

Bidder Information Session

March 17, 2021

AES Ohio's Request for Proposals (“RFP”) to Serve Percentage of Income Payment Plan Customers (“PIPP”) Load

Bid Submission Date: April 19, 2021

Delivery Period: June 1, 2021 - May 31, 2022



Introduction

Welcome to this bidder information session for AES Ohio's Percentage of Income Payment Plan (“PIPP”) RFP

AES Ohio is a subsidiary of AES Corporation serving approximately 19,500 PIPP customers

The RFP is designed to procure full requirements service for PIPP Customers of AES Ohio (“Percentage of Income Payment Plan Load” or “PIPP Load”)

The RFP is only open to Registered Competitive Retail Electric Service (“CRES”) providers of AES Ohio

The winning bidder will assume all responsibilities of a PJM Load Serving Entity (“LSE”), with the exception of procurement to meet any applicable state renewable energy requirements over the June 1, 2021 through May 31, 2022 delivery period

Presentation is being made by representatives from CRA International, the independent PIPP RFP Manager

This presentation will be posted to the PIPP RFP Information Website

Introduction

Questions

2 ways to submit questions during the presentation – questions will be answered only after the prepared presentation is complete

- Send an email to AES-Ohio.PIPPRFPmanager@crai.com or
- Use operator assisted call-in number – 800-475-0219 – and audio passcode – 8444773
 - Inform the operator you have a question by pressing *1 at any time
 - Operator will place you into queue
 - Your position in queue will be noted, but you will be on mute and unable to ask your questions until prompted later following the prepared presentation

Following the prepared presentation

- Questions will be queued in the order above and answered
- After questions sent via email are answered, the phone line will be opened for callers who use the call-in number
- Callers will be introduced using an assigned port number
- When asking a question, callers should NOT identify themselves

Introduction

Background and Disclaimer

On March 2, 2016, the Public Utilities Commission of Ohio (“PUCO”) issued a Finding and Order in Case No. 16-247-EL-UNC, finding that each electric utility should implement an RFP process to serve percentage of income payment plan (“PIPP”) load in the electric utility's service territory. The Order stated that the RFP should be implemented immediately to procure supply in service of the utility's PIPP load requirements.

This presentation is intended to provide only generally descriptive and summary information. The information and material provided on the PIPP RFP Information Website and filed with the PUCO are controlling. Any conflict between the information conveyed during the bidder information session and information or material provided on the PIPP RFP Information Website, is unintentional.

Certain information may be subject to modification and approval by the PUCO.

Overview

Communications

Product overview

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Communications

The central source of information is the PIPP RFP Information Website:
<https://www.aes-ohiopipp-rfp.com/>

- Documents – RFP participation documents, load data, etc.
- Calendar
- Results – from previous PIPP RFPs (if available)
- News
- FAQ
- Ask – submit a question
- About – links to background information
- Registration – register to receive future notifications

Communications Protocols (available on Information Website)

- Promote a fair, open, transparent, objective, and non-discriminatory RFP
- PIPP RFP Manager is the communication point for prospective bidders
- Information is distributed and disseminated equally and fairly to all prospective bidders

Product Overview

Full requirements service for PIPP Customers of AES Ohio excludes Standard Service Offer (“SSO”) Load

Full requirements service for PIPP Customers of AES Ohio includes:

- Energy
- Capacity
- Market-based transmission services
- Market-based transmission ancillaries
- Any other LSE service or other service as may be required by PJM to serve the PIPP Load of AES Ohio except those listed in Section 2.3 of the Master PIPP Supply Agreement

Winning bidders will be responsible at their sole cost and expense for:

- Any changes in PJM products and pricing during the contract term
- Any congestion costs incurred to supply their PIPP share
- Remaining a member in good standing of PJM

Product Overview

(continued)

The PIPP Supplier shall be responsible and liable to PJM for the performance of its LSE obligations associated with the provisions of PIPP Supply

The PIPP Supplier will be obligated under the Master PIPP Supply Agreement to

- Deliver full requirements service for the purposes of meeting the needs of AES Ohio's PIPP Load
- Assume specified LSE obligations for purposes of PJM settlement

The PIPP Supplier will not be obligated to provide

- Distribution services
- Applicable state renewable energy requirements

The RFP will be for 100% of PIPP Load

- The product in the RFP will be the full 100% of the actual hourly energy required for PIPP Load for the applicable Delivery Period as well as 100% of the PJM capacity requirement for the applicable Delivery Period
- There will be a single supplier for the full 100% of PIPP Load

Product Overview

(continued)

Table below shows the tentative, nominal MW quantity associated with the energy obligation for the PIPP Load based on historical data.

