

REQUEST FOR PROPOSALS (“RFP”) FOR MISO CAPACITY

Executed by Charles River Associates on Behalf of a

MISO Market Participant Located in a Midwestern State

BACKGROUND ON THE REQUEST FOR PROPOSALS (“RFP”)

Charles River Associates (“CRA”) is requesting binding proposals from interested parties (“Bidders”) for the purpose of acquiring firm electric capacity for the Midcontinent Independent System Operator, Inc. (“MISO”). CRA is soliciting interest on behalf of a MISO Market Participant located in a Midwestern state (“Buyer”) for Zonal Resource Credits (“ZRC”). The RFP capacity targets by Planning Year are as follows:

TABLE 1

MISO Planning Year	Period	ZRC Quantities (MW)
2021-2022	June 1, 2021 through May 31, 2022	Up to 50
2022-2023	June 1, 2022 through May 31, 2023	50 to 450
2023-2024	June 1, 2023 through May 31, 2024	50 to 450

PRODUCT

On behalf of the Buyer, CRA is seeking Capacity Zonal Resource Credits deliverable and delivered to any MISO Local Resource Zone. The Buyer *does* have preference locations for ZRC but those higher priority MISO Zones will not be announced to Bidders. CRA is accepting ZRC offered in blocks (50 or 100 ZRCs is typical) or in smaller quantities. Bidders may offer individual planning years or multi-planning year bids; amount of Capacity offered may vary from year to year. CRA’s client (“Buyer”) may have a preference of executing transactions for a larger quantity of ZRC with individual counterparties to reduce administrative costs associated with execution. **There is NO energy purchase associated with this transaction - only Zonal Resource Credits.**

Bidder must be able to and commit to transferring capacity to the Buyer within MISO’s Module E Capacity Tracking (“MECT”) tool in accordance with the MISO Tariff and associated business practice manuals. Any transfer shall occur after January 1, but before March 1, of the applicable year – subject to currently in effect MISO Rules.

After the Buyer has confirmed electronic transfer of the Quantity in MISO’s Module E Capacity Tracking (“MECT”) tool, Bidder shall provide the Buyer with an invoice for the amount due for the Quantity transferred by Bidder for the applicable MISO Planning Year. If a multi-year bid is awarded, transfer and payment will occur annually.

The Buyer may also be amenable to other payment terms (e.g. such as monthly during the applicable MISO Planning Year, etc.).

Parties acknowledge and agree that the payment terms described herein shall supersede and replace the applicable provisions of any Master Agreement currently in effect with any Bidder with respect to this Transaction only.

PROCESS SCHEDULE

The Solicitation will be executed on the following schedule:

TABLE 2:

Task ID	RFP Milestone	Target Date
1	RFP Release	October 5, 2020
2	Proposals due from Bidders	October 16, 2020
3	Notification of Awards	On or Before October 23, 2020
4	Completion of Binding Term Sheet “Transaction Confirm”	TARGET: 5 days from Notification to Selected Bidder(s)
5	Execution of Definitive Agreements (“DA”) Preferred DA may be based on a North American Energy Markets Association (“NAEMA”) Capacity/Energy Tariff Agreement, an Edison Electric Institute (“EEI”) Master Power Purchase and Sales Agreement, or a Long Form Transaction Confirmation containing all terms applicable to the transaction)	TBD – Parties mutually agree to working good faith to complete the Definitive Agreement. Certain agreement constructs such as NAEMA and EEI may take longer to full execute.

All due dates assume 1:00 PM Prevailing Eastern Time on the date referenced

Late proposals or modifications to proposals will not be considered unless CRA, in its sole discretion, determines that such action would not unduly delay the selection process and would be in the best interest of the Buyer. CRA’s determination regarding late offers shall be final and conclusive.

CRA will notify non-awarded bidders on or before Notification Date. The timetable is subject to change without notice at CRA's or the Buyer's sole discretion.

KEY TERMS AND CONDITIONS

1. All bids shall be firm once submitted and shall remain firm through the end of the notification period. Bidders shall not be entitled to submit any bid refreshes. Bidders are not obligated to hold physical capacity during the RFP or hold title to ZRC at the time of the RFP. Bidders are required to maintain the bid price during the RFP and through final execution of a transaction.
2. The Bidder and Buyer shall enter into a Binding Term Sheet confirming the transaction and a Definitive Agreement that would govern the transaction.
3. A proposal based on a North American Energy Markets Association ("NAEMA") Capacity/Energy Tariff Agreement or an Edison Electric Institute ("EEI") Master Power Purchase and Sales Agreement is preferred, but not required. A Long Form Transaction Agreement may also be acceptable.
4. The Buyer may require credit support dependent upon the term, overall value, and risks associated with individual Bidders. Such credit support may take the form of:
 - Established credit facilities in place between the parties,
 - Parental Guaranty from acceptable Guarantor – acceptance of Parent Guarantor is at Buyer's sole discretion,
 - Letter of Credit ("LOC") from a financial institution acceptable to the Buyer in its sole discretion, or Cash Escrow.
5. Dodd-Frank: Bidder shall be responsible for the reporting of any and all transaction(s) that are required to be reported in accordance with the U.S. Commodity Futures Trading Commission's ("CFTC") regulatory framework.

OTHER CONSIDERATIONS

1. Buyer shall have no obligation to enter into any agreement with any bidder and, at its sole discretion, may terminate negotiations with any Bidder at any time without liability.

