

Large Filing Separator Sheet

Case Nos.

10-2376-EL-UNC

11-346-EL-SSO

11-348-EL-SSO

11-349-EL-AAM

10-343-EL-ATA

10-344-EL-ATA

10-2929-EL-UNC

11-4920-EL-RDR

11-4921-EL-RDR

Public Exhibits to the Testimony of
Peggy I. Simmons
(1 of 4)



American Electric Power Service Corporation

(AEPSC)

**on behalf of the seven regulated operating companies of the
American Electric Power Company System**

Request for Proposals

Totaling up to approximately

1,100 MW

of name-plate rated

Renewable Energy Resources

(Southwest Power Pool and PJM Footprint)

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

Issued

June 1, 2009

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

Pre-Bid Meeting (Webinar):

PJM projects June 16, 2009 1:00 p.m. EPT

SPP projects June 18, 2009 1:00 p.m. EPT

Proposals Due:

2009 Projects: June 30, 2009 12:00 noon EPT (Columbus, OH) (PJM Only)

2010 Projects: August 31, 2009 12:00 noon EPT (Columbus, OH) (PJM & SPP)

2011 Projects: January 15, 2010 12:00 noon EPT (Columbus, OH) (PJM & SPP)

American Electric Power

1,100 MW Renewable Resources Solicitation

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1. Introduction

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

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

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

Proposal Due Dates

(PJM ONLY)

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

(SPP & PJM)

Projects expected on-line by 12/31/10 Mon. Aug. 31, 2009 12:00 noon. EPT

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

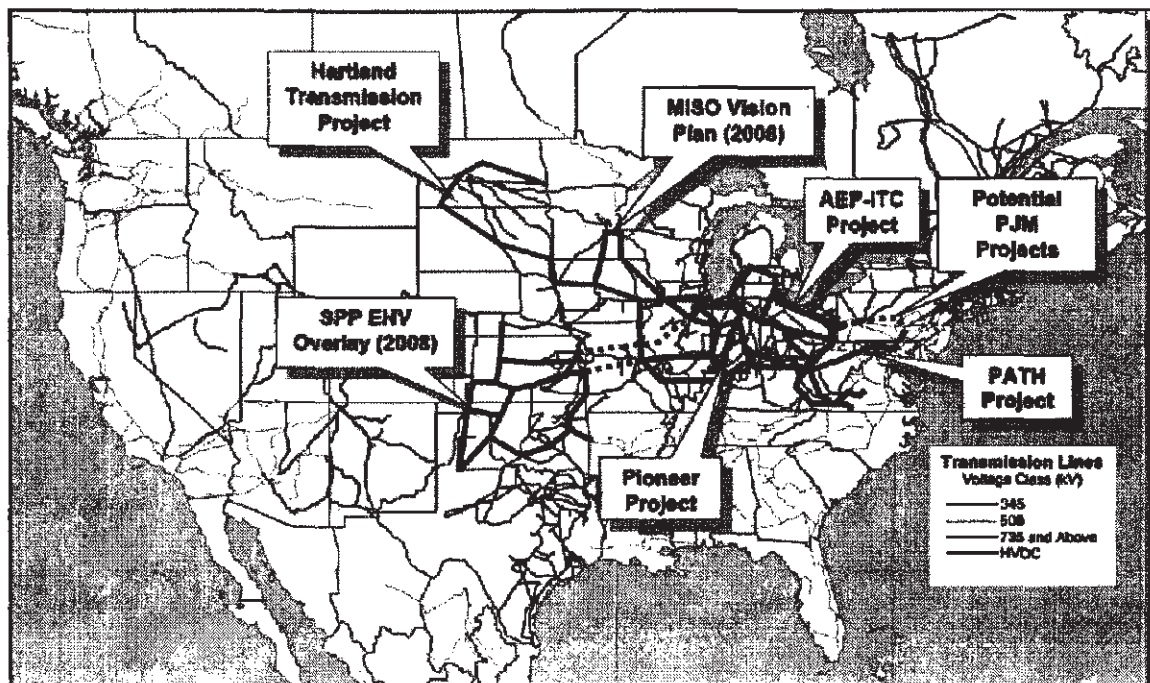
- 1.2 American Electric Power is one of the largest electric utilities in the United States, delivering electricity to more than 5.2 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 38,000 megawatts of generating capacity in the U.S.

AEP also owns the nation's largest electricity transmission system, a nearly 39,000-mile network that includes more 765 kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP's

leadership on the further build-out of the nation's grid is evidenced by several notable transmission project initiatives some of which are highlighted in the map below:

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

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

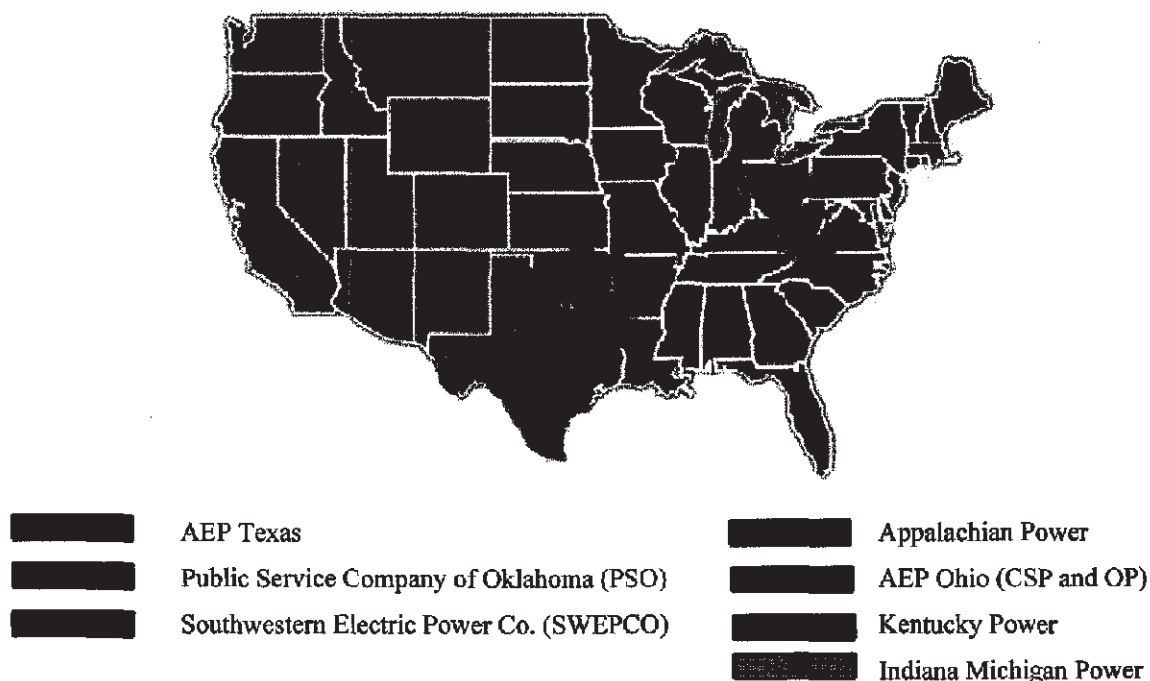


Source: http://www.aep.com/investors/present/documents/CreditSuisse_Feb-3-2009.pdf

AEP also released its white paper titled “Interstate Transmission Vision for Wind Integration” in conjunction with a presentation at the American Wind Energy Association’s WINDPOWER 2007 Conference and Exhibition in Los Angeles: <http://www.aep.com/about/i765project/docs/WindTransmissionVisionWhitePaper.pdf>

AEP's utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana and east Texas). AEP's headquarters are in Columbus, Ohio.