% of PIPP Up for Bid	Energy Obligation	
	AES Ohio Peak Load Contribution All PIPP Load (MW)	Peak Load Contribution PIPP Load Up for Bid (MW)
100%	57.114	57.114

The energy obligation quantity is not necessarily indicative of the actual energy quantity to be delivered because the amount of actual PIPP Load during the Delivery Period will depend upon many factors, including but not limited to customer migration to and from the PIPP program and weather conditions.

Bidders are responsible for evaluating the uncertainty associated with supplying the wholesale energy associated with the PIPP load which could vary each hour from the nominal 57.114 MW of maximum hourly energy for the delivery period shown in the table.

These values are provided for reference purposes only and may be updated prior to the RFP.

AES Ohio does not represent that the PIPP obligation will have the loads shown above or any particular MW value – the actual PIPP load during the Delivery Period will depend upon many factors.

Product Overview

The Benchmark Price

Before the bid window opens, the PIPP RFP Manager will inform all Registered Bidders of the Benchmark Price for the RFP product

The Benchmark Price for the PIPP RFP will be set pursuant to the PUCO order following the last Standard Service Offer (“SSO”) competitive bidding process (“CBP”) that will be used to establish the Benchmark Price

Product Overview

The Benchmark Price

Determine the Weighted Average SSO Price for 2021/2022

- The Benchmark Price for the RFP will be based on the weighted average SSO price for 2021/2022
- Three separate auctions will contribute to the weighted average SSO price: March 26, 2019, the March 9, 2020 auction, and the March 22, 2021 auction
- The weighted average SSO price for the 2020/2021 delivery year will be calculated when the March 22, 2021 SSO auction results are available
- Since the March 22, 2021 SSO auction has not yet been conducted, the calculation below is just an example:

SSO CBP Auction	Product (delivery period)	Tranches	Clearing Price (\$/MWh)	# Tranches X Price
March 26, 2019	Jun 2019 - May 2022	17	\$46.51	\$790.67
March 9, 2020	Jun 2020 - May 2022	35	\$40.56	\$1,419.60
March 22, 2021	Jun 2021 – May 2022	48	\$45.00***	\$2,160.00***
Total (price is weighted-average)		100	\$43.70***	\$4,370.27***

*** Not actual values.

The Benchmark Price will be the Weighted Average SSO Price

- To be conforming, a bid price must be *less than* the Benchmark Price

RFP and Supplemental RFP

There will be at least one opportunity to bid to supply PIPP load and in some cases there may be two opportunities

PIPP RFP

- During the PIPP RFP, Registered Bidders may bid to serve the PIPP load of AES Ohio
- The price bid in the PIPP RFP must be less than the Benchmark Price for the RFP
- RFP results will be submitted to the PUCO for approval
- The bid window for the RFP is 10:00 AM to 2:00 PM ET, Monday, April 19, 2021

Supplemental RFP

- If there are no conforming bids in the RFP or if the PUCO rejects the results of the RFP, there may be a Supplemental RFP
- The Supplemental RFP will be identical to the RFP except that bidders will be allowed to bid a price that is at or above the Benchmark Price
- The Supplemental RFP results will be submitted to the PUCO for approval
- The bid window, if necessary, for the Supplemental RFP is Monday, May 3, 2021

There is a single application process covering both the RFP and any Supplemental RFP (if necessary). The Supplier Application Due Date for both the RFP and Supplemental RFP is Friday, April 2, 2021 at 12:00 noon ET.

