

Rochester Area Reliability Needs Solicitation

October 6, 2014



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I. Introduction and Overview

A. Overview

On July 11, 2014, R.E. Ginna Nuclear Power Plant, LLC (“GNPP”) filed a petition with the New York Public Service Commission (“NYPSC”) asking that the NYPSC initiate a proceeding to examine a proposal for the continued operation of the Ginna nuclear power plant (the “Ginna Facility”). In their petition, GNPP references a reliability study that was conducted to determine potential reliability impacts if the Ginna Facility were to retire. The study demonstrated that the permanent retirement of the Ginna Facility would create a reliability need in the NYISO control region for the greater Rochester area as early as 2015.

The Ginna Facility is a 581 MW single-unit pressurized water reactor located on 426 acres along the south shores of Lake Ontario in Ontario, NY, about 20 miles northeast of Rochester, NY. In 2004, the Ginna Facility’s license to operate was extended until September 2029.

Rochester Gas and Electric, Corp. (“RG&E”) is issuing this request for proposals (“RFP” or “Solicitations”) for resources to determine if there are solution(s) that would satisfy reliability needs in the Rochester, NY area that would occur if the Ginna Facility were to permanently retire (“Offers” from qualified parties (Sellers” or “Participants”). RG&E will consider the following Offers in response to this Solicitation:

- Conventional Generation (including base load, peaking, and mobile peaking facilities) no less than 25 MW
- Distributed Generation no less than 5 MW in size
- Demand Response no less than 5 MW per measure in size
- Energy Efficiency no less than 5 MW per measure in size
- Energy Storage no less than 5 MW per facility in size
- Other resources that are able to meet the identified reliability need and are no less than 5 MW in size

Offers must be capable of providing the reliability support and satisfying the other requirements indicated in Section II of this RFP. Any transaction resulting from this Solicitation will be subject to RG&E receiving all required regulatory approvals, including, but not limited to, acceptance by the NYPSC of the transaction and as well as approval for complete and immediate cost recovery by RG&E. Participants in this RFP agree to execute a definitive Agreement with terms customary in the industry and appropriate under the circumstances (“Agreement”) within 30 days of NYPSC acceptance and approval.

Through this Solicitation, RG&E is seeking alternatives to continued Ginna Facility operation through September 30, 2018. RG&E is looking for alternatives that could be in-service as soon as possible, but will not consider resources with a start date later than January 1, 2017.

B. Expected Schedule

The following schedule is subject to adjustment. Any updates to the schedule will be distributed via email to interested bidders.

October 6, 2014	Issue Solicitation
October 14, 2014	Pre-bid conference
November 21, 2014	Solicitation responses due
December 19, 2014	Short list bidders
January 23, 2015	Complete negotiations and execute agreement
February 6, 2015	File unexecuted agreement with NYPSC

C. Disclaimers for Rejecting Offers

This Solicitation does not constitute an offer to buy and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of this Solicitation. RG&E shall retain the right at any time, in its sole discretion, to reject any Offer provided in response to this Solicitation. RG&E also retains the discretion, in its sole judgment, to: (a) reject any Offer on the basis that it does not provide sufficient ratepayer benefit or that it would impose conditions that RG&E determines are impractical or inappropriate; (b) formulate and implement appropriate criteria for the evaluation and selection of Offers; (c) negotiate with Seller(s) to maximize ratepayer benefits; (d) modify this Solicitation as it deems appropriate to implement the Solicitation and to comply with applicable law or other direction provided by the NYPSC; and (e) terminate the Solicitation should the NYPSC not authorize RG&E to execute Agreements of the type sought through this Solicitation. In addition, RG&E reserves the right to either suspend or terminate this Solicitation at any time for any reason whatsoever. RG&E will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this paragraph to Seller(s) or Participant(s).

II. Solicitation Parameters and Goals

A. Reliability Need

RG&E seeks Offers from eligible resources to meet its reliability needs in the Rochester area.

**Table 1: Rochester Area Alternative RSS Specifications
Estimated Magnitude of Resources Required**

Year	Min MW	Min Hours	Total MW	Total Hours
2015	180	205	580	7165
2016	200	230	620	8010
2017	220	265	640	8165
2018	240	305	662	8305

Min MW and Min Hours reflect the minimum MW and Hours that the alternative(s) is likely to be operated each year. The Total MW and Total Hours reflect the amount of resources and estimated hours that all or a portion of those resources are required to be available in the event they are needed to address certain system contingencies.

