support /
Supplier/Contractor DiversityAppendix P

Proposal Content Check Sheet.....Appendix Q

BACKGROUND

I&M is pursuing additional generation and capacity resources consistent with its 2021 IRP via an all-source request for proposals (RFP) as follows:

- Approximately 800 MW Wind via a purchase and sale agreement (PSA) for purchase of 100% equity interest in a project company or a power purchase agreement (PPA) for purchase of Renewable Energy Products produced by a Wind resource
- Approximately 500 MW Solar via a purchase and sale agreement (PSA) for purchase of 100% equity interest in a project company or a power purchase agreement (PPA) for purchase of Renewable Energy Products produced by a Solar resource
- Supplemental Capacity Resources to meet overall capacity need via a purchase and sale agreement (PSA) for purchase of 100% equity interest in a project company or a power purchase agreement (PPA) for purchase of Supplemental Capacity Products produced by a Supplemental Capacity Resource

1. Introduction

American Electric Power Service Corporation (AEPSC) and Indiana Michigan Power Company (I&M, Company or Indiana Michigan Power) are subsidiaries of American Electric Power Company, Inc. (AEP).

AEPSC is administering this Request for Proposals (RFP) on behalf of I&M. Affiliates of AEP and I&M (Affiliate) 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 5.5 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 223,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 30,000 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.





Indiana Michigan Power Company, headquartered in Fort Wayne, IN, encompasses the AEP service territories in Indiana and Michigan. I&M serves over 470,000 Indiana customers and 130,000 Michigan customers. Currently I&M has approximately 5,400 MW of generating capacity.

I&M's current generation portfolio mix includes the following:

BASE LOAD - 4,760 MW. Resources include the coal-fired Rockport Plant (2,620 MW) located in Rockport, IN; and the Cook Nuclear Plant (2,278 MW) located in Bridgman, MI.

HYDRO CAPACITY - 22.4 MW. I&M owns six hydro plants across Indiana and Michigan. (See Table 1).

WIND RESOURCES - 450 MW. I&M has 450 MW of long-term renewable energy purchase agreements (REPA) with wind generation resources located in the state of Indiana (See Table 2).

UNIVERSAL-SCALE SOLAR – 34.7 MW. I&M's Clean Energy Solar Pilot Project (CESPP) consists of four separate solar facilities totaling 14.7 MWs. All four solar facilities achieved commercial operation by the end of 2016 and currently operating as designed. Additionally, St. Joseph Solar Farm, a 20 MW solar facility in the South Bend area, achieved commercial operation in 2021.

Table 1 (Hydro Plants)		
Facility Name	Name-Plate	Location – State (County)
Elkhart	3.4 MW	IN (Elkhart)
Twin Branch	4.8 MW	IN (St. Joseph)
Constantine	1.2 MW	MI (St. Joseph)
Mottville	1.7 MW	MI (St. Joseph)
Buchanan	4.1 MW	MI (Berrien)
Berrien Springs	7.2 MW	MI (Berrien)
Total	22.4 MW	

Table 2 (Wind REPAs)		
Facility Name	Name-Plate	Location – State (County)
Fowler Ridge I	100 MW	IN (Benton, Tippecanoe)
Fowler Ridge II	50 MW	IN (Benton, Tippecanoe)
Wildcat	100 MW	IN (Madison, Tipton)
Headwaters	200 MW	IN (Randolph)
Total	450 MW	

Table 3 (Solar Assets Owned)		
Facility Name	Name-Plate	Location – State (County)
Deer Creek	2.5 MW	IN (Grant)
Twin Branch	2.6 MW	IN (St. Joseph)
Olive	5.0 MW	IN (St. Joseph)
Watervliet	4.6 MW	MI (Berrien)
St. Joseph	20.0 MW	IN (St. Joseph)
	34.7 MW	



In addition to its generation portfolio, I&M has approximately 5,300 miles of transmission and 20,500 miles of distribution lines. Additional information regarding I&M can be accessed by visiting www.indianamichiganpower.com.

2. RFP Overview

- 2.1. I&M is pursuing additional solar and wind generation resources as identified in its 2021 IRP submitted in January 2022 in Indiana and filed in February 2022 in Michigan. Though the IRP has identified specific MW buildouts of solar and wind resources, the Company may pursue more of any resource type as result of its RFP process, as detailed in Section 9.4.
- 2.2. I&M is requesting Proposals which will result in obtaining approximately 800 MW of nameplate rated Wind Energy Resources, 500 MW of nameplate rated Solar Resources, and Supplemental Capacity Resources to meet overall capacity need. The Projects sought through this RFP are to satisfy the IRP requirements through 2026. Depending on the results of the RFP, the Company may pursue additional resources. The minimum nameplate rated bid size for this RFP is 5 MWac.
- 2.3. Supplemental Capacity Resources include Standalone Storage, Emerging Technologies, Thermal, and Other Capacity Resources.
- 2.4. As an alternate Proposal for a standalone Solar or Wind energy resource, Bidders may include a Proposal for a Solar or Wind energy resource with a co-located energy storage system (Storage Option). Standalone storage proposals will also be accepted in this RFP.
- 2.5. The Resources requested via this RFP will be acquired via Purchase and Sale Agreements (PSA) for purchase of 100% of the equity interest of the Project's limited liability company (Project LLC) at Mechanical Completion for solar projects (or other ITC qualifying projects), and on or about final completion for wind projects (or other Non-ITC qualifying projects), or, Power Purchase Agreements (PPA) for purchase of the Renewable Energy Products produced by a Solar and/or Wind Energy Resource and Supplemental Capacity Products produced by a Supplemental Capacity Resource. I&M will not consider proposals in this RFP that do not meet these criteria.
- 2.6. For PSA Proposals, while qualifying for Federal Tax Credits is not an Eligibility and Threshold Requirement (§9.1) for participating in the RFP, the value brought to the Proposals in buying down the cost of energy by utilization of these tax credits is significant, and is included in the Company's Economic Analysis (§9.2) and ranking of each of the respective Proposals.
- 2.7. Affiliates of AEP and I&M (Affiliate) are not permitted to participate in this RFP.



- 2.8. I&M may explore establishing a tax partnership structure with one or more of the selected proposals either individually or as a portfolio.
- 2.9. I&M may execute one or more Solar, Wind, or Supplemental Capacity Resource Project PSAs or PPAs as a result of this RFP.
- 2.10. Any Project(s) with which I&M moves forward as a result of this RFP will be subject to I&M's receipt of the necessary regulatory approvals.
- 2.11. I&M has engaged Charles River Associates (CRA) to serve as an Independent Monitor for the RFP. Overall, CRA will serve in a lead role with respect to the stakeholder engagement processes associated with the RFP, ensuring that stakeholder input is incorporated into the competitive procurement process, screening RFP responses, and monitoring AEP/I&M's efforts associated with the development, issuance, and evaluation of the bids (pursuant to all jurisdictional requirements set forth by the Indiana Utility Regulatory Commission "IURC" and the Michigan Public Service Commission "MPSC").
- 2.12. All questions regarding this RFP should be emailed to I&M2022RFP@aep.com and [Cc IMAllSourceRFP@CRAI.com](mailto:IMAllSourceRFP@CRAI.com)

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

- 2.13. This RFP is not a commitment by the Company to acquire any Project or purchase Renewable Energy Products or Supplemental Capacity 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 definitive PSA or PPA agreements with one or more selected Projects.
- 2.14. RFP bid results and any analysis of RFP bid results will be provided by AEP to Interested Stakeholders that (i) have executed non-disclosure agreements and (ii) are not competitive entities (*i.e.*, potential bidders and their consultants and affiliates). Bid results and any analysis of bid results will be provided in a manner that does not disclose the identity of the bidder unless prior written consent is obtained by AEP to disclose the identity of the bidder. AEP may disclose this information without liability hereunder.

3. Product Description and Requirements

- 3.1. PSA Completed Projects: For PSA Proposals, each Project must be a complete, commercially operable, integrated electric generating plant, including all facilities that are necessary to generate and deliver energy into 1) PJM (PJM Interconnection L.L.C), 2) MISO (Midcontinent Independent System Operator) with firm deliverability rights into PJM, or 3) I&M's Distribution System by the Expected Commercial Operation Date.



- 3.2. PPA Products: For PPA Proposals, the Company is seeking to purchase the Renewable Energy Products and Supplemental Capacity Products from a low cost Product to deliver energy into 1) PJM, 2) MISO with firm deliverability rights into PJM, or 3) I&M's distribution electrical system via a PPA.
- 3.2.1. Renewable Energy Products shall include:
- 3.2.1.1. Energy
 - 3.2.1.2. Capacity
 - 3.2.1.3. Ancillary Services (if available)
 - 3.2.1.4. Environmental Attributes
- 3.2.2. Supplemental Capacity Products shall include:
- 3.2.2.1. Energy
 - 3.2.2.2. Capacity
 - 3.2.2.3. Ancillary Services (if available)
 - 3.2.2.4. Environmental Attributes (if available)
- 3.3. Expected Commercial Operation Date (COD): The Company is pursuing Projects that can achieve an Expected Commercial Operation Date (COD) by 12/15/2024 or 12/15/2025 to meet I&M's capacity obligation for PJM capacity planning years 2025-2026 or 2026-2027. I&M has a preference for Projects that can achieve a COD by 12/15/2024.
- 3.4. Target Size: The I&M RFP is seeking approximately 800 MWac nameplate rated Wind generation resources, approximately 500 MWac nameplate rated Solar generation resources, and Supplemental Capacity Resources to meet overall capacity need. The ultimate amount of any one type of resource selected will depend on AEP's bid selection process.
- 3.5. Minimum Acceptable Project Size: 5 MWac.
- 3.6. Location: Solar and Supplemental Capacity Resource Projects must be located in the states of Indiana or Michigan. Wind Projects must be located in the states of Indiana, Michigan, Illinois, or Ohio. All Project must interconnect to: 1) PJM, 2) MISO with firm deliverability rights into PJM, or 3) I&M's Distribution System. I&M has a preference for Projects that provide economic benefit to the states of Indiana or Michigan.
- 3.7. Local Content: I&M encourages the use of local goods or services sourced, in whole or in part, from one or more Indiana or Michigan businesses where feasible. The bidder should identify these resources in their proposal.



3.8. Project Development:

- 3.8.1. In addition to AEP Generation Facility Standards (See Sections 6.4 and 6.5 for instructions to obtain) each Project must satisfy the following as applicable:
- Wind Project turbines must be manufactured by GE, Vestas, or Siemens-Gamesa (see Appendix F).
 - Solar panels and inverters must be manufactured by those approved vendors in the AEP Generation Facility Standard (see Appendix F).
 - Battery Energy Storage Systems must satisfy the AEP Battery Energy Storage System Technical Specification and Design Criteria (Appendix F)
 - For non-wind/solar generation, the asset shall be, or have been, built using utility grade equipment, components and materials. The asset design shall incorporate prudent utility features for maintainability and safe reliable operation.
 - Thermal generating units are required to have low carbon emissions or mitigating technology.
 - Emerging Technology must have demonstrated feasibility, be commercialized, and qualify as a Capacity Resource under the PJM Tariff.
- 3.8.2. Wind Projects: Each Wind Project must have a robust wind resource analysis/study prepared by an independent consultant, which shows the expected energy output from the Project utilizing the turbines that will be used for the Project. Such analysis should include P50, P75, P90, P95 and P99 output with 1-year, 5-year, 10-year, 20-year and 30-year estimates. Bidders will be required to provide site information, including raw meteorological data to the Company for use by the Company's independent consultant (Appendix H).
- 3.8.3. Solar Project: Bidders are required to submit all required Solar Resource Information (Appendix I).
- 3.8.4. Standalone Storage Projects: Bidders are required to submit all required Standalone Storage Resource Information (Appendix J).
- 3.8.5. Thermal Projects: Bidders are required to submit all required Thermal Resource Information (Appendix K).
- 3.8.6. Emerging Technology Projects: Bidders are required to submit all required Emerging Technology Resource Information (Appendix L).
- 3.8.7. New Wind and Solar Projects must have a minimum design life of 30 years. The design life for Supplemental Capacity Resources is technology dependent with a preference for 30 years and a minimum of 15 years.