Process to become a Registered Bidder

Overview

PIPP Supplier Application: Prospective Bidders apply to become Registered Bidders

The PIPP Supplier Application covers both the RFP and any Supplemental RFP

- Start Date: Thursday, March 18, 2021
- Due Date: Friday, April 2, 2021 at 12:00 noon ET

Only Registered Bidders can bid in the RFP or Supplemental RFP

Process to become a Registered Bidder

PIPP Supplier Application - due Friday, April 2, 2021 at 12:00 noon ET

Submit an application from a person with the power to bind the bidder and agree to:

- Comply with all rules of the RFP
- If they become the winning bidder, they will execute the Master PIPP Supply Agreement with AES Ohio

Show that they either satisfy the three requirements below, or have no existing impediments to them satisfying all the requirements by the start of the supply period

- Transmission Customer of PJM and have executed the required PJM Agreements
- Have PJM E-Accounts necessary to provide PIPP Supply
- PJM Market Participant and a Load Serving Entity in PJM

Certify that they are a CRES provider and registered in AES Ohio's service territory

Agree that if they become the winning bidder, they will comply with the creditworthiness requirements set forth in the Master PIPP Supply Agreement

Certify that if they become Registered Bidders, they will not:

- Substitute another entity in their place
- Transfer their rights to another entity
- Otherwise assign their status as Registered Bidders to another entity

Process to become a Registered Bidder

PIPP Supplier Application (continued)

In the PIPP Supplier Application, each applicant will make certain RFP related certifications and provide financial and credit information for the applicant

All bidders must submit Pre-Bid Security prior to bidding in the RFP or Supplemental RFP

- Some bidders will also be required to post Additional Pre-Bid Security based on their financial standing
- Applicants do not need to post Pre-Bid Security or Additional Pre-Bid Security with their PIPP Supplier Application
- After an Applicant becomes a Registered Bidder, the PIPP RFP Manager will notify the Registered Bidders if they are required to post Additional Pre-Bid Security
- The Pre-Bid Security deadline is Wednesday, April 14, 2021 for the RFP and Wednesday, April 28, 2021 for the Supplemental RFP

Any proposed modifications to Credit Documents are due by the PIPP Supplier Application Due Date

Process to become a Registered Bidder

PIPP Supplier Application (continued)

PIPP Supplier Applications can be submitted online

In order to get an Application Online Account, prospective bidders must fill out an Account Request Form and email it to

AES-Ohio.PIPPRFPmanager@crai.com

The Account Request Form is available on the Home page of the Information Website (<https://www.aes-ohiopipp-rfp.com/>) under “Forms”

Process to become a Registered Bidder

PIPP Supplier Application (continued)

Account Request Form:

The Dayton Power and Light Company's PIPP RFP Process

Account Request Form: Request for Supplier Application Online Account

To open an Online Account please fill in the following information:

Company Name:

Date:

MM/DD/YYYY

Please provide the First Name, Last Name, and E-mail Address for every person that you request to be given access to your online Application. Each person listed below will receive a unique username and password combination that they will be able to use to login to the online application of the Company named above.

	<i>First Name</i>	<i>Last Name</i>	<i>E-mail Address</i>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

*****Please email this form to the PIPP RFP Manager at dpandl.pipprfpmanager@crai.com**

Credit Provisions

Required Credit and Financial Information

As part of qualification, CRA requires certain information for the bidder or bidder's Guarantor:

- **Financial statements** (most recently issued SEC Form 10-K, 10-Q, 8-K)
- **A statement of rulings or judgments** that have had a material impact on the applicant's financial status
- **A debt rating** from either the S&P, Fitch, or Moody's rating agencies (with supporting documentation)
- **Contact information** for the bidder's/Guarantor's credit representative to answer questions on the documentation provided

Credit Provisions

Pre-Bid Security – 3 Options

- 1) **Seek an unsecured line of credit by relying on bidder's own financial standing**
 - Before the Bidding Window: Submit an executed Pre-Bid LOC or cash deposit (\$250,000)
- 2) **Seek an unsecured line of credit by relying on Guarantor's financial standing**
 - Before the Bidding Window: Submit an executed Pre-Bid LOC or cash deposit (\$250,000); and Submit a Letter of Intent to Provide a Guaranty (\$500,000)
- 3) **Not qualified or elect not to apply for an unsecured line of credit**
 - Before the Bidding Window: Submit an executed Pre-Bid LOC or cash deposit (\$250,000); and Submit a Letter of Reference (\$500,000)

Bidders may submit proposed changes to credit documents including the Pre-Bid Security Letter of Credit. Changes to credit documents must be submitted by the PIPP Supplier Application Due Date in order to be considered.