An eligible resource would need to be available to respond at rated output during times of system need, typically caused by high system loading, loss of a system element, or both. Bidders should clearly state whether they are prepared to provide reliability services throughout the year. Once called, an eligible resource would need to respond for the duration of need, which, under high system loading conditions, could be many hours or in the case of a loss of a system element, could be multiple days in duration. Alternatives that are less than 100% available may need redundancy to meet RG&E's reliability needs.

B. Eligible Resources

The resource(s) will be required to operate as needed to support the system. RG&E will consider Offers that may include one or more or a combination of the following resources in this Solicitation:

- Conventional Generation (no less than 25 MW in size)
- Distributed Generation (no less than 5 MW in size)
- Demand Response (no less than 5MW per measure)
- Energy Efficiency (no less than 5MW per measure)
- Energy Storage (no less than 5 MW per facility)
- Other resources greater than 5 MW in size that are able to meet the identified reliability need

Seller(s) may submit multiple Offers for any and all and for any combination of the resources listed above. RG&E will not be obligated to, but may aggregate Offers from various Sellers.

As applicable, the resource shall be required to:

- Meet North American Electric Reliability Corporation (“NERC”) requirements (cyber, site security, other)
- Comply with NYISO interconnection requirements including metering and ancillary service provisions and all applicable operating policies, criteria, rules, guidelines and tariffs of the NYISO and Good Utility Practice.
- Demonstrate that they can obtain and comply with all required environmental and operating permits while meeting the requested reliability needs

C. Electric Transmission Interconnection (as applicable)

1. Overview

Interconnection of a resource to the electric system grid and the ability of the grid to deliver the resource to serve load reliably will be integral components of RG&E’s evaluation of Offers. This section describes the interconnection requirements that Seller’s Offers are required to meet.

- a. The resource must meet all applicable planning and operation standards as described in RG&E Standard Generator Interconnection Agreement and NYSEG/RG&E Bulletin 86-01 available at <http://www.RGE.com/SuppliersAndPartners/interconnectioninfo.html>
- b. RG&E’s transmission system must be able to reliably deliver the output of the resource to serve load. This ability and the associated costs are determined from the NYISO Large Facility Interconnection Procedures (http://www.nyiso.com/public/webdocs/markets_operations/documents/Manuals_and_Guides/Manuals/Planning/tei_mnl.pdf).
- c. Seller must comply with all RG&E and NYISO interconnection requirements;

2. Standards of Care (as applicable)

Offers will be required to meet the following standards of care:

- a. NYISO Standards. Facilities must be designed and constructed such that all generation, scheduling and transmission services shall be performed in compliance with all applicable operating policies, criteria, rules, guidelines and tariffs of the NYISO, Good Utility Practice and meet RG&E’s design and construction criteria. Seller, at its own expense, shall fulfill all contractual, metering and interconnection requirements as set forth in RG&E’s applicable tariffs, the NYISO tariff and implementing NYISO standards and requirements. The resource will be expected to comply with any conditions, modifications, amendments or additions to the applicable NYISO tariffs and protocols throughout the term of its Agreement.
- b. Reliability Standards. The project must be designed and constructed to comply with all NERC, Northeast Power Coordinating Council (“NPCC”), and NYISO reliability requirements.
- c. Protective Apparatus. The project must include all relays, meters, power circuit breakers, synchronizers and other control and protective apparatus that RG&E,

in its sole judgment, determines are reasonably necessary for proper and safe operation of the Unit(s) in parallel with RG&E's system.

3. Dedicated Facilities and Transmission Charges (as applicable)

Dedicated Facilities are those facilities needed to interconnect the generation facility to the first point of interconnection (which is defined as change of ownership) with the RG&E transmission system. Dedicated Facilities include the transformer bank used to step-up the generation output to transmission voltage, breakers, switches, and associated auxiliary equipment for the outlet line between this step-up transformer bank and the transmission system, and protection and communication facilities needed for interconnection and safe operation of the generator. Dedicated Facility transmission charges include any transmission charges Seller must pay to RG&E. Seller is solely responsible for Dedicated Facilities and Transmission Charges.