- 3.8.8. Wind or Solar with Storage Option: Bidders may include in their Solar or Wind proposals, as an option, a Bid Price for a Solar or Wind energy resource with a co-located energy storage system. The optional energy storage system must be 1) within a ratio of 5:1 to 3:1 of the nameplate rating (MWac) of the Solar or Wind energy resource to the nameplate rating (MWac) of the energy storage system and, 2) for a minimum of 4 hours of capacity.
- 3.8.9. Energy Storage Systems Co-located with Existing I&M Solar Facilities: I&M will accept Proposals for Energy Storage Projects that can enhance existing I&M Solar facilities with storage capability.
- 3.8.10. 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. Projects co-located with existing I&M Solar Facilities will be deemed to have established site control.
- 3.8.11. Proposals that include the use of Union Labor are preferred by I&M, but Proposals with non-Union Labor will be accepted.
- 3.8.12. Bidder shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.
- 3.9. Interconnection:
- 3.9.1. Project must be interconnected to:
- 1) PJM, or
 - 2) MISO with Bidder being responsible for securing Firm Transmission from the project in MISO to PJM, or
 - 3) I&M's distribution electrical system.
- 3.9.2 Projects in PJM must have a completed PJM System Impact Study.
- 3.9.3 Projects interconnecting to MISO must have completed Phase 3 of MISO's Definitive Planning Phase and have the Final DPP SIS and Network Upgrade Facilities Study and have secured Firm Transmission into PJM.
- 3.9.4 Projects interconnecting to I&M's distribution electrical system must have a completed Distribution Impact Study from the I&M Distribution Planning Group.
- 3.9.5 Energy Storage Projects co-located with existing I&M Solar Facilities are required to have either 1) a completed system impact study, or 2) established capacity injection rights into PJM



- 3.9.6 The interconnection point with the PJM transmission system or I&M's distribution electrical system will be the Point of Delivery.
- 3.9.7 Bidders are responsible for following the established policies and procedures that are in effect regarding facility interconnection and operation with the interconnecting utility, PJM, or MISO, as applicable.
- 3.9.8 The Bidder is responsible for all costs associated with transmission interconnections and system upgrades as required by the interconnecting utility, PJM, or MISO as applicable. Bidders of Projects located in MISO are also responsible for any costs associated with obtaining Firm Transmission to PJM.

4. PSA Bid Price and Structure:

- 4.1. Proposal pricing must be for the Company's acquisition of a turnkey Project that is a complete, commercially operable, and integrated electric generating plant:
 - 4.1.1. Wind Projects must be designed for a minimum 30-year life. Pricing for Wind Projects must include, but not be limited to, approved wind turbine generators with 30-year life certification (as sited) from manufacturer, balance of plant equipment, O&M facilities, SCADA, IT, all facilities required to deliver energy into PJM or MISO. In addition, pricing must include costs associated with ALTA/title insurance and construction financing.
 - 4.1.2. Solar Projects must be designed for a minimum 30-year life. Pricing for Solar Projects must include, but not be limited to, solar modules, inverters, tracking system, balance of plant equipment, operations and maintenance facilities (if applicable), SCADA, and all facilities required to deliver energy into PJM or MISO. In addition, pricing must include costs associated with ALTA/title insurance and construction financing.
 - 4.1.3. Supplemental Capacity Resources will have a design life that is technology dependent with a preference for 30 years and a minimum of 15 years. Pricing for Supplemental Capacity Projects must include, but not be limited to, balance of plant equipment, O&M facilities, SCADA, IT, all facilities required to deliver energy to the point of interconnection. In addition, pricing must include costs associated with ALTA/title insurance and construction financing.
- 4.2. In addition to Section 4.1, Proposal pricing must include the costs associated with the following:
 - 4.2.1. A minimum of two-year comprehensive warranty from a creditworthy entity for all equipment, including design, labor and materials, and fitness for purpose;



- 4.2.2. Post-commercial operation testing activities and associated costs, including the installation and removal of any temporary test meteorological stations (wind only); and
- 4.2.3. Transmission and interconnection facilities required for the Project, including a detailed list of system or network upgrades, as required by PJM or MISO. Bidders of Projects located in MISO are also responsible for any costs associated with obtaining Firm Transmission to PJM.
- 4.2.4. Pricing shall include ALL costs associated with the development, engineering, procurement, construction, commissioning and applicable testing of the facility.
- 4.2.5. Pricing shall include transfer of all property rights and/or any land lease(s) / easements. (Land hosting either the O&M facility or a project substation must be owned and not leased.)
- 4.3. The proposal shall not be contingent upon awarding an operations and maintenance agreement for the Project and Proposal Bid Price shall not be contingent upon an operations and maintenance agreement for the Project.
- 4.4. Solar Projects and Other ITC Qualifying Projects: The PSA will be for the purchase of 100% of the equity interest of the Project LLC. Three payments under the PSA will be made at Mechanical Completion, Substantial Completion, and Final Completion (See Appendix D – Form Purchase and Sale Agreement for definitions and additional details). The Company will not make any progress payments prior to Mechanical Completion.
- 4.5. Wind Projects and Other Non-ITC Qualifying Projects: The PSA will be for the purchase of 100% of the equity interest of the Project LLC at the completion and commissioning of the Project. Payment by I&M to the Bidder will be at or near the Commercial Operation Date (COD). The Company will not make any progress payments.
- 4.6. 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. PPA Bid Price and Structure

- 5.1. Seller shall use Appendix A and any other attachments as needed to fully articulate the pricing of its Proposal.
- 5.2. Wind and Solar Resources: The Bid Price must be for a bundled Renewable Energy Product as described in Section 3.2.1. The Bid Price shall be on an “as-available” per MWh basis with no separate payment for any Renewable Energy Products.
 - 5.2.1. Bid Price must be a fixed, non-escalated, “all-in”, around-the-clock price (\$/MWh) for the entire term of the agreement.



- 5.2.2. 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.
- 5.2.3. Energy Storage Option Bid Pricing must include all costs described in Section 5.2.2 for both the “solar or wind” energy resource and the storage resource necessary to give the Company the right to dispatch and operate the storage resource. The Company shall have the right to dispatch the storage resource at its discretion (within operating limitations) and for its benefit.
- 5.3. Supplemental Capacity Resources: Bidders shall specify in detail all pricing components related to their Proposal for each Supplemental Capacity Product as described in Section 3.2.2, including contracted capacity.
 - 5.3.1. Proposals that have material contingencies as determined by I&M, such as for financing and/or credit related issues, will not be considered.
 - 5.3.2. Bidders should specify any necessary fuel adders associated with their Proposal, including current fuel arrangements and pricing mechanisms.
- 5.4. Bidders are required to include a Proposal with pricing for a 30-year term. In addition to the required 30-year term Proposal, Bidders may submit an alternative Proposal. The alternative Proposal must include pricing for no less than a 15-year term.
- 5.5. 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.
- 5.6. Proposals must include a buyout option for I&M to purchase the Resource at the end of the PPA term and a first right to purchase the Resource should the bidder elect to sell the Resource. The provision to exercise such a right to purchase will be included in the terms of the executed PPA with any selected project. The exercising of any such right will be contingent upon, at a minimum, notice from I&M to exercise the right, any due diligence inspections required by I&M, and approval from all applicable regulatory authorities.
- 5.7. The Company will pay for Renewable Energy Products and Supplemental Capacity Products prior to the Delivery Period at the Real-Time Locational Marginal Price (\$/MWh) at the Point of Delivery less any associated PJM charges.
- 5.8. 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 I&M, PJM, or MISO (including Firm Transmission) up to the Point of Delivery, shall be included in the Bidder’s pricing where appropriate under current FERC orders and rulings.



- 5.9. 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.

6. RFP Schedule and Proposal Submission

- 6.1. The schedule and deadlines set out in this section apply to this RFP. I&M reserves the right to revise this schedule at any time and at its sole discretion.

RFP Issued	3/10/2022
Proposal Due Date	4/21/2022
Bidder(s) Selected for Final Contract Negotiations	7/5/2022
Contract Execution	November 2022
State Regulatory Filings	December 2022
Receipt of Full Regulatory Approval Order(s)	April 2023
Seller Conditions to NTP achieved	June 2023
Notice to Proceed (NTP)	June 2023
Commercial Operation by	December 2024 or December 2025

- 6.2. Proposals must be complete in all material respects and received no later than 3 p.m. EPT on the Proposal Due Date as defined in Section 7 of this RFP.
- 6.3. Proposals should include an electronic copy of all PJM, MISO, or I&M Studies completed to date for the Project.
- 6.4. Bidders will be required to sign a Confidentiality Agreement (CA) prior to receiving the following documents:
- Form PSA (Appendix D)
 - Form PPA (Appendix E)
 - AEP Generation Facility Standard (Appendix F)
 - Wind:
 - GEN 4560 Wind Projects Technical Spec Rev 5
 - Solar:
 - GEN-4550 Solar Projects Technical Spec Rev 10
 - GEN-4551 Performance Test Requirements Rev 2
 - Battery
 - GEN-4570 BESS Technical Specification Rev 2
 - Scope of Work (Appendix F)
 - AEP Design Criteria for Battery Energy Storage Systems Fire Safety (Document Number: DC-FP-BATT) (Appendix F)
 - WindEnergyInputSheet_2022.xls (Appendix H)
 - Solar Data Review Form.xls and SolarEnergyInputSheet_2022.xls (Appendix I)
 - Storage Data Review Form.doc (Appendix J)
 - Thermal Data Review Form.doc (Appendix K)



- Emerging Tech Data Review Form.doc (Appendix L)
- Project Land Lease and Decommissioning Cost.xls (Appendix M)
- Project Technical Due Diligence Material (Appendix N)
- Environmental Wildlife Site Review Form.doc (Appendix O)
- Local Benefits Support and Supplier Diversity.doc (Appendix P)

6.5. Bidder should request I&M's Form CA by emailing I&M2022RFP@aep.com and Cc IMAllSourceRFP@CRAI.com and including the following documentation:

- Verification of Site Control as required by Section 3.8.10.
- Completed interconnection study as follows:
 - PJM Projects: Completed PJM System Impact Study as required by Section 3.9.2 and 3.9.5, or
 - MISO Projects: Completed Final DPP SIS and Network Upgrade Facilities Study and Firm Transmission into PJM as required by Section 3.9.3, or
 - I&M Distribution Projects: Completed I&M Distribution Impact Study as required by Section 3.9.4.

6.6. I&M 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 Short-List.

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 Submittal

For Proposals that are under 30 MB in size, please submit your Proposal to the Independent Monitor via email at IMAllSourceRFP@crai.com. Please note that the Independent Monitor will always confirm receipt. If you do not receive an email confirmation after submission, please follow up with us as we likely did not receive your submission. Please submit your proposal well prior to the proposal submission deadline to allow time for addressing any issues that may arise during submission.

For Proposals that are over 30 MB in size, or if desired, to ensure proposal delivery regardless of proposal size, at least 2 business days prior to the proposal submission deadline, please contact us via email at IMAllSourceRFP@crai.com for further instructions on how to submit your Proposal via CRA's secure WebTransfer platform. We will provide you with access to the web transfer system in order to submit your proposal files.



One hard copy of the Bidder's complete Proposal shall be submitted within 3 business days of the Proposal Due Date. Hard copies of the Proposal must be identical to the electronic copy submitted on the Proposal Due Date of April 21, 2022. Hard copies shall be submitted to:

American Electric Power Service Corporation
Attn: I&M 2022 All-Source RFP Manager
1 Riverside Plaza (25th Floor)
Columbus, OH 43215

8. Proposal Content

Bidders must submit the following information for Proposals. All electronic versions of the Appendices shall be individual files.

- 8.1. A completed Proposal Content Check Sheet (Appendix Q)
- 8.2. A cover letter signed by an authorized representative of the Bidding Company with a statement of firm pricing for 180 days after the Proposal Due Date.
- 8.3. An executive summary of the Project's characteristics and timeline, including any unique aspects and benefits.
- 8.4. Summary documentation demonstrating how the Project will qualify for the PTC for Wind Projects; or the ITC for Solar Projects (and other ITC qualifying projects) under Section 45 of the Internal Revenue Code of 1986, as amended. Bidder shall provide a detailed plan regarding the steps taken to date and future actions required to satisfy IRS Safe Harbor requirements.
- 8.5. Detailed information regarding the equipment (e.g. wind turbine, solar module, inverter, energy storage resource, etc.) manufacturer's warranty offering including parts and labor coverage and other key terms.
- 8.6. The identity of all persons and entities that have a direct or indirect ownership interest in the Project.
- 8.7. Completed Appendix A (Project Summary).
- 8.8. A completed Appendix B (Bidder's Credit-Related Information).
- 8.9. A completed Appendix C (Bidder Profile). Bidders must provide a general description of its (including its affiliates) background and experience in the development and construction of at least three projects similar to the Projects sought by the Company in this RFP. In addition, Bidders should provide at least three third-party references for such projects.



