

Ohio 2009 Renewable RFP2 Frequently Asked Questions – Rules

<u>FAQ#</u>	<u>Date of Posting</u>	<u>Question / Answer</u>
RUL001	10-6-2009	Question: What resources qualify as renewable resources for this RFP?
		Answer: The resources that qualify as renewable for this RFP will be those identified in Ohio Revised Code § 4928.01(A)(35) and the associated Green Rules promulgated by the Public Utilities Commission of Ohio (the “PUCO”).
RUL002	10-6-2009	Question: Why can’t renewable resources from outside Ohio or contiguous states bid in this RFP?
		Answer: Renewable resources in non-contiguous states require a deliverability assessment in order to be certified by the PUCO. Given the short time frame for this RFP, the FirstEnergy Ohio Utilities believe that deliverability assessments are not likely to be completed in a time frame to support this RFP.
RUL003	10-6-2009	Question: Why can’t I provide Banked RECs from before July 1, 2008 for the RFP?
		Answer: Per Ohio Law and rules and regulations, Banked RECs from prior to July 1, 2008 are not qualified to use to meet the benchmark requirements.
RUL004	10-6-2009	Question: We would like to bid RECs from a new generating facility that is not yet on line. Can I do this?
		Answer: Yes, parties can bid RECs from a new generating facility that is not yet on line provided they meet the requirements for “substantially complete” facilities provided in the RFP. These include the following:

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		<ul style="list-style-type: none"> • An executed Interconnection Agreement with PJM or MISO or Ohio utilities; • Documentation of the required local, state and federal permits received; • An executed Construction Service Agreement (CSA) with the relevant utility for 2009 RECs or documentation that supports a CSA will be executed within six months of the close of the RFP for 2010/2011 RECs (or other similar documentation).
RUL005	10-6-2009	Question: Can the solar panels on my residence qualify to sell RECs in this RFP?
		Answer: They may. You will need to have your panels registered with PJM GATS or MISO M-RETS and meet the other requirements of the RFP.
RUL006	10-6-2009	Question: Do I have to offer the same amount of RECs for each Term?
		Answer: No. You can bid for any or all terms and you may bid different amounts for each term.
RUL007	10-6-2009	Question: Will the FirstEnergy Ohio Utilities buy RECs for all 3 terms?
		Answer: The FirstEnergy Ohio Utilities reserve the right to purchase or not purchase for any and all terms.
RUL008	10-6-2009	Question: Can I sell the FirstEnergy Ohio Utilities energy and capacity along with these RECs?
		Answer: No. FirstEnergy Ohio Utilities are only purchasing RECs.

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RUL009	10-6-2009	Question: What will be the selection criteria to choose successful bidders?
		Answer: NCI will use a stepped methodology. All parties will first need to meet the basic qualifications listed in the RFP to be considered as a potential winning respondent. Once parties have qualified, they will be selected to meet the FirstEnergy Ohio Utilities benchmarks regarding the various types of resources and location of resources per Ohio law. The categories are Ohio Solar, Ohio Other Renewable and Non-Ohio Solar. Within each category, bids will be selected based on price. If a party's otherwise winning bid exceeds its credit availability it will be allowed to either increase its credit posting or sell only an amount equal to its credit availability.
RUL010	10-6-2009	Question: May we see a list of bidders in this RFP or a list of companies registered for the webinar?
		Answer: No. This information is confidential at this time.
RUL011	10-6-2009	Question: Is the RFP restricted to solar power or would a combination of green energy production be considered?
		Answer: The RFP solicits both solar and other renewable resources that qualify under Ohio law. However, if you wish to bid both solar and other renewables, you must present these offers separately. Solar and non-solar bids will be evaluated in separate categories.
RUL012	10-6-2009	Question: Does the RFP and the Ohio or other regulations allow for renewable thermal energy to comply with the requirements?
		Answer: This RFP requires RECs derived from a "Renewable Energy Resource" as such term is defined in R.C.4928.01(35). Specifically, a Renewable Energy Resource includes: solar photovoltaic or solar thermal energy, wind energy, power produced by a hydroelectric facility,