4. NYISO Tariffs – OATT Attachment S (as applicable)

All proposed large generation interconnections (>20MW) must follow the NYISO Tariff OATT Attachment S and Attachment X for Large Facility Interconnection Procedures. System Impacts relate to the capability of the transmission system to deliver the full output of the project from the first point of interconnection with the Transmission Owner's transmission system to serve RG&E's load reliably. This includes both NYISO Interconnection Service and Deliverability Assessment (as defined by the NYISO tariff). If there is insufficient capability, network upgrades would be needed. Network upgrades may include, but not be limited to, transmission lines, transformer banks, special protection systems, substation breakers, capacitors, and other equipment needed to transfer the generation output to the consumer. Pursuant to FERC Order 2003, as modified by FERC in March of 2004, Seller will be required to fund the full cost of all facilities necessary to interconnect to RG&E's system, including network upgrades.

- a. Completed and Current NYISO Interconnection Studies. For resources that have already obtained cost estimates from completed and current NYISO Interconnection Studies through the applicable NYISO Interconnection Procedure, Seller shall submit copies of the completed studies with the Offer.
- b. Projects without Completed NYISO Interconnection Studies. Projects will be required to submit an Interconnection Request to the NYISO and follow the NYISO Large Facility Interconnection Procedures. Copies of the completed NYISO Interconnection Studies must be received by RG&E when they are available.

D. Representations and Warranties, Binding Offer

Seller's Offer(s) shall be deemed to have made the following representations, warranties, and covenants to RG&E, which representations, warranties, and covenants shall be deemed to be incorporated in their entirety into Seller's Offer(s). Any Offer shall include Seller's agreement to be bound by the conditions of the Solicitation, including these conditions, in submitting Seller's Offer.

1. Seller has read, understands and agrees to be bound by all terms, conditions and other provisions of the Solicitation Documents;
2. Seller has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the Solicitation, the Solicitation Documents, including any appendices;
3. Seller acknowledges and agrees that, in RG&E's evaluation of Offers pursuant to this Solicitation, RG&E reserves the right to disqualify Seller if it is unwilling or unable to meet RG&E's credit requirements;
4. Seller has obtained all necessary authorizations, approvals and waivers, if any, required by Seller as a condition of submitting its Offer and, if Seller's Offer is selected and a final Offer ("Final Offer"), Seller will execute an Agreement with RG&E;
5. Seller is submitting its Offer subject to all applicable laws and regulations;
6. Seller has not engaged, and covenants that it will not engage, in any communications with any other actual or potential participant in the Solicitation concerning this Solicitation, price terms in Seller's Offer, or related matters and has not engaged in collusion or other unlawful or unfair business practices in connection with this Solicitation
7. The information submitted by Seller to RG&E in connection with this Solicitation, and all information submitted as part of the Offer is true and accurate as of the date submitted by Seller. Seller covenants that any information requested herein and such Attachments, but not provided to RG&E as part of the Offer, will be provided to RG&E on or before the date that Seller specified for provision of the information in the timeline provided. Seller also covenants that it will promptly update such information upon any material change thereto;
8. In addition, Seller's submission of an Offer is Seller's acknowledgement and agreement that:
 - a. RG&E will rely upon all representations, warranties, and covenants in the Offer Submittal Package; and
 - b. RG&E may disclose information as set forth in the Confidentiality Agreement;
9. Seller represents and warrants that each project that is the subject of Seller's Offer meets the design-life requirements of this Solicitation;
10. Seller covenants that it will provide information requested not longer than one weeks following Seller's receipt of RG&E's request for such information;
11. Seller covenants that it will update the schedule provided to RG&E by the first Business Day of every month between the date of the Offer and the execution of

any Agreement and will promptly provide RG&E with copies of any changes or updates to the schedule;

