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)

Capable of being on-line no later than 12/31/2011

Issued

June 1, 2009

Web Address: http://www.aep.com/go/rfp/

Pre-Bid Meeting (Webinar):
PJM projects June 16, 2009 1:00 p.m. EPT
SPP projects June 18, 2009 1:00 p.m. EPT

Proposals Due:

2009 Projects: June 30, 2009 12:00 noon EPT (Columbus, OH)  (PJM Only)
2010 Projects: August 31, 2009 12:00 noon EPT (Columbus, OH)  (PJM & SPP)
2011 Projects: January 15, 2010  12:00 noon  EPT (Columbus, OH)  (PJM & SPP )

American Electric Power
1,100 MW Renewable Resources Solicitation
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1. Introduction

1.1 American Electric Power Service Corporation (AEPSC), a subsidiary of American Electric Power Company, Inc. (AEP) is administering this Request for Proposals (RFP) on behalf of its seven utility subsidiaries. AEPSC is requesting bids which will result in obtaining up to approximately 1,100 MW of nameplate Renewable Energy Resources that have a placed-in-service date of January 1, 2008 or after, which are or will be interconnected to the PJM Interconnection (PJM) or the Southwest Power Pool (SPP) and are capable of being operational no later than December 31, 2011.

The general schedule for the RFP process is shown below (See also Section 3.1):

**Issue RFP**
Mon. June 1, 2009

**Pre-Bid Meeting (Webinar)**
Projects interconnected to PJM
Tues. June 16, 2009 1:00 p.m. EPT
Projects interconnected to SPP
Thurs. June 18, 2009 1:00 p.m. EPT

**Proposal Due Dates**

*(PJM ONLY)*
Projects expected on-line by 12/31/09
Tues. June 30, 2009 12:00 noon. EPT

*(SPP & PJM)*
Projects expected on-line by 12/31/10
Mon. Aug. 31, 2009 12:00 noon. EPT
Projects expected on-line by 12/31/11
Fri. Jan. 15, 2010 12:00 noon. EPT

1.2 American Electric Power is one of the largest electric utilities in the United States, delivering electricity to more than 5.2 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 38,000 megawatts of generating capacity in the U.S.

AEP also owns the nation's largest electricity transmission system, a nearly 39,000-mile network that includes more 765 kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP’s
leadership on the further build-out of the nation’s grid is evidenced by several notable transmission project initiatives some of which are highlighted in the map below:

**Eastern U.S. – Potential 765 kV Plans Under Development**

The lines shown are conceptual in nature and do not represent actual routes. Plans are subject to change.


**AEP Service Territory**

![AEP Service Territory Map](image)

More information about AEP can be accessed by visiting [www.aep.com](http://www.aep.com)

### 1.3 AEP Utility Subsidiary Credit Ratings as of May 2009

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Power Company</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB+</td>
</tr>
<tr>
<td>Columbus Southern Power Company</td>
<td>A3</td>
<td>BBB</td>
<td>A-</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>Baa2</td>
<td>BBB</td>
<td>BBB</td>
</tr>
<tr>
<td>Ohio Power Company</td>
<td>A3</td>
<td>BBB</td>
<td>BBB+</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>Baa1</td>
<td>BBB</td>
<td>BBB+</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>Baa1</td>
<td>BBB</td>
<td>BBB+</td>
</tr>
</tbody>
</table>
1.4 **AEP Wind Experience:**

AEP’s wind energy experience includes the ownership and long term purchase power commitments of the following projects listed below:

### AEP’s Non-regulated Wind Assets and Renewable Energy Power Purchase Agreements

<table>
<thead>
<tr>
<th>Project</th>
<th>State</th>
<th>RTO</th>
<th>MW</th>
<th>Online</th>
<th>Developer / Owner</th>
<th>Turbine Mfg</th>
<th>Offtaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest Mesa</td>
<td>TX</td>
<td>ERCOT</td>
<td>75.0</td>
<td>1993</td>
<td>NextEra (FPL)</td>
<td>GE</td>
<td>AEP Energy Partners</td>
</tr>
<tr>
<td>South Trent</td>
<td>TX</td>
<td>ERCOT</td>
<td>102</td>
<td>2008</td>
<td>Babcock &amp; Brown</td>
<td>Siemens</td>
<td>AEP Energy Partners</td>
</tr>
<tr>
<td>Desert Sky</td>
<td>TX</td>
<td>ERCOT</td>
<td>160.5</td>
<td>2001</td>
<td>AEP Energy Partners (Owner)</td>
<td>GE</td>
<td>City Public Services of San Antonio</td>
</tr>
<tr>
<td>Trent Mesa</td>
<td>TX</td>
<td>ERCOT</td>
<td>100</td>
<td>2001</td>
<td>AEP Energy Partners (Owner)</td>
<td>GE</td>
<td>Luminant</td>
</tr>
</tbody>
</table>

**Total MWs Owned or Under Contract (Non-regulated)**: 487.5

### AEP’s Regulated Operating Company Renewable Energy Power Purchase Agreements

<table>
<thead>
<tr>
<th>Project</th>
<th>State</th>
<th>RTO</th>
<th>MW (expected)</th>
<th>Developer</th>
<th>Turbine Mfg</th>
<th>Offtaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weatherford</td>
<td>OK</td>
<td>SPP</td>
<td>147.0</td>
<td>2005</td>
<td>NextEra (FPL)</td>
<td>GE</td>
</tr>
<tr>
<td>Blue Canyon II</td>
<td>OK</td>
<td>SPP</td>
<td>151.2</td>
<td>2005</td>
<td>Horizon Wind Energy</td>
<td>Vestas</td>
</tr>
<tr>
<td>Sleeping Bear</td>
<td>OK</td>
<td>SPP</td>
<td>94.5</td>
<td>2008</td>
<td>Edison Mission</td>
<td>Suzlon</td>
</tr>
<tr>
<td>Camp Grove</td>
<td>IL</td>
<td>PJM</td>
<td>75</td>
<td>108</td>
<td>Ontra Energy Partners</td>
<td>GE</td>
</tr>
<tr>
<td>Fowler 1</td>
<td>IN</td>
<td>PJM</td>
<td>100</td>
<td>103</td>
<td>BP / Dominion</td>
<td>Clipper/Vestas</td>
</tr>
<tr>
<td>Majestic</td>
<td>IN</td>
<td>PJM</td>
<td>79.8</td>
<td>189</td>
<td>Babcock &amp; Brown</td>
<td>GE</td>
</tr>
<tr>
<td>Fowler III</td>
<td>IN</td>
<td>PJM</td>
<td>100</td>
<td>2009</td>
<td>BP Wind Energy</td>
<td>Clipper/Vestas</td>
</tr>
<tr>
<td>Beech Fridge</td>
<td>WV</td>
<td>PJM</td>
<td>100.5</td>
<td>(12/09)</td>
<td>Invenergy LLC</td>
<td>GE</td>
</tr>
<tr>
<td>Elk City</td>
<td>OK</td>
<td>SPP</td>
<td>99.9</td>
<td>(12/09)</td>
<td>NextEra (FPL)</td>
<td>Siemens</td>
</tr>
<tr>
<td>Blue Canyon V</td>
<td>OK</td>
<td>SPP</td>
<td>99</td>
<td>(12/09)</td>
<td>Horizon Wind Energy</td>
<td>GE</td>
</tr>
<tr>
<td>Grand Fidge II</td>
<td>IL</td>
<td>PJM</td>
<td>51</td>
<td>(12/09)</td>
<td>Invenergy LLC</td>
<td>GE</td>
</tr>
<tr>
<td>Grand Ridge III</td>
<td>IL</td>
<td>PJM</td>
<td>49.5</td>
<td>(12/09)</td>
<td>Invenergy LLC</td>
<td>GE</td>
</tr>
<tr>
<td>Fowler II</td>
<td>IN</td>
<td>PJM</td>
<td>50</td>
<td>(12/09)</td>
<td>BP Wind Energy</td>
<td>GE</td>
</tr>
<tr>
<td>Fowler II</td>
<td>IN</td>
<td>PJM</td>
<td>50</td>
<td>(12/09)</td>
<td>BP Wind Energy</td>
<td>GE</td>
</tr>
<tr>
<td>Fowler II</td>
<td>IN</td>
<td>PJM</td>
<td>50</td>
<td>(12/09)</td>
<td>BP Wind Energy</td>
<td>GE</td>
</tr>
</tbody>
</table>

