

Request for Proposal
Non-Pipeline Alternatives (NPA)
Highland Project

RFP Issued: 1/17/2025

Proposals Submission Deadline: 3/28/2025



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I. INTRODUCTION

National Fuel Gas Distribution Corporation (NFGDC or Company) is the utility segment of National Fuel Gas Company, a diversified energy company with over \$6B in assets that operates in multiple industry segments that include: E&P, pipeline and storage, gas gathering, and distribution. In New York, the utility segment distributes gas to approximately 542,000 customers, 506,000 of which are residential customers.

A. BACKGROUND

In 2019, Senate Bill S6599 was passed, enacting the Climate Leadership and Community Protection Act (CLCPA). The goal of CLCPA is to establish a framework for achieving reduced greenhouse gas (GHG) emissions in New York State. Specifically, the CLCPA sets targets of reducing GHG emissions to 40% below 1990 levels by 2030 and subsequently 85% below 1990 levels by 2050.

NFGDC has acknowledged these requirements, and in response has established its own Long-Term Plan (LTP) ¹, which is projected to reduce GHG emissions by 53% compared to 1990 levels by 2042 with emissions reductions to continue through 2050 and beyond.

Furthermore, NFGDC has created a Non-Pipes Alternatives (NPA) program through which it considers and implements affordable, reliable alternative energy solutions for customers that may defer or avoid investments in certain traditional natural gas capital projects necessary to ensure continued reliable and safe service. While innovative in design, these NPA solutions must comply with regulatory directives and state environmental policy.

In its December 14, 2023 *Order Implementing Long-Term Natural Gas Plan with Modifications* in Case 22-G-0610 (Implementing Order) and related extension request, the New York Public Service Commission (NYPSC) ordered NFGDC to pursue NPA solutions for at least two capital projects planned for calendar year 2025 with project costs greater than \$1 million. The Implementing Order may be referenced on the New York State Department of Public Service (NYDPS) Document and Matter Management (DMM) website² as linked below, and the RFP requirements are detailed as part of Clause 10.

This RFP relates to one of the potential NPA projects required by the Implementing Order. The specific need and request for this NPA RFP follows below in Section II.

¹ 2023 Long Term Plan (NFGDC)

² 2023 Order Implementing Long-Term Natural Gas Plan with Modifications in Case 22-G-0610 (https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefID={9077698C-0000-CB1E-AC47-3B8A7754FCE0}



B. PROJECT OVERVIEW

The RFP's problem statement and its solutions requirements are outlined in Table 1.

Table 1. RFP Problem Statement and Solution Requirements

Problem Statement				
Background	NFGDC is seeking NPA solutions in lieu of traditional pipe replacement of existing low-pressure Leak Prone Pipe (LPP) with historical leakage.			
Solution Summary	The NPA solution is to be achieved via acceptable clean heat solution(s) as detailed in Section II, Subsection A below and in accordance with NFGDC's Benefit Cost Analysis handbook (BCA Handbook), dated April 10, 2024 (available on DMM at the link below).			
	https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={5090C8 8E-0000-C85B-AEB5-90F22EC79A99}			
	Solution Requirements			
Initial Field Work	July, 2025			
In-Service Date	August, 2026			
Period of Need	All Hours ³			
Target Area	Williamsville, NY			
Contract Term	To be negotiated, subject to specific bidder proposal			
Total Customer Accounts in Target Area	176			

³ Must meet heating and non-heating demand requirements during the heating season including winter peaking requirements (November – March) and non-heating demand requirements for the remainder of year.



C. SCHEDULE

The RFP schedule outlined below in Table 2 is subject to change. Note that resources included in awarded bid(s) are required to be in-service no later than the date detailed below. The in-service date represents the minimum requirement; however, earlier installations would also be considered.

Table 2. RFP Schedule by Milestone

Planned Date*	Milestone
1/17/2025	RFP Issued
2/12/2025	RFP Pre-Bid Meeting with Bidders
2/28/2025	Deadline to submit questions
3/14/2025	NFGDC responses to questions due
3/28/2025	RFP Responses Due
6/30/2025	RFP Evaluations Complete, All Bidders notified of their status
8/31/2026	In-Service Date

^{*}The Company reserves the right to change any of the above dates.