12. Seller covenants that it will provide RG&E with a completed progress report by the first business day of every month between the date of the Offer and the execution of any Agreement;
13. Seller agrees and acknowledges that RG&E reserves the right at any time, in its sole discretion, to abandon this Solicitation, to change any dates specified in this Solicitation, to change the basis for the evaluation of Offers, to terminate further participation in this process by any party, to accept any Offer or to enter into any Agreement, to evaluate the qualifications of Seller and/or the terms and conditions of any Offer, to reject any or all proposals or Offers, to prohibit or limit mutually exclusive Offers, to consider additional products, to change any form, document, term or condition used in this Solicitation at any time during the Solicitation process, or waive any irregularities, all without notice and without assigning any reasons and without incurring liability of RG&E, or any of their respective subsidiaries, affiliates, or representatives to Seller or any other party. RG&E shall have no obligation to consider any Offer submitted. RG&E will not reimburse Seller for its expenses related to this Solicitation under any circumstances, regardless of whether the bidding process proceeds to a successful conclusion or is abandoned. RG&E shall not be deemed to have accepted any Offer, and shall not be bound by any term thereof, unless and until an authorized representative of RG&E executes an Agreement with Seller;
14. Seller agrees and acknowledges that information provided by it to RG&E pursuant to this Solicitation will be subject to the disclosure requirements of the New York State Public Service Commission or other applicable law or regulation; and
15. Seller represents that it has obtained a current (up to date) Interconnection Feasibility and System Impact Study, as applicable, and has obtained or will obtain a current (up to date) Interconnection Facilities Study from the NYISO. Furthermore, Seller represents that these studies meet all of the Interconnection Study Requirements that are required by the NYISO. Finally, Seller covenants that if requested by RG&E it will, within five Business Days of a request, request the electronic power-flow file of the base case study from the NYISO, or third party consultant for Seller responsible for the Interconnection Studies and provide this data in electronic form to RG&E within five Business Days of Seller's receipt of the data.

E. Seller's Waiver of Claims and Limitations of Remedies

Except as expressly set forth in this Solicitation, by submitting an Offer, Seller knowingly and voluntarily waives any rights under statute, regulation, state or federal constitution, or common law to assert any claim or complaint or other challenge in any regulatory, judicial or other forum, including the NYPSC, the FERC, the Supreme Court or any other court in the State of New York ("State Court") or United States District Court or any other United State's

Court (“Federal Court”) concerning or related in any way to the Solicitation and/or any appendices to the Solicitation (“Waived Claims”). The assertion of any Waived Claims by Seller at the NYPSC, FERC, State Court, Federal Court, or otherwise shall, to the extent that Seller’s Offer has not already been disqualified, provide RG&E the right, and may result in RG&E electing, to reject such Offer or terminate the Solicitation.

By submitting an Offer, Seller further agrees that the sole forum in which Seller may assert any challenge with respect to the conduct or results of the Solicitation is the NYPSC. Seller further agrees that the sole means of challenging the conduct or results of the Solicitation is a protest to RG&E’s filing before the NYPSC seeking approval of one or more Agreements entered into as a result of the Solicitation. Seller further agrees that the sole basis for any such protest shall be a challenge to the conduct or results of the Solicitation on the ground that RG&E failed in a material respect to conduct the Solicitation in accordance with the Solicitation rules and procedures outlined in this document, and the exclusive remedy available to Seller in the case of such a protest shall be an order of the NYPSC that RG&E again conduct any portion of the Solicitation that the NYPSC determines was not previously conducted in accordance with the Solicitation rules and procedures outlined in this document. Seller expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorneys’ fees. Unless RG&E elects to do otherwise in its sole discretion, during the pendency of such a protest the Solicitation and any related regulatory proceedings related to the Solicitation will continue as if the protest had not been filed, unless the NYPSC has issued an order suspending the Solicitation or RG&E has elected to terminate the Solicitation.

F. Confidentiality Agreement

Information provided pursuant to this Solicitation is subject to the terms of the confidentiality agreement between the parties (“Confidentiality Agreement”). As applicable, all information provided in connection with this Solicitation shall remain subject to the provisions of such Confidentiality Agreement.

G. Credit and Performance Assurances

As discussed in Section IV, in its evaluation of an Offer, RG&E will consider Seller’s capability to perform all of its financial and other obligations including, without limitation, Seller’s ability to provide performance assurance that the resource would be available and operate as required under the executed Agreement (“Performance Assurance”). This assurance will be provided to RG&E by the expected effective date in the Agreement. This assurance includes the ability of Seller to fund the reliability Offer as described in this Solicitation. Seller is required to provide the credit and finance information as requested in this Solicitation.

Seller will be required to post collateral to support its ability to provide the reliability Offer by the date noted in the Agreement and, depending on its credit standing, may need to post collateral acceptable to RG&E to support performance of other obligations under the Agreement. As set forth above, Seller will be required to provide funding for any network upgrade costs.

III. Information Required from Respondents

A. Introduction

Respondents must provide the information described below in order for RG&E to consider the Offer(s). Information required is described according to eligible resource categories:

- Generation resources, including conventional and distributed generation
- Demand resources including demand response and energy efficiency
- Other resources

B. Generation Resources

RG&E will entertain proposals for conventional generation and distributed resources meeting the requirements described in Section II, Table 1, including being located in the specified transmission areas. Conventional generation resources that will be considered include base load and peaking generation.