Credit Provisions

Master PIPP Supply Agreement – Key Elements of Credit Provisions

Security posted during the term of the PIPP Delivery Period will depend upon a creditworthiness evaluation

- Unsecured credit may be granted based on the bidder's (or its Guarantor's) Tangible Net Worth and credit rating (see Articles 6.4 and 6.6 of Master PIPP Supply Agreement)

Independent Credit Requirement (ICR)

- Maximum of \$1,200,000 if no unsecured credit is granted
- ICR declines over the term of the Master PIPP Supply Agreement

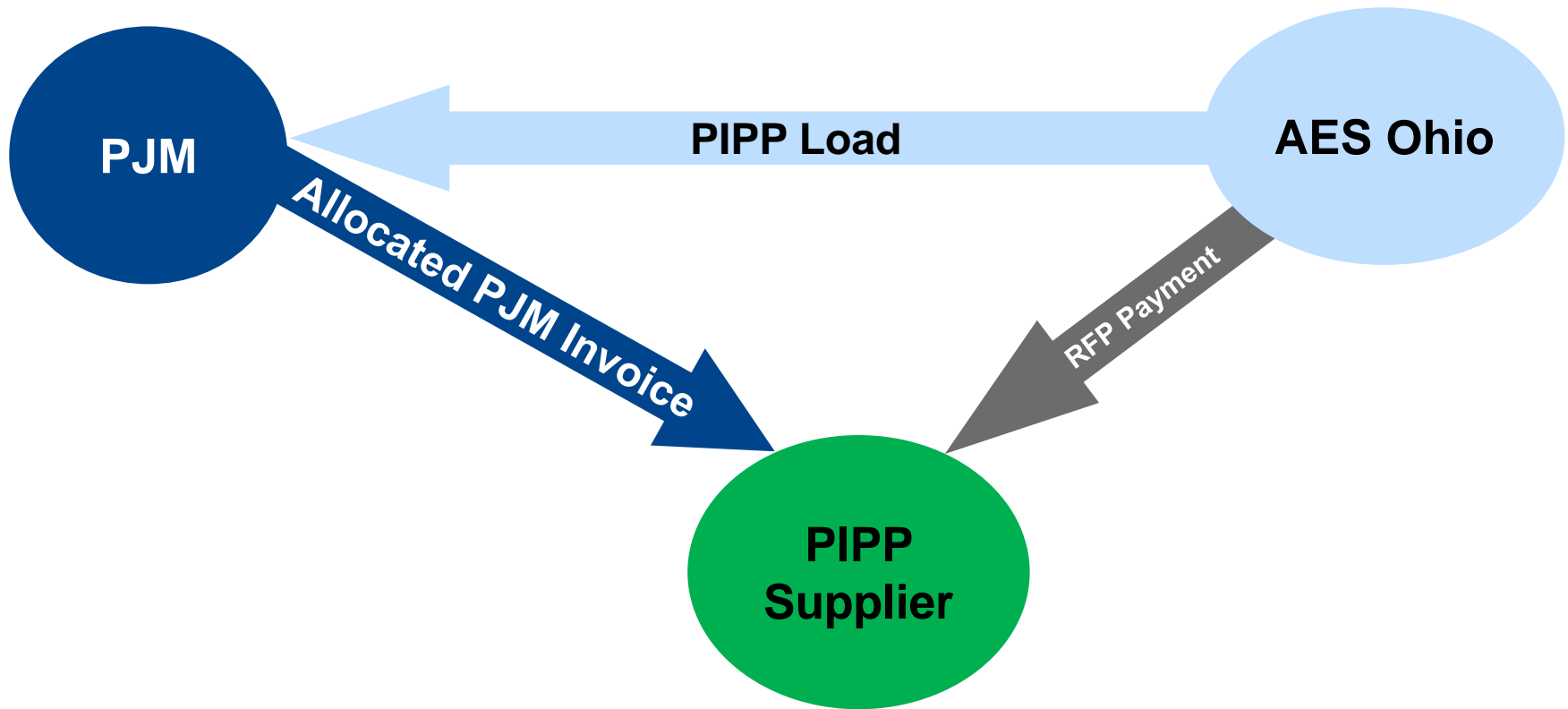
Any portion of the “Total Exposure Amount” above the supplier’s unsecured credit limit creates “Margin” that must be covered by the PIPP supplier