AEP Service Territory



More information about AEP can be accessed by visiting www.aep.com

1.3 AEP Utility Subsidiary Credit Ratings as of May 2009

AEP Utility Subsidiary Credit Ratings			
Company	Senior Unsecured		
	Moody's	S&P	Fitch
Appalachian Power Company	Baa2	BBB	BBB+
Columbus Southern Power Company	A3	BBB	A-
Indiana Michigan Power Company	Baa2	BBB	BBB
Kentucky Power Company	Baa2	BBB	BBB
Ohio Power Company	A3	BBB	BBB+
Public Service Company of Oklahoma	Baa1	BBB	BBB+
Southwestern Electric Power Company	Baa1	BBB	BBB+

1.4 AEP Wind Experience:

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

Renewable Energy Power Purchase Agreements							
Project	State	RTO	MW	Online	Developer / Owner	Turbine Mfg.	Offtaker
Southwest Mesa	TX	ERCOT	75.0	1999	NextEra (FPL)	GE	AEP Energy Partners
South Trent	TX	ERCOT	102	2008	Babcock & Brown	Siemens	AEP Energy Partners
Desert Star	TX	ERCOT	180.5	2001	AEP Energy Partners (Owner)	GE	City Public Services of San Antonio
Trent Mesa	TX	ERCOT	150	2001	AEP Energy Partners (Owner)	GE	Luminant
Total MWs Owned or Under Contract (Non-regulated)			487.5				

Renewable Energy Power Purchase Agreements							
Project	State	RTO	MW	Online (expected)	Developer	Turbine Mfg.	AEP Offtaker
Weatherford	OK	SPP	147.0	2005	NextEra (FPL)	GE	Public Service Company of Oklahoma
Blue Canyon II	OK	SPP	151.2	2005	Horizon Wind Energy	Vestas	Public Service Company of Oklahoma
Sleeping Bear	OK	SPP	94.5	2008	Edison Mission	Suzlon	Public Service Company of Oklahoma
Camp Grove	IL	PJM	75	1/08	Orion Energy Partners	GE	Appalachian Power Company
Fowler I	IN	PJM	100	1/03	BP / Dominion	Clipper/Vestas	Indiana Michigan Power Company
Majestic	TX	SPP	73.5	1/03	Babcock & Brown	GE	Southwestern Electric Power
Fowler III	IN	PJM	100	2/08	BP Wind Energy	Clipper/Vestas	Appalachian Power Company
Beech Ridge	WV	PJM	100.5	(12/08)	Inverness LLC	GE	Appalachian Power Company
Elk Cms	OK	SPP	99.9	(12/08)	NextEra (FPL)	Siemens	Public Service Company of Oklahoma
Blue Canyon V	OK	SPP	99	(12/08)	Horizon Wind Energy	GE	Public Service Company of Oklahoma
Grand Ridge I	IL	PJM	51	(12/08)	Inverness LLC	GE	Appalachian Power Company
Grand Ridge II	IL	PJM	48.5	(12/08)	Inverness LLC	GE	Appalachian Power Company
Fowler II	IN	PJM	50	(12/08)	BP Wind Energy	GE	Ohio Power Company
Fowler II	IN	PJM	50	(12/08)	BP Wind Energy	GE	Columbus Southern Power
Fowler II	IN	PJM	50	(12/08)	BP Wind Energy	GE	Indiana Michigan Power Company
Total MWs Under Contract (Regulated)			1296.1				
				Non-regulated			
				Online			
				Under Contract but not yet online			

2. Purpose and Scope

2.1 Purpose and Background:

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

2.2 Product Description:

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

2.2.1 Renewable Energy Resources: means commercially proven technologies for the production of electric energy. Generation technologies eligible to bid into this RFP include:

- Biologically derived methane gas
- Biomass energy, including non-treated woody waste from pulping or wood manufacturing process
- Geothermal energy
- Hydroelectric energy as certified by the Low Impact Hydro Institute
- Wind energy

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

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

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

2.2.4 Bid Price Structure:

A. Bundled Renewable Energy Price: The bundled renewable energy product (energy + REC + capacity) must be bid on an “as-available” per MWh basis with no separate capacity payment. Production will be divided into three time periods: Premium-Peak, Peak and Off-Peak and is further described below. Respondents must bid an All-in Price for Peak \$___/MWh for the 2009/2010/2011 production years after which the annual escalation factor as described below will be added to the Peak, Premium-Peak and Off-Peak price beginning in 2012 for the duration of the 20-year term. The 2009/2010/2011 Production Year Premium-Peak bid price shall be set at 120% of the 2009/2010/2011 Production Year Peak bid price. The 2009/2010/2011 Production Year Off-Peak price will be fixed at \$47/MWh for PJM projects and \$42/MWh for SPP Projects. The above bid price must include all capital costs, fixed and variable

O&M costs, and any other costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery within the PJM territory; www.pjm.com or within the Southwest Power Pool (SPP) territory <http://www.spp.org/>.

Example PJM Bid Price Structure:

20XX Production Year Bid Price

Period	Bid Price	Details
Premium-Peak	\$/MWh (120% of Peak)	Weekdays: Jan/Feb/Jul/Aug/Dec
Peak	\$ "Bid" / MWh	Weekdays: Mar/Apr/May/June/Sep/Oct/Nov
Off-Peak	\$47.00 / MWh	Nights, Weekends & NERC Holidays: Jan - Dec

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

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

For NERC Holidays see: <http://www.nerc.com/~filez/rs.html>

Example SPP Bid Price Structure:

20XX Production Year Bid Price

Period	Bid Price	Details
Premium-Peak	\$/MWh (120% of Peak)	Weekdays: Jan/Feb/Jul/Aug/Dec
Peak	\$ "Bid" / MWh	Weekdays: Mar/Apr/May/June/Sep/Oct/Nov
Off-Peak	\$42.00 / MWh	Nights, Weekends & NERC Holidays: Jan - Dec

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

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

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

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

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

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

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

2.2.5. Delivery and Location: This RFP requests proposals from Renewable Energy Resources in which the interconnection point will be the PJM or SPP bus to which the generator is electrically connected. Information submitted to this RFP must include identification of proposed transmission and proposed interconnection points, identifying the transmission provider, the control area and the PJM or SPP queue number.

- 2.2.6. Associated Attributes: For purposes of this solicitation, the sale of renewable energy to AEPSC includes the transfer of all capacity, ancillary services (if any) and environmental attributes including associated renewable energy certificates (RECs) and any other current or future environmental attributes, including any greenhouse gas emission reductions associated with the quantity contracted from the facility from the project for the term of the REPA.

3. RFP Schedule and Procedure

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

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

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

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

Webinar: information to be provided on RFP website:
www.aepsc.com/go/rfp

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

Activity	Date	Time
RFP Issuance	June 1, 2009	
Pre-Bid Meeting (Webinar) PJM/SPP	June 16, 2009 / June 18, 2009	1:00 pm EPT
Expression of Interest Forms Due	21 days prior to bid due date	5:00 pm EPT
Confidentiality Forms Due (optional)	14 days prior to bid due date	5:00 pm EPT
Proposals Due	See below	12:00 noon EPT
Notify Short-Listed Bidder(s)	45 days after bid due date	

3.2 **Proposals Due Dates and Qualifying Region**

PJM only:

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

PJM and SPP:

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

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

3.3 **Submittal of Proposals**

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

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

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

3.4 **Solicitation of Additional Proposals**

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

3.5 **Affiliate Bidding Policy**

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

3.6 **Information Policy**

For information regarding this RFP visit: <http://www.aep.com/go/rfp/>

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

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

- Form Renewable Energy Purchase Agreement.

4. Confidentiality of Information

AEPSC will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all bids submitted. Bidders should clearly identify each page of information considered to be confidential or proprietary. AEPSC reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. AEPSC's disclosure policies and standards will automatically bind such agents or consultants. Regardless of the confidentiality, all such information may be subject to review by the appropriate state authority, or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. Under such circumstances, AEPSC will make all reasonable efforts to protect bidder's confidential information.

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

5. Bidder's Responsibilities

5.1 Timely Submission of Bids

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

5.2 Reliability of Completion

Bidders are responsible for the timely completion of the project and are required to submit proof of their financial and technical wherewithal to ensure the successful completion of the project.

