RG&E
An Avangrid company

# Non-Pipes Alternative to Pavilion System Semi-Permanent Gas Supply Tap Project

## Request for Proposal

**DISCLAIMER**

This Request for Proposal (RFP) is not an offer, or a commitment by Avangrid (RG&E) or its affiliates to select any person who completes and submits a response to this RFP or to enter into an Agreement and does not create any rights in any person or obligate Avangrid (RG&E) to enter into an Agreement with any person and/or Company. Avangrid (RG&E) reserves the right to accept or reject any or all Bids in whole or in part, for any reason or change or withdraw this RFP or terminate the process, at its sole discretion, at any time, without any liability or obligation of any kind whatsoever.

October 2025

# 1. Overview

## A. Introduction

The State of New York has set forth ambitious goals to reduce greenhouse gas (GHG) emissions and accelerate the transition to a clean energy future. Achieving these objectives will require innovative approaches to addressing challenges within the natural gas system, including the implementation of Non-Pipes Alternatives (NPA) projects. These projects are designed to cost-effectively mitigate system constraints and reliability concerns while reducing dependence on fossil fuels. Rochester Gas and Electric Corporation (RG&E), a subsidiary of Avangrid, Inc., is committed to developing a robust and diverse portfolio of NPA projects. These portfolios will evolve over time to incorporate emerging opportunities that address traditional natural gas system needs. RG&E seeks to include a wide range of solutions across customer classes—municipal, industrial, commercial, and residential—and project types, including technologies such as heat pumps, demand response, and energy efficiency. Geographic diversity and a focus on communities designated as environmental justice or disadvantaged, as well as areas with low to moderate income levels, are also key priorities.

These growing portfolios reflects RG&E's dedication to pursuing innovative, sustainable solutions to conventional system challenges. It also supports New York's climate and clean energy goals by promoting electrification and reducing natural gas usage, thereby lowering GHG emissions.

RG&E is issuing this Request for Proposal (RFP) to solicit responses from qualified and experienced parties ("Bidders") capable of developing and delivering innovative solutions to address gas reliability concerns associated with the Pavilion System Semi-Permanent Gas Supply Tap within RG&E's Pavilion natural gas service territory.

## B. Background

The Pavilion System is part of RG&E's natural gas distribution network, generally located southerly of the City of Rochester, and is supplied by six (6) Point of Delivery (POD) stations, all connected to a single interstate pipeline. This pipeline is fully subscribed, creating a constrained supply environment for the Pavilion service area, which serves portions of Livingston and Ontario Counties, including Avon, Lima, and Livonia. These constraints have become increasingly evident during peak winter demand periods.

The East Avon POD, an essential delivery point within the system, has experienced recurring capacity limitations. Since 2019, it has exceeded its maximum daily demand obligation (MDDO) on 18 occasions, highlighting a growing gap between contracted supply and actual demand. Hydraulic modeling at Design Day conditions indicates that the East Avon POD would flow approximately 329 thousand cubic feet per hour (MCFH) of gas flow, compared to its contractual peak hourly limit of 243 MCFH. This shortfall introduces operational risk and a heightened reliance on overtime measures to maintain system performance. To preserve system reliability and meet delivery obligations, RG&E must either reduce demand or introduce up to 100 MCFH of additional supply into the system.

To address these challenges, RG&E is proposing a project to provide supplemental gas supply during peak demand periods. The proposed solution involves constructing a new connection to the MF60 Southwest pressure system, enabling liquefied natural gas (LNG) injection during the coldest months of the year—typically December through March—when heating demand is highest.

## C. RFP Purpose

RG&E is issuing an RFP to identify non-fossil-fuel NPA solutions that could avoid the need for constructing a semi-permanent LNG supply tap within the Pavilion system. The traditional approach would involve land acquisition, permitting, and the development of a new natural gas injection point. However, RG&E is actively seeking innovative alternatives that either reduce existing natural gas usage or introduce equivalent renewable energy resources into the area.

Through this RFP, RG&E invites a broad range of market participants to propose creative and cost-effective solutions that can help offset approximately 100 MCFH of natural gas demand during peak winter periods- typically from December through March. All submitted proposals will be carefully evaluated, and RG&E may select one or more solutions to meet the identified need, either individually or as part of a comprehensive portfolio.