RG&E will also evaluate distributed generation resources greater than 1 MW. Any distributed generation resource must demonstrate to RG&E that they have the capability to respond to automated generation control signals provided by RG&E's System Operations.

If applicable, Seller(s) shall provide the following information for each resource offered:

1. Location;
2. The period, in minutes, between shutdown and start up and the available number of start-stop cycles per day;
3. Minimum run time per start;
4. Operational Constraints;
5. For energy storage applications: Maximum run time/start and load curve during maximum run time; minimum recharge time and load curve during minimum recharge;
6. Seller must demonstrate the ability to obtain fuel supply to the facility;
7. If applicable, Seller shall indicate whether it plans to seek Market Based Rate Authority, and the timetable for receiving such authority;
8. Seller must detail any Article X and Article VII filings, or State Environmental Quality Review (SEQR) as required;
9. Seller must provide the annual environmental impacts, including air (NO_x, SO_x, CO, CO₂ and particulates, water (thermal) and soil (ash storage), associated with each Offer;
10. Seller must explain any market power impacts associated with each Offer; and
11. Seller must provide total and monthly capital construction costs associated with each Offer, temporary (construction) and permanent jobs created with each Offer, and expected property tax payments associated with each Offer.

C. Demand Response/Energy Efficiency/Other

If applicable, Seller(s) shall provide the following information for each resource offered:

1. Project description including measure type;
2. Location(s);
3. Types of facilities at which the measure(s) will be implemented, including customer classes and end users served;
4. Operational Constraints;
5. Estimated Minimum and maximum reduction in megawatts – not less than 5 MW per measure as measured at the customer meter and not including losses or reserve margin credit;
6. Minimum and maximum reduction time;
7. Time to reach minimum and maximum reduction amounts;
8. Description of ability to receive orders to reduce or respond to dispatch instructions;
9. Measurement and verification plan which substantiates the reasonableness of the estimated reduction values ; and
10. Documentation of verified savings from comparable projects to substantiate the reasonableness of the estimated reduction values.

D. All Resources

1. For resources proposed that are not 100% available, Seller shall include a description of the redundancy included to ensure that the proposed services will be provided;
2. Seller must demonstrate compliance, or detail plans to comply, with the NYISO Tariffs;
3. Seller must provide a statement agreeing to: (i) provide reliability support to RG&E; (ii) operate and maintain the facility in accordance with Good Utility Practice; and iii) interface and comply with NYISO scheduling deadlines and requirements, as well as comply with RG&E or NYISO dispatch instructions;
4. Seller must provide the monthly amount, in dollars, of payments Seller would require to provide the requested reliability services as described herein. If applicable, Seller must provide the components used to calculate such payment including, but not limited to, the following:
 - a. Monthly forecast of energy, capacity and ancillary service production and revenues including monthly market prices used for each revenue stream.
 - b. Monthly forecast of fuel costs
 - c. Monthly forecast of, variable O&M, fixed O&M and environmental costs associated with the production listed above.
 - d. Monthly forecast of any other costs Seller may incur such as taxes, insurance, licensing, fees, overhead and corporate expenses.

