

Bidder Information Session

March 7, 2024

FirstEnergy Ohio Utilities’ Request for Proposal (“RFP”) to Serve Percentage of Income Payment Plan Customers (“PIPP Load”)

Bid Submission Date: April 1, 2024

Delivery Period: June 1, 2024 – May 31, 2025

Introduction

Welcome to this bidder information session for FirstEnergy Ohio Utilities' Request for Proposal (“RFP”) to Serve Percentage of Income Payment Plan Customers (“PIPP Load”)

- FirstEnergy Ohio Utilities: The Cleveland Electric Illuminating Company, The Toledo Edison Company, and Ohio Edison Company (“Companies”)
- RFP is designed to procure full requirements service for PIPP Customers of the Companies (“Percentage of Income Payment Plan Load” or “PIPP Load”)
 - The agreement will be a wholesale transaction between the winning bidder and the FirstEnergy Ohio Utilities
 - PIPP customers will not be transferred to the winning bidder
 - The winning bidder will assume responsibilities of a PJM Load Serving Entity (“LSE”)
- FEOU PIPP RFP bid window to submit bids is Monday, April 1, 2024 from 10:00 A.M. to 2:00 P.M. ET
- If needed, supplemental FEOU PIPP RFP bid window to submit bids will be on Tuesday, April 16, 2024 from 10:00 A.M. to 2:00 P.M. ET
- Delivery period to serve PIPP load is June 1, 2024 through May 31, 2025

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

This presentation will be posted to the Information Website

Introduction

Questions

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

- Send an email to FEOUPIPPRFPManager@crai.com or
- Use the Zoom Q&A feature to submit your questions
- Attendees will only be able to see their own questions submitted

Following the prepared presentation

- Questions will be queued in the order above and answered
- The questions sent via email will be answered first, and the questions on Zoom Q&A will be answered next
- Attendees who use Q&A will remain anonymous during the Q&A session

Introduction

Disclaimer

The information contained in this presentation material is intended to provide only generally descriptive and summary information. The information and material provided on the Information Website and filed with the Commission are controlling. Any conflict with the information conveyed during the bidder information session, or with information or material other than what is provided on the Information Website, is unintentional.

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

Introduction

Background

On March 2, 2016, the Public Utilities Commission of Ohio issued a Finding and Order in Case No. 16-247-EL-UNC, finding that each electric utility should implement a competitive procurement process to serve percentage of income payment plan (“PIPP”) load in the electric utility's service territory.

Only Competitive Retail Electric Service (“CRES”) suppliers can bid in the PIPP RFP process.

Overview

Communications

Product overview

Qualification process

Credit provisions

Information Website

PJM settlement

Bidding format

RFP calendar

Q&As

Communications

Central source of information is the PIPP RFP Information Website:

<http://www.firstenergypipprfp.com/>

- Documents – RFP participation documents, load data, etc.
- Calendar
- Results – from previous PIPP RFP processes
- 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 includes:

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

Winning bidder 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 the PIPP load
- Remaining a member in good standing of PJM

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

Product Overview

PIPP Suppliers will be obligated under the Master PIPP Supply Agreement to

- Deliver full requirements service for purposes of meeting PIPP load
- Assume specified LSE obligations for purposes of PJM settlement

PIPP Suppliers will not be obligated to provide

- Distribution services
- Alternative or renewable energy requirements
- Non-market-based transmission services (as defined in the Master PIPP Supply Agreement)

All of the PIPP load for the delivery period will be procured in the RFP

- PIPP RFP will procure 100% supply for the actual hourly energy required for PIPP load for the relevant Delivery Period as well as the 100% PJM capacity requirement for the relevant Delivery Period
- The Delivery Period for the PIPP RFP will be June 1, 2024 through May 31, 2025

Product Overview

Table below shows the tentative, nominal MW quantity associated with the energy obligation and the capacity obligation for the PIPP load.