- 8.10. A complete list of the Bidder's commercial, legal, and other exceptions to the terms and conditions contained in the applicable Form Purchase Sale Agreement or Form Power Purchase Agreement (Appendix D or Appendix E).
- 8.11. A list of any exceptions it takes to the applicable AEP Generation Facility Standard and Scope of Work (Appendix F).
- 8.12. Any exceptions to AEP Requirements for Connection of Facilities (Appendix G).
- 8.13. All required Resource Analysis / Study Information for the corresponding resource type (Appendix H, Appendix I, Appendix J, Appendix K, or Appendix L).
- 8.14. Bidder's Proposal shall include expected Land Lease Costs, Decommissioning Costs, and Auxiliary Load. Land Lease Costs shall be provided by year for a 30-year operating period (See Appendix M).
- 8.15. Energy Storage Option: Bidders providing an alternate Proposal for a Solar or Wind energy resource with an energy storage resource shall provide this option separate from the base Solar or Wind energy resource only Proposal. This optional Proposal shall include all applicable information from Section 8 in addition to technical, operating, performance, and warranty details associated with the storage resource. Any Battery Energy Storage System (BESS) offered shall comply with the AEP Design Criteria for Battery Energy Storage Systems Fire Safety (Document Number: DC-FP-BATT). This document will be provided to Bidders subsequent to execution of a CA (See Section 6.4 and 6.5).
- 8.16. All required Technical Due Diligence Material (Appendix N)
- 8.17. A completed Appendix O (Environmental / Wildlife / Site Information)
- 8.18. A completed Appendix P (Indiana and Michigan Economic Stimulus Benefits / Community Support / Supplier/Contractor Diversity)

9. RFP Proposal Evaluation

Proposals must include ALL applicable content requirements as described in Section 8. I&M will consider bids that are reliable, feasible, and represent a reasonable cost means of satisfying the requirements of this RFP. The Evaluation Process, which includes five main steps, is central to the success of I&M's RFP process.

- Section 9.1: Eligibility and Threshold Requirements
- Section 9.2: Economic Analysis
- Section 9.3: Non-Price Analysis
- Section 9.4: Resource Selection
- Section 9.5: Short-Listed Proposals



9.1 Eligibility and Threshold Requirements: If the Bidder does not qualify under any one of the Sections 9.1.1 – 9.1.12, the Bidder will not qualify for this RFP and will be notified accordingly.

9.1.1 Proposal must be for a Purchase and Sale Agreement or Power Purchase Agreement for a Wind, Solar, or Supplemental Capacity Resource (§2.5).

9.1.2 Projects must have an Expected COD by 12/15/2024 or 12/15/2025 (§3.3).

9.1.3 Project must have a minimum nameplate rating of 5 MWac (§3.5).

9.1.4 Projects must be located in IN, MI, OH or IL for Wind, or IN or MI for Solar and Supplemental Capacity Resources (§3.6).

9.1.5 Bidder must have 1) a completed PJM System Impact Study (§3.9.2 and §3.9.5) which remains active in the PJM queue, 2) a completed MISO Final DPP SIS and Network Upgrade Facilities Study and Firm Transmission from the Project into PJM (§3.9.3), or 3) a completed I&M Distribution Impact Study (§3.9.4)

9.1.6 Bidder must have established Site Control (§3.8.10).

9.1.7 Project Specific Requirements (§3.8.1):

9.1.7.1 Wind Projects: Turbines must be manufactured by GE, Vestas, or Siemens-Gamesa

9.1.7.2 Solar Projects: Solar panels and inverters must be manufactured by approved vendors in the AEP Generation Facility Standard for Solar Facilities

9.1.7.3 Standalone Storage Projects: Asset shall be, or have been, built using utility grade equipment, components, and materials. The asset design shall incorporate prudent utility features for maintainability and safe reliable operation. Battery Energy Storage Systems must be manufactured by approved vendors in the AEP Generation Facility Standard for BESS Facilities.

9.1.7.4 Thermal Projects: Asset shall be, or have been, built using utility grade equipment, components, and materials. The asset design shall incorporate prudent utility features for maintainability and safe reliable operation. In addition, assets must have low carbon emissions or have accompanying mitigating technology. Thermal Projects considered low carbon emissions projects may include Natural Gas, Biomass, and Biofuels Technologies.



- 9.1.7.5 Emerging Technology Projects: Asset shall be, or have been, built using utility grade equipment, components, and materials. The asset design shall incorporate prudent utility features for maintainability and safe reliable operation. In addition, Emerging Technology Projects must be for a proven technology and be commercially feasible.
- 9.1.8 Resource Information: Bidder must submit all required Resource Studies / Information listed in Appendix H (wind), Appendix I (solar), Appendix J (Standalone Storage), Appendix K (Thermal), and Appendix L (Emerging Technology) for the proposed resource type (§3.8.2 – §3.8.6).
- 9.1.9 Project life must be designed for a minimum of 30 years for Wind and Solar or meet the technology design life standard for Supplemental Capacity Resources (§3.8.7).
- 9.1.10 Bidder or its affiliates shall 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 equal to or greater than the Bidder's proposed Project and/or have demonstrated appropriate experience (Appendix A). Bidder is required to include requested financial information (Appendix B) so that AEP's credit department can conduct a financial wherewithal assessment.
- 9.1.11 Bidder's exceptions to the Form PSA and Form PPA shall be complete and, considered individually or in the aggregate, minimally acceptable to the Company as a basis for further discussions (§8.10). I&M reserves the right to disqualify any Bidder who provides an incomplete list of exceptions (for example, by noting that the Bidder's exceptions list has not been reviewed by certain commercial, functional or legal reviewers and may be supplemented with additional exceptions on further review).
- 9.1.12 Proposal must include detailed exceptions, if any, to the applicable AEP Generation Facility Standard and Scope of Work in Appendix F. (§8.11).
- 9.2 Economic Analysis: During the Economic Analysis phase, I&M will determine three key price evaluation metrics for each of the Proposals:
1. Levelized Adjusted Cost of Energy (LACOE)
 2. Levelized Adjusted Cost of Capacity (LACOC)
 3. Value to Cost Ratio

These metrics and intermediate terms used in the calculation of these metrics are defined below

- 9.2.1 Total Cost: I&M will determine the present value of all the costs of each qualifying Proposal. This total cost calculation is based on the Proposal's Bid Price (\$M),



Operations and Maintenance Costs (including Land Lease costs), Tax Expenses, Fuel Costs, Cost of Energy for Charging Storage, Decommissioning Costs (including expected salvage and terminal value), and applicable Federal Tax Credit (Wind – Production Tax Credit, Solar – Investment Tax Credit). To the extent the asset is not under I&M control at any point in the period, cost will reflect market purchases of bundled Renewable Energy Products and Supplemental Capacity Products. In addition, I&M will include the debt equivalence cost of PPAs and transmission congestion cost as determined by the Company’s distribution or transmission congestion screening analysis. Other costs may be included based on the Company’s discretion to appropriately evaluate each Proposal. This may be done to ensure the Company is comparing all qualifying Proposals on an equivalent basis.

- 9.2.2 Total Value: I&M will determine the present value of all the value streams of each qualifying Proposal. This total value calculation is based on expected PJM revenues for the Proposal’s energy, capacity, and any renewable energy certificates in the PJM market. Additionally, other value streams may be included based on the Company’s discretion to appropriately evaluate each Proposal. This may be done to ensure the Company is comparing all qualifying Proposals on an equivalent basis.
- 9.2.3 Levelized Adjusted Cost of Energy: The LACOE is calculated by dividing the Total Cost by the present value of the Proposal’s expected lifetime energy output.
- 9.2.4 Levelized Adjusted Cost of Capacity: The LACOC will be calculated by dividing the Total Cost by the present value of the Proposal’s installed capacity rating.
- 9.2.5 Value to Cost Ratio: The Value to Cost Ratio will be calculated by dividing the Total Value of the Proposal by the Total Cost of the Proposal.

9.3 Non-Price Analysis:

I&M will consider all applicable factors including, but not limited to, the following factors to determine the viability of the Proposal.

9.3.1 Asset-Specific Benefits and Risks

Contract Term/Asset Life-Related Market Risks

The Company will review the extent to which the proposal exposes the Company and its customers to higher than projected market prices and volatility due to the term-length of a contract or the finite life of an asset.

Ownership Optionality and Flexibility Benefits



The Company will review the bid and associated terms relative to the benefits that would accrue to the Company and its customers with respect to operational flexibility. Key considerations will include the ability for the project to reliably meet energy, capacity, and ancillary service needs under emergency and volatile market conditions; and the enhancement value of the facility with respect to current and changing future operational and market needs (ex: storage and new technologies, ability to adapt to new market rules).

9.3.2 Development Status and Risks

Development Status, Interconnection Status, and Other Project Completion Risks

The Company will review the development status of the project including, but not limited to the status of land leases, permitting (local and federal), and arrangements with equipment suppliers and contractors. The review will focus on potential risks (e.g. project schedule, equipment supply arrangements) associated with achieving the targeted commercial operations date. Review under this category will also include an assessment of the proposed project's planned interconnection arrangements, with a focus on completeness of the Generation Interconnection process as prescribed by the respective Regional Transmission Organization (RTO), as well as the scope, schedule, and estimated deliverability of the prospective project.

Project Timing

The Company will review the likelihood that a project will be online in time to support the timing of near term capacity needs identified in the Preferred Plan in I&M's IRP process. Those projects that can reliably meet commercial operation status earliest in 2024 will be scored highest.

9.3.3 Environmental, Social, and Economic Impacts/Benefits

Carbon Emissions Goal

AEP is committed to a goal to achieve net zero carbon emissions by 2050, with an interim target to cut emissions 80% from 2000 levels by 2030. Each bid will be reviewed with respect to its emissions rate, carbon capture technology, and potential to facilitate non-carbon based fuel sources.

Environmental and Wildlife Impact / Permitting

The Company will review the status of applicable environmental documents associated with the project which may include, but not be limited to: a permit matrix and plan, wetland and waters delineations, cultural and historical resource investigations, wildlife surveys and assessments, habitat assessments, resource



agency correspondence and meeting notes, potential for environmental justice concerns, Phase I ESAs, and any other available permit documentation.

Indiana and Michigan Economic Stimulus Benefits, Community Support, and Supplier/Contractor Diversity

The Company will review the Bidder's proposal for its potential to increase private investment by companies that value proximity to renewable energy sources. This category will also include a review of the economic benefits to local governments and businesses as well as local property and sales tax benefits. Known current or historical community support or opposition for renewable projects and the bidder's plan for managing community relations will be evaluated. The review will also include consideration of the developer's plan to use small and diverse suppliers and subcontractors, and contractors based in Indiana and Michigan.

9.3.4 Proposal/Project Quality

Bidder Experience and Financial Wherewithal

The Company will review the Bidder's experience including Bidder's success in completing similar sized projects in the relevant state/jurisdiction, the number of successful projects the Bidder has been involved with to-date, and the Bidder's role in the completion of those projects. The Bidder's ability to meet contractual credit requirements through the review of recent financial statements, ability to post collateral and raise capital, and any other relevant financial information including current credit ratings will also be assessed. The Company will evaluate the form of the Bidder's collateral, including potential parent guaranty, and verify that it is acceptable AEP.

Exceptions to AEP Generation Facility Design Standards

The Company will review the exceptions the Bidder proposed to AEP's Facility Generation Standards and its associated attachments (such as the Scope of Work) for bids that have passed the E&T requirements. All exceptions will be considered in the scoring of this category. Prior agreement by AEP in previous negotiations does not constitute acceptance of an exception.

Exceptions to Form PSA or PPA

The Company will review the exceptions the Bidder proposed to the Company's form agreements with a focus on risks or additional costs to the Company for those projects that have passed E&T requirements. All exceptions will be considered in the scoring of this category. Prior agreement by AEP in previous negotiations does not constitute acceptance of an exception.



9.4 Resource Selection: I&M will incorporate the results of its Economic and Non-Price Analyses to determine an optimized short-list of Proposals through the following steps:

9.4.1 Step 1: I&M will group all Proposals by resource type within the following categories (Resource Type Group):

1. Wind (+Storage)
2. Solar (+Storage)
3. Supplemental Capacity Resources

9.4.2 Step 2: I&M will calculate a First Composite Score, made up of LACOE / LACOC (60%) and Non-Price (40%) scores, for each Proposal. The Proposals within each Resource Type Group will be ranked according to this First Composite Score.

9.4.3 Step 3: On the basis of the first Composite Score rankings, I&M will select approximately 1,600 MW nameplate of Wind (+Storage), approximately 1,000 MW nameplate of Solar (+Storage), and approximately 100 MW nameplate of Supplemental Capacity Resources to carry into Step 4.

9.4.4 Step 4: I&M will calculate a Second Composite Score on the Proposals selected from Step 3, made up of Value-to-Cost Ratio (60%) and Non-Price (40%) scores, for the purpose of comparing Proposals across Resource Type Groups. The Proposals will be ranked according to this Second Composite Score.