**Total MWs Under Contract (Regulated)**: 1296.1

- Non-regulated
- Online
- Under Contract but not yet online
2. Purpose and Scope

2.1 Purpose and Background:

The purpose of this solicitation is to fulfill a portion of AEP’s energy and capacity requirements via Renewable Energy Resources as well as satisfy a portion of the renewable goals addressed in AEP’s 2009 Corporate Sustainability Report (http://www.aep.com/citizenship/crreport/). This RFP document solicits proposals to acquire energy and all associated capacity, ancillary services (if any) and environmental attributes including renewable energy credits (RECs) from Renewable Energy Resources that are capable of meeting the conditions of the RFP.

2.2 Product Description:

This RFP seeks to acquire up to approximately 1,100 MW of nameplate rated Renewable Energy Resources that have a placed-in-service date of January 1, 2008 or after, which are or will be interconnected to PJM or SPP and capable of being operational by December 31, 2011. AEPSC expects to contract for the output of Renewable Energy Resources acquired pursuant to this RFP by means of multiple 20-year, long term power purchase agreements.

2.2.1 Renewable Energy Resources: means commercially proven technologies for the production of electric energy. Generation technologies eligible to bid into this RFP include:
- Biologically derived methane gas
- Biomass energy, including non-treated woody waste from pulping or wood manufacturing process
- Geothermal energy
- Hydroelectric energy as certified by the Low Impact Hydro Institute
- Wind energy
- Solar (Commercial scale, sited and interconnected to PJM only, subject to same evaluation criteria as non-solar renewable bids)

2.2.2 **Size:** All bidders are asked to price a Renewable Energy Resource project with a minimum nameplate rating of 20 MW for Wind energy, Biomass energy and Geothermal energy; and a minimum nameplate rating of 5 MW for Hydroelectric energy, Landfill gas and Solar (commercial scale).

2.2.3 **Project Expected on-line date:** Project bids will be submitted on the due date provided in Section 3 in accordance with the year in which the project is expected to reach commercial operation. For avoidance of doubt, 2009 Projects (PJM Only) are projects expected to be online on or about December 31, 2009; 2010 Projects (PJM and SPP) are projects expected to be on-line after January 1, 2010 and on or about December 31, 2010; 2011 Projects (PJM and SPP) are projects expected to be on-line after January 1, 2011 and on or about December 31, 2011.

2.2.4 **Bid Price Structure:**

A. **Bundled Renewable Energy Price:** The bundled renewable energy product (energy + REC + capacity) must be bid on an “as-available” per MWh basis with no separate capacity payment. Production will be divided into three time periods: Premium-Peak, Peak and Off-Peak and is further described below. Respondents must bid an All-in Price for Peak $___/MWh for the 2009/2010/2011 production years after which the annual escalation factor as described below will be added to the Peak, Premium-Peak and Off-Peak price beginning in 2012 for the duration of the 20-year term. The 2009/2010/2011 Production Year Premium-Peak bid price shall be set at 120% of the 2009/2010/2011 Production Year Peak bid price. The 2009/2010/2011 Production Year Off-Peak price will be fixed at $47/MWh for PJM projects and $42/MWh for SPP Projects. The above bid price must include all capital costs, fixed and variable
O&M costs, and any other costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery within the PJM territory; [www.pjm.com](http://www.pjm.com) or within the Southwest Power Pool (SPP) territory [http://www.spp.org/](http://www.spp.org/).

Example PJM Bid Price Structure:

<table>
<thead>
<tr>
<th>Period</th>
<th>Bid Price</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium-Peak</td>
<td>$/MWh (120% of Peak)</td>
<td>Weekdays: Jan/Feb/Jul/Aug/Dec</td>
</tr>
<tr>
<td>Peak</td>
<td>$ &quot;Bid&quot; / MWh</td>
<td>Weekdays: Mar/Apr/May/Jun/Sep/Oct/Nov</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>$47.00 / MWh</td>
<td>Nights, Weekends &amp; NERC Holidays: Jan - Dec</td>
</tr>
</tbody>
</table>

**Time of Day Definition (all times Eastern Prevailing Time (EPT))**:

- **Premium Peak** – Defined as Monday through Friday, hour ending 8-23, for the months January, February, July, August and December (excluding NERC Holidays).
- **Peak** – Defined as Monday through Friday, hour ending 8-23, for the months March, April, May, June, September, October and November. (excluding NERC Holidays).
- **Off Peak** – Defined as Monday through Friday, hour ending 1-7 and 24; Saturday, Sunday and NERC Holidays, hour ending 1-24.

For NERC Holidays see: [http://www.nerc.com/~filez/rs.html](http://www.nerc.com/~filez/rs.html)

Example SPP Bid Price Structure:

<table>
<thead>
<tr>
<th>Period</th>
<th>Bid Price</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium-Peak</td>
<td>$/MWh (120% of Peak)</td>
<td>Weekdays: Jan/Feb/Jul/Aug/Dec</td>
</tr>
<tr>
<td>Peak</td>
<td>$ &quot;Bid&quot; / MWh</td>
<td>Weekdays: Mar/Apr/May/Jun/Sep/Oct/Nov</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>$42.00 / MWh</td>
<td>Nights, Weekends &amp; NERC Holidays: Jan - Dec</td>
</tr>
</tbody>
</table>

**Time of Day Definition (all times Central Prevailing Time (CPT))**:

- **Premium Peak** – Defined as Monday through Friday, hour ending 7-22, for the months January, February, July, August and December (excluding NERC Holidays).
- **Peak** – Defined as Monday through Friday, hour ending 7-22, for the months March, April, May, June, September, October and November (excluding NERC Holidays).
• Off Peak – Defined as Monday through Friday, hour ending 1-6 and 23-24; Saturday, Sunday and NERC Holidays, hour ending 1-24.

For NERC Holidays see: http://www.nerc.com/~filez/offpeaks.html

CPT or Central Prevailing Time and is only used in this document to reference the Time of Day Pricing in accordance with the time zone used by SPP.