The proposed NPA solution(s) must address RG&E's responsibility to provide safe and reliable service at reasonable costs and in an environmentally sound manner.

**The term of the agreement associated with this RFP is expected to be 12/31/2026 – 11/30/2036 (10 years).**

**If you are interested in collaborating with other potential Bidders to this RFP, please send an email to the Pavilion System NPA mailbox (NPA@Avangrid.com) by December 3, 2025, indicating such interest. RG&E will share your contact information with all other parties who are also interested in collaborating on this RFP for purposes of developing and submitting a Proposal. The subject line of the email must contain 'Pavilion NPA'.**

# 2. RFP Project Description

## A. NPA Resource(s) Need Summary

The Resource needs for this RFP are summarized in the table below and further detailed in Sections II.B through II.C.

| | |
|---|---|
| **Goal** | To ensure reliability by meeting contractual obligations with the Pipeline. |
| **Identified Need** | A reduction of approximately 100 MCFH[1] in the defined area. |
| **Term** | 10 Years (12/31/2026 – 11/30/2036) |

The existing natural gas system reliability concerns in the area occur during times of peak gas usage as described in the paragraph below. Proposed NPA solutions should focus on technology's ability to reduce gas usage during these peak periods.

RG&E's system planning criteria require action when demand exceeds the contractual MDDO at key delivery points. This RFP seeks to mitigate delivery constraints during Design Day conditions to address reliability risks in the Pavilion System. Peak usage typically occurs during the coldest days from December through March. For context, Design Day modeling shows that without intervention, downstream demand in the Pavilion area will continue to exceed contractual delivery limits, posing a risk to service continuity and contractual delivery obligations.

## B. Resource Requirements

Resources proposed in response to this RFP must be able to address RG&E's responsibility to provide safe and reliable service at reasonable costs.

RG&E will only accept non-fossil fuel Resources, both dispatchable and intermittent, that are reliable and proven technologies for consideration as viable NPA solutions. Examples of eligible technologies are further outlined in Section II.C.

Dispatchable Resources are Resources that can be called upon and used on demand to improve gas system pressure. To address RG&E's responsibility to provide safe and reliable service, any proposed dispatchable Resource must be able to provide a peak day gas demand

*[1] RG&E will consider cost effective Proposals which are below 100 MCFH but which may make a material contribution to reaching the desired reduction, as well as cost effective Proposals which are above 100 MCFH which may provide additional system improvement above that which is specifically requested in this RFP.*

reduction equivalent to 100 MCFH over a 72-hour window, with consistent performance for 24-36 hours. Given current loads and weather patterns, RG&E anticipates approximately 5-10 such events per year. These requirements are summarized in the table below:

| **Period** | **72 hours** |
|---|---|
| **Duration** | 24-36 hours consecutively |
| **Estimated Events/Year** | 5-10 days |
| **Months of Need** | December - March |

Intermittent Resources are Resources that cannot be used on demand. These may include, but are not limited to, energy efficiency measures or fuel switching.

A reduction in demand of approximately 100 MCFH in Pavilion System area is projected to improve the system's ability to remain within contractual delivery obligation at the East Avon POD This reduction or addition must occur in the immediate area downstream of the East Avon POD to be effective. Figure 1 below identifies the area of impact represented by the pipeline (in light blue) to which affected customers are connected.


*Figure 1. Map of Pavilion System Area of Impact*

## C. Eligible Resource Types

The proposed Resource(s) will be required to operate as needed to support the local gas distribution system. This solicitation is **technology-neutral** among solutions that reduce natural gas demand and/or provide system relief. RG&E will consider proposals that may include one or a combination of different non-fossil fuel technologies that meet the Resource requirements. Resources that provide system relief coincident with peak demand periods are preferred. Resources that do not provide system relief coincident with peak demand may be adjusted to account for the technology-specific "coincidence factor" associated with the percentage of load relief expected during peak demand periods.