9.4.5 Step 5: I&M will select the Proposals from the Step 4 ranking to create a portfolio that meets the Company's Accredited Capacity Resource needs (Proposal Short List). Selection based on the Step 4 ranking could lead to I&M choosing more or less MW of wind or solar resources than originally targeted.

9.5 Short-Listed Proposals: I&M will consider bids that are reliable, feasible and represent a reasonable cost means of satisfying the requirements of this RFP. I&M will identify one or more Short-Listed Bidders for further discussions and negotiations of one or more executable agreements. Bidders not selected to the Short-List will be notified promptly.

9.5.1 I&M reserves the right to disqualify from the Short-List any Bidder who provides a marked Form PSA or Form PPA that materially departs from their previously submitted exceptions list (see §9.1.11).

10. Reservation of Rights

A Proposal will be deemed accepted only when the Company and the successful Bidder have executed either a definitive Purchase Sale Agreement for the Company's acquisition of the



Project or 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.

The Company has seen variable prices throughout many sectors needed to bid and develop a project due to the coronavirus pandemic, supply chain shortages, shipping delays, and now a war in Europe. The Company believes this may, in the short term, until such markets settle, result in higher bid prices to account for potential market risks. Allowing potential shortlist projects to have the opportunity to submit a downward price adjustments to their project will provide time for projects to further understand current markets and allow projects to further refine their costs, hopefully resulting in lower costs for customers. As such, the Company reserves the right, at its sole discretion, and in coordination with the Independent Monitor,



to request Best and Final Offer (“BAFO”) pricing from potential shortlisted proposers during the bid selection process

11. Confidentiality

I&M 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. I&M reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. I&M’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, I&M and AEPSC will make reasonable efforts to protect Bidder’s confidential information.

12. Bidder’s Responsibilities

- 12.1. It is the Bidder’s responsibility to submit all requested material by the deadlines specified in this RFP.
- 12.2. The Bidder should make its proposal as comprehensive as possible so that I&M may make a definitive and final evaluation of the proposal’s benefits to its customers without further contact with the Bidder.
- 12.3. 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.
- 12.4. 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. I&M 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 I&M at its sole discretion.

13. Contacts

- 13.1. General RFP Questions: All correspondence and questions, with the exception of interconnection related questions, regarding this RFP should be directed to:
To: I&M2022RFP@aep.com
Cc: IMAllSourceRFP@CRAI.com
- 13.2. PJM Interconnection: All correspondence and questions regarding the PJM Interconnection process can be found at:
PJM Interconnection



13.3. MISO Interconnection: All correspondence and questions regarding the MISO Interconnection process can be found at:
MISO Interconnection



Appendix A

Project Summary

A1. 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 B – Bidder's Credit-Related Information and Appendix C – Bidder's Profile</i>		

A2. General Project Information

Project Name:	
Resource Type: <i>(e.g. Wind, Solar, Standalone Storage, NG Simple Cycle, Combined Cycle, etc.):</i>	
Project site located (County, State):	
PJM Queue #:	PJM Study Status:
Expected Commercial Operation Date:	
Design Life (Years):	
Bidder confirms that it has substantial Project site control	(Y/N):
Is the proposal for 100% of the asset? (Y/N) If no, what percentage?	%



A3. Wind Project Information

Percentage of Federal Production Tax Credit that Project will qualify for:	%
Turbine Manufacturer:	Model Number:
Number of Turbines:	
Turbine Specific Site Suitability Report completed & included in proposal?	(Y/N):
Independent wind report / analysis completed and included in proposal?	(Y/N):
Source of wind energy forecast:	
Wind Project Nameplate (MWac): Wind Project Nameplate (MWdc): Wind Project Capacity Factor (%):	Expected Annual Availability (%):
<i>Additional Wind Project information to be provided in Appendix H – Wind Resource Information</i>	

A4. Solar Project Information

Percentage of Federal Investment Tax Credit that the Project will qualify for:	%
Module Manufacturer / Model:	Annual Degradation (%):
Configuration (Fixed Tilt / Single Axis):	
Inverter Manufacturer / Model:	
Solar Project Nameplate (MWac): Solar Project Nameplate (MWdc): Solar Project Capacity Factor (%):	Expected Annual Availability (%):
<i>Additional Solar Project information to be provided in Appendix I – Solar Resource Information</i>	

A5. Energy Storage Option Information (co-Located with Wind and Solar Projects)

Storage Resource Description:				
Duration (Hours):				
Ratio of the nameplate rating (MWac) of the Solar or Wind energy resource to the nameplate rating (MWac) of the energy storage system:				:
Economic Life Assumption (Years):				
Project Capacity Values, MW	Nameplate Rating	Winter Rating	Summer Rating	PJM Capacity Value
<i>Additional Storage Project information to be provided in Appendix J – Storage Resource Information</i>				



A6. Standalone Storage Project Information

Storage Resource Description:				
Duration (Hours):				
Economic Life Assumption (Years):				
Project Capacity Values, MW	Nameplate Rating	Winter Rating	Summer Rating	PJM Capacity Value
<i>Additional Storage Project information to be provided in Appendix J – Storage Resource Information</i>				

A7. Thermal Project Information

Fuel Type (Primary / Secondary):				
Project Capacity Values, MW	Nameplate Rating	Winter Rating	Summer Rating	PJM Capacity Value
Estimated remaining useful life (years):				
<i>Additional Thermal Project information to be provided in Appendix K – Thermal Resource Information</i>				

A8. Emerging Technology Project Information

Resource Description:				
Economic life assumption:				
Project Capacity Values, MW	Nameplate Rating	Winter Rating	Summer Rating	PJM Capacity Value
<i>Additional Emerging Technology Project information to be provided in Appendix L – Emerging Technology Resource Information</i>				



A9. PSA Proposal Bid Pricing

Base Proposal				
Expected Transfer by	Equipment Manufacturer	Expected Annual Energy	Capacity Factor	Bid Price, \$
December 15, 2024				\$
December 15, 2025				\$
Remaining Economic Life Assumption (Years):				
Does Bid Price include the use of union labor?				(Y/N):
Does Bid Price take into consideration the AEP Requirements for Connection of Facilities (Appendix G)				(Y/N):
Base Proposal with Energy Storage Option				
Expected COD by	Equipment Manufacturer	Expected Annual Energy	Capacity Factor	Bid Price, \$
December 15, 2024				\$
December 15, 2025				\$

A10. PPA Proposal Bid Pricing

Wind or Solar Base Proposal				
Expected Commence Date	PPA Term	Expected Annual Energy	Capacity Factor	Bundled Price \$/MWh
December 15, 2024				
December 15, 2025				
Wind or Solar Base Proposal with Storage Option				
Expected Commence Date	PPA Term	Expected Annual Energy	Capacity Factor	Bundled Price \$/MWh
December 15, 2024				\$
December 15, 2025				\$



Supplemental Capacity Proposal							
Expected Commence Date	PPA Term	Expected Annual Energy	Capacity Factor	Energy Price \$/MWh	Capacity Price \$/MWh	Ancillary Services Price \$/MWh	Environmental Attribute Price \$/MWh
December 15, 2024							
December 15, 2025							
Specify necessary fuel adders, including current fuel arrangements and pricing mechanisms:							
Does Bid Price include the use of union labor?							(Y/N):
<i>Optional size(s) provided <u>cannot</u> 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.</i>							

All. 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 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>	



A12. Interconnection (MISO)

MISO Project #:	Substation Name / Voltage:	
Phase 2 Complete (Y/N):	Phase 2 Report Date:	
Phase 3 Complete (Y/N):	Phase 3 Report Date:	
Point of Interconnection with :		
Types of transmission service (NRIS, ERIS)		
Firm Deliverability into PJM?	(Y/N)	
If no, cost estimated with securing such deliverability?	\$	
MISO Interconnection Status, including status of any Storage (describe):		
<p><i>Please attach a copy of all interconnection studies and/or the expected completion date(s).</i></p>		

A13. Environmental, Wildlife, and Site Information

Site Legal Description:	
Address:	
City:	State: Zip Code:
County	Longitude: Latitude:
Site Control (lease, own, site purchase pending, etc.):	
Site Acres:	
Is there potential for expansion (Y / N):	If Yes; acres available:
Have you contacted all required permitting agencies regarding this project and identified all necessary permits?	
Local (County, City, etc.) (Y / N):	
State (Y / N):	
Federal (Y / N):	
Wildlife Resources (Federal, State, etc.) (Y / N):	
Other (Y / N):	
Are there any Federal, State, or Tribal lands in the vicinity (within 1 mile) of the project?	
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 O – Environmental, Wildlife, and Site Information</i>	

A14. Projects Completed of the Same Technology Type

Provide a summary of all projects (≥ 5 MWac) that Bidder has successfully developed and completed in the United States or Canada. For each project, describe the Bidder’s specific role in the project.

Project	Location	MW	Bidder’s Role
Total MW =			

Please provide a summary of the operating history of previously built projects (≥ 5 MW), if necessary, provide in a separate attachment



Appendix B

Bidder's Credit-Related Information

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



Appendix C

Bidder Profile

Please list Bidder's Affiliate companies:

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

Please attach a summary of Bidder's background and experience in the development of projects of the same technology as the proposed project.

References

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



Appendix D

Form Purchase and Sale Agreement (PSA)

See Sections 6.4 and 6.5 for instructions to obtain the Form Purchase and Sale Agreement.



Appendix E

Form Power Purchase Agreement (PPA)

See Sections 6.4 and 6.5 for instructions to obtain the Form Power Purchase Agreement



Appendix F

AEP Generation Facility Standard

See Sections 6.4 and 6.5 for instructions to obtain the applicable AEP Generation Facility Standard and Scope of Work.



Appendix G

AEP Requirements for Connection of Facilities

Please follow the link below to access the AEP Requirements for Connection of Facilities (“Requirements for Connection of New Facilities or Changes to Existing Facilities Connected to the AEP Transmission System”).

https://aep.com/assets/docs/requiredpostings/TransmissionStudies/Requirements/AEP_Intercconnection_Requirements_Rev3_CONSOLIDATION.pdf



Appendix H

Wind Resource Information

Required Information

- Attach the independent wind energy report
 - Wind report shall also include P50, P75, P90, P95 and P99 production estimates with 1, 5, 10, 20 and 30 year timeframes
 - Independent consultant information (resume, contact information) if not included in the wind energy report.
- Describe on-site meteorological campaign including:
 - Number of met towers
 - Height of met towers
 - Remote sensing (lidar and/or sodar)
 - Number of years of data for each tower / remote sensing device.
- Identify any wind direction sector management or other operation restrictions.
- Experience of developer in IN, MI, IL, or OH. Identify the number of projects, years each project has been operating, turbine models and capacity rating.
- Source and basis of the wind speed data used in the development of energy projections for the project. Explain all assumptions for wake losses, line losses, etc. and the location where the data was measured.
- Wind turbine power curve adjusted for the site's specific air density.
- Provide a description of the system intended to provide real-time telemetry data.
- Attach an 8760 calendar year hourly energy forecast, net of all losses (See Section 6.4 and 6.5 for instructions to obtain the WindEnergyInputSheet_2022.xls.)
- Bidders shall provide a summary of representative wind data with measurement height referenced and any extrapolations used to estimate the wind speeds at the proposed hub height. (This item shall be provided in the electronic version of the Proposal only.)

The following information should be available upon request; however, is not required with the submission of the Proposal.

- Project boundary (shape files, kmz files, or pdf on USGS topographic map)
- Land control, broken down by leased land, likely to be leased land, likely NOT to be leased land, and indeterminate status (shape files, kmz are best)
- Setbacks/exclusions (shape files preferred),
- Met tower installation commissioning sheets and all subsequent maintenance documents
- Raw data files for all on-site met towers
- If applicable, sodar or lidar documentation and raw data files
- Proposed turbine locations (shape file, kmz file, Excel file with coordinates, including map datum (e.g., WGS84, NAD83))
- All documents related to turbine availability, electrical system design with losses
- Any other materials the developer has in terms of turbine siting



Appendix I

Solar Resource Information

See Sections 6.4 and 6.5 for instructions to obtain any of the documents identified below:

1. Proposal must provide the source and basis of the solar irradiance data used in the development of energy projections for the Project. Explain all assumptions used in forecasted generation calculations.
2. Bidder must populate the data required in the Company's "Solar Data Review Form" spreadsheet.
3. Bidder must attach an 8760 calendar year hourly energy forecast, net of all losses using the Company's form spreadsheet (SolarEnergyInputSheet_2022.xls).
4. Bidder must supply the Project Layout along with the contour and elevation data in CAD format.
5. Bidder must identify its choice in Approved Module Manufacturer and Approved Inverter Manufacturer associated with the bid and provide the applicable production data (Expected Annual Energy, Capacity Factor. Bidder shall attach module and inverter warranty information with its proposal.
6. If Bidder has not finalized Module Manufacturer, they must identify the module options and provide the applicable production data (Expected Annual Energy, Capacity Factor) for each module mfg. Bidder shall attach module warranty information with its proposal.