B. Escalation: All bid prices shall assume an annual escalation of 2.25% during the 20-year term of the Renewable Energy Purchase Agreement (REPA) based on the 2009, 2010 and 2011 production year bid price. All Renewable Energy Resources will include the 2.25% escalation for all Time of Day categories (Premium Peak, Peak and Off Peak). For clarification, the price for production year 2012 will be 2.25% above the price in 2009, 2010 and 2011.

2.2.4. All – in Price: Pricing must include all capital costs, fixed and variable O&M costs, and any other costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery within the PJM Interconnect (PJM): http://www.pjm.com/index.jsp or Southwest Power Pool (SPP) http://www.spp.org.

2.2.5. Delivery and Location: This RFP requests proposals from Renewable Energy Resources in which the interconnection point will be the PJM or SPP bus to which the generator is electrically connected. Information submitted to this RFP must include identification of proposed transmission and proposed interconnection points, identifying the transmission provider, the control area and the PJM or SPP queue number.
2.2.6. **Associated Attributes:** For purposes of this solicitation, the sale of renewable energy to AEPSC includes the transfer of all capacity, ancillary services (if any) and environmental attributes including associated renewable energy certificates (RECs) and any other current or future environmental attributes, including any greenhouse gas emission reductions associated with the quantity contracted from the facility from the project for the term of the REPA.
3. **RFP Schedule and Procedure**

3.1. **Schedule:** The following schedule and deadlines apply to this RFP. AEPSC reserves the right to revise this schedule at any time and at its sole discretion.

3.1.1 EPT or Eastern Prevailing Time means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect in Columbus, Ohio on any date specified.

3.1.2 As shown on the following schedule, AEPSC will host a pre-bid meeting via webinar as follows:

<table>
<thead>
<tr>
<th>Pre-Bid Meeting (Webinar)</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects interconnected to PJM</td>
<td>Tues. June 16, 2009 1:00 p.m. EPT</td>
</tr>
<tr>
<td>Projects interconnected to SPP</td>
<td>Thurs. June 18, 2009 1:00 p.m. EPT</td>
</tr>
</tbody>
</table>

**Webinar:** information to be provided on RFP website: [www.aepsc.com/go/rfp](http://www.aepsc.com/go/rfp)

During the Webinar, AEPSC will give a presentation outlining the Request for Proposals and answer questions from prospective bidders. A copy of the pre-bid meeting presentation will be available prior to the conference call on AEP’s website at the web address listed above.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issuance</td>
<td>June 1, 2009</td>
<td></td>
</tr>
<tr>
<td>Pre-Bid Meeting (Webinar) PJM/SPP</td>
<td>June 16, 2009 / June 18, 2009</td>
<td>1:00 pm EPT</td>
</tr>
<tr>
<td>Expression of Interest Forms Due</td>
<td>21 days prior to bid due date</td>
<td>5:00 pm EPT</td>
</tr>
<tr>
<td>Confidentiality Forms Due (optional)</td>
<td>14 days prior to bid due date</td>
<td>5:00 pm EPT</td>
</tr>
<tr>
<td>Proposals Due</td>
<td>See below</td>
<td>12:00 noon EPT</td>
</tr>
<tr>
<td>Notify Short-Listed Bidder(s)</td>
<td>45 days after bid due date</td>
<td></td>
</tr>
</tbody>
</table>
3.2 **Proposals Due Dates and Qualifying Region**

**PJM only:**
“2009 Projects” expected on-line by 12/31/09  Tues. June 30, 2009 12:00 noon EPT

**PJM and SPP:**
“2010 Projects” expected on-line by 12/31/10  Mon. Aug. 31, 2009 12:00 noon EPT

“2011 Projects” expected on-line by 12/31/11  Fri. Jan. 15, 2010 12:00 noon EPT

3.3 **Submittal of Proposals**

One (1) original (hardcopy) copy bound of all project proposals, including one (1) full electronic copy of the project proposal on CD which includes the required energy profile must be submitted at the following address no later than 12:00 p.m. EPT on Proposal Due Date.

American Electric Power Service Corporation  
ATTN: Peggy Simmons (RFP Manager)  
155 W. Nationwide Blvd  
Columbus, OH 43215  
pisimmons@aep.com  
(614) 583-6009

The preparation and submission of all project proposals will be at the expense of the bidder. All proposals shall remain sealed until expiration of the solicitation period.

3.4 **Solicitation of Additional Proposals**

AEPSC reserves the right to solicit additional proposals, if it is deemed necessary to do so and the right to submit additional information requests to bidders during the bid evaluation process.

3.5 **Affiliate Bidding Policy**
Neither AEPSC, AEP nor any affiliates of AEP will submit bids in response to this RFP but may choose to purchase projects, enter into other REPA agreements and/or build a project during the time period contemplated to complete the RFP process. Appendix A requests bidders to certify that it has no affiliate relationship with AEP or any AEP affiliate.

3.6 **Information Policy**

For information regarding this RFP visit: [http://www.aep.com/go/rfp/](http://www.aep.com/go/rfp/)

AEPSC has established this information policy so that all bidders have access to the same information about the bidding process.

3.6.1 Restricted Access: A portion of the RFP website will be password protected which will require the Bidder to fill in information regarding the proposed project including a PJM or SPP Interconnection queue number. The restricted access area will include:

- Form Renewable Energy Purchase Agreement.
4. Confidentiality of Information

AEPSC 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. AEPSC reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. AEPSC’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 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, AEPSC will make all reasonable efforts to protect bidder’s confidential information.

4.1 A formal Confidentiality Agreement (CA) has been included as Appendix D. If a CA is desired by the bidder, the bidder must execute and submit this agreement by 5:00 p.m. EPT, on the Confidentiality Form Due Date. Once the CA is executed and submitted by the bidder, AEPSC will complete the execution of the agreement and send a copy of the fully executed agreement to the bidder via mail.
5. **Bidder’s Responsibilities**

5.1 **Timely Submission of Bids**

It is the bidder’s responsibility to submit all requested material by the deadlines specified in this RFP.

5.2 **Reliability of Completion**

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.

5.3 **Valid Proposal Duration**

Bid pricing must be valid for at least sixty (60) days after the Proposal Due Date, upon which time proposals shall expire unless the bidder has been notified and selected as a final award recipient.

5.4 **Projects Interconnected to PJM Transmission System**

5.4.1 The interconnection point will be the PJM bus to which the generator is electrically connected or the closest thereto monitored for Locational Marginal Pricing (LMP) by PJM.

5.4.2 Bidders will be required to submit generation interconnection applications to PJM and follow the PJM process to obtain generation interconnection. Cost for electrical interconnection and upgrades are the bidder’s responsibility.

5.4.2.1 Projects expected to be online in 2009 or 2010 need to have completed a PJM System Impact study and must submit such study with proposal.
5.4.2.2 Projects expected to be on-line in 2011 that are further along in the PJM interconnection process will be viewed more favorably.

5.4.3 Selected Projects may also be screened for current and future expected congestion and evaluated on the anticipated impact any congestion may have on the expected value of the energy (LMP) delivered from the Bidder’s Project vis-à-vis AEP Zone or AD Hub in PJM. The cost of this analysis, if any, will be borne by AEPSC.