Resources may be in the form of any or all of the following types:

- Fuel substitutions (which may benefit from a net carbon reduction evaluation) including electric/geothermal heat pumps and/or other forms of "beneficial electrification"[2], including but not limited to:
    - Heat pump water heaters
    - Ground source heat pumps
    - Water source heat pumps
    - Air source heat pumps
    - Installation of other heat pump technologies that convert equipment from a natural gas to electric fuel source
- Incremental natural gas energy efficiency Resources, including but not limited to:
    - High efficiency natural gas heating equipment
    - High efficiency natural gas water heating equipment
    - Other high efficiency natural gas equipment (e.g., cooking appliances, dryers, commercial processes, etc.)

[2] *If Proposals provide "beneficial electrification" RG&E, together with the Local Distribution Company ("LDC") will analyze the capability of the existing electric distribution system to support those additional demands. Depending on where additional electric load will be introduced, overloads on existing equipment may result. This cannot be determined until the exact location(s) of where the additional electric load will be introduced are identified. If system improvements to the electric distribution system are required for the safe and effective operation of the proposed RFP Resources on the electric distribution system, RG&E and the LDC will identify the costs of those improvements, and the cost of required improvements may be included in the project's benefit cost analysis ("BCA") evaluation.*

- Incremental natural gas demand response Resources including but not limited to:
    - Fuel switching technology or controls
    - WIFI thermostats with demand response programs
    - Smart water heating
- Other Resources which meet all the requirements of this RFP, including but not limited to the following:
    - Heat recovery systems
    - Internal thermal storage systems
    - Combined heat and power technology
    - Building envelope measures to reduce heating, ventilation, and air conditioning ("HVAC") load, such as insulation and air sealing
    - Financing for energy efficiency or fuel switching Resources
    - Education/community outreach initiatives that facilitate **measurable** gas load reductions
    - Electric energy efficiency, renewable energy, or storage technologies that offset additional electric costs resulting from fuel switching/beneficial electrification

RG&E will not consider any natural gas load reductions or equivalent supply additions which are already in service as of the release date of this RFP, October 30, 2025, since projects which are already in service cannot contribute to a future change in the system pressure. Exceptions may include incremental reductions associated with projects which are already in service, as specified previously, and/or projects which may have been initiated prior to the release of this RFP but which have not created natural gas reductions or supply increases. RG&E will not consider an alternative natural gas pipeline project as a valid Proposal.

Bidders may submit multiple Proposals for all or any combination of Resources to meet the needs listed above. RG&E welcomes comprehensive portfolio Proposals that address system needs through a variety of measures. RG&E is very interested in receiving collaborative Proposals and encourages potential Bidders to work together as appropriate. RG&E also reserves the right, but not the obligation to work with Bidders to further develop a portfolio of projects/Proposals or to aggregate Proposals to meet the Resource requirements.

## D. Project Economics

Through this RFP, RG&E is seeking innovative, cost-effective solutions which meet the natural gas delivery needs identified throughout this RFP. A successful Proposal or portfolio of Proposals will provide the natural gas supply reductions or equivalent additions described throughout this RFP and will be cost effective when compared to the Pavilion System Semi-Permanent Gas Supply Tap Project.

To evaluate the cost effectiveness of the Proposals, RG&E will conduct a benefit cost analysis ("BCA") for each Proposal. To conduct this BCA, RG&E will require detailed Resource cost information as requested later in this RFP and will utilize the estimated value of avoiding the Pavilion System Semi-Permanent Gas Supply Tap Project as a benefit to the NPA project in the economic analysis. This value is estimated to be approximately **$8.53 million** in 2025 dollars.

RG&E will allow incentive stacking[3] under the NPA RFP so long as the rules of all incentive programs are adhered to and the addition of the NPA funding does not cause the total incentives received to exceed 100% of the projects' costs. Bidders should provide clear information about additional incentives and project funding in their Proposals.

## E. Available Data and Information

RG&E will make as much relevant data available as possible to Bidders. RG&E, to the best of its knowledge, will provide the most accurate data at the point in time when it is provided to Bidders.

### i. Customer Counts

As of October 2025, there were approximately 252 non-residential and 2,602 residential customers in the Pavilion System area of impact (total of 2,854 customers).

### ii. Customer Usage Data

Customer count and available average usage information at the town, village and county levels is hosted by the New York State Energy Research and Development Authority ("NYSERDA") at https://utilityregistry.org/. Please consult this data source for aggregated natural gas usage as well as more detailed customer counts.