- e. Monthly forecast of any other revenues Seller may receive;
5. RG&E will evaluate the corporate structure which Seller proposes for this project. Regardless of Seller's form, Seller shall provide the information requested below as part of its Offer.
- a. Seller will provide Seller's exact and complete name, form of organization (e.g., corporation, Limited Liability Company).
 - b. Seller will provide State of incorporation or organization.
 - c. Seller will provide copies of corporate or equivalent documents (e.g., articles of incorporation, by-laws or membership agreements) containing customary corporate separateness provisions.
 - d. Seller's Principal Business: Seller will provide a detailed description.
 - e. Parent or Consortium Information: If applicable, Seller will provide the information with respect to: Seller's ultimate corporate parent if Seller is a subsidiary of any other corporation; and/or each of Seller's members, partners, or participants if Seller is a partnership, limited liability company, or other association or organization (identifying the controlling member); and each member of the group of persons acting in concert if Seller is a group or member of a group acting in concert for purposes of this Offer (identifying the controlling member).
 - f. Guarantor Information: If Seller proposes to provide a guaranty to RG&E, Seller has provided or will provide the information required above with respect to Seller's Guarantor, if any. In addition, Seller has provided or will provide a copy of the proposed form of guaranty.
 - g. Seller's Organization: Seller will provide its organizational chart showing each level of ownership up to the ultimate parent.
 - h. Annual Report, Form 10-K, Form 10-Q, Audited Financial Statements: If applicable, Seller will provide copies of Seller's or Guarantor's Annual Report to shareholders and Form 10-K for the past two years and all subsequent quarterly filings on Form 10-Q as filed with the Securities and Exchange Commission ("SEC") containing audited, in the case of Form 10-K, or unaudited, in the case of Form 10-Q, financial statements of Seller or Guarantor, or if applicable, each member of the bidding group (or if any member is a consortium or other association or organization whose controlling member(s) is (are), or a group acting in concert whose controlling member(s) is (are), required to file reports under the Securities Exchange Act of 1934, the most recent Annual Report to shareholders or Annual Report on Form 10-K as filed with the SEC containing audited financial statements of each such reporting person). If none of the foregoing applies, Seller has attached copies of the two most recent audited annual financial statements, including certified independent accountants report thereon, and subsequent quarterly financial statements of Seller or Guarantor, or if applicable, each member of the bidding group and, Seller's or each member of the bidding group's controlling member for at least the three prior full fiscal years or, if

shorter, the life of such Seller or member of a bidding group or such controlling persons. Seller has included with the audited financial statements, information related to the history of Seller or member of the bidding group and a description of its business and material matters relating to such business, including the level of detail that would be required if Seller or member of the bidding group were subject to the disclosure requirements of Items 3 and 7 of Form 10-K. If available, Seller has provided a web link to the statements provided in this Attachment.

- i. Seller's Debt Ratings: Seller will provide its or its Guarantor's Moody's and Standard and Poor's senior unsecured debt rating or, if such entities do not have a senior unsecured debt rating, then Seller's or Seller's Guarantor's corporate credit rating or long term issuer rating, if any;
6. Seller's Experience Information: if applicable, Seller will provide a description of its experience in developing projects such as contemplated in the Offer, particularly in New York. Seller shall list its references by name, address and contact number;
 7. Project Financial Information: if applicable, Seller will provide the following project finance information:
 - a. Amount and type of financing for the project (sources and amount of debt and equity);
 - b. A description of construction and operating period financing for the project including expected debt to equity ratios, debt coverage ratios, liens, and restricted covenants;
 - c. Any report of an independent engineer or other consultant regarding the project prepared for, or as part of, the project financing; and
 - d. The identification and description of other transactions by Seller that have been leveraged, either prior or subsequent to the construction or commercial operation date, including, without limitation, all financing arrangements for such transactions, loan to equity ratios, coverage ratios, liens, and restrictive covenants agreed to by the Seller.
 8. Seller will provide a description (quantity, size, manufacturer etc) of the main mechanical and electrical pieces of equipment used for the project.

E. Other Required Information (as applicable)

In addition, if applicable, the following Attachments to this RFP must be completed and included in any Offer in the order given below:

1. Attachment #2: Capital Cost Estimate Details

Requests monthly capital cash flow estimates by area of equipment and task area during the construction period; the request also includes owner's costs, performance bond costs, and sales taxes. All costs are expected to include contingencies and escalation. Financing costs are not included in this Attachment #2.

2. Attachment #3: Project Management Plan

Detailed information on how the bidder proposes to manage the project, and also requests a detailed Gantt chart showing major tasks and the critical path

3. **Attachment #4: Operational and Financial Model Data**
 - a. Thermodynamic and operational performance data;
 - b. Start-up air emissions data for cold, warm, and hot starts;
 - c. Heat balance summary information at three different ambient conditions;
 - d. Variable O&M costs for plant consumables;
 - e. Start-up station service requirements for cold, warm, and hot starts;
 - f. Detailed description of plant staffing and estimated costs;
 - g. Estimates for other maintenance costs not included in any service level agreements for major plant maintenance service contracts;
 - h. Details of major plant maintenance service contracts;
 - i. Monthly dispatch modeling results including generation, fuel costs, variable O&M costs, and wholesale market revenue forecasts;
 - j. Summary of the financial and operational forecasts noted above; and
 - k. Detailed summary illustrating the calculation of all net of market costs to be passed on to RG&E's customers so that these costs can be compared with the cost of RG&E transmission solution revenue requirements that would be avoided if the reliability need project were allowed to proceed.