5.4.4 Owners of PJM projects will need to be members of PJM prior to the flow of energy from the project in order to transfer any associated capacity credit upon commercial operation of the facility. AEPSC will need to receive notification from an officer certifying that the owner of the facility is a PJM member. Additional information regarding PJM membership can be viewed at: http://www.pjm.com/about-pjm/member-services/become-a-member/membership-assistant.aspx?p=1

5.5 **Projects Interconnected to SPP Transmission System**

5.5.1 The interconnection point will be the SPP bus to which the generator is electrically connected or the closest thereto monitored or Locational Imbalance Pricing (LIP) by SPP.

5.5.2 Bidders will be required to submit generation interconnection applications to SPP and follow the SPP process to obtain generation interconnection. Cost for electrical interconnection and upgrades are the bidder’s responsibility.

5.5.2.1 Projects expected to be online in 2010 need to have competed at least the SPP System Impact Study and Projects expected to be online in
2011 need to have completed at least a SPP Feasibility study which must be submitted with proposal.

5.5.2.2 Bids selected to the short-list will be screened for the cost to deliver energy and capacity from the Point of Delivery to AEP West load. These costs will be determined via SPP’s Aggregate System Impact Study process. One or more short-listed projects may be submitted to the SPP Aggregate Study System Impact Study in order to evaluate the additional costs of obtaining firm transmission (Network Service) associated with the Bidder’s Project. The cost of this analysis will be borne by the Purchaser.

5.5.3 Selected Projects may also be screened for current and future expected congestion and evaluated on the anticipated impact any congestion may have on the expected value of the energy (LIP) delivered from AEP’s balancing authority in SPP. The cost of this analysis, if any, will be borne by AEPSC.

5.5 **Compliance with Federal and State Regulations**
Short-listed bidders must provide documentation that will enable AEPSC to assess the bidder’s ability to comply with all federal and state regulations, and to obtain all permits, licenses and approvals necessary to construct and operate the project. (In addition, all requirements must be met for firm capacity including the need to provide a site specific generator that can be designated as a capacity resource.)

5.6 **Clarification of Proposals**
While evaluating proposals, AEPSC may request additional information about any item in the proposal. All requests will be made in writing, and the bidder will
be required to respond to the request within three (3) business days of receipt of such request or AEPSC may choose to stop evaluating the bid.
6. Proposal Content Requirements

This section describes AEPSC’s expectations and requirements for the RFP bids. AEPSC expects bidders to provide any information that could impact the cost, construction schedule, reliability, dispatch frequency, or output capability of the project. If it appears that certain information is inadvertently omitted from a proposal, AEPSC may contact the bidder to obtain the information.

All proposals must include a table of contents and provide concise and complete information on all of the following topics:

6.1 Executive Summary

Provide an executive summary of the bid’s characteristics and timeline, including any unique aspects and benefits.

6.2 Bidder’s Information

Proposals must provide the name of the company, its address, and any company representative(s) (name, phone number and email address). (Appendix A)

6.3 Experience and References

Provide a general description of the bidder’s background and experience in utility scale renewable energy power projects similar to its proposal, including any affiliated companies, holding companies, subsidiaries or predecessor companies presently or in the past engaged in developing renewable energy power supply projects. In addition, provide three (3) or more references from projects where the bidder, or any of its affiliates, has completed the development and construction of a power project similar to the one proposed to AEPSC. If the bidder has fewer than three utility scale projects, it shall provide as many references as possible. (Appendix F)
6.4 **Financial Wherewithal**

If the bidder intends to maintain the Security Fund through a parental guarantee, the guarantor will need to provide a completed Credit Application. Bidders with guarantors should describe any current credit issues raised by rating agencies, banks, or accounting firms in this appendix. Also provide any letters from banks/institutions that demonstrate the ability of the bidder’s guarantor to successfully finance the project. (Appendix E)

6.5 **Legal Proceedings**

List all lawsuits, regulatory proceedings, or arbitration in which the bidder or its affiliates or predecessors have been or are engaged that could affect 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. (Appendix E)

6.6 **Exceptions to REPA/Term Sheet**

6.6.1 Exceptions to REPA (Wind/Hyro/Solar)

A form REPA for Renewable Energy Resources is attached with this RFP (available to Registered Bidders in accordance with Section 3.5.1), and bidders must submit any exceptions to the REPA with their proposal as a separate document including an explanation of such exception being requested. AEPSC will not accept a redline version of the form REPA in support of this requirement.

6.6.2 Term Sheet (Biomass/Landfill)

A Term Sheet must be provided with REPA Exceptions for Biomass specifically to capture subjects such as fuel that are not specifically contemplated in the form REPA. The Term Sheet is expected to be conceptual.
6.6.3 Right of First Offer (“RoFO”)

The executed agreement is expected to contemplate the inclusion of a Right of First Offer (“RoFO”) which specifies, in addition to other terms and conditions that the Purchaser may purchase the facility if and when the facility owner is interested in selling the facility to a third party during the term of the PPA. While not required under the REPA/Term Sheet, respondents, at their option, may offer an end-of-term or other purchase option that specifies that the facility (or the stock of the facility owner) can be purchased for its appraised fair market value at a specified time or times during, or at the end of, the term of the agreement.

6.7 Facility Information

In addition to completing (Appendix B) - Bid Summary, proposals must also include narratives containing adequate detail to allow AEPSC to evaluate the merits and credibility of the proposed resources. Respondents must address the following topics:

6.7.1 Size – Proposals must provide the project acreage and nameplate rating (Appendix B)

A. Biomass Energy / Biologically Derived Methane Gas / Energy Derived from nontreated by-products of the pulping process or wood manufacturing process including bark, wood chips, sawdust and in spent pulp liquors

Proposals shall include information describing applicable fuel types, fuel sources, fuel contracts, fuel procurement/transformation plans, fuel price risk and availability risk issues. Proposals involving combustion type resources shall also include combustion process by-product emission rates, including SOx, NOx, CO2, methane, nitrous oxide, CFCs, HCFCs, heavy
metals, halides, unburned hydrocarbons and other emissions in gaseous or liquid form, dissolved in another liquid or mixed with a solid for offsite disposal. Describe the quantity and type of all environmental permits for air and water compliance required to develop the project, and if such permits and approvals are not already in the bidder’s possession, provide information regarding the plan to acquire such permits and associated approvals. Proposals should also include gas production forecast for resources identified, including decay rate of gas production from landfill or digester processes for closed or active sources, and forecast for future sources planned.

B. **Hydroelectric Facility as certified by The Low-Impact Hydro Institute**

Please provide a summary of all collected hydro data for the proposed or existing site and characterize the hydro project’s proposed production levels. Describe land lease and rights issues. Provide a table or graph that illustrates the annual and monthly projection of hydro resources. The hydro facility will need to be certified by the Low Impact Hydro Institute and comply with the Endangered Species Act.

C. **Geothermal Resources**

Please provide a summary of all collected geothermal data for the proposed or existing site and characterize the geothermal resource quality, quantity and proposed production levels. Describe land lease and rights issues and describe test drilling performed (if applicable). Provide a table or graph that illustrates the annual and monthly projection of geothermal resources.