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		<p>geothermal energy, fuel derived from solid wastes, as defined in section 3734.01 of the Revised Code, through fractionation, biological decomposition, or other process that does not principally involve combustion, biomass energy, biologically derived methane gas, or energy derived from nontreated by-products of the pulping process or wood manufacturing process, including bark, wood chips, sawdust, and lignin in spent pulping liquors. “Renewable energy resource” includes, but is not limited to, any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell; wind turbine located in the state’s territorial waters of Lake Erie; storage facility that will promote the better utilization of a renewable energy resource that primarily generates off peak; or distributed generation system used by a customer to generate electricity from any such energy.[Note: See statute for complete definition.], A web site link to the PUCO website is available on the RFP website on the “Links” page.</p>
RUL013	10-6-2009	<p>Question: We provide our partners with the RECs that are generated from our solar water heater leases. Does our company qualify to participate?</p>
		<p>Answer: Please see the answer to question RUL012. If the RECs you can provide are registered with PJM GATS or MISO M-RETS, and adhere to the rules given in answer RUL012, the RECs should qualify for the purpose of the RFP. The PUCO will make the final determination when you submit an application for certification.</p>
RUL014	10-6-2009	<p>Question: I am a broker in the renewable energy space. I do not hold physical positions. Can my clients submit proposals using me as an agent?</p>
		<p>Answer: Brokers are welcome to participate but each party submitting a proposal must meet the bid requirements including credit.</p>

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RUL015	10-6-2009	<p>Question: On page 3 Section 2 “Scope,” the first sentence states that "All proposed RECs must be certified by the Public Utilities Commission of Ohio prior to delivery to FirstEnergy". Does this mean Ohio only RECs or does it apply to those from contiguous states?</p>
		<p>Answer: All RECs must be certified by the PUCO whether generated in Ohio or in contiguous states. If your company owns the RECs and can otherwise meet the requirements identified in the RFP Rules, you can be a participant in the REC RFP. Please note that if the RECs have already been retired or used to meet another States' renewable portfolio obligations, they cannot be re-used.</p>
RUL016	10-6-2009	<p>Question: Will RECs from facilities that are located within non-adjacent states, yet still meet the Ohio PUCO requirements through the deliverability test and have their application filed with the Ohio PUCO prior to the date of the RFP be eligible for submittal?</p>
		<p>Answer: No. Only RECs from contiguous states will be accepted.</p>
RUL017	10-6-2009	<p>Question: We have a solar facility that is located outside of Ohio but within PJM. It is a behind-the-meter facility so there is a behind-the-meter interconnection agreement and no construction service agreement. Would this facility still qualify?</p>
		<p>Answer: Construction Agreements are only required for new facilities that are not yet in production. For existing facilities to qualify the RECs need to be registered with PJM-GATS or MISO-MRETS, located in Ohio or a state contiguous to Ohio and certified by the PUCO, and meet all other requirements of the RFP.</p>
RUL018	10-6-2009	<p>Question: Page 3 of the Renewable Energy Credit Purchase and Sale Agreement says that the RECs are certified by the PUCO 'or other applicable certifying entity'. Can you elaborate on the definition of an 'applicable certifying entity'?</p>
		<p>Answer: The term “or other applicable certifying entity” is included in case the PUCO at some point in the future appoints another entity capable of certifying RECs. At this time all RECs must be certified by the PUCO.</p>

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RUL019	10-6-2009	Question: Can RECs be delivered in a later year than the year in which they were produced?
		Answer: Yes. Per the rules in the RFP, banked RECs are allowed provided they were produced after July 31, 2008.
RUL020	10-6-2009	Question: Is registration with PJM/MISO required prior to bidding?
		Answer: RECs generated outside of Ohio should be registered prior to bidding. RECs generated within Ohio may need to first be certified with the PUCO before registering with PJM/MISO. However, regardless of whether RECs are generated in Ohio or outside of Ohio, facilities must be registered with PJM or MISO before RECs are delivered to FirstEnergy.
RUL021	10-6-2009	Question: How are the RECs reported? e.g., is there an automated process to send information or is it estimates that are manually updated?
		Answer: PJM GATS and MISO M-RETS are independent electronic tracking systems being used as the mechanism for tracking and delivery of RECs. PJM GATS does have an automated process for generation inside PJM greater than 5 MW, where the MWh's produced are recorded in GATS directly from the metering.
RUL022	10-6-2009	Question: Can you submit REC bids for 2010 and 2011 at a later time?
		Answer: No. All bids for 2009 through 2011 are due per the timetables established in this RFP.
RUL023	10-6-2009	Question: Are longer term REC contracts being considered?
		Answer: No.