Appendix J

Storage Resource Information

See Sections 6.4 and 6.5 for instructions to obtain any of the documents identified below:

1. Bidder must populate the data required in the Company's "Storage Data Review Form" document.



Appendix K

Thermal Resource Information

See Sections 6.4 and 6.5 for instructions to obtain any of the documents identified below:

1. Bidder must populate the data required in the Company's "Thermal Data Review Form" document.



Appendix L

Emerging Technology Resource Information

See Sections 6.4 and 6.5 for instructions to obtain any of the documents identified below:

1. Bidder must populate the data required in the Company's "Emerging Tech Data Review Form" document.



Appendix M

Project Land Lease Costs / Decommissioning Costs / Auxiliary Load

See Sections 6.4 and 6.5 for instructions to obtain any of the documents identified below:

1. Bidder must populate the data required in the Company's "Project Land Lease and Decommissioning Cost" spreadsheet. Information to be provided shall include:
 - a. Expected Land Lease Costs by year for at least a 35-year operating period. The Land Lease costs will be used in the Economic Analysis
 - b. Estimated decommissioning costs (including salvage value). In addition, Bidder shall provide any associated decommissioning studies
 - c. Expected Auxiliary Load (Station Power) the Project expects to consume for a typical year on a monthly basis



Appendix N

Project Technical Due Diligence Material

See Sections 6.4 and 6.5 for instructions to obtain the Project Technical Due Diligence Material List.

This list will include basic technical due diligence material that the Company will require to perform an initial technical due diligence of the Project



Appendix O

Environmental / Wildlife / Site Information

1. Bidder must populate the data required in the Company's "Environmental Wildlife Site Review Form" document (*See Sections 6.4 and 6.5 for instructions to obtain*).
2. Bidder must include the following attachments (referenced to Appendix O)
 - 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 provided under Appendix N.
 - 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 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)
 - s. Bird and Bat Conservation Strategy and Eagle Conservation Plan (if available)



Appendix P

Indiana and Michigan Economic Stimulus Benefits / Community Support / Supplier/Contractor Diversity

See Sections 6.4 and 6.5 for instructions to obtain any of the documents identified below:

1. Bidder must populate the data required in the Company's "Local Benefits Support and Supplier Diversity" document.



Appendix Q

Proposal Content Check Sheet

Section	Item	Completed
8.2	Cover Letter with Statement of Firm Pricing	
8.3	Executive Summary	
8.4	Summary PTC/ITC Documentation	
8.5	Equipment Warranty Information	
8.6	Identity of Persons / Ownership	
8.7	Appendix A (Project Summary)	
	- Company & Generation Project Information	
	- Bid Pricing	
	o Module warranty information	
	- Interconnection and Point of Delivery	
	o Attach copies of all interconnection studies / completion dates	
	- Site Information	
	- Projects Completed of the same generation type	
8.8	Appendix B (Bidder's Credit Related Information)	
8.9	Appendix C (Bidder Profile)	
8.10	Appendix D (Exceptions to Form PSA) or	
8.10	Appendix E (Exceptions to Form PPA)	
8.11	Appendix F (Exceptions to AEP Wind or Solar Generation Standard)	
8.12	Appendix G (Exceptions to AEP Requirements for Connection of Facilities)	
8.13	Required Resource Analysis / Study Information	
	- Appendix H (Wind Resource Information), if applicable	
	- Appendix I (Solar Resource Information), if applicable	
	- Appendix J (Standalone Storage Resource Information), if applicable	
	- Appendix K (Thermal Resource Information), if applicable	
	- Appendix L (Emerging Technology Resource Information), if applicable	
8.14	Appendix M Projected Land Lease Costs	
8.15	Energy Storage Information (Optional)	



8.16	Appendix N Project Technical Due Diligence Material	
8.17	Appendix O Environmental / Wildlife / Site Information	
8.18	Appendix P Indiana and Michigan Economic Stimulus Benefits / Community Support / Supplier/Contractor Diversity	

**Attachment TBG-2C – Bid Score Summary Sheet.xlsx (Confidential/Highly
Competitively Sensitive)**

**CONFIDENTIAL – PROVIDED IN EXCEL FORMAT
NOT REPRODUCED HEREIN**

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("Master Agreement") is made as of the following date: March 16, 2023 ("Effective Date"). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement." Party A (as defined below) and Party B (as defined below) may be referred to individually as the "Party" and collectively as the "Parties." The Parties to this *Master Agreement* are the following:

Name: Gridflex Generation, LLC ("Party A")

Name: Indiana Michigan Power Company
("Party B")

All Notices:

All Notices:

Street: c/o Rockland Capital, LP
24 Waterway Avenue, Suite 400

Street: 1 Riverside Plaza, 27th Floor.

City: The Woodlands, TX Zip: 77380

City: Columbus, OH Zip: 43215

Attn: ██████████
Phone: ██████████
Facsimile: ██████████
Duns: 11-828-9815
Federal Tax ID Number: ██████████

Attn: Contract Administration
Phone: ██████████
Facsimile/Email: ████████████████████
Duns: 006979876
Federal Tax ID Number: ██████████

Invoices:

Attn: ██████████
Phone: ██████████
Facsimile: ██████████

Invoices: Manager

Attn: Manager - Power Settlements
Phone: ██████████
Facsimile/Email: ████████████████████

Scheduling:

Attn: ██████████
Phone: ██████████
Facsimile: ██████████

Scheduling:

Attn: Scheduling Coordinator
Phone: ██████████
Facsimile/Email: ████████████████████

Confirmations:

Attn: ██████████
Phone: ██████████
Facsimile: ██████████

Confirmations:

Attn: Confirmation Department
Phone: ██████████
Facsimile/Email: ████████████████████

Payments:

Attn: ██████████
Phone: ██████████
Facsimile: ██████████

Payments: Manager

Attn: Manager - Power Settlements
Phone: ██████████
Facsimile/email: ████████████████████

Wire Transfer:

BNK: ████████████████████
ABA: ██████████
ACCT: ██████████

Wire Transfer:

BNK: To be separately provided
ABA:
ACCT:

Credit and Collections:

Attn: ██████████
Phone: ██████████
Facsimile: ██████████

Credit and Collections:

Attn: Credit Risk Department
Phone: ██████████
Facsimile/Email: ████████████████████

█ ██████████
█ ██████████

(c) Collateral Threshold:

- X : Not Applicable
- : Applicable

If applicable, complete the following:

Party B Collateral Threshold: \$ _____; provided, however, that Party B's Collateral Threshold shall be zero if an Event of Default with respect to Party B has occurred and is continuing.

Party B Independent Amount: \$ _____

Party B Rounding Amount: \$ _____

(d) Downgrade Event:

- X: Not Applicable
- : Applicable

If applicable, complete the following:

- : It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party B is not rated by either S&P or Moody's

- : Other:
Specify: _____

(e) Guarantor for Party B: _____

Guarantee Amount: \$ _____

█ ██████████
█ ██████████

(c) Collateral Threshold:

- X : Not Applicable
- : Applicable

If applicable, complete the following:

Party A Collateral Threshold: \$ _____; provided, however, that Party A's Collateral Threshold shall be zero if an Event of Default with respect to Party A has occurred and is continuing.

Party A Independent Amount: \$ _____

Party A Rounding Amount: \$ _____

(d) Downgrade Event:

- X: Not Applicable
- : Applicable

If applicable, complete the following:

- : It shall be a Downgrade Event for Party A if Party A's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party A is not rated by either S&P or Moody's

- : Other:
Specify: _____

(e) Guarantor for Party A: _____

Guarantee Amount: \$ _____

Article 10

Confidentiality

- X: Confidentiality Applicable
- : If not checked, inapplicable.

Schedule M

- : Party A is a Governmental Entity or Public Power System
- : Party B is a Governmental Entity or Public Power System
- : Add Section 3.6. If not checked, inapplicable
- : Add Section 8.4. If not checked, inapplicable

Note: Check 3.6 if "M" is checked

X: Other Changes: _____ Specify, if any:

1. Article One, Definitions, shall be amended by adding the following definitions:

- a) "AEPSC" means American Electric Power Service Corporation, which will act as agent on behalf of Indiana Michigan Power Company, in administering the Tariff.

b) "AEP East Zone" means the electric generation, transmission and distribution facilities of Appalachian Power Company, Indiana Michigan Power Company, and Wheeling Power Company, in total, that constitute a control area in the Reliability First Corporation coordination agreement.

2. Section 1.12, Credit Rating, shall be amended by deleting the word "issues" and replacing it with "issuer".
3. Section 1.27, Letter(s) of Credit, is deleted in its entirety in the Master Agreement and replaced with the following:

"1.27 "Letter(s) of Credit" shall mean an irrevocable standby letter of credit issued by a Qualified Institution, in a form as provided in a Confirmation or, if no form is provided, in a form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit."
4. Section 1.63, Qualified Institution, is added as a new Section 1.63, as follows:

"1.63 "Qualified Institution" means a United States bank regulated by the Federal Reserve Board, or a U.S. branch of a foreign bank, in each case, having both (1) a Credit Rating of at least A- from S&P and at least A3 from Moody's and (2) at least U.S.\$10,000,000,000 in assets, but excluding a party or an affiliate to a party hereof. In the event a split rating between S&P and Moody's, the lowest available rating will prevail."
5. Section 1.50, Recording, is amended by deleting and substituting the phrase "Section 2.4" with the phrase "Section 2.5".
6. Section 1.51, Replacement Price, is amended to (i) delete the phrase "at the Delivery Point" in the second line and the last line and (ii) delete the phrase "at Buyer's option" from the fifth line and replace it with the following: "absent a purchase".
7. Section 1.53, Sales Price, is amended to (i) delete the phrase "at the Delivery Point" from the second line and the last line, (ii) delete the phrase "at Seller's option" from the fifth line and replace it with the following: "absent a sale" and (iii) replace the phrase "; provided, however, in no event" in the sixth and seventh lines" with the following phrase "; provided, however, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by Buyer, the Sales Price with respect to such unsold portion of the Product shall be deemed equal to zero (0).".
8. Section 2.2, Governing Terms, is amended by adding the following as a separate second paragraph of Section 2.2.

"Party A and Party B confirm that this Agreement shall supersede and replace all prior agreements between the parties hereto with respect to the subject matter hereof [REDACTED]
[REDACTED]
[REDACTED] Party A and Party B further agree that all Transactions, including any uncompleted Transactions between Party A and Party B under such prior agreements as of the Effective Date, shall be governed by this Agreement, and are part of the single integrated agreement between the Parties consistent with the first paragraph of this Section 2.2."
9. Section 2.3, Confirmation, shall be amended by changing all references to "two (2) Business Days" to "five (5) Business Days".
10. Section 2.4 shall be amended to delete "either orally or" in line 7.
11. Section 2.5 shall be amended by adding in line 5 after the words "and may be submitted", the words "to law enforcement and regulatory agencies for investigation purposes or".

12. A new Section 4.3 is added, as follows:

“4.3 Determination of Market Price. It is expressly agreed that neither Party shall be required to enter into a replacement transaction in order to determine the market price.”

13. Section 5.1(g), Events of Default, shall be amended, as follows:

(i) deleting the phrase “or becoming capable at such time of being declared,” from the eighth line; and

(ii) adding the following at the end of Section 5.1(g):

“Notwithstanding the foregoing, an Event of Default shall not occur under either (i) or (ii) above if, as demonstrated to the reasonable satisfaction of the other Party, (a) the event or condition referred to in (i) or the failure to pay referred to in (ii) is a failure to pay caused by an error or omission of an administrative or operational nature; (b) funds were available to such Party to enable it to make the relevant payment when due; and (c) such relevant payment is made within three (3) Business Days following receipt of written notice from an interested Party of such failure to pay;”

14. Section 5.1, Events of Default, shall be amended by adding the following new subsection (i) to the end of section 5.1.

“(i) Such Party: (i) defaults under a Specified Agreement and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Agreement; or (ii) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Agreement (or such default continues for at least three Business Days if there is no applicable notice requirement or grace period), where “Specified Agreement” means any privately negotiated forward, swap or option on one or more commodities (including but not limited to, any Product, natural gas, coal, oil, petroleum product(s) or other energy commodities), emission allowances, or any other similar transaction (whether or not documented under or effected pursuant to a master agreement) now existing or hereafter entered into between Party A and Party B.”

15. Section 5.1, Events of Default, shall be amended by adding the following new subsection (j) to the end of section 5.1.