- Margin must be met with cash or a Letter of Credit (Appendix C of Master PIPP Supply Agreement)

Guaranty (Appendix D of Master PIPP Supply Agreement)

Letter of Credit (Appendix C of Master PIPP Supply Agreement)

PJM Interaction



Bidding Format

Bid Submission Form

Bids can be submitted on April 19, 2021 from 10:00 AM to 2:00 PM ET

- Bids are submitted online through a secure website.
- Bidders specify a price per MWh at which they are willing and able to serve the PIPP load.
- Bidders agree to serve the PIPP load offered in the PIPP RFP at the bid price. A submitted bid is a binding offer to serve the PIPP load at the bid price.
- Once the Bid Submission Form is received, the Registered Bidder will receive a Confirmation Number. The Confirmation Number includes a randomly generated number that serves as a receipt of the Bid Submission Form and is used in the tie-breaking procedure (which will be described later).
- All bids, including those not declared the tentative winning bid, remain binding and in force until bidders are notified by the RFP Manager that they are not the winning bidder.
 - Such notification is anticipated after the PUCO approves or rejects the RFP or Supplemental RFP results
 - The RFP Manager will inform bidders following the close of the RFP whether or not they have been identified as the tentative winning bidder

Bidding Format

Bid Submission Form

Remaining Time to Submit a Bid: 22d : 21h : 07m

PIPP RFP Bid Submission Form for ABC Inc.

PIPP RFP Bid Submission Form

PIPP RFP Bid Submission Form for Bid Window: **Monday, April 4, 2016, 8:00 AM - Wednesday, May 4, 2016, 11:00 AM ET**

Pursuant to the PIPP RFP rules, this bid is a binding bid being submitted on behalf of Registered Bidder **ABC Inc.**

Authorized Representative of Registered Bidder: **Jim Kelly**

To be conforming, the bid price must be lower than the Benchmark Price.
The Benchmark Price is: **101.00 \$/MWh**

Enter Your Bid Price here: \$/MWh

[Submit Bid](#)

Cancel All bids:

[Cancel All Bids](#)

[View All Bids](#)

Authorized Representative	Last Confirmation Id	Last Confirmation Date/Time (ET)	Bid Price	Bid Status	Cancelled Date/Time (ET)
Jim Kelly	4983546741569073179.33	Monday, April 11, 2016 1:52:30 PM	\$98.89	Active	

- Bidders may submit multiple bids while the bid window is open. The last-submitted bid during the Bidding Window will over-write any previous bid.
- While the Bidding Window is open, Bidders also have the option to cancel all bids submitted prior to the cancellation request.

Bidding Format

Winning Bidder and Winning Price

Once the bid window is closed, all conforming bids will be sorted in ascending order by the bid price, and then in ascending order by the random number assigned to each bid

- The lowest-priced bid that is below the Benchmark Price will be deemed the tentative winning bid
- If there is more than one bidder that submitted the lowest priced bid below the Benchmark Price, then there is a tie and the bidder with the lower random number in their Confirmation Number is deemed the tentative winning bidder
- If there are no conforming bids priced below the Benchmark Price, then there is no winning bid and no winning bidder
- Results from the RFP and Supplemental RFP (if necessary) will be submitted to the PUCO for approval

Bidding Format

Close of the RFP

At the close of the PIPP RFP, the PIPP RFP Manager will notify AES Ohio, the PUCO, and the PUCO consultant (if one has been retained) as follows:

- Whether or not the any of the PIPP RFP rules were violated in such a manner as to invalidate the RFP
- Whether there is a tentative winning bidder, and if so, the identity of the tentative winning bidder and the tentative winning bid price
- The identities of all the bidders, whether or not their bid was conforming, the price they bid, the time the bid was received, and the Confirmation Number they were assigned

