



**Request For Proposals
To Provide NEPOOL-GIS
Certificates in Compliance
with the Massachusetts
Renewable Energy
Portfolio Standard, the
Alternative Energy
Portfolio Standard, the
Clean Peak Energy
Portfolio Standard, and
the Clean Energy
Standard**

For the Period:

Calendar Years 2020 & 2021
Compliance

September 3, 2020

REQUEST FOR PROPOSALS**1. Overview**

The Electricity Restructuring Act of 1997¹ established a requirement to foster the development of new renewable energy sources through implementation of the Renewable Energy Portfolio Standard (“RPS”) (M.G.L. ch. 25A, § 11F). The Electric Restructuring Act of 1997 was modified by the Green Communities Act of 2008 to include requirements for existing renewable resources and to encourage the development of alternative energy facilities. The Massachusetts Act and its revisions require a Retail Electricity Supplier (“RES”) to source a minimum portion of its resources from certain renewable energy resources (“Class I Resource, Class I Solar Carve-Out Resource, Class I Solar Carve-Out II Resource, Class II Resource, Class II Waste to Energy Resource, APS Resource”). The Massachusetts Department of Energy Resources (“DOER”) regulations (225 CMR 14.00, 225 CMR 15.00, 225 CMR 16.00) implementing these requirements can be found at: <http://www.state.ma.us/doer/rps/index.htm>.

On August 11, 2017, the Massachusetts Department of Environmental Protection (“MassDEP”) promulgated final regulations at 310 C.M.R. 7.75 to establish a Clean Energy Standard (“CES”) for the Commonwealth of Massachusetts. The purpose of the regulation in conjunction with 310 C.M.R. 7.74 is to limit or reduce greenhouse gas (“GHG”) emissions in Massachusetts to satisfy the mandate of Section 3(d) of the Global Warming Solutions Act. The CES is designed to function in a manner similar and compatible with the existing RPS administered by the DOER. The regulations require all RES to annually procure clean energy certificates (CEC) (referred to as “clean generation attributes” in the regulation) for a percentage of electricity sales. CECs are produced by any resource that meets the CES eligibility requirements which includes all RPS Class I resources and non-RPS Class I resources that are approved by MassDEP. CES obligations can be satisfied with RPS Class I RECs or from certificates associated with units approved by MassDEP. On July 10, 2020 the MassDEP issued an amendment to 310 C.M.R. 7.75 to establish a CES for Clean Existing Generation Units (CES-E). The regulations require all RES to annually procure CES-E certificates (referred to as “clean existing generation attributes” in the regulation) for a percentage of electricity sales. CES-E certificates are produced by any resource that meet the CES-E eligibility requirements that are approved by MassDEP.

¹ Act Relative to Restructuring the Electric Utility Industry in the Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protections Therein, Chapter 164 of the Acts of 1997 (“Massachusetts Act”).

On August 7, 2020, the DOER promulgated final regulations at 225 C.M.R. 21.00 to establish a Clean Peak Energy Portfolio Standard (CPS) to increase clean energy during the periods when Net Demand of electricity is the highest. Clean Peak Resources contribute to the Commonwealth's environmental protection goals concerning air emissions including, but not limited to, those required by the Global Warming Solutions Act, M.G.L. c. 21N, §§ 1-9, by displacing nonrenewable generating resources during Seasonal Peak Periods, while also having added benefits of reducing peak demand and system losses and increasing grid reliability. The regulation requires a RES to source a minimum portion of its resources from a Clean Peak Resource. The DOER regulation implementing the requirements can be found at: www.state.ma.us/doer/rps/index.htm.