“(j) such Party or such Party’s Guarantor, if any, consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5.1(f) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker as determined by commercially reasonable judgment under then current market conditions than that of such Party or such Party’s Guarantor, if any, immediately prior to the time of such consolidation, amalgamation, merger or transfer, provided, however, that the foregoing shall not constitute an Event of Default so long as in connection with or after such consolidation, amalgamation, merger or transfer such Party or its successor or transferee provides (or causes to be provided) to the other Party, within two (2) Business Days after written notice, Performance Assurance in an amount satisfactory to the other party in its sole discretion.”

16. Section 5.2, Declaration of Early Termination Date and Calculation of Settlement Amounts, shall be amended by reversing the placement of “(i)” and “to”.

17. Section 5.3, Net Out of Settlement Amounts, shall be construed to encompass all physical power Transactions between the parties under this or any other agreement and all such amounts shall be

netted out to a single liquidated amount. Additionally, Section 5.3 shall be amended by adding the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security then in the possession of the Defaulting party or its agent pursuant to Article Eight,” after the first use of the phrase “due to the Non-Defaulting Party” in the sixth line.

18. Section 5.6, Closeout Setoffs, Option B shall be deleted in its entirety and replaced with:

“After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed or is owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by or owed to the Defaulting Party to or from the Non-Defaulting Party or any of its Affiliates under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party or any of its Affiliates and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).”.

19. Section 6.4, Netting of Payments, shall be construed to encompass all physical power Transactions between the parties under this or any other agreement where the debts and payment obligations are due and owing to each other on the same date.

20. Section 7.1, Limitation of Remedies, Liabilities and Damages, shall be amended by:

(i) adding in the sixteenth line the words, “SPECIAL, LOST OPPORTUNITY,” after the word “PUNITIVE”;

(ii) adding in the nineteenth line immediately after the words, “ANY INDEMNITY PROVISION OR OTHERWISE”, the words “PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT RELATING TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3.”; and

(iii) adding at the end of the last sentence, before the period, the words “AND ARE NOT PENALTIES”.

21. A new Section 8.4 is added at the end of Article Eight, as follows:

“8.4 Waiver of Credit Assurances Under UCC. Section 8 of the Agreement and, if applicable, any Confirmation, set forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, in Section 8.3, and in the relevant portions of the Collateral Annex, neither Party:

(a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever;

(b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 of this Agreement; and

(c) all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.”

22. Section 10.2, Representations and Warranties, shall be amended, as follows:

(i) adding at the end of Section 10.2(viii), the following:

“; it is expressly understood that information and explanations related to the terms and conditions of any Transaction shall not be considered investment or trading advice or a recommendation to enter into any Transaction; the other Party is not acting as a fiduciary or financial or investment advisor for it, the other Party is not acting as a commodity trading advisor to it, nor is the other Party providing any commodity or swap trading advice; it has consulted with its own legal, regulatory, tax, business, investment, financial, commodity and accounting advisors to the extent it has deemed necessary, and it has made its own investment, trading, hedging, and other decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary, and not upon any view expressed by the other Party; it has not been given by the other Party (directly or indirectly through any other person) any advice, counsel, assurance, guaranty, or representation whatsoever as to the expected or projected success, advisability, profitability, return, performance, result, effect, consequence, or benefit (either legal, regulatory, tax, financial, accounting, or otherwise) of this Agreement, such Credit Support Document, or such Transaction; its decisions have been the result of arm’s length negotiations between the Parties;”

(ii) adding after “Bankruptcy Code” in Section 10.2(ix), the following:

“with respect to any Transactions that constitute “forward contracts”; it is a “swap participant” within the meaning of the United States Bankruptcy Code with respect to any Transactions that constitute “swap agreements”; this Agreement and all Transaction(s) hereunder constitute “forward contracts” and/or “swap agreements” within the meaning of the United States Bankruptcy Code; this Agreement is a “master netting agreement” for purposes of the United States Bankruptcy Code; it is a “master netting agreement participant” for purposes of the United States Bankruptcy Code; all payments made or to be made on its behalf pursuant to this Agreement, including the application by a party of credit support to any amounts due and owing to such party, constitute “settlement payments” within the meaning of the United States Bankruptcy Code; and its rights under Section 5.2, “Net Out of Settlement Amounts”, of this Agreement constitute a “contractual right to liquidate, terminate or accelerate” or “contractual right to liquidate, terminate, accelerate, or offset under a master netting agreement and across contracts” the Transactions within the meaning of the United States Bankruptcy Code;”

(iii) in Section 10.2(xi), deleting “and” at the end of the clause, and replacing Section 10.2(xii) in its entirety with the following:

“(xii) the economic terms of this Agreement, any documentation of credit support to which it is a party, and each Transaction have been individually tailored and negotiated by it and the creditworthiness of the other Party was a material consideration in its entering into or determining the terms of this Agreement, such credit support document, and such Transaction; and”

(iv) adding a new Section 10.2(xiii), as follows:

“(xiii) It is an “eligible contract participant” within the meaning of Section 1a (12) of the Commodity Exchange Act, as amended by the Commodity Futures Modernization Act of 2000.”

23. Section 10.2, Representations and Warranties, shall be amended by designating the original text thereof, as amended above, as paragraph (a), and by adding a new paragraph (b), reading in its entirety as follows:

“(b) On the Effective Date and the date of entering into each Transaction, Party B represents and warrants to Party A that:

(i) the execution, delivery, and performance of this Master Agreement and all Confirmations by American Electric Power Service Corporation (the "Agent") is within the scope of the power and authority of the Agent to act for and bind Party B pursuant to the resolutions of the board of directors of AEPSC and the Operating Companies dated as of June 29, 2000, certified copies of which are attached hereto ("Agency Agreement");

(ii) the Agency Agreement has been duly authorized, executed and delivered by the Agent and Party B, is in full force and effect, and constitutes the legal, valid and binding obligations of each of Party B and the Agent;

(iii) the Agent is duly organized, validly existing, and in good standing under the applicable laws of the jurisdiction of its formation; and

(iv) Party B will be fully bound to perform the obligations incurred under this Master Agreement on its behalf by the Agent."

24. Section 10.4 is amended by adding the following to the end of the section: "Notwithstanding this Section 10.4, no obligation of indemnification shall arise with respect to any claim to the extent the same resulted from the gross negligence, or willful misconduct of the indemnified party."
25. Section 10.5 is amended by (i) moving the existing text in Section 10.5 to a new subsection (a), (ii) replacing "hereunder" in the fourth line with "with respect to (i) and (ii) below", and (iii) adding a new subsection (b), as follows:
- "(b) A Party making a collateral assignment of this Agreement shall provide the other Party with a notice upon making such assignment that identifies each lender to whom this Agreement has been assigned ("Lender"). Upon reasonable request from the assigning Party, the non-assigning Party agrees to (1) execute a consent to assignment associated with a financing by the assigning Party in a commercial form reasonably acceptable to the non-assigning Party and (2) provide estoppels associated with a financing in a commercial form reasonably acceptable to the assigning Party and the non-assigning Party. In addition, the non-assigning Party agrees that it shall provide each Lender with a copy of the notice of any default of the assigning Party under this Agreement or any Confirmation and the non-assigning Party shall afford each Lender the same opportunities to cure any Event of Default following receipt of a notice as such rights are provided to the assigning Party."
26. Section 10.8 is amended by adding the following at the end of the section: "This Agreement may be executed in counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same original instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic means shall be effective as delivery of a manually executed counterpart of this Agreement. Electronic or fax copies of executed original copies of this Agreement shall be sufficient and admissible evidence of the content and existence of this Agreement to the same extent as the originally executed copy or copies (if executed in counterpart)."
27. Section 10.10 is replaced in its entirety with the following:
- "10.10 Bankruptcy Issues. The Parties intend that (i) all Transactions constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" within the meaning of the Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute "settlement payments" within the meaning of the Bankruptcy Code; (iii) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute "margin payments" within the meaning of the Bankruptcy Code; and (iv) this Agreement constitutes a "master netting agreement" within the meaning of the Bankruptcy Code."

28. A new Section 10.12, Calculation of Termination Payment, shall be added to article Ten as follows:

"10.12 Calculation of Termination Payment. For the purposes of calculating a Termination Payment pursuant to Articles 5 and 8, the Parties may include Settlement Amounts for any and all other Transactions for the physical purchase and sale of power, including Options, whether or not such other Transactions are governed by this Master Agreement."

29. A new Section 10.13, Index Transactions, shall be added to Article Ten as follows.

"10.13 Index Transactions. If the Contract Price for a Transaction is determined by reference to a Price Source, then:

(a) *Market Disruption*. If a Market Disruption Event occurs on any one or more days during a Determination Period (each day, a "Disrupted Day"), then:

- The fallback Floating Price, if any, specified by the Parties in the relevant Confirmation shall be the Floating Price for each Disrupted Day.
- If the Parties have not specified a fallback Floating Price, then the Parties will endeavor, in good faith and using commercially reasonable efforts, to agree on a substitute Floating Price, taking into consideration, without limitation, guidance, protocols or other recommendations or conventions issued or employed by trade organizations or industry groups in response to the Market Disruption Event and other prices published by the Price Source or alternative price sources with respect to the Delivery Point or comparable Delivery Points that may permit the Parties to derive the Floating Price based on historical differentials.
- If the Price Source retrospectively issues a Floating Price in respect of a Disrupted Day (a "Delayed Floating Price") before the parties agree on a substitute Floating Price for such day, then the Delayed Floating Price shall be the Floating Price for such Disrupted Day. If a Delayed Price is issued by the Price Source in respect of a Disrupted Day after the Parties agree on a substitute Floating Price for such day, the substitute Floating Price agreed upon by the Parties will remain the Floating Price without adjustment unless the Parties expressly agree otherwise.
- If the Parties cannot agree on a substitute Floating Price and the Price Source does not retrospectively publish or announce a Floating Price, in each case, on or before the fifth Business Day following the first Trading Day on which the Market Disruption Event first occurred or existed, then the Floating Price for each Disrupted Day shall be determined by taking the arithmetic mean of quotations requested from four leading dealers in the relevant market that are unaffiliated with either Party and mutually agreed upon by the Parties ("Specified Dealers"), without regard to the quotations with the highest and lowest values, subject to the following qualifications:
 - If exactly three quotations are obtained, the Floating Price for each such Disrupted Day will be the quotation that remains after disregarding the quotations having the highest and lowest values.
 - If fewer than three quotations are obtained, the Floating Price for each such Disrupted Day will be the average of the quotations obtained.
 - If the Parties cannot agree upon four Specified Dealers, then each of the Parties will, acting in good faith and in a commercially reasonable manner, select up to two Specified Dealers separately, and those selected dealers shall be the Specified Dealers.
- Unless otherwise agreed, if at any time the Parties agree on a substitute Floating Price for any Disrupted Day, then such substitute Floating Price shall be the Floating Price for such Disrupted Day, notwithstanding the subsequent publication or announcement of a Delayed Floating Price by the relevant Price Source or any quotations obtained from Specified Dealers.

"Determination Period" means each calendar month a part or all of which is within the Delivery Period of a Transaction.

"Exchange" means, in respect of a Transaction, the exchange or principal trading market specified as applicable to the relevant Transaction.

"Floating Price" means a Contract Price specified in a Transaction that is based upon a Price Source.

"Market Disruption Event" means, with respect to any Price Source, any of the following events:

- (a) the failure of the Price Source to announce, publish or make available the specified Floating Price or information necessary for determining the Floating Price for a particular day;
- (b) the failure of trading to commence on a particular day or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange, RTO or in the market specified for determining a Floating Price;
- (c) the temporary or permanent discontinuance or unavailability of the Price Source;
- (d) the temporary or permanent closing of any Exchange or RTO specified for determining a Floating Price; or
- (e) a material change in the formula for or the method of determining the Floating Price by the Price Source or a material change in the composition of the Product.

"Price Source" means, in respect of a Transaction, a publication or such other origin of reference, including an Exchange or RTO, containing or reporting or making generally available to market participants (including by electronic means) a price, or prices or information from which a price is determined, as specified in the relevant Transaction.

"RTO" means any regional transmission operator or independent system operator.

"RTO Transaction" means a Transaction in which the Price Source is an RTO.

"Trading Day" means a day in respect of which the relevant Price Source ordinarily would announce, publish or make available the Floating Price.

(b) *Corrections to Published Prices.* If the Floating Price published, announced or made available on a given day and used or to be used to determine a relevant price is subsequently corrected by the relevant Price Source (i) within 30 days of the original publication, announcement or availability, or (ii) in the case of RTO Transactions only, within such longer time period as is consistent with the RTO's procedures and guidelines, then either Party may notify the other Party of that correction and the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after such notice is effective, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction. Notwithstanding the foregoing, corrections shall not be made to any Floating Prices agreed upon by the Parties or determined based on quotations from Specified Dealers pursuant to paragraph (a) above unless the Parties expressly agree otherwise.