Number of Tranches Per Delivery Period	Size of Tranche (%)	Energy Obligation	Capacity Obligation
		Peak Load Share (MW)	Peak Load Share (MW)
1	100%	254	223

The Companies do not represent that the tranche will have the loads shown above or any particular MW value. 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 customers being served under PIPP and weather conditions

Bidders are responsible for evaluating the uncertainty associated with supplying a wholesale energy tranche which could vary each hour from the nominal maximum hourly energy for the delivery period shown in the table

The capacity obligation estimate associated with the Peak Load Share quantity to be delivered is shown in the table

These values are provided for reference purposes only and may be updated prior to the RFP as explained in the Bidding Rules

Product Overview

The Benchmark Price

RFP Manager will inform all Registered Bidders of the Benchmark Price for the PIPP RFP product no later than the latest of:

- **Three (3) days before the PIPP bid window opens, and**
- **The publication of the Public Utilities Commission of Ohio’s (“PUCO”) order following the last SSO competitive bidding process (“CBP”) auction that will be used to establish the Benchmark Price for the PIPP RFP**

The Benchmark Price for the PIPP RFP will be set pursuant to the PUCO approved methodology following the last SSO CBP auction that will be used to establish the Benchmark Price

Product Overview

The Benchmark Price

The Benchmark Price for the PIPP RFP is based on the weighted-average SSO CBP price (“blended SSO price”) in effect during the PIPP delivery period (June 2024 through May 2025)

*** Example – Illustrative Only ***

In the illustrative example below, the weighted-average SSO CBP price is \$84.64/MWh

SSO CBP Auction	Product (delivery period)	# Tranches	Price \$/MWh	# Tranches x Price
Monday, February 19, 2024	June 1, 2024 to May 31, 2025	50	\$69.27	\$3,463.50
Tuesday, March 19, 2024	June 1, 2024 to May 31, 2025	50	\$100.00 **	\$5,000.00 **
Total (price is weighted-average)		100	<u>\$84.64</u> **	\$8,463.50 **

**** Numbers are illustrative only**

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 FEOU
- The price bid in the PIPP RFP must be less than the Benchmark Price for the RFP
- The bid window for the RFP is Monday, April 1, 2024, 10:00 A.M. to 2:00 P.M. ET
- There will be at most one winning bidder, and they would be paid the price they bid
- RFP results will be submitted to the PUCO for approval

Supplemental RFP – if necessary

- 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
- 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
- Bid window for the Supplemental RFP would be Tuesday, April 16, 2024, from 10:00 A.M. to 2:00 P.M. ET
- Supplemental RFP results will be submitted to the PUCO for approval

NOTE: There is a single application process covering both the RFP and any Supplemental RFP (if necessary). The Supplier Application deadline for both the RFP and Supplemental RFP is Thursday, March 21, 2024 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: Friday, March 8, 2024
- Due Date: Thursday, March 21, 2024, 12:00 noon ET

Only Registered Bidders can bid in the RFP or Supplemental RFP

NOTE: Prospective bidders will be able to fill out, submit, and upload their supporting documentation for the PIPP Supplier Application on-line through the secure Online Application Website. Hardcopies are not required.

Process for becoming a Registered Bidder

PIPP Supplier Application – Due Thursday, March 21, 2024, 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 process
- If they become the winning bidder, they will execute the Master PIPP Supply Agreement with the Companies

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 the FirstEnergy Ohio Utilities' service territories

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 for becoming a Registered Bidder

PIPP Supplier Application *(continued)*

A prospective bidder that has been approved during the PIPP Supplier Application process becomes a Registered Bidder

PIPP Supplier Applicants also must submit financial information and a Draft Pre-Bid Letter of Credit

Prospective bidders will be notified by the PIPP RFP Manager no later than five (5) business days after the PIPP Supplier Application deadline whether they succeeded in becoming a Registered Bidder

Process for becoming a Registered Bidder

PIPP Supplier Application (*continued*)

PIPP Supplier Applications can be submitted online

- The PIPP Supplier Application process opens on Friday, March 8, 2024
- Due Date: Thursday, March 21, 2024, 12:00 noon ET

Complete the Account Request Form (see example on next slide) and email it to FEOUPIPPRFPManger@crai.com

Account Request Form is available on Information Website www.firstenergypipprfp.com on Home page under “Forms”

Process for becoming a Registered Bidder

PIPP Supplier Application – Account Request Form

FirstEnergy Ohio Utilities' PIPP RFP Auction 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 FEOUPIPRFPManger@crai.com**

Credit Provisions

Required Credit and Financial Information

For bidder or bidder's Guarantor:

- **Financial statements** (most recently issued SEC Form 10-K, 10-Q, 8-K)
- **A statement of rulings or judgments** relating to financial status that have had a material impact on financial status
- **A debt rating** from at least one of the following rating agencies: S&P, Fitch, or Moody's (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 – 2 Options