D. INQUIRIES

All questions and clarification requests for this RFP should be made available no later than February 28, 2025. Questions and clarification requests received after this date and time will not be answered. All questions received will be answered by NFGDC, compiled, and posted on PMWeb in the final bid posting. NFGDC will work to address questions and provide responses as soon as possible after their receipt during this period.

E. CLOSING DATE FOR RECEIPT FOR PROPOSAL

Proposal will be accepted no later than March 28, 2025. Proposals received after the deadline will not be considered.



F. DEFINITIONS OF TERMS

Benefit-Cost Analysis (BCA)

An assessment of benefits and costs, performed by NFGDC during bid proposal evaluation, to determine if the proposals are cost-effective and cost competitive.

Bidder

A person and/or entity, or a representative thereof, replying to this RFP. In the case where one or more firms choose to partner and submit one proposal, there should be one Responsible Party who will be considered the Bidder. The Bidder is held fully accountable for all aspects of any projects proposed in their response to this RFP by the partnered entities, irrespective of which partnered entity performs a particular function.

In-Service Date

The date on which the project is commissioned by obtaining applicable certifications and/or passing applicable inspections, is operating within agreed parameters, and otherwise meeting standards of operation and care requirements. This includes all required customer acquisitions, installation of system(s), monitoring and verification of equipment or systems, and any needed testing to deliver the needed demand reduction outlined as a part of the proposal.

Non-Pipeline Alternative (NPA)

The inclusive term for any action, strategy, program, or technology that serves as a targeted investment or activity that is intended to defer, reduce, or remove the need to construct, upgrade, or replace components of a natural gas system, or "pipeline investment." These NPA investments are required to be cost-effective, meet the specified gas system need and otherwise meet the requirements articulated in the aforementioned BCA Handbook.

Target Area

Geographic area of focus for the statement of need where existing NFGDC customers are eligible for NPAs to produce the requested demand reduction as outlined in the Purpose & Statement of Need.

Responsible Party

The firm listed in a proposal submitted by two or more separate entities that shall be held accountable for all aspects of any projects proposed in the response to this RFP by the partnered entities, irrespective of which entity performs a particular function.



II. REQUEST FOR PROPOSAL

A. PURPOSE & STATEMENT OF NEED

The existing distribution system around the Highland area is comprised of primarily low-pressure vintage LPP and is proposed to be replaced in 2026. The planned replacement project will modernize the existing distribution infrastructure that serves the 176 customers in this area as well as retire two existing regulator stations in the area. The traditional pipeline replacement cost is estimated to be \$1,550,000. NFGDC is seeking NPA proposals from bidders for alternative solutions to the planned traditional pipeline replacement.

NFGDC's Design Day standard is based on the daily mean hourly temperature of -9 degrees Fahrenheit (74 heating degree days) to forecast the highest natural gas demand throughout its territory. The resulting design day peak demand in the Highland region is approximated at 228 Dth/day⁴. Proposed NPA solutions must be capable of sustaining the approximate peak demand listed above throughout the peak heating months (November – March). Historical consumption data over the last 3 years indicates that the peak annual energy demand for these customers is 18,557 Dth/year.⁵

Eligible solution technologies include, but are not limited to, completing full or partial electrification of all current natural gas customers, demand response solutions, energy efficiency solutions, providing an alternate source of natural gas via Compressed Natural Gas (CNG), or providing an alternate resource of natural gas via Renewable Natural Gas (RNG).

The below graphic illustrates the infrastructure and customers the NPA solution is intended to address, which can also be viewed via Google Maps at the link below:

<u>Highland Infrastructure</u> [https://www.google.com/maps/@42.9590741,-78.7349861,659m/data=!3m1!1e3? entry=ttu&g ep=EgoyMDI0MTExMC4wIKXMDSoASAFQAw%3D%3D]



⁴ Demand references are approximations only due to dynamic nature of gas demand and should only be used as a guide.

⁵ Energy usage conversion between mcf and Dth performed using United States Energy Information Administration (EIA) conversions.



B. DATA & INFORMATION

Bidders should use the customer energy usage information detailed in the tables below to support their proposal development. The energy usage shown in Table 4 reflects the peak annual energy usage over the last 3 years. Table 4 shows the total annual energy usage per customer class and Table 5 shows the number of customer accounts per customer class.