2. Bidders are advised that any agreement executed by Buyer and any selected respondent may not be an exclusive contract. In submitting a proposal, Bidders will be deemed to have acknowledged that the Buyer may contract with others for the same or similar deliverables or may otherwise obtain the same or similar deliverables by other means and on different terms.
3. CRA reserves the right to reject any and all proposals that may be submitted in response to this RFP. CRA shall be under no obligation to explain any such rejection. It is expressly understood by Bidder that CRA and the Buyer will incur no liability by reason of the rejection of or failure to accept the Bidder's proposal.
4. Neither CRA nor the Buyer shall be responsible for any costs incurred by any Bidder in preparing, submitting, or presenting its response to the RFP. CRA and the Buyer are not responsible for any cost incurred by the Bidder during post RFP negotiation.
5. CRA and the Buyer reserve the right to select any proposals as winners in the RFP. CRA and the Buyer are under no obligation to select the lowest cost proposal or proposals if, it is determined at the Buyer's sole discretion, that its best interests, and/or those of its customers, are served in doing so.
6. All or part of the Buyer's requirements set forth in Table 1 may be awarded to one or more Bidders.
7. CRA reserves the right to suspend or terminate this RFP at any time in its sole discretion.
8. CRA reserves the right to alter or update this RFP at any time or suspend certain RFP deadlines on a Bidder specific basis as necessary. CRA reserves this right at its sole discretion. CRA is under no obligation to make any administrative changes based on Bidder requests.
9. Bidders shall indemnify, hold harmless and defend the Buyer, and its officers, employees and agents, from any and all damages, liabilities, claims, expenses (including reasonable attorneys' fees), losses, judgments, proceedings or investigations incurred by, or asserted against, the Buyer or its officers, employees or agents, arising from, or are related to, this RFP.
10. Responding bidders shall hold the Buyer harmless from all damages and costs, including, but not limited, to legal costs in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of this RFP.

11. CRA reserves the right to request clarifying information be submitted, and to request additional information from any Bidder. By submitting a proposal, the Bidder agrees, at its expense, to provide additional information and documents, in either case as requested by CRA in order to facilitate the review of a proposal or transaction.

PROPOSAL SUBMISSION

Bidders must submit proposals according to the time schedule provided Table 2 of this document.

The Bidder may proactively send a proposed Definitive Agreement, and any other pertaining documents, as this may aid in reducing the timetable associated with “Task 5” of time schedule provided in Table 2 of this document.

Proposals must be submitted via email to MISO-ZRC@CRAI.COM. Proposals submitted via other methods of delivery will not be considered.

All questions should be directed to MISO-ZRC@CRAI.COM

ERRORS, MODIFICATION OR WITHDRAWAL OF PROPOSAL

Bidder is expected to carefully review the information provided in this RFP as it contains important instructions that must be followed in preparing the proposal. Bidder assumes the risk of any non-compliance resulting from errors on the part of the Bidder or the failure of the Bidder to follow the RFP. Amendments to proposals received by CRA will only be accepted if submitted by Bidder prior to the proposal due date. Retractions of proposals received by CRA will only be accepted if such requests are submitted by Bidder prior to the proposal due date via the email address noted above.

CREDITWORTHINESS AND PERFORMANCE ASSURANCE

In addition to any creditworthiness provisions in the Key Terms and Conditions Section of this document, prior to awarding the bid or executing the DA, the Buyer may require Bidder to provide performance assurance or such information as is necessary for the Buyer to analyze potential credit and risk concerns. The Bidder may also proactively send proof of credit worthiness with any submitted proposal. CRA may request additional credit support sureties as it, in its sole discretion, deems necessary.

To the extent required to facilitate firm bid pricing, CRA can provide certain credit information related to the Buyer upon request.

COLLUSION

By submitting a proposal to CRA in response to this RFP, Bidder certifies that Bidder has not divulged, discussed, or compared its proposal with other Bidders and has not colluded whatsoever with any other Bidder or parties with respect to this or other proposals.

CONSENTS AND APPROVAL PROCESS

Any Definitive Agreement entered into as a result of this RFP may be conditioned upon regulatory actions and/or approvals by state or federal regulatory authorities. The Buyer reserves the right to make any regulatory filings or seek any regulatory consents and approvals of third parties or governmental authorities that the Buyer, in its sole discretion, determines are necessary prior to or as a condition of the consummation of any transaction. All consents or approvals must be in form and substance satisfactory to the Buyer. Bidder will be required to support the Buyer's efforts in securing all consents and approvals.

COMPLIANCE WITH REGULATIONS AND TARIFFS

Any Bidder whose proposal is selected for evaluation will be responsible for acquiring, and/or verifying that it is in compliance with all necessary licenses, permits, certifications, reporting requirements and approvals required by federal, state and local government laws, regulations and policies, including if applicable, for the design, construction and operation of the project. Bidder shall also be responsible for ensuring and verifying it complies with all applicable MISO Tariff requirements. Bidder shall be liable for all of its costs, and neither CRA nor the Buyer shall not be responsible for any of Bidder's costs incurred to prepare, submit or negotiate its proposal, or any other related activity.

CONFIDENTIALITY

All information provided by CRA in this RFP or subsequent verbal or written communications shall be considered confidential and for express use only in connection with the preparation of the RFP response. Bidders may not use, disclose, or duplicate this RFP or any information contained herein for any purpose other than responding to this RFP. Bidder's responses to this RFP will be treated in a confidential manner. All responses will be the property of the Buyer upon submittal and all claims, representations, and other response contents will be considered to be part and parcel of any possible future contracts between the Bidder and the Buyer.