1) Use Pre-Bid Letter of Credit

- By the PIPP Supplier Application Due Date: Submit a Draft Pre-Bid Letter of Credit (LOC)
- Before the RFP bid window to submit bids: Submit an executed Pre-Bid LOC or cash deposit (\$1,500,000)

2) Make a cash deposit

- During the PIPP Supplier Application process:
 - Attach a copy of W9 (tax ID) and a copy of banking information on company's letterhead, signed and dated
 - Provide wiring instructions for returning your cash deposit
- After you become a Registered Bidder: Request wiring instructions
- Before the RFP bid window to submit bids:
 - Submit cash deposit (\$1,500,000)

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 Supplier's (or its Guarantor's) Tangible Net Worth and credit rating (see Article 6 of Master PIPP Supply Agreement)
- The Companies reserve the right to apply any unsecured credit limits across associated suppliers in cases where multiple associated parties supply the default service or PIPP load needs of the utilities
- Total Exposure Amount less any unsecured credit (Margin) must be met with cash or Letter of Credit (Appendix C of Master PIPP Supply Agreement)

Independent Credit Requirement (ICR)

- Maximum of \$1,800,000 per tranche if no unsecured credit is granted
- ICR declines over the term of the Master PIPP Supply Agreement

Letter of Credit: Appendix C of Master PIPP Supply Agreement

Guaranty: Appendix D of Master PIPP Supply Agreement

Information Website

www.firstenergypipprfp.com

Information Website for the RFP Process is www.firstenergypipprfp.com

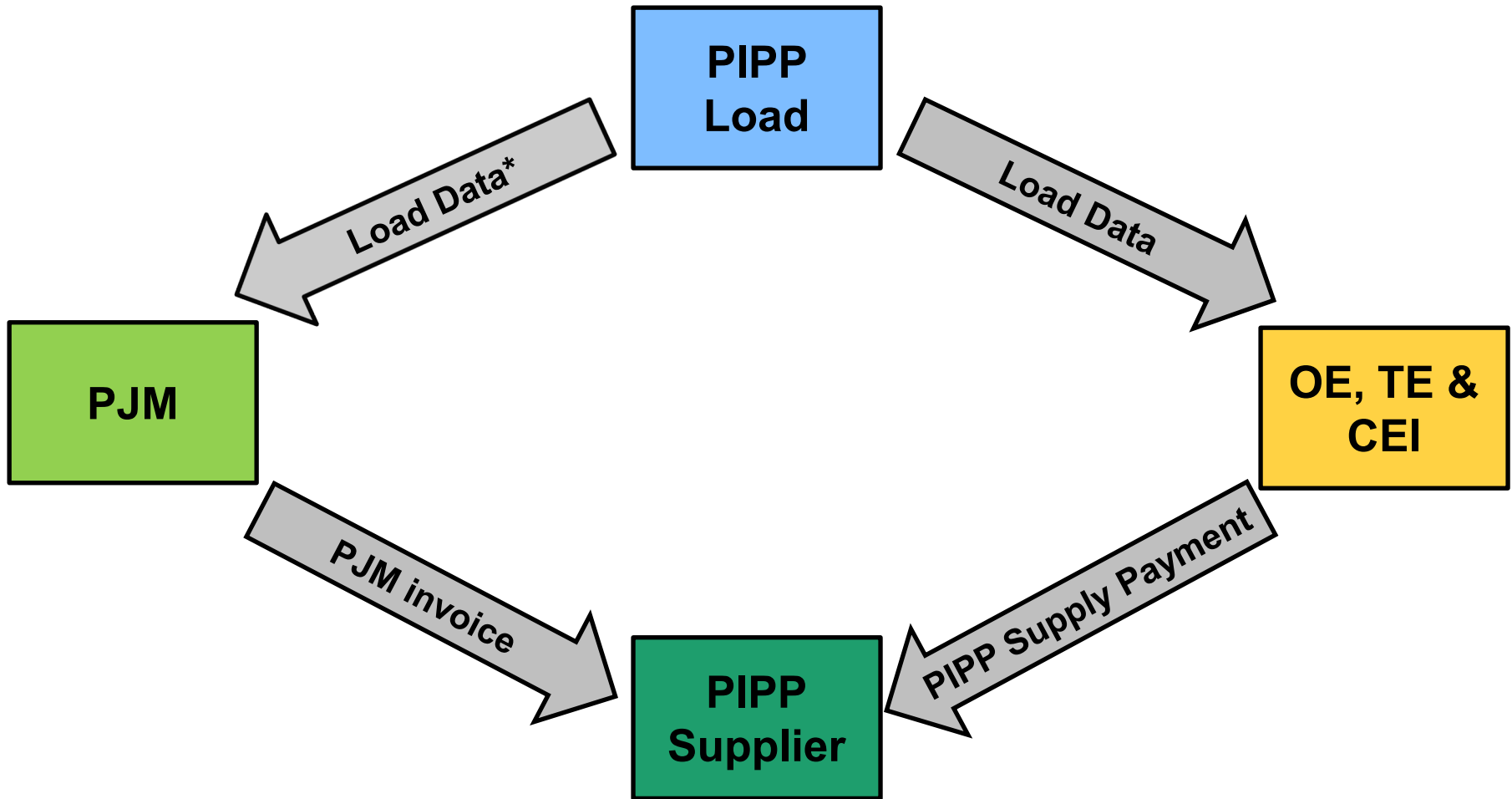
- Information about the RFP
- Download Supplier documents (Master PIPP Supply Agreement, Bidding Rules, etc.)
- Download load and other data
- RFP process calendar
- Results from any prior FEOU PIPP RFPs
- News and announcements
- Frequently Asked Questions (FAQs)
- Register to receive updates
- Submit questions
- Information about FirstEnergy, CRA International, PJM, and PIPP