Each RES is required to show that a minimum percentage of its resources are provided from renewable energy resources as follows:

| Year | MA RPS Class I Resource Requirements | MA RPS Class I Solar Carve-Out Resource Requirements | MA RPS Class I Solar Carve-Out II Resource Requirements | MA RPS Class II Resource Requirements | MA RPS Class II - Waste Energy Resource Requirements |
|------|--------------------------------------|--|---|---------------------------------------|--|
| 2020 | 10.5873% | 1.6116% | 3.8011% | 3.2056% | 3.50% |
| 2021 | 12.5873% | 1.6116% | 3.8011% | 3.5634% | 3.50% |

| Year | MA APS Resource Requirements | MA CES Resource Incremental Requirements | MA CES-E Resource Requirements | MA CPS Resource Requirements |
|------|------------------------------|--|--------------------------------|------------------------------|
| 2020 | 5.00% | 4.00% | 0% | 1.50% |
| 2021 | 5.25% | 4.00% | 20.00% | 3.00% |

A RES may satisfy these requirements by providing renewable attribute certificates from the NEPOOL Generation Information System (“NEPOOL-GIS”) or make an Alternative Compliance Payment (“ACP”) to the Massachusetts Clean Energy Center (MassCEC) for RPS, APS, and CPS certificates or the MassDEP for CES certificates.

National Grid² is seeking proposals for the supply of NEPOOL-GIS certificates from generating facilities that have been approved by the DOER/MassDEP or are in the process of being approved as an energy resource that meets the Massachusetts RPS, APS, CPS, or CES requirements. National Grid is seeking proposals that provide NEPOOL-GIS certificates that can be used to show compliance in calendar years 2020 and 2021. National Grid will not accept proposals that require the purchase of NEPOOL-GIS certificates beyond calendar year 2021. It is the intent of National Grid 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.

² The contracting entities will be Massachusetts Electric Company and Nantucket Electric Company.

National Grid will accept proposals based on the bids received and the best interests of its retail customers in Massachusetts. National Grid reserves the right to determine the quantity, if any, of certificates purchased through this RFP. 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 National Grid.

2. Quantity of Certificates Sought and Description of Proposals

2.1. Quantity of Certificates

National Grid may purchase up to the following quantity of NEPOOL GIS Certificates to meet its RPS, APS, CPS, and CES obligations in Massachusetts:

| Year | MA RPS Qualified NEPOOL-GIS Certificates (Class I) | MA RPS Qualified NEPOOL-GIS Certificates (Class I Solar Carve-Out) | MA RPS Qualified NEPOOL-GIS Certificates (Class I Solar Carve-Out II) | MA RPS Qualified NEPOOL-GIS Certificates (Class II) | MA RPS Qualified NEPOOL-GIS Certificates (Class II - Waste Energy) | MA APS Qualified NEPOOL-GIS Certificates (AEC) |
|------|--|--|---|---|--|--|
| 2020 | 75,000 | 15,000 | 40,000 | 15,000 | 100,000 | 50,000 |
| 2021 | 0 | 20,000 | 40,000 | 45,000 | 40,000 | 50,000 |

| Year | MA CES Qualified NEPOOL-GIS Certificates (CES-E) | MA CPS Qualified NEPOOL-GIS Certificates (CPEC) |
|------|--|---|
| 2020 | 0 | 20,000 |
| 2021 | 250,000 | 35,000 |

2.2. Minimum Offer Quantity

National Grid will only consider proposals for 1,000 certificates or more offered at any single price (i.e. each price-quantity pairing must be for no fewer than 1,000 certificates).

2.3. Description of Proposals

National Grid will consider, among other proposals, the following types of proposals for the purchase of Certificates that meet the MA RPS, APS, CPS and CES requirements:

- Certificates issued by the NEPOOL GIS in the current trading period.
- Certificates to be issued by the NEPOOL GIS in future trading periods.
- Certificates from units expecting to receive approval as an energy resource that meets the Massachusetts RPS, APS, CPS or CES requirements.

National Grid will no longer accept Non-Cancelable Forward Certificates issued by NEPOOL GIS for future trading periods.