5.3 Valid Proposal Duration

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

5.4 Projects Interconnected to PJM Transmission System

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

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

5.4.2.1 Projects expected to be online in 2009 or 2010 need to have completed a PJM System Impact study and must submit such study with proposal.

5.4.2.2 Projects expected to be on-line in 2011 that are further along in the PJM interconnection process will be viewed more favorably.

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

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

5.5 **Projects Interconnected to SPP Transmission System**

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

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

5.5.2.1 Projects expected to be online in 2010 need to have competed at least the SPP System Impact Study and Projects expected to be online in

2011 need to have completed at least a SPP Feasibility study which must be submitted with proposal.

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

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

5.5 **Compliance with Federal and State Regulations**

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

5.6 **Clarification of Proposals**

While evaluating proposals, AEPSC may request additional information about any item in the proposal. All requests will be made in writing, and the bidder will

be required to respond to the request within three (3) business days of receipt of such request or AEPSC may choose to stop evaluating the bid.

6. Proposal Content Requirements

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

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

6.1 Executive Summary

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

6.2 Bidder's Information

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

6.3 Experience and References

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

6.4 **Financial Wherewithal**

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

6.5 **Legal Proceedings**

List all lawsuits, regulatory proceedings, or arbitration in which the bidder or its affiliates or predecessors have been or are engaged that could affect bidder's performance of its bid. Identify the parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters. (Appendix E)

6.6 **Exceptions to REPA /Term Sheet**

6.6.1 Exceptions to REPA (Wind/Hydro/Solar)

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

6.6.2 Term Sheet (Biomass/Landfill)

A Term Sheet must be provided with REPA Exceptions for Biomass specifically to capture subjects such as fuel that are not specifically contemplated in the form REPA. The Term Sheet is expected to be conceptual.

6.6.3 Right of First Offer ("RoFO")

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

6.7 **Facility Information**

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

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

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

Proposals shall include information describing applicable fuel types, fuel sources, fuel contracts, fuel procurement/transportation plans, fuel price risk and availability risk issues. Proposals involving combustion type resources shall also include combustion process by-product emission rates, including SO_x, NO_x, CO₂, methane, nitrous oxide, CFCs, HCFCs, heavy

metals, halides, unburned hydrocarbons and other emissions in gaseous or liquid form, dissolved in another liquid or mixed with a solid for offsite disposal. Describe the quantity and type of all environmental permits for air and water compliance required to develop the project, and if such permits and approvals are not already in the bidder's possession, provide information regarding the plan to acquire such permits and associated approvals. Proposals should also include gas production forecast for resources identified, including decay rate of gas production from landfill or digester processes for closed or active sources, and forecast for future sources planned.

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

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

C. Geothermal Resources

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

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

Bidders must document the source of meteorological data used in the required generation production calculations provided. This may include

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

E. Wind Energy

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

meteorologist engaged for wind measurement and energy projections from the proposed project. (Appendix B)

- 6.7.2 Energy Production Profile – All proposals must provide an 8,760 hourly energy production profile for a typical calendar year. (Appendix C) Explain the source of information, assumptions for wake losses, line losses, etc., and the location where the data, if applicable, was measured. This profile only needs to be included on the CD copy of the bid proposal.
- 6.7.3 Location - Project location, the merits of the selected site, and the proposed land rights (including permitting issues). Provide copies or summaries of leases, easements, and/or other ownership documents that demonstrate that the bidder has control of the intended project properties and the legal right to construct, interconnect and operate the project as described.
- 6.7.4 Project Layout – Proposals must show anticipated placement of turbines and other project facilities, including transmission layouts and the Point of Delivery. (Appendix B)
- 6.7.5 Reliability of Proposed Technology – Proposals must provide the description, size, number and manufacturer of the generation equipment that will be used, including a summary of the commercial operating experience of the equipment chosen. Where applicable, Bidders should also indicate significant turbine warranty terms it expects to secure from the proposed turbine supplier. If a final equipment selection has not been made, list the candidates under consideration and the status and schedule of the selection process. Also provide a description of the system intended to provide real-time telemetering data (i.e. wind speed (if

applicable), availability, production etc.) to the power purchaser.
(Appendix B)

- 6.7.6 Interconnection – Proposals must include copies of all studies prepared or required by PJM or SPP.
- 6.7.7 Project and Construction Schedule – Schedules must include major milestones such as completion of permitting, financing, regulatory requirements, major construction, testing, Commercial Operation Date, etc.
- 6.7.8 Financing Plan – Bidders must provide a proposed financing plan, including any letters of support, previous correspondence with banks / lenders intending to provide financing for the project. Also provide the proposed on-going debt-equity ratio to be carried by the project during construction and during operation.

7. Minimum Bid Eligibility Requirements

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

- 7.1 Proposals must include all applicable content requirements described in Section 6, including all requested information and completed forms.
- 7.2 Proposals must offer documentation that shows an acceptable level of development, credit, and technology risk, as determined by AEPSC's bid evaluation team.
- 7.3 Proposals must demonstrate that the bidder's project development members have successfully completed the development, financing and commissioning of at least one project in the United States with characteristics similar to the proposed project, and that it intends to use experienced suppliers and contractors to construct the project.

8. Bid Evaluation and Selection Procedures

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

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

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

- A. The information provided in each initial bid will first be evaluated for completeness and consistency with the proposal content and bid requirements outlined in this RFP.
- B. As a result of this screening review, AEPSC will eliminate bids that do not meet the requirements described in this RFP from further consideration. Given the short amount of time allotted to evaluate the bids, AEPSC will limit follow up contacts to clarify bids or request additional information only to those bids that meet the requirements described in this RFP. The bid evaluation process will include an assessment of both price and non-price factors.

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

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

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

8.3.1 Price Factors: Price factors will be weighted approximately 80% in the determination of which proposals will be selected for further consideration. Each proposal will be evaluated to determine the overall cost. Factors that could impact this overall cost include, but are not limited to, the cost of energy delivery to AEP’s load, capacity value, value of the associated RECs and reactive energy capability, if any. The total evaluated cost of the proposal will then be compared with other bids for overall value to AEPSC and their customers.

8.3.2 **Non-Price Factors:** The non-price factors will be weighted approximately 20%, and the evaluation of these factors will involve a due diligence process aimed at gauging the relative risks of the following factors (in no particular order of preference):

A. **Location** – The location of the project relative to AEP’s service territory. Order of preference:

- a. AEP transmission lines
- b. AEP State not on AEP transmission lines

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

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

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

E. **Creditworthiness** – AEPSC prefers bidders that can reasonably demonstrate the ability to obtain credit support in the future from credit support providers (banks, parent companies, financial institutions). These credit support providers should demonstrate a high level of creditworthiness, as gauged from the Credit Application in Appendix E.

- F. **Proximity and availability of transmission** – Bidders must provide the status and schedule for completion of the necessary transmission arrangements to provide the delivery of energy at the bid-specified Point of Delivery.
- G. **Property and site control** – AEPSC would prefer bids that demonstrate a high level of site control through executed land leases/easements.
- H. **Project capacity** – All proposals must offer the minimum sizes as set forth in 2.2.2.
- I. **Proven generation technology** – AEPSC will evaluate proposed technology and the commercial terms of the generation equipment supply agreement.
- J. **Probability of financing** – In the evaluation of proposals, AEPSC will assess the reasonableness of the proposed financing plan, project budget, pro forma financials and whether the bidder has demonstrated success in financing past projects in the United States. In addition, please fully explain if the proforma assumes the use of the PTC, ITC or any other available incentives or subsidies.
- K. **Confidence in long-term energy projections** – AEPSC will factor the experience of the parties involved in making the energy projections, as well as the quality and quantity of on-site data provided, as a non-price factor.

L. **Exceptions to REPA/Term Sheet** – Renewable Energy

Resources: AEPSC will evaluate the Exceptions to the REPA as it relates to the ability of the two parties to potentially execute an agreement.

M. **Regulatory Considerations** - AEPSC will take into consideration projects most likely to receive regulatory approval for cost recovery.