[3] *Requested NPA funding may be combined with existing applicable RG&E incentive programs and available rebates (e.g. Clean Heat Statewide Heat Pump Program). Total estimated RG&E funding (i.e., NPA funding + incentives + rebates) cannot be greater than the total cost of the proposed NPA solution.*

The following data will be made available upon request and execution of a Confidentiality Agreement, Attachment C:

- Available monthly usage and addresses for residential and non-residential customers in the Pavilion System area of impact.

#### iii. Count of Residential and Non-Residential Customers by Street

Attachment B to this RFP is a table showing the count of residential and non-residential customers on each street in the Pavilion System area.

#### iv. RG&E Gas Tariffs

If Bidders are interested in information regarding current RG&E natural gas tariff structures, please visit Pricing - RGE.

# 3. RFP Overview

## A. Expected Schedule

The following schedule provides milestones associated with this RFP process.

| Expected Completion Date[4] | RFP Milestone |
|---|---|
| **October 30, 2025** | Issue RFP |
| **November 12, 2025** | Pre-bid conference |
| **December 3, 2025** | Last day for Bidders to indicate collaboration interest |
| **January 7, 2026** | Bidder questions due |
| **January 14, 2026** | Last day for Bidder Response Template training requests[5] |
| **January 21, 2026** | RG&E responses to questions due |
| **January 28, 2026** | RFP responses due by 5:00PM (EST) |
| **April 1, 2026** | RFP results announced |
| **June 1, 2026** | Negotiations complete |

[4] *RG&E reserves the right to adjust the schedule; adjustments outside of date ranges provided will be distributed via email to interested Bidders.*
[5] *Bidders have until January 14, 2026, to request one-on-one training on the Bidder Response Template which is a requirement for bid responses to this RFP.*

| | |
|---|---|
| **December 2026 (or sooner)** | Anticipated Resource in-service date |

## B. Communications and Questions

To help ensure accuracy and transparency of the information provided, RG&E asks that all communications relative to this RFP take the form of an e-mail, with a subject line containing '**Pavilion NPA'** directed to:

NPA@Avangrid.com

To indicate Bidder interest to participate in this RFP opportunity, please e-mail NPA@Avangrid.com. Upon RG&E's receipt of a respondent's interest, RG&E will provide the respondent with details regarding the RFP pre-bid teleconference which is scheduled November 12, 2025.

Bidders are encouraged to submit questions at any time prior to the noted above last day for Bidder questions which is – January 7, 2026. Questions and answers with the originating parties' name withheld, will be shared via email with all interested parties and will also be posted to RG&E's website Non-Pipe Alternatives - RGE prior to the deadline for RFP responses. Bidders are encouraged to mark any questions which are confidential as such, and if in agreement that the response should be confidential, RG&E will respond to the submitting party confidentially regarding those confidential questions only. RG&E may, in its sole discretion, decline to respond to any email or other inquiry without liability or responsibility.

## C. Submittal Instructions

RG&E respectfully requests that all responses to this RFP be limited to forty (40) pages, including all attachments, except for Attachments A-D to this RFP. This limitation is intended to aid both Bidders and reviewers, and those portions of responses which exceed the 40-page limit (not including Attachments A-D) will not be evaluated. This 40-page limit includes all other attachments, specification sheets, brochures, and other addenda.

All Proposals must be received in electronic form via email submission referencing '**Pavilion NPA**' to NPA@Avangrid.com by January 28, 2026, at 5:00PM (EST).

The electronic documents must be in a Microsoft Word, Excel or Adobe (pdf) file, as applicable. Please note that it is not necessary to submit a paper copy of the Proposals. No other software-created documents should be provided, nor should hard copy alone documents be accepted. Electronic documents must be emailed to NPA@Avangrid.com. Electronic documents should be unlocked to allow calculations to be viewed.