(c) *Calculation of Floating Price.* For the purposes of the calculation of a Floating Price, all numbers shall be rounded to three (3) decimal places. If the fourth (4th) decimal number is five (5) or greater, then the third (3rd) decimal number shall be increased by one (1), and if the fourth (4th) decimal number is less than five (5), then the third (3rd) decimal number shall remain unchanged."

30. A new Section 10.14, FERC Standard of Review; Mobile-Sierra Waiver, shall be added to Article Ten, as follows:

"10.14 FERC Standard of Review; Mobile-Sierra Waiver.

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and 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 v. Maine Public Utilities Commission, 558 U.S. 165 (2010) (the "Mobile-Sierra" doctrine).

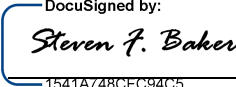
(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in the foregoing section (a)."

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A: Gridflex Generation, LLC

Party B: Indiana Michigan Power Company

By: _____

By:  _____



Name: _____

Name: Steve F. Baker

Title: _____

Title: President & Chief Operating Officer

Date: March ____, 2023

Date: March 16, 2023

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and 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 v. Maine Public Utilities Commission, 558 U.S. 165 (2010) (the "Mobile-Sierra" doctrine).

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in the foregoing section (a)."

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A: Gridflex Generation, LLC

Party B: Indiana Michigan Power Company

By:  _____

By: _____

Name: James Maiz

Name: Steve F. Baker

Title: President

Title: President & Chief Operating Officer

Date: March 16, 2023

Date: March 16, 2023

Trade Date: March 16, 2023

Indiana Michigan Power Company
1 Riverside Plaza, 14th Floor
Columbus, OH 43215

**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER**

This confirmation letter (the “Confirmation”) is being provided pursuant to and in accordance with the EEI Master Power Purchase and Sale Agreement (the “Master Agreement”), between Indiana Michigan Power Company (“AEP” or “Buyer”) and Gridflex Generation, LLC (“Gridflex” or “Seller”), entered into as of March 16, 2023. Each of Buyer and Seller may be referred to herein as “Party” or, together, “Parties”. Capitalized terms used, but not defined herein shall have the meanings ascribed to them in the Master Agreement and, if not therein, then in the PJM Rules of PJM Interconnection, LLC (“PJM”). The Parties agree to adopt and incorporate herein by reference such PJM Rules and agree to be bound by all terms therein, as such PJM Rules may be modified throughout the Delivery Period. This Confirmation shall confirm the Transaction agreed to on the Trade Date specified above between Seller and Buyer regarding the sale/purchase of the Product (as defined below) under the terms and conditions as follows.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein and the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

A. Commercial Terms

Parties:

Seller: Gridflex Generation, LLC

Buyer: Indiana Michigan Power Company

ATTN: [REDACTED]

ATTN: Confirmations Department

Tel: [REDACTED]

Tel: [REDACTED]

Email: [REDACTED]

Email: [REDACTED]

Federal Tax ID: [REDACTED]

Federal Tax ID: [REDACTED]

(or supply copy of W-9)

(or supply copy of W-9)

With a copy to:

ATTN: [REDACTED]

Email: [REDACTED]

Product: Installed Available Capacity in such amounts and quantities to provide Buyer with the Quantity of Unit-Specific Unforced Capacity (“UCAP”) (as designated and set forth below) eligible for PJM AEP LDA in each

Delivery Year. Seller shall deliver Product from the Montpelier natural gas Generation Capacity Resource (“Montpelier”) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] (“Facility”), [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Delivery Period: From and including Hour Ending (“HE”) 0100 Eastern Prevailing Time (“EPT”) on June 1, 2027, through and including HE 2400 EPT, on May 31, 2034. The period from June 1, 2027 through May 31, 2028, and each subsequent period from June 1 of a calendar year to May 31 in the proximate calendar year constitutes a “Delivery Year”.

Quantity: 210 MW of Product each calendar day of the Delivery Period.

Contract Price: As provided in the table below.

<i>Delivery Year</i>	<i>Quantity (MW-Day)</i>	<i>Contract Price (\$ per MW-Day)</i>	<i>Total Price</i>
2027/28 ¹	210	[REDACTED]	[REDACTED]
2028/29	210	[REDACTED]	[REDACTED]
2029/30	210	[REDACTED]	[REDACTED]
2030/31	210	[REDACTED]	[REDACTED]
2031/32 ¹	210	[REDACTED]	[REDACTED]
2032/33	210	[REDACTED]	[REDACTED]
2033/34	210	[REDACTED]	[REDACTED]
<i>Total Contract Price</i>			[REDACTED]

¹Delivery Year consists of 366 Days

B. Additional Terms

1. Condition Precedent:

Unless waived by Buyer in writing or deemed waived hereunder, it shall be a condition precedent to the Parties obligations under this Confirmation that Buyer has obtained Final Non-Appealable Orders.

Buyer may, but shall not be obligated to, initiate the process to obtain Final Non-Appealable Orders from the Indiana Utility Regulatory Commission and the Michigan Public Service Commission by making such application(s) (“Application(s)”) within ninety (90) Days of executing this Confirmation. Seller acknowledges and agrees that the form of Buyer’s Applications to the Indiana Utility Regulatory Commission and the Michigan Public Service Commission for the Final Non-Appealable Orders, including cost recovery, and the conduct by Buyer of any proceedings, including any settlement or appeal, related to or arising from such Applications shall be determined in the sole discretion of Buyer. If Buyer fails to submit Application(s) to the Indiana Utility Regulatory Commission and the Michigan Public Service Commission to obtain the Final Non-Appealable Orders before the expiration of such ninety (90) Day period or otherwise initiate the process for such Final Non Appealable Orders, the condition precedent is deemed waived, and this Confirmation shall remain in full force and effect thereafter.

If Buyer initiates the process to obtain the Final Non-Appealable Orders before the expiration of the ninety (90) Day period indicated above, Buyer shall use commercially reasonable efforts to obtain such Final Non-Appealable Orders as soon as reasonably practicable. If, despite the exercise by Buyer of commercially reasonable efforts, Buyer is unable or determines it will be unable to obtain Final Non-Appealable Orders on or before the date that is three hundred sixty-five (365) Days after the submission of the Application(s), then Buyer may terminate this Confirmation by delivering a written notice to Seller within fifteen (15) Days thereafter, without any financial or other obligation by either Party arising out of such termination except that Buyer shall return the Fixed Independent Amount, if any, to Seller within three (3) Business Days. If Buyer fails to deliver a notice of termination during such fifteen (15) Day period, then the condition precedent is deemed waived and this Confirmation shall remain in full force and effect thereafter.

2. Scheduling:

Seller shall accomplish delivery and Buyer shall accomplish receipt of the Product by entering and confirming appropriate unit-specific, bilateral transactions for the Product for the applicable Delivery Year (“Product Transfer”) in PJM’s Capacity Exchange System or any successor system, as applicable (“System”). Seller and Buyer shall use commercially reasonable efforts to cooperate with each other to ensure that such entry and confirmation is completed in a timely manner as per the PJM Rules.

The Parties acknowledge that Product Transfer shall only occur following the satisfaction or waiver of the condition precedent in Section B.1 above, unless the Parties mutually agree otherwise; provided, if Seller consents to a Product Transfer before the condition

precedent in Section B.1 above is satisfied or waived by Buyer, then if the condition precedent is not subsequently satisfied or waived, Buyer shall initiate a Product Transfer to return delivered Product back to Seller within ten (10) Business Days.

Initial Scheduling. Seller shall transfer the quantity of installed capacity that Seller anticipates will be required to meet the Contract Quantity of Product at least six (6) months before the Base Residual Auction for such applicable Delivery Year (“Initial Scheduling”). This timeline for Initial Scheduling is intended to be in advance of any PJM deadlines for Buyer’s Capacity plan(s), and if such PJM deadlines are revised such that the transfer or Initial Scheduling needs to be done earlier, the Parties will use commercially reasonable efforts to adjust the timeline for Initial Scheduling. [REDACTED]

[REDACTED]

[REDACTED] Seller will provide Buyer with the transaction ID for the Product Transfer as soon as practicable. Within five (5) Business Days of Seller providing Buyer with the transaction ID for the Product Transfer, Buyer shall confirm the Unit-Specific transaction in the System.

[REDACTED]

[REDACTED]

Either Party may notify the other Party if any such transfer to true-up the Contract Quantity equivalent UCAP is required and the Parties shall cooperate to ensure that such transfer occurs within fifteen (15) Days of the publication of the final EFORd values for the applicable Facility for the corresponding Delivery Year. [REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]

For purposes of this Confirmation, such entry and confirmation by Seller and Buyer shall replace the definitions of “Schedule” or “Scheduling” in the Master Agreement. [REDACTED]
[REDACTED]
[REDACTED]

3. Standard of Operation & Maintenance:

Operating Requirements. Seller shall conform to and abide by PJM Rules required to ensure that the Product is eligible to participate in the PJM Capacity market for each Delivery Year. To the extent that Seller does not operate the Facility in accordance with such PJM Rules and such failure results in monetary penalties being assessed to Buyer, Seller shall reimburse Buyer for such monetary penalties. Seller covenants to operate, maintain and repair a designated Facility offered for a Delivery Year in accordance with: (a) the applicable and mandatory standards, criteria and formal guidelines of FERC, NERC, and PJM, and any successors; (b) the applicable interconnection agreement for such Facility; (c) all applicable laws, rules, and regulations; and (d) Good Utility Practice(s). Buyer and Seller acknowledge that this Transaction does not result in any change of control of any Facility designated by Seller, that such Transaction is for the specified Product only, and that no other products (energy, ancillary services of any kind, etc.) are included in this Transaction.

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

Planned Maintenance. For each Delivery Year, Buyer may request in writing, and Seller will provide Buyer with, an annual forecast of planned maintenance for the Facility (“Scheduled Maintenance”) for each Delivery Year within ten (10) Business Days of the time such Scheduled Maintenance is submitted to PJM in compliance with PJM Rules. Seller may amend such Scheduled Maintenance if required to comply with the applicable Facility’s interconnection agreement, Good Utility Practices, and PJM Rules. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED], provided however, that Seller shall be permitted to schedule Scheduled Maintenance during such months to the extent (i) required by or necessary to preserve the integrity of any equipment or equipment warranties or (ii) the failure to perform such planned maintenance is contrary to operation in accordance with Good Utility Practice(s) and PJM Rules.

Forced Outage. Seller is obligated to manage forced outages of a Facility in accordance with PJM Rules and Good Utility Practices. For each Delivery Year, Buyer may request in writing, and Seller will provide Buyer with, eGADS generator outage and performance data delivered by Seller to PJM on a quarterly basis within ten (10) Business Days of providing such data to PJM.

4. Payment:

On or before June 1, 2027, and continuing on the first day of the month for each subsequent month of each Delivery Year in the Delivery Period, Seller shall deliver an invoice to Buyer that equals one-twelfth of the Contract Price for the Quantity for each day of the respective Delivery Year. Such invoice shall be due and payable by Buyer within thirty (30) Days of Buyer's receipt of such invoice.

Buyer's payment for Product with respect to the Product transferred to Buyer shall not exceed the calculated payment using the Contract Price per MW-day. For payment of the Contract Price, Buyer shall not be entitled to receive anything from Seller other than the Product.

Seller's Bank Information;

Bank: [REDACTED]
ABA Number: [REDACTED]
Account Number: [REDACTED]
Account Name: [REDACTED]

5. Fixed Independent Amount:

Seller's Fixed Independent Amount. Seller shall provide a Fixed Independent Amount to Buyer in an amount of [REDACTED] (the "Base Amount") [REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]. The Fixed Independent Amount required of Seller through the Delivery Period shall be modified for each Delivery Year as indicated below (the "Modified Amount"):

Base Amount + PAI Amount

Provided, however, the Base Amount shall be reduced to zero following the completion of the 2033/2034 Delivery Year such that the Modified Amount, as of June 1, 2035, shall be equal to the calculated PAI Amount.