D. **Solar (Commercial Scale, sited and interconnected to PJM only, subject to same evaluation criteria as non-solar renewable bids)**

Bidders must document the source of meteorological data used in the required generation production calculations provided. This may include
theoretical modeling or a combination of on-site metered data. Bidders
must provide the resource data measurement method used to derive the
data (for example, whether it was collected on site, at a nearby station, or
inferred from satellite data), must identify the number of years of solar
data available and employed in the average expected hourly generation
calculations as well as describe the accuracy of that data. If the
measurement method relies entirely—or in part—on theoretical data, the
bidder should include background information on the firm that conducted
the study, the technology employed and any track record attesting to the
accuracy of the methods used. Proposals that include thermal storage must
describe the storage dispatch optimization logic inherent in their
production estimates. Proposals that include gas hybridization should
exclude any non-solar energy production in their production estimates.
Upon request, bidders must be prepared to provide AEPSC the underlying
solar data supporting these estimates with the understanding that AEP
Ohio may engage an external consultant for an independent verification
and evaluation of the solar resource. The provided data shall be sufficient
for these purposes.

E. **Wind Energy**

Wind energy proposals must provide the source and basis of the wind
speed data used in the development of energy projections for the project.
Explain the assumptions for wake losses, line losses, etc., and the location
where the data was measured. Proposals must provide the wind turbine
power curve adjusted for the site’s specific air density. Provide an 8,760
calendar year net hourly forecast of representative wind data with
measurement height referenced and any extrapolations used to estimate
wind speeds at the proposed hub height. (Appendix B-3) Also provide the
contact information, resume and experience of the consulting
meteorologist engaged for wind measurement and energy projections from the proposed project. (Appendix B)

6.7.2 **Energy Production Profile** – All proposals must provide an 8,760 hourly energy production profile for a typical calendar year. (Appendix C) Explain the source of information, assumptions for wake losses, line losses, etc., and the location where the data, if applicable, was measured. This profile only needs to be included on the CD copy of the bid proposal.

6.7.3 **Location** - Project location, the merits of the selected site, and the proposed land rights (including permitting issues). Provide copies or summaries of leases, easements, and/or other ownership documents that demonstrate that the bidder has control of the intended project properties and the legal right to construct, interconnect and operate the project as described.

6.7.4 **Project Layout** – Proposals must show anticipated placement of turbines and other project facilities, including transmission layouts and the Point of Delivery. (Appendix B)

6.7.5 **Reliability of Proposed Technology** – Proposals must provide the description, size, number and manufacturer of the generation equipment that will be used, including a summary of the commercial operating experience of the equipment chosen. Where applicable, Bidders should also indicate significant turbine warranty terms it expects to secure from the proposed turbine supplier. If a final equipment selection has not been made, list the candidates under consideration and the status and schedule of the selection process. Also provide a description of the system intended to provide real-time telemetering data (i.e. wind speed (if
applicable), availability, production etc.) to the power purchaser. (Appendix B)

6.7.6 **Interconnection** – Proposals must include copies of all studies prepared or required by PJM or SPP.

6.7.7 **Project and Construction Schedule** – Schedules must include major milestones such as completion of permitting, financing, regulatory requirements, major construction, testing, Commercial Operation Date, etc.

6.7.8 **Financing Plan** – Bidders must provide a proposed financing plan, including any letters of support, previous correspondence with banks / lenders intending to provide financing for the project. Also provide the proposed on-going debt-equity ratio to be carried by the project during construction and during operation.
7. Minimum Bid Eligibility Requirements

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

7.1 Proposals must include all applicable content requirements described in Section 6, including all requested information and completed forms.

7.2 Proposals must offer documentation that shows an acceptable level of development, credit, and technology risk, as determined by AEPSC’s bid evaluation team.

7.3 Proposals must demonstrate that the bidder’s project development members have successfully completed the development, financing and commissioning of at least one project in the United States with characteristics similar to the proposed project, and that it intends to use experienced suppliers and contractors to construct the project.
8. Bid Evaluation and Selection Procedures

This section describes AEPSC’s expectations and requirements for the RFP bids. AEPSC expects bidders to provide any information that could impact the cost, construction schedule, reliability, dispatch frequency, or output capability of the project. If it appears that certain information is inadvertently omitted from a proposal, AEPSC may contact the bidder to obtain the information.

8.1 The objective of the AEPSC bid evaluation is to identify the proposal or proposals which best meet the needs identified in this solicitation. The evaluation process will include an assessment of both economic and non-economic criteria. The economic evaluation will be conducted primarily using spreadsheet analysis tools. Non-economic factors will be assessed through a due diligence process that will gauge the relative risks and benefits of the proposal. A bid evaluation team will evaluate and select bids, and subject matter experts may directly contact bidders during the bid evaluation stage.

Bids will be evaluated using a multi-step process as follows:

A. The information provided in each initial bid will first be evaluated for completeness and consistency with the proposal content and bid requirements outlined in this RFP.

B. As a result of this screening review, AEPSC will eliminate bids that do not meet the requirements described in this RFP from further consideration. Given the short amount of time allotted to evaluate the bids, AEPSC will limit follow up contacts to clarify bids or request additional information only to those bids that meet the requirements described in this RFP. The bid evaluation process will include an assessment of both price and non-price factors.
AEPSC will utilize a “first-price sealed bid format” to generate a short-list from which it will determine those proposals that will lead to post-bid negotiations. Under this format, AEPSC will utilize the initial pricing structure submitted by the bidder to select the short-listed entities. AEPSC will not accept updated pricing from bidders during the evaluation period. AEPSC will negotiate both price and non-price issues during the post-bid negotiations. Preliminary due diligence will also be conducted at this stage to identify any flaws associated with the bid that are unacceptable to AEPSC, such as an exceptionally high level of development, credit, or technology risk. As a result of this screening, AEPSC may either eliminate bids from further consideration, or contact bidders to clarify information or request additional information.

8.2 AEPSC reserves the right not to engage in post-bid negotiations with any bidder that has not made the short-list. Selection for the short-list and post-bid negotiations does not constitute a “winning bid proposal”. Only execution of a definitive agreement by both AEPSC and the bidder on mutually acceptable terms will constitute a “winning bid proposal”.

8.3 Projects meeting the minimum threshold requirements will be analyzed further. The non-price factors described below will be used to further analyze the viability of the proposed project. The proposals will then be ranked according to price.

8.3.1 Price Factors: Price factors will be weighted approximately 80% in the determination of which proposals will be selected for further consideration. Each proposal will be evaluated to determine the overall cost. Factors that could impact this overall cost include, but are not limited to, the cost of energy delivery to AEP’s load, capacity value, value of the associated RECs and reactive energy capability, if any. The total evaluated cost of the proposal will then be compared with other bids for overall value to AEPSC and their customers.
8.3.2 **Non-Price Factors:** The non-price factors will be weighted approximately 20%, and the evaluation of these factors will involve a due diligence process aimed at gauging the relative risks of the following factors (in no particular order of preference):

A. **Location** – The location of the project relative to AEP’s service territory. Order of preference:
   a. AEP transmission lines
   b. AEP State not on AEP transmission lines

B. **Developer experience** – To help ensure a timely and successful completion of the proposed project, AEPSC strongly prefers bidders with a successful history of developing similar projects in the United States.

C. **Proposed date of Commercial Operation** – To help ensure maximum benefits to AEP’s customers, AEPSC prefers proposals that provide substantial assurances that the project will be on-line no later than in accordance with the Proposal Due Dates outlined in Section 3.

D. **Time and feasibility** – AEPSC will review the timelines for acquiring, and the feasibility of obtaining, all required permits and land rights (including those required for new transmission facilities).