## D. General Guidelines

The following general guidelines are provided to clarify the expectations of this RFP and to assist Bidders in developing Proposals:

- RG&E will not consider any natural gas load reductions or equivalent supply additions which are already in service as of the release date of this RFP or will be in service prior to the end of the contracting period. Projects which are already in service cannot contribute to a future change in the system pressure for the area of impact. Exceptions may include incremental reductions associated with projects which are already in service and/or projects which may have been initiated prior to the release of this RFP but which have not created natural gas reductions or supply increases. RG&E will not consider an alternative natural gas pipeline project as a valid Proposal.
- Proposals must be capable of providing the reliability support and satisfying the other demand-related requirements indicated within this RFP.
- RG&E may accept a portfolio of projects/Proposals or aggregate Proposals to meet the Resource requirements. Notwithstanding the requirements for cost effective solutions to the system needs identified in this RFP, a Proposal which offers a diverse set of solutions may be considered ahead of a single solution.
- RG&E may ask Bidders to elaborate or clarify specific points or portions of their Proposals. Clarification requests may take the form of written questions, phone calls or requests for virtual meetings.
- RG&E reserves the right to make changes to this RFP by issuing one or more addenda or amendments and to distribute additional clarifying or supporting information relating to any changes. Information will be distributed via email to Bidders that have expressed interest in the RFP.
- Bidders are encouraged to provide and release necessary authorizations for RG&E to verify any of such Bidder's previous work, except where it is contractually prohibited from doing so pursuant to customer agreements.
- If a Proposal is selected to move forward, Bidders will be responsible for obtaining site control and all applicable permits associated with executing their Proposal.

RG&E warmly invites municipalities, commercial entities, and industrial customers to participate in this RFP by submitting proposals for innovative projects that address the identified need. We welcome creative, cost-effective solutions from a broad range of stakeholders and look forward to reviewing proposals that contribute to energy reliability and sustainability in the Pavilion area.

# 4. RFP Proposal Format and Content

Bidders must provide the information described below for RG&E to consider their Proposals.

RG&E will only entertain Proposals that meet the requirements described within this RFP.

**Proposals should be limited to forty (40) pages, including all supplemental documents.**

Bidders should provide the following information in the format described here. Required information for all Resources and additional required information "if applicable" is described below. Please note that all information requested below should be included in the Proposal Sections 1 – 7 shown below. There should be no other documents submitted to RG&E with the Proposal.

| Proposal Section | Proposal Section Title |
|---|---|
| 1 | Executive Summary |
| 2 | Body of Proposal |
| 3 | Pricing |
| 4 | Bidder Qualifications and References |
| 5 | Assumptions and Exceptions |
| 6 | Bidder Response Template (Attachment D) |
| 7 | Confidentiality Agreement (Attachment C) |

1. Executive Summary – A 1-2-page, concise review of the solution presented in the Proposal. This summary should include the size of the Resources proposed in MCFH.

2. Body of Proposal – This information should constitute the majority of the allowed forty (40) pages for the Proposal. Please note that not all of the following information is required for all Proposals, but that all relevant and applicable details of the solution should be provided here, including but not limited to:

   a. Description and location(s) of the Resources proposed.

   b. Amount of gas to be reduced to the system in MCFH including back up calculations.

   c. Expected project timeline and anticipated in service date for Resources.

   d. If applicable, a description (quantity, size, manufacturer, etc.) of the main mechanical and electrical pieces of equipment used for the project. For example, this would include a description of heat pumps and other beneficial electrification equipment, which is proposed, if applicable.

   e. If leasing equipment, specify the terms and the final cost to the customer.

   f. Specify any electric system interconnection need.

g. Identify the method of customer acquisition (e.g., marketing, community events, educational initiatives, etc.). If collaboration with RG&E or other entities is anticipated, outline expectations and associated pricing.

h. For energy efficiency and demand response Proposals: If applicable, include types and number of facilities at which the measure(s) will be implemented, including customer classes, end users served and for relevant energy efficiency and/or demand Resources, individual facility hours of operation relative to applicable energy savings/reduction measures. Specify the measures that will make up the natural gas reduction.

i. Information describing to what extent the Resource design involves clean power supply sources that minimize environmental impacts.

j. If available, description of the maturity and proven reliability/performance of the proposed solution's technology.

k. Dispatchable Resources must be available by the twenty-four (24) hour notification period provided by RG&E.

l. Provide a detailed measurement and verification ("M&V") plan which substantiates the reasonableness of the estimated supply or reduction values including methods that will be used to determine supply and/or savings performance from a specific NPA contracted project. It should be noted that for equipment conversions, RG&E requires that gas equipment be removed from the customer site.