Register on the Information Website

- Register to receive information updates regarding the PIPP RFP process – provide name, company name, valid email address
- Once registered on the Information Website, prospective bidders can submit questions

PJM Settlement

Settlement Landscape



* Load data are developed by the Meter Data Coordinator as designated on the Market Participant's application. The Meter Data Coordinator uses the same PJM settlement data to calculate the PIPP invoice as well as to submit the settlement data to PJM.

PJM Settlement

The Role of Regulated Settlements at FEOU

Acts as the Meter Data Coordinator for PIPP Supplier

- Submits load data to PJM for generation of Invoices
 - Primary and Secondary data

Uses PJM settlement load data to develop the PIPP invoice

- Primary and Secondary data are used for Preliminary Monthly Energy Allocation (PMEA) and Final Monthly Energy Allocation (FMEA)

- Invoices are emailed to suppliers

PJM Settlement

The Role of RTO Operations Settlements at FEOU

A PIPP Supplier must create a unique PJM “short name” (or subaccount) for Ohio PIPP energy obligations

Billing Line Item Transfers can occur only if a Supplier has created unique short names for Ohio energy obligations. If these line item transfers do not occur, then the PIPP Supplier will be assessed charges by PJM that should be the responsibility of the Companies.

Need to complete as soon as possible:

- **Create a new PJM short name for PJM’s June 2024 settlements, and then ...**
- **Provide the new short name information to the following FirstEnergy personnel:**

Robert Brown rdbrown@firstenergycorp.com

For RTO settlement questions please contact Robert Brown at the email listed above.

PJM Settlement

Example: Invoice From PJM



PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

CUSTOMER ACCOUNT:

CUSTOMER IDENTIFIERS:

FINAL BILLING STATEMENT ISSUED:

BILLING PERIOD:

Billing Statement Summary	Total
Total Net Credit to You. Please Do Not Pay	\$216,585.51

TERMS: PAYABLE IN FULL BY 01:00 PM EPT ON

WIRE TRANSFER FUNDS TO: PJM INTERCONNECTION, L.L.C
PNC BANK N.A.
NEW JERSEY
ABA NUMBER
ACCOUNT NUMBER -

PJM WIRE TRANSFER CONTACT:

PJM MEMBER RELATIONS CONTACT INFO:

PJM MARKET SETTLEMENTS CONTACT INFO: mrkt_settlement_ops@pjm.com (610) 666-8825

ADDITIONAL BILLING STATEMENT INFORMATION:

Bidding Format

Bid Submission Form

One-shot sealed-bid format: bidder submits lowest price it is willing to be paid to serve PIPP load

Registered Bidders will submit their bids in the RFP by accessing the PIPP RFP Manager's secure PIPP RFP Portal

The bid window to submit bids in the April 1, 2024 RFP will be from 10:00 AM to 2:00 PM ET

Bidding Format

Bid Submission Form



The bids can be submitted during the bid window on the bid submission date

- Bids are submitted online through a secure Website. Bidders bid a price per MWh at which they are willing and able to serve the PIPP load.
- The bid price is the price at which the Bidder agrees to be paid to serve the PIPP load offered in the PIPP RFP. A submitted bid is a binding offer to serve the PIPP load at the bidder's 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).
- Bids 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 Commission confirms or rejects the RFP or Supplemental RFP results.