9. Post-Bid Negotiations and Awarding of Contracts

- 9.1 AEPSC intends to negotiate both price and non-price factors during post-bid negotiations with the bidder or bidders whose proposal is or are selected for further discussions at the completion of the bid evaluation process. AEPSC may request additional information regarding factors that may impact the total cost or schedule of the project to update its economic and risk evaluation until such time as AEPSC and the bidder(s) execute a definitive agreement(s) acceptable to AEPSC in its sole and absolute discretion.
- 9.2 Neither AEPSC nor any of AEP's seven regulated affiliates associated with this RFP are obligated to enter into a definitive agreement with any bidder responding to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. AEPSC also reserves the right to negotiate with only those bidders who propose transactions that AEPSC believes propose the best combination of value to AEPSC and its customers.

10. Regulatory Approvals

- 10.1 Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all State, Federal, or other regulatory approvals required for the effectiveness of the REPA.
- 10.2 The REPA shall be also be dependent upon AEPSC obtaining sufficient assurance that the costs of power and energy purchased pursuant to the REPA will be recognized for recovery in the rates charged to its jurisdictional customers. The determination of what constitutes "sufficient assurance" shall be at the sole discretion and judgment of AEPSC.

Appendix A

Expression of Interest Form

Email to: pisimmons@aep.com

Due: In accordance with RFP schedule

Note that completion of all information is required.

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

Company:

(legal name of entity of intended signatory to a contract)

Contact Name:

Contact Title:

Address:

City:

State: _____ Zip: _____

Phone Number:

Fax Number:

E-mail address:

Interconnected to

SPP _____ PJM _____

Resource type:

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

AEP Affiliates Certification

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

Authorized Signature and Date _____

Appendix B-1

Bid Summary

Project Name _____

Unique Bid Name _____

Estimated Commercial Operation Date (mm/dd/yy) _____

Name Plate (MW) _____

Expected Annual Availability (%): _____

Expected Annual Production (MWh) _____

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

Site Information:

Site Address/Legal Description _____

Site Geographic Location: Longitude: _____ Longitude: _____

County: _____ City: _____ State: _____ Zip: _____

Site Control: _____ Already Own Site

_____ Site Purchase Pending

_____ Currently lease site % (acres) leased _____

Is there potential for expansion? Y _____ N _____

What is possible additional acreage available? _____

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

Transmission Interconnection:

Point of Delivery:

Point of Interconnection with, [Insert Utility] _____

County: _____ City: _____ State: _____ Zip: _____

Substation Name: _____

Interconnection Voltage: _____

Appendix B-2

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

Y___ N___

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

PJM or SPP Interconnection queue #: _____

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

Permits:

Have you contacted permitting agencies regarding this project, and identified the necessary permits?

City: Yes: ___ No: ___ County: Yes: ___ No: ___ State: Yes: ___ No: ___

Federal: Yes: ___ No: ___

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

Reliability of Proposed Technology:

Has final equipment selection been made Y___ N___

If yes, provide the major equipment information:

Quantity_____ Size _____ Manufacturer _____

Please attach a summary of the equipment warranty terms.

If no, please provide the major equipment manufacturer candidates:

1. _____

2. _____

Please attach a description of the status and scheduled selection process.

Appendix B-3 (for wind projects only)

Please provide a description of the system intended to provide real time telemetry data.

Wind Data:

Wind speed data:

Source: _____ Basis: _____

Measurement height: _____

Please attach an 8760 calendar year net hourly forecast and address an extrapolations used.

Consulting meteorologist information

Name: _____

Address: _____

Contact Number: _____

Please attach the resume of this consulting meteorologist.

Appendix B-4

Bid Summary (Solar)

Project Name _____
 Unique Bid Name _____
 Estimated Commercial Operation Date (mm/dd/yy) _____
 Name Plate (MW_{AC}) _____ Expected Capacity Factor: (%): _____
 Expected Annual Production (MWh) _____ Annual Degradation (%) _____
 Thin Film (Y/N) _____ Fixed Panel or Tracking System _____
 Panel Manufacturer _____
 Have solar panels for this project been secured, purchased (Y/N) _____

Site Information:

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

Distribution Interconnection:

Point of Delivery:
 Point of Interconnection with, [Insert Utility] _____
 County: _____ City: _____ State: _____ Zip: _____
 Substation Name: _____
 Interconnection Voltage: _____

Appendix C -1

PJM Interconnected Facility

Bid Price Input Sheet

(For alternative bid pricing submit a separate sheet)

2009 / 2010/ 2011 Production Year Bid Price

Period	Bid Price	Details
Premium-Peak	\$ _____ /MWh (Peak Bid Price x 1.2)	Weekdays: Jan/Feb/Jul/Aug/Dec
Peak	\$ _____ / MWh	Weekdays: Mar/Apr/May/Jun/Sep/Oct/Nov
Off-Peak	\$ 47.00 / MWh	Nights, Weekends & NERC Holidays: Jan – Dec
<i>Insert a Bid Price for each time period. Premium Peak is 120% of the Peak Bid and Off-Peak is set a \$47.00/MWh. For alternative bid pricing please include a separate sheet following the same format labeled "Alternative Bid Price Input Sheet". See 2 for further details on price escalation beginning in 2012 of 2.25% per year.</i>		

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

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

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

These prices will be binding through 60 days after Proposal Due Date

Appendix C -2

SPP Interconnected Facility

Bid Price Input Sheet

(For alternative bid pricing submit a separate sheet)

2010/ 2011 Production Year Bid Price

Period	Bid Price	Details
Premium-Peak	\$ _____ /MWh (Peak Bid Price x 1.2)	Weekdays: Jan/Feb/Jul/Aug/Dec
Peak	\$ _____ / MWh	Weekdays: Mar/Apr/May/Jun/Sep/Oct/Nov
Off-Peak	\$ 42.00 / MWh	Nights, Weekends & NERC Holidays: Jan – Dec
<i>Insert a Bid Price for each time period. Premium Peak is 120% of the Peak Bid and Off-Peak is set a \$42.00/MWh. For alternative bid pricing please include a separate sheet following the same format labeled "Alternative Bid Price Input Sheet". See 2 B for further details on price escalation beginning in 2012 of 2.25% per year.</i>		

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

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

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

These prices will be binding through 60 days after Proposal Due Date

Appendix C -3
Energy Input Sheet
(See attached Excel spreadsheet)

Appendix D

Mutual Confidentiality Agreement

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

Due: 5:00 p.m. EPT

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

Recitals:

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

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

III. In addition, if the Proposal, if submitted, is selected by AEPSC, then Bidder and AEPSC will negotiate about a proposed agreement between AEPSC and Bidder to implement the Proposal (the "Proposed Agreement"). Bidder and AEPSC want

to keep all negotiations concerning the Proposed Agreement, including the Proposed Agreement itself and all drafts of the Proposed Agreement, confidential.

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

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

Section 1. Definitions.

- 1.1 (a) "Confidential Information" means any information that is disclosed by the Disclosing Party to the Receiving Party or its Representatives in connection with the RFP or any Proposed Agreement (collectively, the "Transaction"), whether before or after the date hereof and irrespective of the format in which the information is provided. For avoidance of doubt, "Confidential Information" includes:
- (i) Written information or machine-readable data, including questions, responses or communications in connection with AEPSC's RFP or any Proposed Agreement, notes, reports, assessments, specifications, drawings, financial statements and projections, software and databases, customer information, sales and marketing strategies, and any other written information or machine-readable data;
 - (ii) Orally conveyed information, including but not limited to demonstrations that are directly related to written or other tangible Confidential Information;
 - (iii) Any hardware, including but not limited to samples, devices and any other physical embodiments delivered to the Receiving Party;
 - (iv) Any Evaluation Material; or
 - (v) The existence of this Agreement, the terms of this Agreement and any Proposed Agreement, including all drafts of the Proposed Agreement and all negotiations concerning the Proposed Agreement, that may arise stemming from the Bidder's Proposal.