IV. Evaluation of Offers

To evaluate Offers, RG&E may primarily consider:

1. **Reliability** – the ability of the resource to alleviate the identified reliability problems and in reducing load shed risk, over the long run;
2. **Ratepayer cost** – total ratepayer revenue requirements and ratepayer bill impacts associated with the Offer(s);
3. **Environmental impacts** – including but not limited to, air, water and soil impacts;
4. **Economic impacts** - temporary and permanent jobs created, economic development, and property tax payments; and
5. **Electric market competitiveness** – the ability of the facility to economically operate in the applicable NYISO market and the effect of the proposed reliability resource on the competitive market.

RG&E may also consider the following other factors as applicable to each reliability need:

1. **Credit** - Seller's capability and willingness to perform all of its financial and other obligations under the Agreement, including, without limitation, Seller's ability to provide Performance Assurance under the Agreement. RG&E will consider Seller's financial strength, as determined by RG&E, as well as any credit enhancements acceptable to RG&E that Seller may offer with its proposal;

2. **Seller Qualification** – the experience of the developer, Engineering, Procurement and Construction (“EPC”) contractor, prime subcontractors and, if applicable, O&M operator or other entity responsible for the development of the proposed resource. This may include their experience (demonstrated track record) in successfully developing and operating similar projects in North America and New York;
3. **Project Viability** - the probability that the resource(s) associated with an Offer can be financed and completed as required by the Agreement. This will include an assessment of the degree of detail and feasibility of schedules (e.g. engineering, procurement plan and lead times, equipment delivery, construction, start-up and testing), plans (procurement plan, site access/equipment delivery, engineering/construction division of responsibility (“DOR”)), construction plan/subcontractors, existing labor agreements in place, labor availability, construction facility and laydown, water supply, wastewater discharge), adequacy of financing during construction and operation of the plant, lender commitment provided, equity commitment provided, the controls provided to prevent construction cost overruns, debt coverage ratios are adequate, interest rates and fees are reasonable, quality and completeness of financing package, ownership structure, interest rate risk, whether Seller has commitment letters from project participants or financial institutions indicating that the project will be able to obtain financing, and Seller’s project financing experience. The project’s progress in the Department of Environmental Conservation (“DEC”) permitting process will also be evaluated, including its Environmental Characteristics such as Air Quality, Water Supply, Land Use, Hazardous Material usage, Wetlands & other Waters, Biological Resources, Cultural Resources, Socioeconomics, degree of control of property, and other aspects that would help ensure project completion. The project’s progress in the gas and electric interconnection processes will be evaluated. The quantities and potential costs to RG&E and to society associated with all of these characteristics will be considered;
4. **Technical Reliability** – if the type of technology and the equipment being offered. This will examine whether there is high reliability due to plant construction design that is tried and proven with historical evidence of high availability in comparison to NERC national averages, with significant additional enhancements that may add to the plant’s availability, such as multiple systems and redundancy. Also evaluated here are plant performance parameters such as heat rate and capacity estimates, availability guarantees, unplanned outage factor guarantee, fixed and variable O&M costs, start-up times and costs. Plant operations factors that would be evaluated would be plans for staff training program, staffing requirements, maintenance support availability, permit limitations on operations, Long Term Service Agreement (“LTSA”) terms, maintenance outage requirements (impacts on availability), spare parts and labor agreements;
5. **Environmental Considerations** - the quantities and potential costs associated with an Offer's environmental characteristics will be considered. RG&E will also assess Seller’s local community outreach plans to evaluate how it plans to work with the local community to resolve potential issues of concern; and

6. **Conformance with RG&E's non-price terms and conditions** - the degree to which Seller accepts RG&E's proposed terms and conditions. Terms and conditions evaluated elsewhere will not be considered in this evaluation criterion (e.g. credit terms). RG&E reserves the right to specify non-price terms and conditions for any reason including, but not limited to, the specific characteristics of the generation unit offered or the ability of Seller to meet other requirements of the Solicitation. The Solicitation evaluation may impute for the purposes of evaluation an additional amount to Seller's Offer price to reflect Seller's proposed modifications to the non-price terms and conditions that result in RG&E incurring additional costs or risks.