E. **Creditworthiness** – AEPSC prefers bidders that can reasonably demonstrate the ability to obtain credit support in the future from credit support providers (banks, parent companies, financial institutions). These credit support providers should demonstrate a high level of creditworthiness, as gauged from the Credit Application in Appendix E.
F. **Proximity and availability of transmission** – Bidders must provide the status and schedule for completion of the necessary transmission arrangements to provide the delivery of energy at the bid-specified Point of Delivery.

G. **Property and site control** – AEPSC would prefer bids that demonstrate a high level of site control through executed land leases/easements.

H. **Project capacity** – All proposals must offer the minimum sizes as set forth in 2.2.2.

I. **Proven generation technology** – AEPSC will evaluate proposed technology and the commercial terms of the generation equipment supply agreement.

J. **Probability of financing** – In the evaluation of proposals, AEPSC will assess the reasonableness of the proposed financing plan, project budget, pro forma financials and whether the bidder has demonstrated success in financing past projects in the United States. In addition, please fully explain if the proforma assumes the use of the PTC, ITC or any other available incentives or subsidies.

K. **Confidence in long-term energy projections** – AEPSC will factor the experience of the parties involved in making the energy projections, as well as the quality and quantity of on-site data provided, as a non-price factor.
L. **Exceptions to REPA/Term Sheet** – Renewable Energy Resources: AEPSC will evaluate the Exceptions to the REPA as it relates to the ability of the two parties to potentially execute an agreement.

M. **Regulatory Considerations** - AEPSC will take into consideration projects most likely to receive regulatory approval for cost recovery.
9. Post-Bid Negotiations and Awarding of Contracts

9.1 AEPSC intends to negotiate both price and non-price factors during post-bid negotiations with the bidder or bidders whose proposal is or are selected for further discussions at the completion of the bid evaluation process. AEPSC may request additional information regarding factors that may impact the total cost or schedule of the project to update its economic and risk evaluation until such time as AEPSC and the bidder(s) execute a definitive agreement(s) acceptable to AEPSC in its sole and absolute discretion.

9.2 Neither AEPSC nor any of AEP’s seven regulated affiliates associated with this RFP are obligated to enter into a definitive agreement with any bidder responding to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. AEPSC also reserves the right to negotiate with only those bidders who propose transactions that AEPSC believes propose the best combination of value to AEPSC and its customers.
10. Regulatory Approvals

10.1 Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all State, Federal, or other regulatory approvals required for the effectiveness of the REPA.

10.2 The REPA shall be also be dependent upon AEPSC obtaining sufficient assurance that the costs of power and energy purchased pursuant to the REPA will be recognized for recovery in the rates charged to its jurisdictional customers. The determination of what constitutes “sufficient assurance” shall be at the sole discretion and judgment of AEPSC.
Appendix A
Expression of Interest Form

Email to: pisimmons@aep.com
Due: In accordance with RFP schedule
Note that completion of all information is required.

This response is an indication of our interest in the AEPSC Request for nameplate renewable energy facilities capable of being operational by December 31, 2010. This response also establishes contact information for future communications regarding this RFP.

Company: _______________________________________________________
           (legal name of entity of intended signatory to a contract)

Contact Name: __________________________
Contact Title: __________________________
Address: _______________________________________________________
City: __________________________ State:_____ Zip:________
Phone Number: __________________________
Fax Number: __________________________
E-mail address: __________________________
Interconnected to SPP ___ PJM ___

Resource type: ___ Wind energy ___ Solar ___ Hydroelectric facility
                ___ Geothermal ___ Biomass ___ Fuel derived from solid wastes
                (not principally combustion) ___ Biologically derived methane gas
                ___ Energy derived from nontreated by-products of the pulping
                process or wood manufacturing process

AEP Affiliates Certification
Bidder does not have an affiliate relationship (whether by ownership, joint
venture or other association) with AEP or any AEP affiliate; and the proposed bid
is for power generated by facilities that are not owned by, or otherwise associated
with AEP, or any AEP affiliate

Authorized Signature and Date_________________________________________
Appendix B-1

Bid Summary

Project Name _______________________________________
Unique Bid Name ___________________________________
Estimated Commercial Operation Date (mm/dd/yy) _______
Name Plate (MW) _______
Expected Annual Availability (%): __________
Expected Annual Production (MWh) _______

Have turbines/equipment for this project been secured, purchased?

Site Information:
Site Address/Legal Description ________________________________
Site Geographic Location: Longitude: _______ Longitude: _______
County: _________ City: _____________ State: _____ Zip: _____
Site Control: _____Already Own Site

_____Site Purchase Pending

_____Currently lease site  % (acres) leased_____

Is there potential for expansion? Y ___ N ___

What is possible additional acreage available? __________

Please attach a copy of all leases, easements or other ownership documentation.

Transmission Interconnection:
Point of Delivery:
Point of Interconnection with, [Insert Utility] _______________________
County: _____________City: _____________ State: _____ Zip: _____
Substation Name: _______________________
Interconnection Voltage: ___________________
Appendix B-2

Has a PJM or SPP feasibility study been performed for the proposed project? Y___ N ___

Please attach a copy of all PJM or SPP interconnection studies and / or the expected completion date. _____

PJM or SPP Interconnection queue #: ______

Please attach a layout that depicts turbines, other collection system facilities, transmission interconnection and the point of delivery.

Permits:

Have you contacted permitting agencies regarding this project, and identified the necessary permits?
City: Yes: __  No:__  County: Yes: __  No:__  State: Yes: __  No:__
Federal: Yes: __  No:__

On an additional sheet, list and describe all city, county, state and federal permits required for this project. Include: status, duration, planned steps, critical milestones and acquisition timeline.

Reliability of Proposed Technology:

Has final equipment selection been made Y_____ N ______

If yes, provide the major equipment information:
Quantity______  Size _______  Manufacturer___________

Please attach a summary of the equipment warranty terms.

If no, please provide the major equipment manufacturer candidates:
1. __________________________________________________
2. __________________________________________________

Please attach a description of the status and scheduled selection process.
Appendix B-3 (for wind projects only)
Please provide a description of the system intended to provide real time telemetry data.

**Wind Data:**
Wind speed data:
Source: ___________ Basis: ___________
Measurement height: ___________
Please attach an 8760 calendar year net hourly forecast and address an extrapolations used.

**Consulting meteorologist information**
Name: _______________________________________________
Address: _______________________________________________
Contact Number: _______________________________________
Please attach the resume of this consulting meteorologist.
Appendix B-4

Bid Summary (Solar)

Project Name _____________________________
Unique Bid Name __________________________
Estimated Commercial Operation Date (mm/dd/yy) _______
Name Plate (MWAC) _______ Expected Capacity Factor: (%): ____________
Expected Annual Production (MWh) _______ Annual Degradation (%): ____
Thin Film (Y/N) _______ Fixed Panel or Tracking System _______________
Panel Manufacturer ________________________
Have solar panels for this project been secured, purchased (Y/N) _______

Site Information:
Site Address/Legal Description ________________________________
Site Geographic Location: Longitude: ____________ Longitude: ____________
County: ___________ City: ___________ State: _____ Zip: _____
Site Control: _____ Already Own Site
____ Site Purchase Pending
____ Currently lease site  % (acres) leased_____
Is there potential for expansion?  Y ___ N ___
What is possible additional acreage available? ________
Please attach a copy of all leases, easements or other ownership documentation.