Should bidders require information on NFGDC's tariff, information can be found at: <u>National Fuel Gas Distribution</u> <u>Tariff Information</u>. [https://ets.dps.ny.gov/ets_web/search/search/ShortcutEffective.cfm? companyID=3569008&serviceType=GAS&psc_num=9]

Table 4. Annual Energy Usage per Customer Class (Dth / year)

Customer Type	Williamsville, NY
Commercial & Industrial	0
Public Authority	0
Residential	18,557
Total	18,557

Table 5. Customer Accounts per Customer Class (Number of Accounts)

Customer Type	Williamsville, NY
Commercial & Industrial	0
Public Authority	0
Residential	176
Total	176



III. INSTRUCTIONS FOR BIDDERS: PROPOSAL REQUIREMENTS

Please provide a concise written proposal of under 25 pages, excluding appendices. Bidders should include sufficient detail in their proposal regarding how they will perform each of the required categories detailed below. Proposals that do not provide the information requested below may be disqualified by NFGDC. Bidders must submit their proposal in the format outlined below and in accordance with NFGDC's PMWeb platform.

A. EXECUTIVE SUMMARY

The Executive Summary must contain the following:

- Bidder's legal name and mailing address
- A designated person to contact regarding Bidder's submission name, title, telephone number, and email address
- High-level summary of the NPA proposal including a description of the strategy or strategies and technology
 the Bidder would implement to meet the statement of need

B. PROFESSIONAL BACKGROUND & EXPERIENCE WITH THE PROPOSED SOLUTION

The background and experience summary must contain the following:

- Summarize the firm's core business and organizational structure
- State total number of projects the firm has completed with similar solution(s) and technology(ies) to those proposed
- Please provide three (3) case studies involving prior industry specific work delivering the solution(s) to other utilities or other organizations. These case studies should demonstrate your ability to implement the solution(s) and technology(ies), or similar, included in your proposal. Preferably two (2) of the case studies should involve working with utilities, with one (1) involving a different organization type. In addition to detailing the specifics of the implementation and outcomes, the case study examples should include the following information:
 - Project location
 - Description of the solutions provided, and level of success achieved (i.e., EUL, load relief targeted vs. achieved)
 - Commercial operation date
 - Construction/implementation timeline
 - Marketing & customer acquisition plan outcomes
 - Lessons learned



- Any other relevant information supporting and validating the proposed solution in response to this RFP
- o Customer reference contact information
- Outline your production capability by detailing production locations and output over the last three years. If
 you depend upon a third-party supplier, please outline their production capability and output over the last
 three years. Highlight any supply chain challenges experienced and any mitigation strategies employed.
- Provide any other relevant information deemed appropriate and noteworthy that supports and validates the proposed solution.

C. PROJECT APPROACH AND METHODOLOGY

This section must detail how your proposal will address the Statement of Need. Please be sure to include:

- Solution(s) description overview:
 - Accurate and validated, (preferably independently verified), performance characteristics of the proposed solution(s)
 - Minimum/Maximum/Continuous load reduction available
 - Performance characteristics of the technology(ies) proposed
 - Description of the flexibility and applicability of the technology(ies)
 - Availability and reliability
 - o Detail energy benefits associated with proposed solution(s).
 - For any solutions that would impact National Grid's electric distribution system, any increase in energy use and peak demand should be described
 - Describe non-energy benefits associated with proposed solution(s)
- Example report template and proposed frequency of reporting to demonstrate the measurement and verification of NPA performance.
- Identification of any risks, barriers, and/or challenges with your proposed solution (e.g. permits, potential environmental, acoustic or aesthetic impacts, implementation risks, operational risks); confirm management of risks, barriers, and/or challenges is considered in your overall business plan.
- Description of customer impacts including aesthetic, economic, acoustic, comfort and environmental.
- An Operations and Maintenance ("O&M") plan for proposed solutions, if applicable.
 - o Confirm that costs and schedules for O&M are considered



- Describe required maintenance of systems and equipment installed
- Identify lifecycle expectancy for all major components and confirm any needed component replacement during the contract term
- Identify changes in equipment capacity/degradation over expected lifetime; confirm capacity degradation is considered
- Identify specific equipment warranties for all major components and how warranty terms and conditions have been considered
- Offerings for customer maintenance agreements and their ability to be extended beyond the contract term
- Define any applicable M&V procedures, forecasting and notification processes, and/or means of integration with utility monitoring, communications, and control systems as applicable
- Describe how the system(s) and components will comply with all manufacturers' installation requirements, applicable laws, regulations, standards, codes, licensing, and permitting requirements. This includes, but is not limited to, all applicable state, city, town, or local laws, policies, acts, and regulations according to the building codes, disposal, the environment, standards involved, and all applicable state, city, town, or local ordinances or permit requirements, and any additional applicable requirements. It is the awarded Bidder's responsibility to ensure compliance with all such laws.

