

January 6, 2010



Additional Requirements for
PJM Project Bids ONLY

American Electric Power Service Corporation

(AEPSC)

**on behalf of the seven regulated operating companies of the
American Electric Power Company System**

Request for Proposals

Totaling up to approximately

1,100 MW

of name-plate rated

Renewable Energy Resources

(Southwest Power Pool and PJM Footprint)

Proposals Due:

2011 Projects: January 15, 2010 12:00 noon EPT (Columbus, OH) (PJM & SPP)

Additional Requirements for 2011 PJM Project Bids ONLY

Overview:

All PJM projects being submitted into the AEP 1,100 MW RFP for bids due on January 15, 2010 will be required to deliver Renewable Energy from the project to AEP using the PJM e-Schedule tool. The purpose of this document is to inform respective bidders of the change in delivery method and to highlight what the PJM eSchedule approach vs physical delivery will mean to the Seller/Developer. The PJM eSchedule tool supports the Interchange Energy Market and provides the ability to create PJM internal energy contracts and schedules. Essentially, the PJM eSchedule is a contract between the buyer and seller for a specified quantity of energy (associated capacity and RECs) that is settled financially after the operating day. Additional information regarding PJM eSchedules can be found on the PJM website at: <http://www.pjm.com/markets-and-operations/etools/~media/documents/manuals/m09.ashx>

What does the new PJM eSchedule requirement mean to you as the Seller/Developer?

The Seller/Developer will need to:

- be a member of PJM
- have a person(s) capable of submitting PJM Day Ahead Market forecast and PJM eSchedules on a daily basis
- be responsible for communication and requirements with PJM regarding the facility as well being responsible for any and all NERC requirements such as PJM eDart. (The Seller/Developer of the facility does not have any different responsibility than under the physical delivery method.)

How will the REPA settlement work under an eSchedule method?

REPA Settlement

Consistent with the physical delivery method, AEP will pay Seller/Developer the Contract Rate for all generation delivered at the point of delivery to PJM that the Purchaser has contracted for from the facility. The Seller/Developer should be indifferent to any PJM credits/charges associated with the generation purchased by AEP as all associated PJM charges and credits will be transferred to AEP by Seller/Developer on a monthly basis.

Necessary changes to take into account the PJM e-Schedule concept will be made to the form PJM Renewable Energy Purchase Agreement.(Mainly to Article 5)