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

- 1.2** “Disclosing Party” means the party disclosing Confidential Information.
- 1.3** “Evaluation Material” means notes, reports or other documents which reflect, interpret, evaluate, include or are derived from the Confidential Information.
- 1.4** “Receiving Party” means the party receiving Confidential Information.
- 1.5** “Representatives” means a party’s employees, officers, directors, attorneys, accountants, consultants, advisors and agents (including potential lenders, equity partners, underwriters, or other parties involved in the Transaction for the party), and the party’s affiliates and the employees, officers, directors, attorneys, accountants, consultants, advisors and agents thereof.

Section 2. Confidentiality. Except as provided in Section 5, the parties hereby agree that the Confidential Information will be kept confidential during the term of this Agreement. The parties also agree that without the prior written consent of the Disclosing Party, the Confidential Information will not be disclosed by the Receiving Party, in whole or in part, to any other person except as provided herein. Each party shall use the same

care in protecting the other's Confidential Information as it uses to protect its own confidential information, provided that neither party shall use less than reasonable efforts to protect the other's Confidential Information. Notwithstanding the foregoing, the Receiving Party may (a) disclose Confidential Information to its Representatives whose access is necessary to conduct the evaluations and negotiations in connection with the Transaction, or for supervisory, regulatory or similar purposes, and who have been informed of and have agreed to abide by the confidentiality restrictions contained in this Agreement and (b) make a limited number of copies of the Confidential Information in order for the Receiving Party to adequately use the Confidential Information subject to the terms and conditions of this Agreement. Each party agrees to be responsible for the actions, uses and disclosures of any of its Representatives in accordance with the terms and restrictions of this Agreement.

Section 3. Ownership and Use of Confidential Information. All Confidential Information (except Evaluation Material) shall remain the property of the Disclosing Party. No license or other rights under any patents, trademarks, copyrights or other proprietary rights is granted or implied by the disclosure of the Confidential Information. Neither party shall use the Confidential Information for any purpose other than for evaluation of and negotiations relating to the Transaction.

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

Section 5. Legally Required Disclosures. If the Receiving Party or its Representatives become subject to a bona fide requirement or request by any regulatory,

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

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

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

Section 8. Remedies. The parties acknowledge that improper or unauthorized use or disclosure of Confidential Information could cause irreparable harm to the Disclosing Party and that monetary damages would not be an adequate remedy for a breach of this Agreement. In the event of any breach or threatened breach of this Agreement, the non-breaching party shall be entitled to pursue injunctive and other equitable relief, and the breaching party agrees to waive any requirement for the posting of a bond in connection

with such remedy. Such injunctive and equitable relief shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other available remedies. In no event shall either party be liable to the other for any incidental, indirect, special, punitive or consequential damages (including without limitation damages for lost profits).

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

Section 10. General.

- 10.1 Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of [New York].
- 10.2 Entire Agreement.** This Agreement constitutes the entire Agreement between the parties, supersedes any prior understandings or representations relating to the confidential treatment of the Confidential Information, and shall not be modified except by a written agreement signed by both parties.
- 10.3 Assignability.** This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that AEPSC may assign this Agreement to one or more of its affiliated companies.

- 10.4 Severability.** All provisions of this Agreement are severable, and the unenforceability of any of the provisions of this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement.
- 10.5 No Waiver.** Failure of either party to insist upon strict performance of any of the terms and conditions shall not be deemed to be a waiver of those terms and conditions.
- 10.6 Counterparts and Faxed Signatures.** This Agreement may be executed in counterparts, and in the absence of an original signature, faxed signatures will be considered the equivalent of an original signature.
- 10.7 Notices.** Notices shall be in writing and shall be sent to the addresses listed below, either by personal delivery, by the U.S. Mail, overnight mail, fax or other similar means. All notices shall be effective upon receipt.
- The parties have signed this Agreement effective as of the later signature date set forth below.

**American Electric Power Service
Corporation, as agent for
[]**

BIDDER: insert full legal name

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Bidder Address:

Attn: _____

Appendix E

Bidder's Credit-Related Information

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

Full Legal Name of the Bidder: _____

Type of Organization: (Corporation, Partnership, etc.) _____

Bidder's Percent Ownership in Proposed Project: _____

Full Legal Name(s) of Parent Corporation _____

Entity Providing Credit Support on Behalf of Bidder (if applicable) _____

Address for each entity referenced (provide additional sheets, if necessary) _____

Type of Relationship _____

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

Bank References & Name of Institution: _____

Bank Contact: Name, Title, Address and Phone Number: _____

Pending Legal Disputes, if any (describe): _____

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

Appendix F

Bidder Profile

Please list Bidder's Affiliate companies:

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

References:

1. Company

Contact Name;

Contact Number:

Project:

2. Company

Contact Name;

Contact Number

Project:

3. Company

Contact Name;

Contact Number

Project:

Appendix G

(Financing Plan)

Appendix H

Renewable Energy Purchase Agreement (REPA)

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


**COLUMBUS SOUTHERN POWER COMPANY & OHIO POWER COMPANY
RENEWABLE ENERGY
PURCHASE AGREEMENTS ("REPAs")
WITH
PAULDING WIND FARM II, LLC
SUMMARY TERM SHEET**

Paulding Wind Farm II, LLC entered into an agreement with Columbus Southern Power Company (the "CSP REPA") for 45% of the aggregate 99 MW nameplate output of its Timber Road Facility being constructed in Paulding County, Illinois. Simultaneously, Paulding Wind Farm II, LLC entered into an agreement with Ohio Power Company (the "OP REPA", and collectively with the CSP REPA, the "REPAs") for the remaining 55% of the aggregate 99 MW nameplate output of the Timber Road Facility. The terms, conditions and pricing provisions of the REPAs are summarized below.

This Summary Term Sheet is qualified in its entirety by reference to, and in no way alters, the actual terms and conditions of the REPAs. Except as otherwise indicated by the context, capitalized terms used in this Summary Term Sheet have the meanings set forth in the REPAs.

- **Seller.** Paulding Wind Farm II, LLC.
- **Purchaser.** In the case of the CSP REPA, Columbus Southern Power Company, and in the case of the OP REPA, Ohio Power Company.
- **Term.** 20 years after the day before the first day of the Delivery Period.
- **Price.** Each Purchaser will pay Seller the Contract Rate set forth in Exhibit A attached hereto for each MWh of Renewable Energy delivered under the REPAs for the calendar year 2012. This price will then increase 2.25% per year in 2013 and thereafter. Each Purchaser will also reimburse Seller for any operating reserve or other PJM charges associated with scheduling the Renewable Energy to each Purchaser via PJM's eSchedule process.
- **Delivery Period.** The REPAs will be effective as of the date of their execution. Each Purchaser's obligation to purchase Purchaser's Share (as defined below) of all Renewable Energy Products (as defined below) will begin on the following applicable date: (i) if such Purchaser fails to file its first request for a final, non-appealable order from the Public Utilities Commission of Ohio (the "Commission") approving the terms and conditions of the applicable REPA and authorizing such Purchaser to recover all of the jurisdictional costs associated with such REPA through Ohio retail rates with the Commission (the "First Request") by March 1, 2011, as such date may be extended by the Commission (the "2012 SSO Application Deadline"), the latest of (a) the first day of the month following the month in which the 2012 SSO Application Deadline occurs, (b) the first day of the month following the month in which the COD occurs, and (c)

January 1, 2012; and (ii) if such Purchaser files its First Request by the 2012 SSO Application Deadline, the later of (a) the first day of the month following the month in which a final, non-appealable order from the Commission approving the terms and conditions of the applicable REPA and authorizing such Purchaser to recover all of the jurisdictional costs associated with such REPA through Ohio retail rates (a "Cost Recovery Order") becomes effective, (b) the first day of the month following the month in which the COD occurs, and (c) January 1, 2012.