D. CUSTOMER ACQUISITION PLAN

As part of their submission, Bidders must provide a robust strategy and compelling evidence for achieving sufficient customer adoption within the specified times to achieve the needed demand reduction. NFGDC expects that it is the responsibility of the Bidders to reach their target audience.

Bidders are encouraged to provide affidavits or preliminary acceptances from customers as part of their RFP response. As a prerequisite to project execution, the winning Bidder will be required to collect affidavits from any participating customers who would be completely disconnecting from existing gas infrastructure. Such affidavits would require the customer(s) to certify their understanding and acceptance of their responsibilities and obligations associated with terminating NFGDC service, including but not limited to, disconnecting and abandonment of their gas service and main pipe facilities, and their obligations should they request to reconnect at any point in the future. Such obligations could include, but not be limited to, paying fees associated with reconnecting to NFGDC's gas main or lateral, and incurring costs associated with installing a meter and any in-home costs associated with replacement or installation and reconnection of gas heating, water heating, or cooking equipment that a certified contractor would need to perform. The Company will review the affidavits as part of its overall evaluation of the project.

Further information on required information has been provided below.



Bidders proposing to market the installation of measures to customers must include the following:

- A full and complete assessment of the opportunity, including at a minimum, a description of the targeted customer classes (residential, multifamily, commercial, etc.) and the applicable measures and technologies being proposed to those customer classes.
- An illustration of the marketing and sales strategies that will be employed to capture the customer class(es)
 and to deliver the measures included in your proposal. This should include a discussion of the challenges
 and solutions to those challenges presented by each market segment you will be approaching. Please not
 that marketing and sales plans must be expressly approved by the Company. Upon award and contract
 negotiation, awarded Bidder will provide a final timeline for review and approval by NFGDC.
- Letters of support from partners, vendors, customers, and/or any party that will influence the success and desired outcomes of Bidder's proposal.

E. SCHEDULE

Provide a project solution schedule in a Gantt Chart format or equivalent containing the following:

- Start and end dates, along with key interim milestones, for the completion of the project from initial activities such as customer outreach through construction and In-Service Date and through the O&M phase, if applicable.
- Required permitting milestones on main timeline that allocate the time needed to obtain any required permits, with some buffer as appropriate.
- Communication Plan milestones (e.g. report outs, meetings, etc.)

In addition to the overall Gantt Chart schedule, detail the following:

- Communication Plan that outlines communication pathways and frequency of reporting methods with NFGDC (reports, meetings, etc.) to share implementation progress and demand reductions being achieved
- Outline any risks or challenges anticipated with the overall project and project construction schedule and detail mitigation plans for each risk or challenge outlined (e.g. permitting, etc.)

F. GLOSSARY OF TERMS

Bidders should provide a proposal-specific glossary of terms to support the Company's evaluation of the submission.



G. BIDDER PROPOSAL SUBMISSION

NFGDC's contractor guide to using PMWeb has been included in Appendix A at the end of the document. Bidders should follow these guidelines as they submit their bid packages. In addition, supporting information should be provided to demonstrate the Bidder's energy calculations and detail all pertinent measure parameters, computations, equations, and the logic to arrive at the final values detailed in their supporting files. Such information should include, but not be limited to:

- All resources and their associated costs to acquire customers to adopt the proposal (e.g. marketing, promotions, advertising, labor, etc.)
- Direct material costs, labor costs, and overhead costs for performing all installation and construction work
 required to satisfy the In-Service Date
- O&M costs associated with the proposal through the end of the contract term (e.g. maintenance, repair, warranty, labor, etc.), if applicable
- Existing NFGDC, National Grid, Federal, State, Local, NYSERDA, and/or other incentives available to reduce the cost of your proposal
- Adder Costs worksheet (per the Installation and/or Construction aspects of your solution), as this will ONLY
 be utilized to evaluate financial impacts based on unexpected but necessary change orders, if required,
 during solution implementation
- Permitting expenses (Note: All permitting costs are the responsibility of the Bidder)
- Allowances for expenses, travel, etc.
- Other costs