The PUCO may either confirm or reject the results of the PIPP RFP through an Order filed within forty-eight (48) hours of the conclusion of the PIPP RFP

- All bids remain binding commitments to serve the AES Ohio PIPP load at the bid price through the release of the PUCO Order
- The PIPP RFP Manager will notify the winning bidder that they won
- The PIPP RFP Manager also will notify the non-winning bidders that they have not won

Bidding Format

Close of the RFP

After confirmation of the RFP results by the PUCO, the winning bidder and AES Ohio will execute the Master PIPP Supply Agreement no later than three (3) days following the PUCO Order

The winning bidder must demonstrate compliance with the creditworthiness requirements set forth in the Master PIPP Supply Agreement

Bidding Format

Contingency Plan

In the event that a supplier for the PIPP Load is not identified in the PIPP RFP, a Supplemental RFP will be conducted

- All Registered Bidders for the PIPP RFP are also Registered Bidders for the Supplemental RFP unless the Registered Bidder violated the RFP rules or incurs a material change and no longer meets the qualification criteria to be a Registered Bidder
 - There is a single application process for both the RFP and any Supplemental RFP
- The Bidding Rules for the RFP and the Supplemental RFP are identical with one exception: there will be no Benchmark Price for the Supplemental RFP
 - The tentative winning bidder of the Supplemental RFP will be the bidder that offers the lowest priced conforming bid, even if this price is higher than the Benchmark Price for the RFP
 - As with the PIPP RFP, the results of the Supplemental PIPP RFP are subject to confirmation or rejection by the PUCO

If at the end of the Supplemental RFP, no PIPP supplier has been identified, PIPP Load will be offered to existing AES Ohio SSO suppliers or procured from Day-ahead markets

Bidding Format

Technical Difficulties During the RFP

- Pursuant to the Bidding Rules, if a technical difficulty occurs during the RFP, depending on the circumstances the PIPP RFP Manager will:
 - Inform all the bidders as soon as possible, by phone and/or email
 - Extend the duration of the bid window

Timeline for the Next RFP

Timeline for April 2021 PIPP RFP

Activity	Date
Pre-Procurement Activity	
Bidder Information Session	Wednesday, March 17, 2021
PIPP Supplier Application can be submitted	Thursday, March 18, 2021
Announcement regarding the blended SSO price	Thursday, March 25, 2021
PIPP Supplier Application is due	Friday, April 2, 2021
Notifications to Registered Bidders	Wednesday, April 7, 2021
April 19, 2021 RFP	
Pre-Bid security due	Wednesday, April 14, 2021
<i>Bid window to submit bids (10:00 AM to 02:00 PM ET)</i>	Monday, April 19, 2021
CRA notifies Companies and PUCO of results (tentative)	Monday, April 19, 2021
PUCO acceptance of results (tentative)	Wednesday, April 21, 2021
Master PIPP Supply Agreement signed (tentative)	Friday, April 23, 2021
Power flow	Tuesday, June 1, 2021
2021 Supplemental RFP (if necessary)	
Pre-Bid security due	Wednesday, April 28, 2021
<i>Bid window to submit bids (10:00 AM to 02:00 PM ET)</i>	Monday, May 3, 2021
CRA notifies the Companies and PUCO of results (tentative)	Monday, May 3, 2021
PUCO acceptance of results (tentative)	Wednesday, May 5, 2021
Master PIPP Supply Agreement signed (tentative)	Friday, May 7, 2021
Power flow	Tuesday, June 1, 2021

Q&As

Please do NOT identify yourself if you have a question

Following the prepared presentation

- Questions received and queued during the prepared presentation will be answered in the following order:
 - Email
 - Verbal (to enter the queue, notify the operator)
- After questions sent via email are answered, the phone line will be opened for callers interested in asking questions verbally
- The Operator will introduce callers using an assigned port number
- Callers should NOT identify themselves when asking questions

Q&As raised during this bidder information session will be posted on the PIPP RFP Information Website

Thank you for your interest in the RFP