Distribution Interconnection:
Point of Delivery:
Point of Interconnection with, [Insert Utility] ____________________
County: ___________ City: ___________ State: _____ Zip: _____
Substation Name: _______________________ 
Interconnection Voltage: ___________________
Appendix C -1

PJM Interconnected Facility

Bid Price Input Sheet

(For alternative bid pricing submit a separate sheet)

2009 / 2010/ 2011 Production Year Bid Price

<table>
<thead>
<tr>
<th>Period</th>
<th>Bid Price</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium-Peak</td>
<td>$_________/MWh</td>
<td>Weekdays: Jan/Feb/Jul/Aug/Dec</td>
</tr>
<tr>
<td></td>
<td>(Peak Bid Price x 1.2)</td>
<td></td>
</tr>
<tr>
<td>Peak</td>
<td>$_________/ MWh</td>
<td>Weekdays: Mar/Apr/May/Jun/Sep/Oct/Nov</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>$ 47.00 / MWh</td>
<td>Nights, Weekends &amp; NERC Holidays: Jan – Dec</td>
</tr>
</tbody>
</table>

Insert a Bid Price for each time period. Premium Peak is 120% of the Peak Bid and Off-Peak is set a $47.00/MWh. For alternative bid pricing please include a separate sheet following the same format labeled “Alternative Bid Price Input Sheet”. See 2 for further details on price escalation beginning in 2012 of 2.25% per year.

**Premium Peak** – Defined as Monday through Friday, hour ending 8-23, for the months January, February, July, August and December (excluding NERC Holidays).

**Peak** – Defined as Monday through Friday, hour ending 8-23, for the months March, April, May, June, September, October and November (excluding NERC Holidays).

**Off Peak** – Defined as Monday through Friday, hour ending 1-7 and 24; Saturday, Sunday and NERC Holidays, hour ending 1-24.

These prices will be binding through 60 days after Proposal Due Date.
Appendix C -2  
SPP Interconnected Facility

Bid Price Input Sheet  
(For alternative bid pricing submit a separate sheet)

2010/ 2011 Production Year Bid Price

<table>
<thead>
<tr>
<th>Period</th>
<th>Bid Price</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium-Peak</td>
<td>$_________ /MWh (Peak Bid Price x 1.2)</td>
<td>Weekdays: Jan/Feb/Jul/Aug/Dec</td>
</tr>
<tr>
<td>Peak</td>
<td>$_________/ MWh</td>
<td>Weekdays: Mar/Apr/May/ Jun/Sep/Oct/Nov</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>$ 42.00/ MWh</td>
<td>Nights, Weekends &amp; NERC Holidays: Jan – Dec</td>
</tr>
</tbody>
</table>

Insert a Bid Price for each time period. Premium Peak is 120% of the Peak Bid and Off-Peak is set a $42.00/MWh. For alternative bid pricing please include a separate sheet following the same format labeled “Alternative Bid Price Input Sheet”. See 2B for further details on price escalation beginning in 2012 of 2.25% per year.

Premium Peak – Defined as Monday through Friday, hour ending 7-22, for the months January, February, July, August and December (excluding NERC Holidays).

Peak – Defined as Monday through Friday, hour ending 7-22, for the months March, April, May, June, September, October and November (excluding NERC Holidays).

Off Peak – Defined as Monday through Friday, hour ending 1-6 and 23-24; Saturday, Sunday and NERC Holidays, hour ending 1-24.

These prices will be binding through 60 days after Proposal Due Date.
Appendix C -3

Energy Input Sheet

(See attached Excel spreadsheet)
Appendix D
Mutual Confidentiality Agreement

Email to: pisimmons@aep.com
Attn: Peggy Simmons
American Electric Power Service Corporation
155 West Nationwide Boulevard
Suite 500
Columbus, OH 43215
Fax: (614) 583-1611
Due: 5:00 p.m. EPT

This Mutual Confidentiality Agreement (“Agreement”) dated as of ____________, 2009 (“Effective Date”) is made and entered into by and between American Electric Power Service Corporation (“AEPSC”), as agent for [insert full legal name], and insert state of formation insert type of company ("Bidder").

Recitals:

I. Bidder is or is considering submitting a proposal (the “Proposal”) in response to a Request for Proposals (the “RFP”) issued by AEPSC for renewable energy as described in the RFP. If submitted, the Proposal will become the property of AEPSC and shall be held confidential under terms of the RFP.

II. It may become desirable that AEPSC and Bidder exchange other confidential information pursuant to questions, responses or other communications that are not contained in the Proposal and which the parties desire to protect as confidential.

III. In addition, if the Proposal, if submitted, is selected by AEPSC, then Bidder and AEPSC will negotiate about a proposed agreement between AEPSC and Bidder to implement the Proposal (the “Proposed Agreement”). Bidder and AEPSC want
to keep all negotiations concerning the Proposed Agreement, including the Proposed Agreement itself and all drafts of the Proposed Agreement, confidential.

IV. The parties are willing to exchange such confidential information pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

Section 1. Definitions.

1.1 (a) “Confidential Information” means any information that is disclosed by the Disclosing Party to the Receiving Party or its Representatives in connection with the RFP or any Proposed Agreement (collectively, the “Transaction”), whether before or after the date hereof and irrespective of the format in which the information is provided. For avoidance of doubt, “Confidential Information” includes:

(i) Written information or machine-readable data, including questions, responses or communications in connection with AEPSC’s RFP or any Proposed Agreement, notes, reports, assessments, specifications, drawings, financial statements and projections, software and databases, customer information, sales and marketing strategies, and any other written information or machine-readable data;

(ii) Orally conveyed information, including but not limited to demonstrations that are directly related to written or other tangible Confidential Information;

(iii) Any hardware, including but not limited to samples, devices and any other physical embodiments delivered to the Receiving Party;

(iv) Any Evaluation Material; or

(v) The existence of this Agreement, the terms of this Agreement and any Proposed Agreement, including all drafts of the Proposed Agreement and all negotiations concerning the Proposed Agreement, that may arise stemming from the Bidder’s Proposal.
(b) “Confidential Information” does not include information which:

(i) is, or subsequent to disclosure becomes, part of the public domain through no fault of the Receiving Party;
(ii) is lawfully disclosed to the Receiving Party by a third party which, to the knowledge of the Receiving Party, does not have a confidentiality obligation to the Disclosing Party;
(iii) was lawfully in the possession of the Receiving Party prior to disclosure by the Disclosing Party; or
(iv) is lawfully and independently developed by the Receiving Party without use of the Confidential Information disclosed by the Disclosing Party.

1.2 “Disclosing Party” means the party disclosing Confidential Information.

1.3 “Evaluation Material” means notes, reports or other documents which reflect, interpret, evaluate, include or are derived from the Confidential Information.

1.4 “Receiving Party” means the party receiving Confidential Information.

1.5 “Representatives” means a party’s employees, officers, directors, attorneys, accountants, consultants, advisors and agents (including potential lenders, equity partners, underwriters, or other parties involved in the Transaction for the party), and the party’s affiliates and the employees, officers, directors, attorneys, accountants, consultants, advisors and agents thereof.