- Delay Damages. Customary for transactions of this type.
- Termination Rights of Seller Prior to Commencement of Delivery Period. None.
- Termination Rights of Purchasers Prior to Commencement of Delivery Period. If a Purchaser files a timely First Request on or before the 2012 SSO Deadline, but such Purchaser is unable to obtain a Cost Recovery Order by December 31, 2012, such Purchaser may, by notice to Seller on or prior to December 31, 2012, terminate the applicable REPA. If a Purchaser files a stand-alone request for a Cost Recovery Order (a "Cost Recovery Request") but such Purchaser is unable to obtain a Cost Recovery Order on or before the earlier of (i) 180 days from the filing of such Cost Recovery Request or (ii) December 31, 2012, then such Purchaser may, by notice to Seller within 90 days of such earlier date, terminate the applicable REPA

- Representations and Warranties. Customary for transactions of this type.
- Sale and Purchase of Renewable Energy Products. During the Delivery Period under each REPA, Seller will generate, deliver and sell to each Purchaser, such Purchaser's Contract Capacity Share (with respect to the CSP REPA, 45% of Facility Capacity and, with respect to the OP REPA, 55% of Facility Capacity) of all Renewable Energy generated by the Timber Road Facility (as applicable, "Purchaser's Share"), together with all associated Capacity, Beneficial Environmental Interests and Ancillary Service (collectively, "Renewable Energy Products").
- Purchaser's Right to Curtail Renewable Energy. Each Purchaser has the right from time to time to invoke an Economic Curtailment or, upon receipt of notice thereof, a Reliability Curtailment that is directed by the Transmission Operator or Interconnection Provider. In case of Economic Curtailment, each Purchaser must provide Seller with notice of the curtailment and such Purchaser's Share of Renewable Energy will be reduced to zero (0). In case of Reliability Curtailment, each Purchaser must provide Seller with notice of the curtailment and the amount

of Renewable Energy, if any, that may continue to be delivered to such Purchaser during such Reliability Curtailment.

- Compensation for Curtailments. Each Purchaser is required to compensate Seller for any periods of Economic Curtailment, based on the amount of energy that Seller would have delivered given the prevailing wind conditions and other factors during the curtailment period. No compensation is owed during periods of Reliability Curtailment.
- Operation. Seller will operate the Facility consistent with Good Utility Practices, including compliance with permits and laws, and the Contract Administration Procedures developed with each Purchaser.
- Delivery. Seller is responsible for all costs required to deliver each Purchaser's Share of Renewable Energy from the Facility to the Point of Delivery. Each Purchaser is responsible for all costs required to receive such Purchaser's Share of Renewable Energy at the Point of Delivery and deliver such energy to points beyond the Point of Delivery.
- Scheduling Arrangements. Seller is responsible for all scheduling of the Renewable Energy via PJM's eSchedule system. Each Purchaser is responsible for (1) all costs related to delivery of such Purchaser's Share of Renewable Energy at and from the Point of Delivery and (2) for all scheduling, imbalance and congestion costs that are associated with such Purchaser's Share, excluding any such costs arising from the failure by Seller to curtail deliveries in connection with a Reliability Curtailment or Economic Curtailment. Seller is responsible (1) for all costs related to delivery of the Renewable Energy to the Point of Delivery and (2) for all scheduling, imbalance and congestion or other costs incurred by each Purchaser as a result of the failure by Seller to curtail deliveries in connection with a Reliability Curtailment or Economic Curtailment.
- Beneficial Environmental Interest Certification. Seller is responsible for subscribing to and providing reports to the Generation Attribute Tracking System (GATS) and delivering GATS Certificates associated with the Renewable Energy delivered to each Purchaser.
- Interconnection Facilities. Seller has entered into a separate and free-standing Interconnection Agreement with the Interconnection Provider and is responsible for constructing, operating and maintaining all interconnection facilities thereunder.
- Meters. Customary for transactions of this type.
- Taxes and Tax Credits. Seller is solely responsible for all taxes relating the Facility, and for taxes incurred by reason of the sale and delivery of Renewable Energy to each Purchaser at the Point of Delivery. Each Purchaser is responsible

for all taxes relating to the Renewable Energy Products, and for taxes associated with the Renewable Energy upon and after the receipt at the Point of Delivery. Seller will receive all tax credits from the ownership and operation of the Facility.

- Events of Default of Seller. Customary for transactions of this type.
- Events of Default of Purchaser. Customary for transactions of this type.
- Remedies for Default. Customary for transactions of this type including a termination right in the event a Default remains uncured beyond the applicable period(s).
- Seller Security Fund. Seller will provide a Security Fund as credit support for damages due upon Seller's failure to achieve COD by the Commercial Operation Milestone, damages due upon Seller's failure to generate, sell and deliver a minimum amount of Committed Renewable Energy during an applicable period, or damages resulting from a Seller Event of Default.
- Damages Payable in the Event of Termination. Customary for transactions of this type.
- Indemnification. Customary for transactions of this type.
- Fines. Customary for transactions of this type.
- Limitation of Liability, Remedies and Damages. Customary for transactions of this type.
- Assignment. Customary for transactions of this type.
- Right of First Offer. If Seller desires to sell its interest in the Facility (or the equity interests of Seller), Seller must first offer such interest (or interests) to each Purchaser (based on such Purchaser's Share) at the price and terms desired by Seller.
- Confidentiality. Customary for transactions of this type.
- Governing Law/Venue. The interpretation and performance of the REPA is governed under the laws of the State of New York.
- Dispute Resolution. Customary for transactions of this type.

EXHIBIT A
ADDITIONAL TERMS

PRICING
CONTRACT RATE
(\$ per MWh)

"Around the Clock" Price [REDACTED] *

* Above price escalated at 2.25% per year beginning 1/1/2013

Execution Version

**RENEWABLE ENERGY PURCHASE AGREEMENT
FOR
WIND ENERGY RESOURCES**

BETWEEN

PAULDING WIND FARM II, LLC

AND

OHIO POWER COMPANY

November 12, 2010

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PARTY)**

**EXHIBIT N-2 FORM OF CONSENT AND AGREEMENT (UNSECURED FINANCING
PARTY)**

**RENEWABLE ENERGY PURCHASE AGREEMENT
BETWEEN
PAULDING WIND FARM II, LLC
AND
OHIO POWER COMPANY**

This Renewable Energy Purchase Agreement (the "REPA") is made this 12 day of November, 2010, by and between Paulding Wind Farm II, LLC ("Seller"), a Delaware limited liability company, with a principal place of business at c/o Horizon Wind Energy LLC, 808 Travis, Suite 700, Houston, Texas 77002, and Ohio Power Company ("Purchaser"), an Ohio corporation, with a principal place of business at c/o American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215-2355. Seller and Purchaser are hereinafter referred to individually as a "Party" and collectively as the "Parties".

INTRODUCTION

WHEREAS Seller desires to develop, design, construct, own or lease and operate a renewable electric generating facility with an expected total name plate capacity of approximately 99 MW, and which is further defined below as the "Facility"; and

WHEREAS Seller intends to locate the Facility at Paulding County, Ohio, and to interconnect the Facility with the Transmission Provider's System; and

WHEREAS Seller desires to sell and deliver to Purchaser at the Point of Delivery Purchaser's Contract Capacity Share of the Renewable Energy Products, and Purchaser desires to buy the same from Seller, subject to the satisfaction of certain conditions precedent;

WHEREAS Purchaser has accepted Seller's offer to sell such Renewable Energy Products in accordance with the terms and conditions set forth in this REPA, subject to the satisfaction of certain conditions precedent;

WHEREAS, simultaneously with the execution and delivery of this REPA, Columbus Southern Power Company (the "Second Counterparty") and Seller are executing and delivering a second Renewable Energy Purchase Agreement (the "Second Agreement") for the remaining 45% of the Facility Capacity; and

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE 1 DEFINITIONS AND RULES OF INTERPRETATION

1.1 Rules of Construction.

The capitalized terms listed in this Article shall have the meanings set forth herein whenever the terms appear in this REPA, whether in the singular or the plural or in the present or past tense. Other terms used in this REPA but not listed in this Article shall have meanings as commonly used in the English language and, where applicable, in Good Utility Practice. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. In addition, the following rules of interpretation shall apply:

- (A) The masculine shall include the feminine and neuter.
- (B) References to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or exhibits of this REPA.
- (C) The Exhibits attached hereto are incorporated in and are intended to be a part of this REPA; provided, that in the event of a conflict between the terms of any Exhibit and the terms of Articles 1 through 20 of this REPA, the terms of Articles 1 through 20 of this REPA shall take precedence.
- (D) This REPA was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this REPA and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this REPA or any part hereof.
- (E) The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this REPA. Unless expressly provided otherwise in this REPA, (i) where the REPA requires the consent, approval, or similar action by a Party, such consent, approval or similar action shall not be unreasonably withheld, conditioned or delayed, and (ii) wherever the REPA gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be reasonable.
- (F) Each reference in this REPA to any agreement or document (including those set forth electronically on an internet web site) or a portion or provision thereof shall be construed as a reference to the relevant agreement or document as amended, supplemented or otherwise modified from time to time.
- (G) Each reference in this REPA to applicable laws and to terms defined in, and other provisions of, applicable laws (including those set forth

electronically on an internet web site) shall be references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time.