2.4. Proposal Documents and Information

To assist Respondents in responding to this RFP, National Grid is providing the RFP and draft Master Certificate Purchase Agreement on its Power Procurement Website, under Procurements/Current Procurements. 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

All Respondents must have an executed Master Certificate Purchase Agreement (MCPA) prior to the bid date.

National Grid is seeking to purchase NEPOOL GIS Certificates that are in the best interests of its customers. Winning supplier(s) will be required to execute a Form of Confirmation within five (5) business days of being notified that it has been selected. Supplier(s) which do not have an executed MCPA in place will be required to execute a MCPA with National Grid for the purchase of NEPOOL GIS Certificates prior to bid submittal on September 10, 2020. A copy of the proposed Master Certificate Purchase Agreement is provided in Appendix A.

The winning supplier(s) may be required to specify delivery due dates for the number of NEPOOL GIS certificates to be delivered during each NEPOOL GIS trading period.

The winning supplier(s) shall complete delivery of vintage 2020 and 2021 NEPOOL GIS certificates on or before the 10th business day prior to the close of the NEPOOL GIS trading period or as specified on the Form of Confirmation

National Grid will only accept FIRM certificate delivery offers. National Grid will no longer accept Unit Contingent or Non-Firm delivery offers.

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 | September 3, 2020 |
| Execute Master Agreement (if applicable) | September 9, 2020– 5 pm EPT |
| Submit Respondent Proposal Information and Pricing* | September 10, 2020– 12 pm EPT |
| Company reviews pricing and informs winning respondents* | No later than September 14, 2020– 5pm EPT |
| Transaction Confirmation Documents Executed | No later than September 21, 2020 |

*Bids must be firm and binding until selection of winning Bidder(s).

3.3 Submission Information

Copies of all information pertaining to this RFP should be directed to:

Kris Hornberger
 Wholesale Electric Supply
 National Grid
 (518) 433-3359
 e-mail: electricsupply@nationalgrid.com

3.4 Respondent Bid Submittal

National Grid is requesting Respondents to provide background information, qualifications and proposed pricing with their bid response. Upon receipt, National Grid will evaluate each Respondent’s qualifications and proposed pricing. One (1) copy of a Respondent’s Proposal Information must be received at the above email address by 12:00 p.m. EPT on Thursday September 10, 2020.

Proposal information shall be submitted by Email. National Grid is not responsible or liable for bids that are not received by the specified date and time. Proposals that are not timely received may be rejected. National Grid will review the bids received, determine the number of certificates it will purchase, if any, based on the bids received and begin to inform Respondents.

National Grid, at its sole discretion, 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.

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

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 National Grid 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 National Grid, 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.

3.5 Contact Person/Questions

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

3.6 Right to Select Supplier

National Grid shall have the exclusive right to select or reject any or all of the proposals submitted at any time, for any reason.

4. Proposal Requirements

4.1 Format of Proposal

The information requested by National Grid to evaluate each proposal is identified in Appendix B. Respondents shall complete the forms provided in Appendix B in a legible fashion and return them to Kris Hornberger as provided in Sections 3.3 – 3.4. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

4.2 Proposed Pricing

Respondents must specify the price (rounded to two decimal places) at which they will sell certificates to National Grid in the supplied electronic Bidder Sheet. Respondents must also specify the type of Certificates that will be delivered. National Grid is only purchasing Certificates from qualifying RPS, APS, or CES generators and will not purchase the energy or other market products from any generator.

It is National Grid's intention to pay a supplier based on the number of valid Certificates actually delivered to its 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 shall provide a summary of all necessary regulatory approvals required to enable it to provide Massachusetts RPS, APS, CPS, and CES compliant NEPOOL-GIS Certificates.