IV. EVALUATION METHODOLOGY

Proposals will be evaluated and scored on the following criterion as relevant to NFGDC's evaluation:

Proposal Content & Presentation	The information requested has been provided by the bidder and is sufficiently comprehensive and well presented to allow for evaluation.
Bidder's Experience	The experience of the Bidder, any Engineering, Procurement and Construction (EPC) contractor, prime subcontractors and, if applicable, O&M operator or other entity responsible for the development, construction, or operation of the proposed solution.
Environmental	The Bidder's proposal shall address impacts including but not limited to acoustic,

aesthetic, air and GHG emissions, water, and soil impacts, and permitting and zoning

Project Viability



considerations. This includes GHG abatement and considers a proposal's ability to produce an outcome that reduces the amount of GHG emissions that would otherwise be produced from the pipes option. GHG emissions quantification shall conform to standard project accounting frameworks⁶.

The likelihood that the solution(s) associated with a proposal can be financed and

completed as required.

Functionality The extent to which the proposed solution would meet the defined functional

requirements and the ability to provide demand reduction during peak times and

within the geographic area of need.

Technical Reliability The extent to which the proposed type of technology and the equipment would

reliably meet the statement of need.

Safety NFGDC requires that the Bidders recognize that safety is of paramount importance.

Bidders will be required to provide safety information related to the proposed technology and information regarding safety history. The bid should comply with

any jurisdictional compliance and regulatory safety codes.

Scheduling The Bidder's proposal shall include proposed timelines that outline milestones and

provide sufficient detail for each deliverable, including meeting the in-service need

date.

Offer Price The Bidder's total cost associated with all measures and services provided in

response to this RFP, including all sales tax, liabilities, and incentives.

Cost-Effectiveness This analysis will be performed to determine the cost-effectiveness of a proposal

consistent with methodology outlined in the NFGDC BCA Handbook.

Customer Acceptance The extent to which the bidder provides compelling evidence for achieving sufficient

customer adoption to achieve needed customer adoptions. This may include data,

market research, outreach plans on how to promote customer adoptions.

⁶ GHG Protocol for Project Accounting (WRI/WBCSD) or ISO 14064-2



V. BENEFIT COST ANALYSIS

Once project costs and benefits have been appropriately identified, evaluated, and present valued, the Company will use three tests to assess the overall benefit of the project and to assess the relative benefits of competing projects. The Company will also rely on the strategies/requirements articulated in the BCA Handbook to evaluate the proposal(s). While there are similarities across all three tests, each focuses on a portfolio of solutions from a different perspective and considers different benefits and costs in its calculation. Table 6 summarizes these tests.

Table 6. Benefit Cost Analysis Tests

Cost Test	Perspective	Key Question Answered	Calculation Approach
Societal Cost Test (SCT)	Society	Is the State of New York better off as a whole?	Broadest measure. Includes direct costs and benefits of project (e.g., capital costs, Avoided Upstream Supply Costs, etc.) but also broader externalities associated with the program (e.g., carbon emissions and other net non-energy benefits). Calculation universe focuses broadly on New York residents.
Utility Cost Test (UCT)	Utility	How will utility costs be affected?	Utility focused. Includes costs and benefits applicable to the utility, such as Avoided Upstream Supply Costs, direct capital expenditures, administrative costs, direct incentives paid to participating customers or project participants. Excludes broader societal externalities (e.g., CO2 and related costs where these are not a direct charge to the utility).
Rate Impact Measure (RIM)	Ratepayer	How will utility rates be affected?	Customer focused. Recognizes impacts on customers, including non-participating customers. Incorporates secondary implications of projects (e.g., cross-subsidization effects) on non-participant bills.

VI. ADDITIONAL CLAUSES

A. TERMS AND CONDITIONS

It is solely the responsibility of each Bidder to ensure that all pertinent and required information is included in its submission. NFGDC reserves the right to determine in its sole discretion whether a submission is incomplete, non-responsive or otherwise deficient.

