

**Request For Proposals
To Provide NEPOOL-GIS
Certificates in Compliance
With the Rhode Island
Renewable Energy
Standard**

For the Period:

Calendar Year 2023

November 21, 2023

REQUEST FOR PROPOSALS

1. Overview and Transition Service Agreement

1.1 Overview

On June 29, 2004, Rhode Island enacted a Renewable Energy Standard (“RES”) that promotes the development of renewable energy resources in Rhode Island and New England “with the goals of stabilizing long-term energy prices, enhancing environmental quality, and creating jobs in Rhode Island in the renewable energy sector”.¹ The RES requires a retail supplier of electricity to obtain a minimum portion of its supply from certain new and existing renewable energy resources. The Rhode Island Public Utilities Commission (“PUC”) established rules and regulations implementing these requirements (“RES Rules”). The RES rules can be found at:

[http://www.ripuc.org/rulesregs/commrules/RESRules\(7-25-07\).pdf](http://www.ripuc.org/rulesregs/commrules/RESRules(7-25-07).pdf)

These rules require The Narragansett Electric Company (“Narragansett” or the “Company”) to demonstrate that a portion of its Rhode Island electricity sales are supplied from a mix of renewable energy generation resources. They are:

- **New** consists of new renewable generators that began commercial operation after December 31, 1997.
- **Existing** consists of existing renewable generators that began commercial operation before December 31, 1997.

The renewable requirements as a percent of sales are divided into two separate classes and summarized below:

Year	Percentage from New Renewable Energy Resources	Percentage from <i>either</i> New or Existing Renewable Energy Resources	Total Target Percentage
2023	21.0 %	2.0 %	23.0 %

A retail supplier may satisfy these requirements by providing attribute certificates from the NEPOOL Generation Information System (“NEPOOL-GIS Certificate” or “REC”), contracting for the output of existing or new renewable energy resources, or making an Alternative Compliance Payment (“ACP”) to the Renewable Energy Development Fund (“REDF”) of the Rhode Island Commerce Corporation.

¹ R.I.G.L. § 39-26-1, et seq., Renewable Energy Standard.

Narragansett² is seeking proposals for the supply of RECs from generating facilities in Rhode Island, New England and surrounding regions that have been approved by the PUC as either existing or new renewable energy resources that meet the RES requirements. Narragansett is seeking proposals that provide RECs that comply with the RES for calendar years 2023. It is the intent of Narragansett and supplier(s) that the resulting transactions shall meet the Commodity Futures Trading Commission's criteria for the forward contract exclusion, including that the parties intend to physically settle the transactions, and are therefore not subject to swap regulation.

Nothing in this RFP, or in any proposal that may be submitted in response to this RFP, shall create any obligation on the part of Narragansett.

1.2 Transition Service Agreement

In 2021, National Grid USA (“National Grid”) announced that it had entered into an agreement with PPL Energy Holdings, LLC (“PPL”), pursuant to which PPL will acquire National Grid’s electric and gas distribution business in Rhode Island through the acquisition of National Grid’s wholly owned subsidiary, Narragansett. Upon the closing of this transaction, PPL acquired the outstanding shares of common stock of Narragansett, and Narragansett will continue as a subsidiary of PPL. The Transaction closed on May 25, 2022.

Pursuant to the grant of agency authority by Narragansett to National Grid USA Service Company, Inc. (referred to herein as the “Service Provider”), the Service Provider is designated to act as Narragansett’s agent under the Transition Services Agreement between the Service Provider, National Grid and Narragansett in connection with Renewable Energy Certificate transactions, including the solicitation and evaluation of this RFP, and the purchase, confirmation, billing and administration of the transactions resulting from this RFP.

² The contracting entity will be The Narragansett Electric Company.

2. Quantity of Certificates Sought and Description of Proposals

2.1. Quantity of Certificates

Narragansett may purchase up to the following quantity of NEPOOL-GIS Certificates to meet its RES obligations in Rhode Island:

Year	NEPOOL-GIS Certificates From Existing Energy Resources	NEPOOL-GIS Certificates From New Energy Resources	Total NEPOOL-GIS Certificates
2023	30,000	0	30,000

2.2. Description of Proposals

Service Provider will consider the following types of proposals for the purchase of RECs that meet the Rhode Island RES requirements:

- Firm RECs issued by the NEPOOL-GIS in the current trading period.
- Firm RECs to be issued by the NEPOOL-GIS in future trading periods.

2.3 Proposal Documents and Information

To assist Respondents in responding to this RFP, Service Provider is providing the RFP and Certificate Purchase Agreement (“CPA”) on a Wholesale Energy supplier website. Please use the following link to access the site:

<http://www.nationalgridus.com/energysupply/>

This site is open to anyone with the above link. No user id or password is required to access the data on the site.

3. General Provisions

3.1 Terms and Conditions

Narragansett is seeking to purchase NEPOOL-GIS Certificates that are least cost and in the best interests of its customers. The winning supplier(s) will be required to execute a Certificate Purchase Agreement with Narragansett for the purchase of NEPOOL-GIS Certificates within two (2) business days of being notified that it has been selected as a winning supplier. A copy of the proposed Certificate Purchase Agreement is provided in Appendix A.

Any proposed changes to the Certificate Purchase Agreement are to be included with Respondent’s response to this RFP.

Under Article 6 of the Certificate Purchase Agreement, failure of the winning supplier to deliver the NEPOOL-GIS Certificates would constitute an event of default under the agreement, allowing Narragansett to terminate and recover liquidated damages from the supplier.

3.2 Proposal Process and Submission Dates

The following table outlines the key dates associated with this procurement process.