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RUL024	10-6-2009	Question: For the year terms, are they Jan-Dec or does the year run differently than the calendar year?
		Answer: The first contract term shall be from November 1, 2009 to December 31, 2009. The second term shall be January 1, 2010 through December 31, 2010. The third term shall be January 1, 2011 through December 31, 2011.
RUL025	10-6-2009	Question: Is there a yearly escalation rate for REC pricing once bid?
		Answer: No.
RUL026	10-6-2009	Question: Can you deliver July 2008 RECS into the 3rd contract for 2011 to FirstEnergy?
		DRAFT Answer: Yes. Banked RECs that were produced by a certified, eligible Renewable Energy Resource after July 31, 2008 but before January 1, 2009 (“Banked RECs”) are acceptable for delivery to Buyer in each of the years sought by the RFP (2009, 2010, 2011) provided they comply with the requirements of the Agreement. Respondents can bid in Banked RECs from previous years (provided the RECs are not from prior to July 1, 2008) as well as RECs from that year. So for example, Respondents bidding for Contract Term 1 may bid in RECs from July 1, 2008 through December 2009. For Contract Year 2, Respondents may bid in RECs from July 1, 2008 through December 2010, and for Contract Term 3, Respondents may bid RECs from July 1, 2008 through May 31, 2011. The only exception is that for Solar in Ohio or from contiguous states, all banked RECs must be delivered by December 15, 2009.
RUL027	10-6-2009	Question: Does FirstEnergy have the ability to accept a fraction of a supplier's proposal or must it accept a supplier's proposal in its entirety? For instance, if a supplier offers 100 RECs at a given price, does FirstEnergy have the option to only purchase a percentage of this proposal?
		Answer: Yes. Please see section 4 of the RFP.

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RUL028	10-6-2009	Question: How did FirstEnergy meet the renewable requirements of its load prior to September 2009?
		Answer: The initial compliance period under SB 221 is calendar year 2009.
RUL029	10-6-2009	Question: If you bid 2010 and 2011, do you have to supply both a PUCO application document and a PJM/MISO certification document when you place the bid or can you wait until prior to delivery to provide proof that the facilities are certified with the PUCO and with PJM EIS GATS?
		Answer: Per the RFP, Respondents must provide a completed application for certification with the PUCO which gives among other things the project(s)' physical location, technology, installation date, etc.
RUL030	10-6-2009	Question: What type of documentation are you looking for with regards to the certification from PJM EIS GATS?
		Answer: Respondents must have a registered account with PJM-GATS or MISO M-RETS or be in the process of registering and must provide the name of the registered entity.
RUL031	10-6-2009	Question: Since we are selling the RECs and not buying them, why are we required to post security?
		Answer: This is standard in the commodities industry. There is a liability on our [FirstEnergy's] part once a contract to purchase is executed.
RUL032	10-6-2009	Question: The RFP seems to indicate that solar projects under 5 MW are not welcome. Is this correct?
		Answer: This is not correct. Per the RFP, projects of all sizes are welcome.

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RUL033	10-6-2009	Question: Does the PUCO need to approve the results of the RFP, or has the process already received approval?
		Answer: The Company will select the winning bidders and award contracts. The PUCO has already approved reasonable expenses arising from this RFP.
RUL034	10-6-2009	Question: We are in the process of certifying several facilities. Some of those applications may not be complete by the time of the proposal submittal. Can we use RECs from those facilities as part of a portfolio if we are able to subsequently register facilities after the deadline?
		Answer: An initial application for certification must be filed by the RFP deadline. We will accept bids for RECs that have begun the certification process with the PUCO. In addition, all facilities must be registered with either PJM or MISO and proof of registration must be provided.
RUL035	10-6-2009	Question: Will non-qualifying or non-conforming bids be accepted?
		Answer: No.
RUL036	10-6-2009	Question: Can respondents (i.e. bidders) use RECs that they own generated by a facility that they do not own, provided the owner of the facility has applied for certification by the PUCO? Or do all respondents have to apply for certification themselves somehow?
		Answer: Yes. Respondents can bid in RECs that they own generated by a 3 rd party facility. The generator owner will have to certify the renewable energy generator such that the RECs produced will qualify under PUCO rules. Respondents are required to provide evidence that the RECs were generated by a facility that is eligible for certification by the PUCO.
RUL037	10-6-2009	Question: Can we submit multiple bids for the same product and term with different prices and volumes (i.e. tiered bids)? Is there any restriction on the number of tiered bids?
		Answer: Yes. However, you must be able to meet all bid commitments if selected. More specifically, you must be able to provide all levels for the category (ies) and term(s) selected.

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RUL038	10-6-2009	Question: Is there any minimum quantity of RECs for a bid to be considered valid?
		Answer: No.
RUL039	10-6-2009	Question: What exactly is the definition of “in the process of becoming PUCO certified” with regards to the RECs offered in proposals?
		Answer: Parties who have filed a PUCO application and who attach a time-stamped copy of that application to their qualification proposal, or who are listed on the PUCO website as having applied for certification, will be considered to be in the process of becoming PUCO certified.
RUL040*		Question: Will Navigant provide non-conforming bids to First Energy to consider for developers proposing long term contracts/new projects?
		Answer: Non-conforming bids proposing long term REC contracts and/or capacity and/or energy will not be accepted by Navigant or forwarded to FirstEnergy.
RUL041*		Question: Will you give an estimated value of the SRECs that you will purchase?
		Answer: This is a competitive procurement and it would be inappropriate for Navigant to attempt to set or suggest REC bid prices.
RUL042*		Question: Have any of the projects that were awarded in RFP1 received project financing yet?
		Answer: All information regarding bidders from RFP1 is considered confidential.
RUL043*		Question: Do you anticipate that there will be an RFP3 before the 1Q 2010?