The "PAI Amount" shall be one of the following, as applicable to the Delivery Year contemplated:

(1) if a Facility designated by Seller to provide Product during the immediately preceding Delivery Year [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] does not experience a Performance Shortfall during a Performance Assessment Interval, then zero; or

(2) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(i) [REDACTED]
[REDACTED]
[REDACTED]

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

(ii) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(iii) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Any Fixed Independent Amount provided by Seller shall be a Letter of Credit, substantially in the form in Exhibit A attached to this Confirmation, or cash. Seller may increase or augment any Fixed Independent Amount already provided to satisfy an adjustment from the Base Amount or any subsequent Modified Amount. Seller shall maintain the Fixed Independent Amount through the Delivery Period as such amount is modified. If the Fixed Independent Amount retained by Buyer is greater than the Modified Amount required for a Delivery Year or if Seller has satisfied financial obligations associated with a Seller's Performance Shortfall such that the Fixed Independent Amount retained by Buyer is greater than the Base Amount (with Seller to provide verification of such payment of its financial obligations associated with a Seller Performance Shortfall if Seller has made such payment), Seller may request and Buyer

shall return any excess Fixed Independent Amount within three (3) Business Days of Seller providing the request. Further, Buyer shall return any retained Fixed Independent Amount to Seller or Seller's designee upon the later of (a) three (3) Business Days of expiration of the Delivery Period and (b) satisfaction of any outstanding payment obligation attributable to a Seller's Performance Shortfall.

[REDACTED]

6. Charges and Credits Related To Product:

[REDACTED]

Buyer shall be solely responsible for all Charges associated with Buyer's FRR Capacity Plan Alternative, except to the extent any assessment is the result of a Performance Shortfall at a Facility designated by Seller to deliver the Product.

[REDACTED]

[REDACTED]



General. If either Party receives any payment from PJM that is intended for the other Party pursuant to this Transaction, whether before or after the Transaction has terminated, the receiving Party shall, no later than ten (10) Business Days after notice of such payment, remit to the other Party, by wire transfer, payment in immediately available funds an amount equal to such inadvertently received payments; provided that it is understood that Buyer is entitled to, and intended to receive, all payments and other revenue in respect of the Product accruing during, or otherwise in respect of, the Delivery Period. In addition, if a Party receives a charge from PJM that is intended for the other Party pursuant to this Transaction, whether before or after the Transaction has terminated, the Party receiving such charge may deliver written notice of the charge to the other Party and the other Party shall pay such charge within five (5) Business Days of receiving written notice.

7. Liability for Failure To Deliver or Failure To Receive:

Seller's Failure to Deliver. Notwithstanding Section 4.1 of the Master Agreement, if Seller fails to deliver any or all of the Quantity with respect to a Delivery Year by the date of the Product Transfer and such failure is not excused by Buyer's failure to perform or by the failure or disruption of the System, but only for the duration and to the extent of such failure or disruption, then Seller, in addition to any liabilities associated with Section 6 herein, shall pay Buyer, within five (5) Business Days of receiving an invoice from Buyer, an amount equal to the positive amount, if any, obtained by multiplying (i) the difference between the clearing price for the Product in the Base Residual Auction for the applicable Delivery Year and the Contract Price and (ii) the portion of the Quantity that Seller failed to deliver for a Delivery Year. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

Buyer's Failure to Receive. Notwithstanding Section 4.2 of the Master Agreement, if Buyer fails to receive any or all of the Quantity with respect to a Delivery Year by the deadline indicated in Section B.2 and such failure is not excused by Seller's failure to perform or by the failure or disruption of the System, but only for the duration and to the extent of such failure or disruption, then Buyer shall pay Seller, within five (5) Business Days of receiving an invoice from Seller, an amount equal to the positive amount, if any, obtained by multiplying (i) the difference between the Contract Price and the clearing price for the Product in the Base Residual Auction for the applicable Delivery Year and (ii) the portion of the Quantity that Buyer failed to receive for a Delivery Year. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

Remedies. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to mitigate any damages it may incur as a result of the other Party's performance or non-performance of this Confirmation. The Parties acknowledge and agree that the remedies set forth herein regarding failures to deliver/receive in Sections 6 and 7 in this Confirmation shall supersede and replace Sections 4.1 and 4.2 of the Master Agreement with respect to this Transaction only.

8. Assignment:

Neither Party shall assign this Confirmation or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party, (i) transfer, sell, pledge, encumber or assign this Confirmation or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements (without relieving itself from liability hereunder), (ii) transfer or assign this Confirmation to an affiliate of such Party, or (iii) transfer or assign this Confirmation to any person or entity succeeding to the ownership of Montpelier, by a transfer of assets or change in direct or indirect ownership of Montpelier Generating Station, LLC; provided, however, that for each of (ii) and (iii), any such assignee shall (1) have creditworthiness equal to or higher than that of the assigning Party, as may be supported by credit support, including a parent guaranty, letter of credit, cash, or another form of credit support reasonably acceptable to the non-assigning Party, as of the date of the assignment and (2) agree in writing to be bound by the terms and conditions hereof.

9. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10. Representations and Warranties:

In addition to the representations and warranties indicated in Section 10.2 of the Master Agreement, each Party hereby represents and warrants as follows:

- (A) it is a member in good standing of PJM, and is qualified and capable of executing and confirming the Transaction, and any subsequent transfers, for the UCAP MW amount(s) set forth in this Confirmation;
- (B) the execution and performance of its obligations under this Confirmation will not conflict with or constitute a breach or default under any contract or agreement to which it is a party or any judgment, order, statute, law or regulation that is applicable to it;
- (C) it has all regulatory approval and consents from governmental entities that are required to undertake its obligations under this Confirmation; and
- (D) it 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 Confirmation, or the products or byproducts thereof, and it is entering into this Confirmation solely for purposes related to its business as such.

11. [REDACTED]:

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

12. Confidentiality

The terms and conditions of this Confirmation, and all documents relating to this Confirmation and any information made available by one Party or its Advisors (as defined in the Master Agreement) to the other Party or its Advisors with respect to this Confirmation are confidential (collectively referred to hereafter as “Confidential Information”) and governed by the Confidentiality provisions set forth in Section 10.11 of the Master Agreement.

13. Definitions

Additional terms defined in this Confirmation are as follows:

“**Available Capacity**” means the available capacity in MW indicated for the Facility on the System.

“**Capacity Resources**” has the meaning given to that term by Article 1 of the PJM RAA.

“**Charges**” means any Compliance Charges billed by PJM, including charges billed by PJM to, and paid by, Buyer under Schedule 9-4 (*Capacity Resource and Obligation Management Service*) and Schedule 9-5 (*Management Service Cost*) of the PJM OATT, as they may be revised from time to time.

“**Compliance Charges**” means any charges provided for or defined in the PJM Rules, as the same may be revised from time to time, including, by way of example, and not limitation, any Non-Performance Assessments or Charges, Capacity Resource Deficiency Charges or resource performance assessments, Generation Resource Rating Test Failure Charges, Load Management Test Failure Charges, Emergency Procedure Charges, or Transmission Upgrade Delay Penalties, or other charges related to the Product.

“**Credits**” means any refund or adjustment in connection with the settlement or re-settlement of Charges or Compliance Charges, or relief from Compliance Charges, Performance Credits, in each case as determined by PJM, and shall be solely for the account of Seller.

“**FERC**” means the Federal Energy Regulatory Commission.

“**Final Non-Appealable Orders**” means (a) with respect to Indiana, a final non-appealable order from the Indiana Utility Regulatory Commission and (b) with respect to Michigan, a final non-appealable order from the Michigan Public Service Commission, in both cases (i) approving without material modification to this Confirmation, (ii) authorizing Buyer to enter into this Confirmation and (iii) authorizing Buyer to recover all of the Indiana or Michigan, as applicable, jurisdictional share of the costs associated with this Confirmation through an appropriate recovery mechanism(s).

“**Generation Capacity Resource**” has the meaning given to that term in Article 1 of the PJM RAA.

“**Good Utility Practice**” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the applicable region of the United States during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with safety, good business practices, reliability and expediency. “Good Utility Practice” is not intended to be limited to the optimum

practice, method or act to the exclusion of all other practices, but rather to be those practices, methods, or acts generally accepted in the region.

“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.

“Locational Constraints” has the meaning given to that term in the Attachment A: Glossary of Terms in PJM Manual 18.

“Locational Deliverability Area” or **“LDA”** means the regions in PJM used to evaluate Locational Constraints as referenced in PJM Manual 18. LDAs include PJM wide zone (known as RTO), EDC zones, sub-zones, and combination of zones.

“Members” has the meaning given to that term in the PJM Rules.

“NERC” means the North American Electric Reliability Corporation.

“PJM OATT” means the *Open Access Transmission Tariff of PJM*, as such agreement is in effect on the date of this Confirmation.

“PJM RAA” means the *Reliability Assurance Agreement Among Load Serving Entities in the PJM Region*, as such agreement is in effect on the date of this Confirmation.

“PJM Rules” the PJM OATT, the PJM RAA, PJM Amended and Restated Operating Agreement, and manuals and/or rules issued by PJM to govern activities on its system.

“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.

“Unforced Capacity” has the meaning given to that term in Article 1 of the PJM RAA.

“RTO” means regional transmission organization.


IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on their behalf as of the date first above written.

Seller's Acknowledgment
Gridflex Generation, LLC

Buyer's Acknowledgment
Indiana Michigan Power Company


By: _____
Its: _____
Date: _____

DocuSigned by:
Steven F. Baker
By: _____
Its: President
Date: 3/20/2023 | 5:48 AM PDT



IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on their behalf as of the date first above written.

Seller's Acknowledgment
Gridflex Generation, LLC

By: 
Its: President
Date: 3/16/23

Buyer's Acknowledgment
Indiana Michigan Power Company

By: _____
Its: President
Date:

Exhibit A – Form of Letter of Credit

[NOTE - Bank Letterhead]

Irrevocable Standby Letter of Credit No. **[NOTE - Insert No.]** **[NOTE – Insert Date]**

From:
[NOTE - Insert Name of Bank]
[NOTE — Insert Bank’s Address]
Expiration Date:
To:

(the “Beneficiary’s Address”)

Applicant:
[NOTE — Insert Name of Applicant] (the “Applicant”)
[NOTE — Insert Applicant’s Address]

Ladies and Gentlemen:

We, **[NOTE - Insert Name of Bank]** (the “Bank”), hereby establish and issue in your favour this Irrevocable Standby Letter of Credit No. **[●]** (the “Letter of Credit”) in the aggregate amount not exceeding **[USDS●]**, in support of the liabilities and obligations of the Applicant to the Beneficiary, effective immediately and expiring on the Expiration Date (as hereinafter defined).

Funds under this Letter of Credit are available to you on or before the Expiration Date (as hereinafter defined) on presentation by you, during business hours on any day on which banks are open for business in **[NOTE – Insert city and province/state in which drawing must take place]** at **[NOTE – Insert Bank’s Address, including mail address, courier address and fax number]** (the “Bank’s Address”), of a sight draft in substantially the form attached hereto as Exhibit “1”, indicating the same is drawn under this Letter of Credit, and accompanied by one of the following additional documents:

1. Beneficiary Statement signed by an authorized officer. Stating the applicant has failed to perform under contract number _____ in fulfillment of their obligations.

The Bank hereby undertakes with you to honor each request drawn under and in compliance with the terms of this Letter of Credit if duly presented together with a certificate, as set forth above, at the Bank’s Address on or before the Expiration Date (as hereinafter defined).

Any number of partial drawings and multiple presentations are permitted under this Letter of Credit. The amount of this Letter of Credit shall be automatically reduced by the amount of any drawing paid hereunder.

All charges relating to the issuance of this Letter of Credit are for the account of Applicant.

This Letter of Credit is deemed to be automatically extended without amendment for [one] year from the Initial Expiration Date stated above or any future expiration date hereof, as the case may be (each, a “Scheduled Expiration Date”), unless at least [60] days prior to the Initial Expiration Date or the then-current Scheduled Expiration Date, the Bank notifies the Beneficiary by registered mail or courier service that this Letter of Credit will not be renewed for any such additional period; provided, however, that in no event shall this Letter of Credit be extended beyond the final expiration date of _____

This Letter of Credit shall be deemed to be a contract made under the laws of the State of New York and applicable U.S. federal law and shall be governed by and construed in accordance with such laws as to matters which are not governed by the ISP98. The parties hereby irrevocably agree to attorn to the exclusive jurisdiction of the courts of the State of New York.

[NOTE – INSERT NAME OF BANK]

er:

Name:

Title:

EXHIBIT "1"
To That Certain
Irrevocable Standby
Letter of Credit

[Insert Place], [Insert Date]

Amount: **[Insert Currency] [Insert Amount in Numbers]**
[Insert Amount in Letters]

Drawn under Irrevocable Standby Letter of Credit No. **[REDACTED]** of **[NOTE - Insert Name of Bank]**

At Sight

Pay to the order of:

In reference to: Irrevocable Standby Letter of Credit No. **[REDACTED]**, dated **[REDACTED]**.

To: **[NOTE - Insert Name of Bank]**
[NOTE - Insert Address]

AUTHORIZED SIGNATURE