V. Participation Protocols

A. Overview

All Offers from Seller(s) must be received in both hard copy and electronic form by Friday, November 21, 2014 at 5:00 p.m. (EPT) via hand-delivery or overnight delivery to:

**Jeffrey M. Converse – Manager - Electric Supply
18 Link Dr.
Binghamton, NY 13904**

If there is disagreement between the electronic and hard copies, the hard copy will prevail.

Hard copy documents: Seller must submit one (1) bound and one (1) unbound copy.

Electronic Documents: The electronic documents must be in a Microsoft Word (standard edition 2003 SP2) and/or Excel file (standard edition 2003 SP2), as applicable. Seller should not provide documents in other electronic formats, versions, and/or in hard copy alone. Electronic Documents must be in the form of compact disks (CD) or USB removable flash drives, accompanying the hard copy documents.

B. Communications:

To insure accuracy and transparency of the information provided, RG&E strongly prefers that all communications take the form of an e-mail. All communications regarding this RFP should be directed to Jeff Converse (JMConverse@nyseg.com) with a copy to Noelle Kinsch (Noelle.Kinsch@lberdrolausa.com). RG&E may, in its sole discretion, decline to respond to any email or other inquiry without liability or responsibility.

VI. Negotiations and Contract Approval

A. Execution of Agreement

By submitting an Offer, Seller agrees, if its Offer is selected, to negotiate and execute a definitive Agreement. Execution of Agreement will follow the New York Public Service Commission's acceptance and approval. Among other things, the Agreement will include 1) Time is of the Essence provisions and damages provisions for failure to meet schedule

requirements and 2) provisions to hold the Seller liable for any NERC penalties assessed to RG&E resulting from Seller's failure to meet the Agreement's schedule/performance requirements. RG&E's evaluation of Seller's Offer will not constitute a contract by RG&E to enter into an Agreement with Seller.

B. Agreement by Seller

Seller must agree to be bound by its Offer(s) for a period of six (6) months from the date RG&E files the Agreement(s) with the NYPSC. If the NYPSC grants (subject to appeal) regulatory approval of the Agreement(s) within the six-month period, Seller must agree to be bound by its Offer(s) for any additional period of time required for the NYPSC order granting regulatory approval to become final and non-appealable.

C. Regulatory Approval:

The effectiveness of any Agreement is expressly conditioned on RG&E's receipt of Regulatory Approval. "Regulatory Approval" means a final and non-appealable order or orders of each regulatory or other governmental body designated by RG&E, including without limitation the NYPSC and if applicable FERC, without conditions or modifications unacceptable to RG&E, which, in the case of Regulatory Approval by a governmental body other than the NYPSC grants the approvals requested in the application therefore, and in the case of Regulatory Approval by the NYPSC, does the following:

1. Accepts the Agreement in its entirety, with explicit approval of payments to be made by RG&E with complete and immediate cost recovery, subject only to NYPSC review with respect to the reasonableness of RG&E's administration of the Agreement, and finds RG&E's entry into and performance under the Agreement to be reasonable; and,
2. Authorizes RG&E to recover payments under the Agreement in utility revenue subject only to NYPSC review with respect to the reasonableness of RG&E's administration of the Agreement.

D. Termination of the Solicitation and Related Matters

RG&E reserves the right at any time, in its sole discretion, to terminate the Solicitation for any reason whatsoever without prior notification to Seller and without liability of any kind to or responsibility of RG&E or anyone acting on RG&E's behalf. Without limitation, grounds for termination of the Solicitation may include the assertion of any Waived Claims by Seller or a determination by RG&E that, following evaluation of the Offers, there are no Offers that provide adequate ratepayer benefit.

RG&E reserves the right to change the Offer evaluation criteria for any reason, to terminate further participation in this process by Seller, to accept any Offer or to enter into any definitive Agreement, to evaluate the qualifications of Seller, and to reject any or all Offers, all without notice and without assigning any reasons and without liability to RG&E or anyone acting on RG&E's behalf. RG&E shall have no obligation to consider any Offer.

In the event of termination of the Solicitation for any reason, RG&E will not reimburse Seller(s) or Participant(s) for any expenses incurred in connection with the Solicitation regardless of whether Seller's Offer is selected, not selected, rejected or disqualified.

Unless earlier terminated, the Solicitation will terminate automatically upon the execution of one or more Agreements by Seller(s) as described herein. In the event that no Agreements are executed, then the Solicitation will terminate automatically on July 1, 2015.