Bidders should state clearly all assumptions made with respect to this RFP. In the absence of an explicit statement to the contrary, each Bidder shall be deemed to have agreed with and understood the requirements of this RFP. While NFGDC has endeavored to provide accurate information, NFGDC makes no warranty or representation of accuracy.

Any exceptions to the terms, conditions, provisions, and requirements herein must be specifically noted and explained by Bidder in Bidder's response to this RFP. NFGDC will assume that any response to this RFP expressly



accepts all terms, conditions, provisions, and requirements, except as expressly and specifically stated by a Bidder in its response to this RFP.

Bidder understands and agrees that it will promptly execute any non-disclosure agreements required by NFGDC in connection with this RFP.

Qualifications of Bidders

NFGDC may make such investigations as it deems necessary to determine the qualifications of Bidders and proposed subcontractors to perform the work. A Bidder should promptly furnish any information and data as may be requested by NFGDC as part of any such investigation. These qualifications include but are not limited to: insurance requirements, DOT qualifications, etc. The failure of a Bidder to produce timely information and data requested by NFGDC may provide a basis for rejection of the proposal in NFGDC's sole discretion. The Company will evaluate all proposals based on the information provided, and the Company will rely on the accuracy and completeness of the information submitted in determining the successful Bidder. Any misrepresentation, omission, or failure to provide required information may result in disqualification or withdrawal of an awarded contract in NFGDC's sole discretion.

Proprietary Information

If a proposal includes any proprietary data or information that a Bidder does not want disclosed to the public, then such data or information must be specifically designated as such on each page on which it is found. Bidder shall protect, defend, hold harmless and indemnify NFGDC from any claim arising from the release of proprietary information not clearly identified as such by a Bidder. Because of the need for public accountability, the following information regarding the proposal may not be considered proprietary, even if such information is designated as such: pricing terms and non-financial information concerning compliance with RFP specifications, and, whenever possible, such information if required to be shared may be shared in a fashion not identifiable to an individual Bidder.

Cost of Proposal Preparation

The cost of preparing a proposal in response to this RFP, including, but not limited to, the cost associated with site visits and preliminary engineering analysis, will not be reimbursed by NFGDC and will be the sole responsibility of the Bidder.

Environmental Health and Safety (EH&S)

When entering into an NPA contract with NFGDCDC, a corporate EH&S plan must be submitted to NFGDC, and a task-specific EH&S plan must be created and approved before any work may begin. Plans should describe how the system(s) and components will comply with all manufacturer's requirements, applicable federal and state laws, regulations, standards, codes, licensing, and permitting requirements. This includes, but is not limited to, applicable state, city, town, or local laws, policies, acts, and regulations according to the building codes, disposal, the environment, standards involved, and all applicable state, city, town, or local ordinances or permit requirements, and any additional applicable requirements. It is the awarded Bidder's responsibility to ensure compliance with all

such laws.

Right to Reject

This RFP shall not be construed to create an obligation on the part of NFGDC to enter into any contract, or to serve as a basis for any claim whatsoever for reimbursement of costs for efforts expended by the Bidder. NFGDC shall not be obligated by any statements or representations, whether oral or written, that may be made by NFGDC, its employees, principals, or agents.

NFGDC reserves the right to accept any responsive proposal, to reject any and all proposals, and to waive irregularities or formalities if deemed to be in the best interests of NFGDC. Any such waiver shall not modify any remaining RFP requirements nor excuse any Bidder from full compliance with all other RFP specifications and contract requirements if Bidder is awarded a contract. NFGDC shall reject the proposal of any Bidder that is determined not to be a responsible bidder, or whose proposal is determined by NFGDC to be non-responsive.

NFGDC reserves the right to withdraw this RFP at any time and for any reason, and to issue such clarifications, modifications, and/or amendments at any time as it may deem appropriate. Receipt by NFGDC of a response to this RFP confers no rights upon a Bidder, nor any obligations upon NFGDC.

Revisions to this RFP

NFGDC reserves the right to make changes to this RFP by issuance of one or more addenda or amendments and to distribute additional clarifying or supporting information relating thereto. NFGDC may ask any or all Bidders to elaborate or clarify specific points or portions of their submission. Clarification may take the form of written responses to questions or phone calls or in-person meetings for the purpose of discussing this RFP, the responses thereto, or both.