Process Step	Date
Issue Request for Proposal	November 21, 2023
Submit Respondent Proposal Information and Proposed Contract Modifications (if applicable)	November 27, 2023 – 5pm EST
Submit Pricing	November 28, 2023 – 10am EST
Company reviews Pricing with the Division of Public Utilities and Carriers and informs winning suppliers	November 28, 2023 – 5pm EST
Company submits solicitation process summary to PUC	No later than one business day after Pricing
Winning bidder(s) and Company execute CPA(s)	No later than two business days after Pricing

One (1) copy of a Respondent’s Proposal Information must be submitted by e-mail. Please identify both email contacts below on submittal.

Kris Hornberger
Wholesale Electric Supply
National Grid
e-mail: ElectricSupply@nationalgrid.com
e-mail: CleanEnergyContracts@pplweb.com

Service Provider is conducting the procurement process in two steps. The first step is for Respondents to provide Service Provider with their background, financial information, and proposed contract modifications by 5:00 p.m. EST on November 27, 2023. Upon receipt, Service Provider will evaluate each Respondent’s qualifications and will notify any Respondent that does not qualify at least one business day before the Proposals are due.

The second step in this process is for Respondents to provide pricing information by 10:00 a.m. EST on November 28, 2023, to the above Service Provider contact. Service Provider intends to evaluate the pricing and select a Supplier(s) that day. Narragansett

will share a copy of each bid received with the Rhode Island Division of Public Utilities and Carriers (“Division”) and the Office of Energy Resources (“OER”). Narragansett will review the pricing received with the staff of the Division to determine the number of NEPOOL-GIS Certificates it will purchase, if any, and begin to inform Respondents from which it will make such purchases.

Pricing shall be binding until execution of a CPA. Respondents should specify the manner in which they will accept a binding acceptance of their offer by Service Provider prior to receipt of an executed agreement (letter of intent or e-mail) or they will be deemed to be bound by Service Provider’s acceptance communicated in any of the preceding manners.

Within one business day of receipt of final pricing, Narragansett will file with the Rhode Island Public Utilities Commission a confidential summary of the solicitation process.

Service Provider, in consultation with or at the request of the PUC or Division, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in the RFP or any appendix thereto and to withdraw the RFP.

3.3 Contact Person/Questions

All questions regarding this Request for Proposal should be directed to Kris Hornberger at the address provided above.

4. Proposal Requirements

4.1 Format of Proposal

The information required by Service Provider to evaluate each proposal is identified in Appendix B. Respondents shall complete the forms provided in Appendix B and return them to Kris Hornberger as provided in Section 3.2. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

4.2 Proposed Pricing

Respondents must specify the price at which they will sell certificates to Narragansett. Narragansett is only purchasing RECs from qualifying new or existing renewable generators and will not purchase the energy or other market products from any generator.

It is Service Provider’s intention to pay a supplier based on the number of valid RECs actually delivered to Narragansett’s account in the NEPOOL-GIS system. Proposed pricing should be structured in such manner.

4.3 Regulatory Approvals

The supplier of the certificates covered by this RFP must provide a summary of all necessary regulatory approvals required to enable it to provide Rhode Island RES compliant NEPOOL-GIS Certificates.

5. Selection Process

The criteria to be used in evaluating bids will include:

- Lowest evaluated bid price

In the event of identical low bids, the Service Provider will allocate the offered RECs to all bidders with identical prices based on the quantities bid and the quantities solicited.

Service Provider will treat the information it receives from a supplier in a confidential manner and will only share such information with the PUC, OER, and the Division. Service Provider will not, except as required by law or regulatory authority, disclose such information to any third party or use such information for any purpose other than in connection with this RFP.

6. General Requirements

Service Provider may withdraw and terminate this RFP at any time without any liability. Service Provider reserves the right to accept or reject, in whole or in part, any and all proposals. Service Provider will not be responsible to any Respondent or any other party for failure to execute a Certificate Purchase Agreement.

Service Provider shall reject proposals submitted in response to this RFP that are incomplete, or do not conform to the requirements of the RFP or are submitted beyond the deadline for submission. All proposals submitted by Respondents in response to the RFP will become the exclusive property of Narragansett.

Each Respondent certifies, by its submission of a bid, that it is bidding independently and that it has no knowledge of any proposal being submitted by another Respondent in response to this RFP. Each Respondent further certifies that, by its submission of a bid, it has not disclosed and will not disclose prior to any award hereunder any information relating to its proposal which could have an effect on whether another party submits a proposal to this RFP or on the contents of such proposal that another bidder would be willing to submit in response to this RFP. Such information includes but is not limited

to: the fact that the bidder is submitting a proposal in response to this RFP, the bidder's bids, the bidder's quantities of each product bid, the bidder's estimation of the value of a product, the bidder's estimation of the risks associated with supplying a product, and the bidder's preference for bidding on one or several products. Each Respondent further certifies that, by submission of its bid, it has bound any agents, consultants or other third parties retained or otherwise used in connection with the preparation and submission of its bid to observe these same restrictions and requirements concerning Respondent's bid and maintain the confidentiality of information concerning its bid.

If any information provided by the Respondent changes or fails to remain valid, it is the sole responsibility of the Respondent to notify Service Provider of such change. Failing to do so may result in disqualification of the Respondent and its proposal for the solicitation.

Respondents shall, at their own cost and expense, defend, indemnify and hold harmless Service Provider and Narragansett, its parent, subsidiaries and affiliates and their officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions proceeding or allegations of any kind which in any manner relate to arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in its proposal, or breach of any covenant by the Respondent set forth herein.

APPENDIX A

PROPOSED CERTIFICATE PURCHASE AGREEMENT

APPENDIX B

REQUIRED RESPONDENT INFORMATION