(H) Each reference in this REPA to a Person includes its successors and permitted assigns and, in the case of a Governmental Authority, any Person or Persons succeeding, in whole or in part, to its functions and capacities.

(I) In this REPA, the words "include," "includes" and "including" are to be construed as being at all times followed by the words "without limitation."

1.2 Interpretation with Interconnection Agreement.

The Parties recognize that Seller will enter into a separate Interconnection Agreement with the Interconnection Provider.

(A) The Parties acknowledge and agree that the Interconnection Agreement shall be a separate and free-standing contract and that the terms of this REPA are not binding upon the Interconnection Provider.

(B) Notwithstanding any other provision in this REPA, nothing in the Interconnection Agreement shall alter or modify Seller's or Purchaser's rights, duties and obligations under this REPA. This REPA shall not be construed to create any rights between Seller and the Interconnection Provider.

(C) Seller expressly recognizes that, for purposes of this REPA, the Interconnection Provider shall be deemed to be a separate entity and separate contracting party whether or not the Interconnection Agreement is entered into with Purchaser or an Affiliate of Purchaser.

1.3 Interpretation of Arrangements for Electric Supply to the Facility.

(A) The Parties recognize that this REPA does not provide for the supply of any electric service by Purchaser to Seller or to the Facility and Seller must enter into separate arrangements for the supply of electric services to the Facility, including the supply of turbine unit start-up and shutdown house power and Energy.

(B) The Parties acknowledge and agree that the arrangements for the supply of electric services to the Facility shall be separate and free-standing arrangements and that the terms of this REPA are not binding upon the supplier of such electric services.

(C) Notwithstanding any other provision in this REPA, nothing in the arrangements for the supply of retail electric services to the Facility shall alter or modify Seller's or Purchaser's rights, duties and obligations under this REPA. This REPA shall not be construed to create any rights between Seller and the supplier of such retail electric services.

(D) Seller expressly recognizes that, for purposes of this REPA, the supplier of retail electric services to the Facility shall be deemed to be a separate entity and separate contracting party whether or not the arrangements for the supply of retail electric services to the Facility is entered into with Purchaser or an Affiliate of Purchaser.

1.4 Definitions.

The following terms shall have the meanings set forth below when used herein:

"2012 SSO Application" shall have the meaning set forth in Section 6.1(A)


"2012 SSO Application Deadline" shall have the meaning set forth in Section 6.1(A).

"Abandonment" means, on and after the Commercial Operation Date, the relinquishment of all possession and control of the Facility by Seller, other than a transfer permitted under this REPA.



"Affiliate" of any named person or entity means any other person or entity that controls, is under the control of, or is under common control with, the named entity. The term "control" (including the terms "controls", "under the control of" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management of the policies of a person or entity, whether through ownership interest, by contract or otherwise.

"Ancillary Services" means regulation and frequency response services, energy imbalance services, automatic generating control, spinning reserve, non-spinning reserve, replacement reserve, reactive power, voltage support and any other services that support the transmission of capacity and energy or the reliable operation of the Transmission Provider's transmission system, all to the extent included as ancillary services in the Transmission Operator's open access transmission tariff, in each case, to the extent commonly sold or saleable and, in each case, to the extent that the assets comprising the Facility are Eligible to provide such services under normal operating conditions.



"Back-Up Metering" shall have the meaning set forth in Section 5.4(C).

"Beneficial Environmental Interests" means all Non-Power Attributes associated in any way, directly or indirectly, with the Facility and all RECs associated with such Non-Power Attributes, excluding Renewable Energy Incentives and other federal, state or local tax credits, deductions and other tax benefits and financial incentives related to the ownership of the Facility or the sale to Purchaser of the output thereof.

"Business Day" means any calendar day that is not a Saturday, a Sunday, or a NERC Holiday.

"Capacity" means the output level, expressed in MW, that the Facility, or the components of equipment thereof, is capable, as of a given moment, of continuously producing and making available at the Point of Delivery, taking into account the operating condition of the equipment at that time, the auxiliary loads and other relevant factors. Capacity includes all installed capacity and unforced capacity attributed to the Facility by the Transmission Operator, any regional reliability organization, Governmental Authority, or that is commonly sold or saleable to third parties.

"Capacity Deficiency" means, at any time, the product of (i) 55% and (ii) the amount by which the Committed Capacity exceeds the nameplate capacity of the Commissioned Wind Turbines.

"Capacity Resource" shall have the meaning set forth in the OATT.

"Cash" shall have the meaning set forth in Section 11.1(C)(2).

"Clock Hour" means sixty-minute increments commencing at the top of the hour on the clock (i.e., 12 o'clock)

"Close of the Business Day" means 5:00 PM EPT on a Business Day.

"Commercial Operation" means the period beginning on the Commercial Operation Date and continuing through the Term of this REPA.

"Commercial Operation Date" or "COD" means the date that Seller provides notification to Purchaser, pursuant to Section 4.7, of Seller's declaration that all of the Conditions specified in Section 4.7 have occurred or otherwise been satisfied or such other date as may be deemed to be the Commercial Operation Date in accordance with Section 4.11(B)(i).

"Commercial Operation Milestone" means the anticipated Commercial Operation Date for the Facility. The Commercial Operation Milestone is specified as no later than December 31, 2011; provided, however, that the Commercial Operation Milestone shall be extended on a day-for-day basis for any delay in achieving the Commercial Operation Milestone resulting exclusively from Force Majeure.


"Commission" means the Public Utilities Commission of Ohio.

"Commissioned" means, with respect to any Wind Turbine, that the requirements of Section 4.7 as they apply to such Wind Turbine have been satisfied.

"Committed Capacity" means 99 MW, subject to Section 4.11(E).

"Committed Renewable Energy" shall have the meaning set forth in Section 7.2(A).

"Communications Equipment" means the communication circuits from the Facility to Purchaser for the purpose of telemetering, supervisory control and data acquisition, transmittal of real time data as described in either Exhibit H-1 or Exhibit H-2, at Seller's option, and voice communications as reasonably required by Purchaser.



"Conditions" shall have the meaning set forth in Section 4.7.

"Consent and Agreement" means, at any given time, a Consent and Agreement in substantially the form of either Exhibit N-1 or Exhibit N-2, but not both.

"Contract Administration Committee" means one representative each from Purchaser and Seller pursuant to Section 10.3.

"Contract Administration Procedures" means those procedures developed pursuant to Section 10.3.

"Contract Capacity Share" means 55% of the Facility Capacity in MW.

"Contract Rate" means the applicable rate set forth in Exhibit C.

"Contract Year" means each full calendar year of the Term, whether such calendar year is comprised of 365 or 366 Days, commencing with the first calendar year

subsequent to the year in which the Delivery Period commences, subject to the Proration Factor.

"Control Area" means the system of electrical generation, distribution, and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

"Cost Recovery Order" means a final, non-appealable order from the Commission approving the terms and conditions of this REPA without modification and authorizing Purchaser to recover all of the jurisdictional costs associated with this REPA through Ohio retail rates, satisfactory to Purchaser in all respects in its sole discretion.