Bidding Format

Bid Submission Form – Illustrative Only

[User: demo1001](#) | [Help](#) | [Log off](#)


FirstEnergy of Ohio Utilities PIPP RFP Portal


Remaining Time to Submit a Bid: 22d : 19h : 49m

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 Last Confirmed Bid](#)

Authorized Representative	Last Confirmation Id	Last Confirmation Date/Time (ET)	Bid Price	Bid Status	Bid Status Updated Date/Time (ET)
Jim Kelly	4983546741569073179.04	Monday, April 11, 2016 2:39:07 PM	\$101.00	Cancelled	Monday, April 11, 2016 2:39:11 PM
Jim Kelly	4983546741569073179.03	Monday, April 11, 2016 2:39:02 PM	\$100.00	Replaced	Monday, April 11, 2016 2:39:07 PM
Jim Kelly	4983546741569073179.02	Monday, April 11, 2016 2:37:46 PM	\$99.74	Cancelled	Monday, April 11, 2016 2:37:55 PM
Jim Kelly	4983546741569073179.01	Monday, April 11, 2016 2:37:33 PM	\$99.98	Replaced	Monday, April 11, 2016 2:37:45 PM

- 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 bid window is open, Bidders also have the option to cancel all bids submitted prior to the cancellation request.

NOTE: The above is for illustrative purposes only. Names, dates, prices, etc., are not meaningful.

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 a bid with the lowest price below the Benchmark Price then there is a tie, and the tied bid with the lowest random 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 (April 1, 2024 RFP only)
- Results from the RFP will be submitted to the PUCO

Bidding Format

Close of the RFP

At the close of the PIPP RFP, the PIPP RFP Manager will notify FirstEnergy Ohio Utilities, the PUCO, and the PUCO consultant as follows:

- Whether or not 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 accept or reject the results of the PIPP RFP

- All bids remain binding commitments to serve the FEOU PIPP load at the bid price until 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 acceptance of the RFP results by the PUCO, the winning bidder and FirstEnergy Ohio Utilities 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 the PIPP RFP does not result in a supplier for the PIPP load, 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 acceptance or rejection by the PUCO

If at the end of the Supplemental RFP, no PIPP supplier has been identified, PIPP load will be procured through PJM-administered markets

Bidding Format

Technical Difficulties During the Bidding

Pursuant to the Bidding Rules, if a technical difficulty occurs during bidding, 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 FEOU PIPP RFP

Activity	Date
Pre-Procurement Activity	
Bidder Information Session	Thursday, March 7, 2024
PIPP Supplier Application can be submitted	Friday, March 8, 2024
Announcement of blended SSO price (tentative)	Wednesday, March 20, 2024
PIPP Supplier Application is due	Thursday, March 21, 2024
Notifications to Registered Bidders	Tuesday, March 26, 2024
April 1, 2024 RFP	
Pre-bid security due	Thursday, March 28, 2024
<i>Bid window to submit bids (10:00 AM to 02:00 PM ET)</i>	<i>Monday, April 1, 2024</i>
CRA notifies the Companies and PUCO of results (tentative)	Monday, April 1, 2024
PUCO acceptance of results (tentative)	Wednesday, April 3, 2024
Master PIPP Supply Agreement signed (tentative)	Friday, April 5, 2024
Power Flow	Saturday, June 1, 2024
2024 Supplemental RFP (if necessary)	
Pre-bid security due	Thursday, April 11, 2024
<i>Bid window to submit bids (10:00 AM to 02:00 PM ET)</i>	<i>Tuesday, April 16, 2024</i>
CRA notifies the Companies and PUCO of results (tentative)	Tuesday, April 16, 2024
PUCO acceptance of results (tentative)	Thursday, April 18, 2024
Master PIPP Supply Agreement signed (tentative)	Friday, April 19, 2024
Power Flow	Saturday, June 1, 2024

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
 - Zoom Q&A
- The questions sent via email will be answered first, and the questions on Zoom Q&A will be answered next
- Attendees who use Q&A will remain anonymous during the Q&A session

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

Thank you for your interest in the PIPP RFP process