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		Answer: No.
RUL044*		Question: You stated in the Webex that FirstEnergy is not seeking out of state renewables, but you mention contiguous states. Do you mean that Solar from PA is ok?
		Answer: This RFP is seeking out of state solar RECs (contiguous states only). Thus, solar RECs generated in PA that meet all the other requirements would qualify for RECs to be bid in this RFP.
RUL045*		Question: Is there a list of aggregators that smaller entities can work with?
		Answer: Navigant does not maintain a list of aggregators. The PJM website maintains a public list of aggregators.
RUL046*		Question: I was under the impression that if the renewable facility is outside of PJM-GATS that an Ohio registration number is required before you can register in GATS. Are you saying that that has changed, that we can register with GATS BEFORE we are certified by Ohio?
		Answer: You are correct. If the facility is not located within PJM you will need to apply for PUCO registration with Ohio and use that application number in order to complete the PJM GATS registration.
RUL047*		Question: Can you apply for PUCO certification prior to the construction of the facility?
		Answer: You can apply for PUCO certification prior to a facility coming on line. However, you will need to meet the PUCO requirements regarding the status of completion of the project.
RUL048*		Question: If you have bid previously and supplied PUCO forms for RFP1, do you have to provide them again?

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		Answer: Yes.
RUL049*		Question: Are Ohio based solar projects given more weight than solar projects in contiguous states for the purpose of the bid award?
		Answer: This RFP2 seeks Solar RECs generated in Ohio, and Solar RECs generated in Contiguous States. Ohio Solar facilities qualify as both Ohio Solar and Contiguous States Solar and will be eligible for selection in both REC pools. However, in each REC pool the successful respondents will be selected based on price.
RUL050*		Question: What are banked RECs?
		Answer: Banked RECs are RECs that were generated in a prior year but have not been used towards compliance by any party and have been “banked” in either the PJM GATS or MISO M-RETS tracking systems. Banked RECs that were generated after July 1, 2008 are eligible for this RFP.
RUL051*		Question: How many RECs are required by FirstEnergy? How many have been purchased? How many more to go?
		Answer: In response to your first question, please refer to the Bidder Rules document available on the RFP2 website under the “Supplier Documents” section. The address is http://www.firstenergyrenewable.com/2009OhioRFP2/Supplier_Documents.html . In response to your other two questions, such information is not publicly available at this time.
RUL052*		Question: Please confirm that for bids which are for facilities currently in the PUCO application process that the deal is contingent on the successful completion of that facility.

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		Answer: You are correct in the case of solar bids only.
RUL053*		Question: Do you also want the Confirmation of Acceptance form on October 14 th ?
		Answer: Yes. Confirmation of Acceptance of the REC or S-REC Agreement is required on October 14 th .
RUL054*		Question: Can you please provide information on SB221? How many MWh is FirstEnergy looking for?
		<p>Answer: For more information on SB221, please visit the following web site: http://www.legislature.state.oh.us/bills.cfm?ID=127_SB_221</p> <p>Please note, this procurement is looking to purchase RECs only. Capacity and energy are not part of this RFP. Any proposals which include capacity and/or energy purchases will be deemed “non-qualifying.” For the MWh quantity that FirstEnergy is seeking please consult the RFP rules which may be found at the following address: http://www.firstenergyrenewable.com/2009OhioRFP2/Supplier_Documents.html</p>
RUL055*		Question: If a solar PV system is put on-line in December of this year, will FE purchase the SRECS generated? If so, at what price?
		Answer: If the Seller is a Successful Bidder, Seller shall be paid the price bid in its selected proposal for the actual amount of SRECs delivered.
RUL056*		Question: Are you buying RECs from individuals?

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		Answer: Provided the RECs adhere to the rules set forth in the RFP2 (including PUCO certification and tracking via GATS or M-RETS) individuals can submit bids for consideration.
RUL057		Question: How do I find out which Regional Transmission Organization my facility is in?
		Answer: The RTO depends on your location. A map of RTOs can be found at the FERC website: http://www.ferc.gov/industries/electric/indus-act/rto/rto-map.asp

*asked during webinar