5. Selection Process

The criteria to be used in evaluating proposals will include, but is not limited to:

- Lowest evaluated bid price;
- Quantity of NEPOOL GIS Certificates offered;
- Ability of supplier to meet its obligation to deliver NEPOOL GIS Certificates;
- Supplier's ability to meet the credit requirements established in the proposed Master Certificate Purchase Agreement provided in Appendix A;

- The supplier's past experience in providing similar services to National Grid;
- The supplier's past experience in providing similar services to other companies in New England;
- The supplier's past experience in providing similar services to other companies in other regions;
- The supplier's demonstrated understanding of its obligations under the proposed Master Certificate Purchase Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the supplier's ability to provide NEPOOL GIS Certificates.

6. Confidentiality

National Grid shall use commercially reasonable efforts to treat the non-public information it receives from Respondents in a confidential manner. However, Suppliers should understand that confidential information may be disclosed in a judicial, regulatory, administrative or other jurisdictional filing or proceeding, and National Grid shall use commercially reasonable efforts to limit disclosure and use of said confidential information through the use of non-disclosure agreements or orders seeking protective treatment. Notwithstanding the foregoing, National Grid shall not be responsible in the event that the request for confidential treatment is denied. The Respondent shall be required to use commercially reasonable efforts to treat all information received from National Grid in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party, and shall in all such cases use commercially reasonable efforts to limit the disclosure of National Grid's confidential information.

APPENDIX A

PROPOSED MASTER CERTIFICATE PURCHASE AGREEMENT

APPENDIX B

REQUIRED PROPOSAL INFORMATION

RESPONDENT: _____

1. General Information

| | |
|---|--|
| Name of Respondent | |
| Principal contact person < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address | |
| Secondary contact person (if any) < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address | |
| Legal form of business organization of Respondent (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation) | |
| State(s) of incorporation, residency and organization Indicate whether Respondent is in good standing in all states in which Respondent is authorized to do business and, if not, which states and the reason it is not. | |
| If Respondent is a partnership, the names of all general and limited partners. If Respondent is a limited liability company, the names of all direct owners. | |

RESPONDENT: _____

| | |
|--|--|
| Description of Respondent and all affiliated entities and joint ventures transacting business in the energy sector | |
|--|--|

2. Financial Information

| | |
|---|--|
| Current debt rating for Respondent (include ratings and names of rating agencies). | |
| Date Respondent's last fiscal year ended. | |
| Total revenue for Respondent for the most recent fiscal year. | |
| Total net income for Respondent for the most recent fiscal year. | |
| Total assets for Respondent as of the close of the previous fiscal year. | |
| Copy of the Respondent's most recent balance sheet, income statement and cash flow statement. | |
| Copy of the Respondent's most recent audited balance sheet, income statement and cash flow statement. | |

3. Defaults and Adverse Situations

| | |
|---|--|
| Has Respondent, or any affiliate of Respondent, in the last five years, (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its | |
|---|--|

RESPONDENT: _____

| | |
|--|--|
| <p>inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors.</p> | |
|--|--|

4. CONFLICTS OF INTEREST

| | |
|---|--|
| <p>Briefly describe any known conflicts of interest between bidder or an affiliate of bidder and Buyer, National Grid USA or any affiliates of the foregoing.</p> | |
| <p>Enumerate any litigation, claims or complaints asserted by bidder or an affiliate of bidder, against Buyer, National Grid or an affiliate of any of the foregoing.</p> | |
| <p>Enumerate any litigation, claims or complaints asserted against bidder or an affiliate of bidder by Buyer, National Grid or an affiliate of any of the foregoing.</p> | |

RESPONDENT: _____

5. SCOPE OF BID AND TERMS OF SALE

| | |
|---|--|
| <p>Will Respondent execute a contract substantially similar to the proposed Master Certificate Purchase Agreement contained in Appendix A?</p> <p>Explain any proposed modifications.</p> | |
| <p>List all regulatory approvals required before service can commence.</p> | |

6. PROPOSED TRANSACTION

Please use the electronic Bidder Sheet provided.