If it becomes necessary to clarify or revise this RFP, such clarification or addendum shall be issued by NFGDC by letter, e-mail or written addendum to this RFP. Any RFP addendum shall be delivered by hand, certified mail, facsimile, e-mail or delivery by courier service which certifies delivery. Only those Bidders that have already received the proposal documentation directly from NFGDC will be provided the clarification. Any addendum to, and/or clarification or revision of this RFP, shall become part of this RFP and, if appropriate, part of the agreement that derives from this RFP.

Basis of Proposal Award

Award of proposal shall be made to the most responsive and responsible Bidder meeting the specifications, price and other factors considered, as determined by NFGDC, in its sole discretion. The proposal evaluation criteria are set forth within this RFP.

Collusion and Other Prohibited Activities

Collusion with other Bidders at any time in connection with this RFP is strictly prohibited. Collusion and other prohibited activities include, but are not limited to: discussing bid strategies with other program participants,

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engaging in any activity with the intent to influence the outcome of this RFP in a manner inconsistent with competitive behavior, or taking any action to undermine the competitive nature of this RFP and otherwise benefit from NFGDC incentives with no intent or expectation of providing the amount of Peak and Continuous Demand Reduction or Annual Energy Savings submitted in the Bidder's proposal. NFGDC shall have the discretion to determine when collusion or other prohibited activities have occurred and to take any appropriate action, including barring participation in future RFPs or programs, and reporting the activity to the New York State Department of Public Service, the NYPSC and any other appropriate state or federal agencies.

Subcontracting and Assignment

No portion of the work associated with any solution resulting from a successful response to this RFP by a Bidder may be delegated, subcontracted, assigned, or otherwise transferred without the prior written approval of NFGDC in each case. Subcontractors will be held to the same standards and Terms & Conditions as the winning Bidder, acting as the prime contractor.

B. ELECTRIC-PEER UTILITY REVIEW OF PROPOSALS

All projects that include any level of electrification or could result in additional electrical load are subject to review and acceptance by the electric utility that serves the customers involved, which in this case is National Grid.

It will be the sole responsibility of Bidders to meet any and all requirements of National Grid in connection with any potential additional load placed on National Grid's electric distribution system. Therefore, Bidders are advised to review all relevant National Grid electrical service specifications, application processes, and related materials prior to submitting any such proposals.

Winning proposals must demonstrate familiarity with and competency in dealing with any siting, permitting, installation, or other related requirements of National Grid, including expected timelines, that would be involved in implementing a proposed electrification solution. Additionally, all risk factors that would be involved in an electrification solution are to be detailed and discussed. Proposals that minimize impacts on the electric grid and associated risks will be prioritized. NFGDC will bear no responsibility for the risk factors associated with NPA solutions impacting front-of-the-meter or behind-the-meter electrical infrastructure.

Bidders are also expected to investigate any available incentives or rebates for National Grid's Clean Heat programs.

C. PUBLIC SERVICE COMMISSION APPROVAL

Any transaction resulting from this RFP will be subject to NFGDC receiving all required regulatory approvals, including, but not limited to, potential acceptance by the NYPSC of the transaction as well as approval for cost recovery acceptable to NFGDC. Bidders in response to this RFP must execute a definitive agreement acceptable to NFGDC with terms customary in the industry and appropriate under the circumstances.



D. INFORMATION REQUESTS

Throughout the year NFGDC is required to provide various information about the program to the NYSPSC. NFGDC expects the awarded Bidder(s) will collect, validate, and provide NFGDC with any such data as we may require in order to fulfill this requirement. All data involving this program is the property of NFGDC. It is expected Bidders will discuss their data security and integrity in their proposal.

E. NPA KEY PROVISIONS

The successful Bidder will be required to enter into a comprehensive NPA contract acceptable to NFGDC that will contain the terms and conditions that govern the engagement for the NPA project. Described below are certain notable issues that would need to be considered prior to entering into a NPA contract.

UNDERPERFORMANCE - Should any committed load relief not be delivered Bidder will potentially be subject to a reduced performance payment. In addition, in such a circumstance a Bidder may be required to pay liquidated damages to NFGDC under the terms of any contract between the Bidder and NFGDC.