Section 2. Confidentiality. Except as provided in Section 5, the parties hereby agree that the Confidential Information will be kept confidential during the term of this Agreement. The parties also agree that without the prior written consent of the Disclosing Party, the Confidential Information will not be disclosed by the Receiving Party, in whole or in part, to any other person except as provided herein. Each party shall use the same
Section 3. Ownership and Use of Confidential Information. All Confidential Information (except Evaluation Material) shall remain the property of the Disclosing Party. No license or other rights under any patents, trademarks, copyrights or other proprietary rights is granted or implied by the disclosure of the Confidential Information. Neither party shall use the Confidential Information for any purpose other than for evaluation of and negotiations relating to the Transaction.

Section 4. Disposition of Confidential Information. The Receiving Party, upon written request from the Disclosing Party, shall promptly return or destroy all Confidential Information in its possession; provided, however, with respect to Evaluation Materials, the Receiving Party may at its discretion destroy such Evaluation Material. If requested by the Disclosing Party, the Receiving Party shall provide the Disclosing Party with a certification that all Confidential Information and Evaluation Material has either been returned or destroyed, as appropriate. Notwithstanding the foregoing, the Receiving Party may retain one copy of the Confidential Information solely for archival purposes and for the purpose of demonstrating compliance with this Agreement. The return or destruction of the Confidential Information shall not extinguish any rights or obligations under this Agreement with respect to the Confidential Information.

Section 5. Legally Required Disclosures. If the Receiving Party or its Representatives become subject to a bona fide requirement or request by any regulatory,
governmental, judicial or supervisory authority (by subpoena, oral deposition, interrogatories, request for production of documents, civil investigative demand, administrative order or otherwise), to disclose any of the Confidential Information, or if such disclosure is necessary in order to obtain or maintain regulatory or governmental approvals, applications or exemptions, the Receiving Party will provide the Disclosing Party with as much advance notice as and to the extent as permitted and practicable to afford the opportunity to seek an appropriate protective order or other appropriate remedy to prevent the disclosure. The Receiving Party or any of its Representatives being compelled to disclose such Confidential Information shall reasonably cooperate with the Disclosing Party, at its expense, to enable the Disclosing Party to obtain a protective order or other reliable assurance that confidential treatment will be accorded the same. If such protective order or other appropriate remedy is not obtained, the Receiving Party or any of its Representatives being compelled to disclose such Confidential Information may disclose the information without liability hereunder provided that the party may only furnish that portion of the Confidential Information which is legally required or necessary.

Section 6. **Term.** If the Bidder’s Proposal and/or related negotiations do not result in a final agreement, then this Agreement is effective for three (3) years from the Effective Date stated above. If the negotiations result in a final agreement, then this Agreement is effective until three (3) years after the termination of the final agreement.

Section 7. **No Warranties.** The Disclosing Party makes no representations or warranties as to the reliability, accuracy or completeness of the Confidential Information. The Disclosing Party shall not be subject to any liability to the Receiving Party based on the Receiving Party’s use of the Confidential Information.

Section 8. **Remedies.** The parties acknowledge that improper or unauthorized use or disclosure of Confidential Information could cause irreparable harm to the Disclosing Party and that monetary damages would not be an adequate remedy for a breach of this Agreement. In the event of any breach or threatened breach of this Agreement, the non-breaching party shall be entitled to pursue injunctive and other equitable relief, and the breaching party agrees to waive any requirement for the posting of a bond in connection
with such remedy. Such injunctive and equitable relief shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other available remedies. In no event shall either party be liable to the other for any incidental, indirect, special, punitive or consequential damages (including without limitation damages for lost profits).

Section 9. Relationship of Parties. Neither party shall have any obligation to commence or continue discussions or negotiations, to exchange any Confidential Information, to reach or execute any agreement with the other party, to refrain from engaging at any time in any business whatsoever, or to refrain from entering into or continuing any discussions, negotiations or agreements at any time with any third party, until each party executes a definitive agreement. Until such definitive agreement is executed, neither party shall have any liability to the other party with respect to the Transaction except as set forth in this Agreement. Neither party shall have any liability to the other party in the event that, for any reason whatsoever, no such definitive agreement is executed.

Section 10. General.

10.1 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of [New York].

10.2 Entire Agreement. This Agreement constitutes the entire Agreement between the parties, supersedes any prior understandings or representations relating to the confidential treatment of the Confidential Information, and shall not be modified except by a written agreement signed by both parties.

10.3 Assignability. This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that AEPSC may assign this Agreement to one or more of its affiliated companies.
10.4 **Severability.** All provisions of this Agreement are severable, and the unenforceability of any of the provisions of this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement.

10.5 **No Waiver.** Failure of either party to insist upon strict performance of any of the terms and conditions shall not be deemed to be a waiver of those terms and conditions.

10.6 **Counterparts and Faxed Signatures.** This Agreement may be executed in counterparts, and in the absence of an original signature, faxed signatures will be considered the equivalent of an original signature.

10.7 **Notices.** Notices shall be in writing and shall be sent to the addresses listed below, either by personal delivery, by the U.S. Mail, overnight mail, fax or other similar means. All notices shall be effective upon receipt. The parties have signed this Agreement effective as of the later signature date set forth below.
American Electric Power Service Corporation, as agent for [____]

By:____________________________

Print Name:____________________

Title:__________________________

Date:__________________________

BIDDER: insert full legal name

By:____________________________

Print Name:____________________

Title:__________________________

Date:__________________________

Bidder Address:

________________________________

________________________________

Attn:________________________________
# Appendix E

## Bidder’s Credit-Related Information

Provide the following data to enable AEP to assess the financial viability of the bidder as well as the entity providing the credit support on behalf of the bidder (if applicable). Include any additional sheets and materials with this Appendix as necessary. As necessary, please specify whether the information provided is for the bidder, its parent or the entity providing the credit support on behalf of the bidder.

**Full Legal Name of the Bidder:** __________________________________________

**Type of Organization:** (Corporation, Partnership, etc.) _____________________

**Bidder’s Percent Ownership in Proposed Project:** __________________________

**Full Legal Name(s) of Parent Corporation:** ________________________________

**Entity Providing Credit Support on Behalf of Bidder (if applicable):** _______

**Address for each entity referenced (provide additional sheets, if necessary):** ___

**Type of Relationship:** _________________________________________________

**Current Senior Unsecured Debt Rating from each of S&P and Moody’s Rating Agencies (specify the entity these ratings are for):** _______________________

**Bank References & Name of Institution:** _________________________________

**Bank Contact: Name, Title, Address and Phone Number:** _________________

**Pending Legal Disputes, if any (describe):** ______________________________

**Financial Statements:** (Please provide copies of the Annual Reports for the three most recent fiscal years and quarterly report for the most recent quarter ended, if available. If available electronically, please provide link.)
Appendix F
Bidder Profile

Please list Bidder’s Affiliate companies:

Please attach a summary of Bidder’s background and experience in Renewable Energy Resource projects.

References:
1. Company
   Contact Name:
   Contact Number:
   Project:

2. Company
   Contact Name:
   Contact Number
   Project:

3. Company
   Contact Name:
   Contact Number
   Project:
Appendix G
( Financing Plan)
Appendix H
Renewable Energy Purchase Agreement (REPA)

A copy of the Form REPA is available to Registered Bidders.
Bidders may register by logging into www.aepohio.com/go/rfp/