"Cost Recovery Request" means a request for a final, non-appealable order from the Commission approving the terms and conditions of this REPA without modification and authorizing Purchaser to recover all of the jurisdictional costs associated with this REPA through Ohio retail rates.

"Cost Recovery Waiver" shall have the meaning set forth in Section 6.1(C).

"Credit Rating" means, for any Person, the senior unsecured and non-credit-enhanced long term debt rating of such Person or, if such Person does not have a senior unsecured and non-credit-enhanced long term debt rating, the issuer rating of such Person.

"Creditworthy Bank" means a United States commercial bank or a foreign bank with a United States branch, which United States commercial bank or United States branch has at the applicable time a Credit Rating of (a) A- or better from Standard & Poor's Rating Services and (b) A3 or better from Moody's Investors Service, Inc.

"Creditworthy Entity" means a Person having at the applicable time a Credit Rating of (a) BBB or better from Standard & Poor's Rating Services and (b) Baa2 or better from Moody's Investors Service, Inc., or otherwise acceptable to Purchaser in its reasonably exercised discretion.

"Day" means a calendar day.

"Deficiency Liquidated Damages" shall have the meaning set forth in Section 4.11(D).

"Delay Liquidated Damages" shall have the meaning set forth in Section 4.10.

"Delivery Period" means the period that commences at 0000 hours on the following applicable date: (i) if the Cost Recovery Waiver occurs, the latest of (a) the first day of the month following the month in which the 2012 SSO Application Deadline occurs, (b) the first day of the month following the month in which the COD occurs, and

(c) January 1, 2012; and (ii) If the Cost Recovery Waiver does not occur, the later of (a) the first day of the month following the month in which a Cost Recovery Order becomes effective, (b) the first day of the month following the month in which the COD occurs, and (c) January 1, 2012; and in any case continues through the remainder of the Term.

"Dispute" shall have the meaning set forth in Section 13.9(A).

"Dispute Notice" shall have the meaning set forth in Section 13.9(A).

"Economic Curtailment Energy" shall have the meaning set forth in Exhibit J.

"Economic Curtailment Reimbursement Amount" shall have the meaning set forth in Exhibit J.

"Electric Metering Device(s)" means all meters, submeters, metering equipment, and data processing equipment used to measure, record, or transmit data relating to the Renewable Energy from the Facility.

"Emergency" means an emergency condition as defined under the Interconnection Agreement or the OATT.

"Energy" means three-phase, 60-cycle alternating current electric energy, expressed in MWh.

"Environmental Contamination" means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Site will not be available or usable for the purposes contemplated by this REPA.

"EPT" means Eastern Prevailing Time.

"Excused Event" means any Economic Curtailment, any Reliability Curtailment (other than as a result of Seller's acts or omissions described in clauses (iii) or (iv) of the definition thereof) and any Force Majeure event.

"Event of Default" shall have the meaning set forth in Article 12.

"Facility" means Seller's electric generating facility and Seller's Interconnection Facilities, as identified and described in Article 3 and Exhibit B to this REPA, including all of the following, the purpose of which is to produce electricity and deliver such electricity to the Point of Delivery: Seller's equipment, buildings, all of the generation facilities, including generators, turbines, step-up transformers, output breakers, facilities necessary to connect to the Point of Delivery, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the electric generating facility that produces the Renewable Energy subject to this REPA.

"Facility Capacity" means the Capacity capable of being generated from the Facility based on the aggregate nameplate rating of all of the Wind Turbines comprising the Facility, but shall not exceed 99 MW at any point during the Term.

"Facility Financing" means the obligations of Seller to any Facility Financier pursuant to the Financing Documents, including principal of, premium and interest on indebtedness, fees, expenses or penalties, amounts due upon acceleration, prepayment or restructuring, swap or interest rate hedging breakage costs and any claims or interest due with respect to any of the foregoing.

"Facility Financing Representative" means, during any period when there is only one Facility Financier, the Facility Financier, and during any period when there is more than one Facility Financier, any trustee or agent on behalf of the Facility Financiers or such other single representative designated in writing by Seller.

"Facility Financiers" means, collectively, any lender(s) or any other financiers providing any Facility Financing.

"Failure to Extend Condition" shall have the meaning set forth in Section 11.1(C)(1).

"Failure to Replace Condition" shall have the meaning set forth in Section 11.1(D).

"Federal Funds Effective Rate" means the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H. 15 (519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

"FERC" means the Federal Energy Regulatory Commission.

"Financing Documents" means the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, deeds of trust, interest rate exchanges, swap agreements and other documents relating to the development, bridge, tax equity, construction or permanent debt financing for the

Facility, including any credit enhancement, credit support, working capital financing, letter of credit facilities, and all such documents or agreements related to any refinancing or replacement of any of the foregoing, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"First Request" shall have the meaning set forth in Section 6.1(B).

"Force Majeure" shall have the meaning set forth in Article 14.

"Forced Outage" means any condition at the Facility that requires unplanned removal of the Facility, or some part thereof, from service, another outage state, or a reserve shutdown state. This type of outage results from, among other things, immediate mechanical, electrical or hydraulic control system trips and operator-initiated trips in response to Facility conditions or alarms.

"GATS" means the Generation Attribute Tracking System administered by PJM Environmental Information Services, Inc. ("PJM-EIS") and providing environmental and emissions attributes reporting and tracking services to its subscribers in support of renewable portfolio standards and other information disclosure requirements that may be implemented by Governmental Authorities. GATS tracks generation attributes and the ownership of the attributes as they are traded or used to meet standards of Governmental Authorities. GATS includes any successor tracking system or systems with the same or similar purpose administered by PJM-EIS.

"GATS Certificates" means certificates recognized by GATS and associated with the generation of electricity from the Facility.

"Good Utility Practice(s)" means the practices, methods, and acts (including the practices, methods, and acts engaged in or approved by a significant portion of the wind power generation industry, the Transmission Operator or NERC) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, permits, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. Good Utility Practices are not intended to be the optimal practice, method or act to the exclusion of all others, but rather are intended to be any of the practices, methods or acts generally accepted for facilities similar to the Facility in the region in which the Facility is located during the relevant time period. With respect to the Facility, Good Utility Practice(s) includes taking reasonable steps to ensure that:

(A) equipment, materials, resources, and supplies, including spare parts inventories, are available in commercially reasonable quantities to meet the Facility's needs;

(B) sufficient operating personnel are available to operate the Facility on a 24 hour basis in accordance with reasonable wind industry operating practices for wind power generation equipment and are adequately experienced and trained and licensed as necessary to operate the Facility properly, efficiently, and in coordination with Purchaser and are capable of responding to reasonably foreseeable Emergency conditions whether caused by events on or off the Site;

(C) preventive, routine, and non-routine maintenance and repairs are performed on a basis that enables, to a commercially reasonable extent, reliable, long-term and safe operation, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;

(D) appropriate monitoring and testing are performed to determine that equipment is functioning in compliance with this REPA;

(E) equipment is not operated in a reckless manner, in violation of manufacturer's guidelines or in a manner unsafe to workers, the general public, or the interconnected system or in violation of applicable law; and

(F) equipment and components meet or exceed the standard of durability that is generally used for electric generation operations of this type in the region in which the Site is located and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Site (which are not Force Majeure events) and under both normal and reasonably anticipated Emergency conditions (which are not Force Majeure events).

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"Hazardous Materials" means any substance, material or particulate matter that is regulated by any Governmental Authority as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including protection of nonhuman forms of life; land, water, groundwater, and air, including any material or substance that is (i) defined as "toxic," "polluting," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "solid waste" or "restricted hazardous waste" under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1251); (vii) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6901); (viii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601); (ix) defined as a "chemical substance" under the Toxic Substances Control Act, 15 U.S.C.

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Summary: Exhibit PIS Part 1 of 4 electronically filed by Mr. Steven T Nourse on behalf of American Electric Power Service Corporation