SECURITY - Any Bidder that receives an award as a result of this RFP may be required to provide security to NFGDC demonstrating financial capability to pay liquidated damages in an instance where that Bidder fails to meet its agreed upon performance target. To ensure that Bidder's projects achieve the goals of this RFP while ensuring NFGDC's energy systems continues to be safe and reliable, financial assurances may be required.

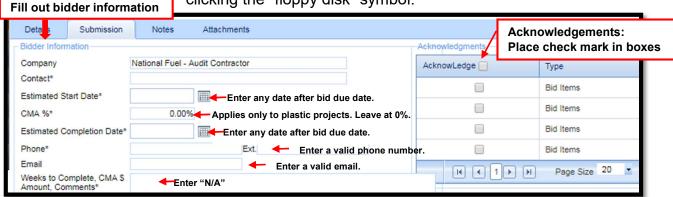
VII. APPENDICES



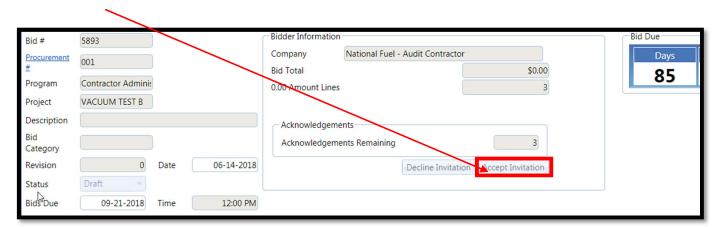


Contractor's Guide to Bidding Using Attachments Only

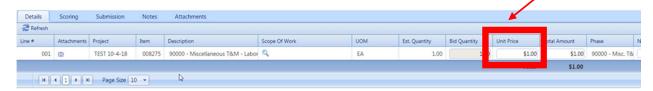
- 1. Log in and navigate to "Planning" → "Procurement" → "Online Bidding" and select your bid by selecting the "Record Number" (blue hyperlink).
 - a. Find the finalized bid documents in the "Attachments" tab.
- 2. Click on the "Submission" tab and fill out the bidder information on the left and check "Acknowledge" for any bid items on the right. After that, "Save" at the top of the page by clicking the "floppy disk" symbol.



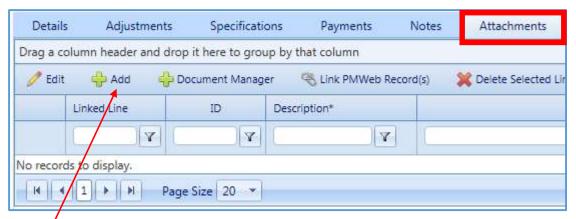
3. "Accept" the Invitation.



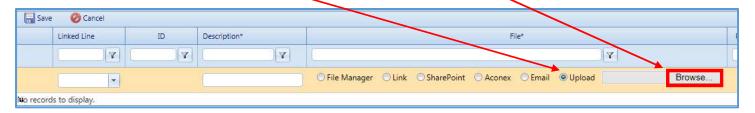
4. To submit the bid, you will have to enter a value of \$1.00 into the Unit Price Column.



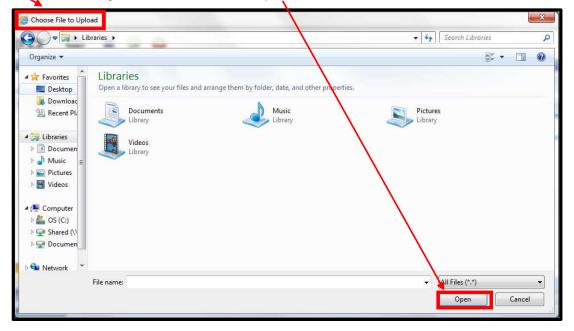
- 5. Attach your completed Bid Submission with pricing, as follows:
 - a. Go to the "Attachments" Tab.



6. Click "Add", make sure "Upload" is selected, then go to "Browse" (may say "Choose File").



7. Choose the file you want to attach, "Open, then "Save".



- 8. Repeat steps 5-7 to add more than one attachment.
- 9. When done press the "SUBMIT" button. If you would like to change your bid after you have submitted, but prior to the due date and time, that's ok. **Delete the old attachment and attach your revised attachment.** Remember to "Save" the bid!