3. Pricing

a. Include pricing in bid price ($/month) row within the Bidder Response Template (Attachment D)

b. Identify total project costs if different from Proposal pricing.

c. Provide breakdown of all Proposal costs, including but not limited to upfront costs, customer acquisition, marketing, incentives, administration, M&V, site control, decompression station costs for RNG, etc.

d. Provide a breakdown of costs to RG&E, to the customer, and details of Bidder Qualifications and References

e. A description of Bidder's experience in developing projects such as contemplated in the Proposal, particularly in New York.

f. Bidder contact information.

4. Assumptions and Exceptions

   a. Documentation of verified savings from comparable projects to substantiate the reasonableness of the estimated reduction values.

   b. Operational constraints associated with the proposed Resources.

5. A Bidder Proposal Template (Attachment D) is required for conducting the BCA, Proposals that do not submit the template will not be evaluated. RG&E may contact Bidders with questions and clarifications on their template to conduct the BCA. Bidders may also request one-on-one trainings with RG&E for this template. The deadline for requesting training is January 14, 2026.

6. A Confidentiality Agreement (Attachment C) will be required to be executed if a Bidder wants to keep their response confidential, if they wish to receive the available data listed in Section II.E., or if a contract is considered in the future as a result of a successful Proposal.

# 5. Proposal Evaluation

To evaluate Proposals, RG&E will utilize its BCA methodology for NPA. RG&E uses the societal cost test ("SCT") as the primary measure of cost effectiveness in its BCA methodology. This cost test includes not only the direct costs and benefits of a project/program (e.g., capital costs, avoided upstream supply costs) but also broader externalities associated with the project/program (e.g., CO2 and other net non-energy benefits). The SCT aims to answer the question "Is the State of New York better off as a whole?" The Proposal evaluation methodology will consider the following:

1. **Reliability –** The ability of the Resource to contribute to the alleviation of the identified low-pressure situation.

2. **Economic Impact –** To evaluate the cost effectiveness of the Proposal, RG&E will conduct a BCA for each Proposal. To conduct this BCA, RG&E will require Resource cost information as requested in this RFP and will utilize the estimated value of avoiding the Pavilion System Semi-Permanent Gas Supply Tap Project as a benefit to the NPA project in the economic analysis. This value is estimated to be approximately $8.53 million in 2025 dollars.

3. **<u>Environmental impacts</u>** - Including but not limited to, air, noise, visual, water and soil impacts. Specifically, net carbon reduction[6] or lack thereof, may be considered.

4. **<u>Technical Reliability</u>** – The type of technology and the equipment being proposed. This will examine whether there is high reliability due to Resource design that is tried and proven with historical evidence of high availability.

RG&E may include the following benefits and costs in its BCA methodology, provided that these benefits and costs are **quantifiable:**

Benefits:

- Avoided distribution infrastructure costs
- Avoided upstream supply costs
- Reliability/resiliency benefits
- Avoided emissions, including avoided CO2 emissions from energy savings, and avoided methane emissions from gas delivery.

Costs:

- Program administration
- Incremental distribution system investments (gas and/or electric)
- Participant NPA costs (i.e., the cost of the NPA solution other than administration to be paid by participating utility customers)
- Alternative fuel costs
- Alternative fuel emissions
- Lost utility revenue

RG&E will also consider the timing and availability of proposed solutions. Because this NPA RFP is meant to address a **current** system reliability need, solutions that provide system relief

[6] *"Net Carbon Reduction Analysis" is a process which identifies and monetizes the positive value of projects which remove carbon from the atmosphere, and that monetized value is utilized as a benefit in the formal BCA framework. For example, projects which remove fossil fuel combustion (from natural gas or other fuels) and replace it with electrification should be expected to have a positive benefit from a net carbon reduction analysis, so long as the source of the electric generation used is primarily renewable or other clean energy sources.*

sooner than the required in service date of December 2026 would be considered more favorably.

If a Proposal does not pass the BCA or is not cost effective relative to other Proposals, RG&E in their sole discretion may reevaluate the Proposal with a lesser incentive than the proposed amount to determine if they can provide some level of funding that does pass the BCA.

RG&E requires that gas reductions through equipment replacements be determined through the specifications of the gas equipment that has been replaced and removed from the site. Acceptance of a Proposal will occur based on the BCA score and Proposal's cost effectiveness.

# 6. Interconnection and Standards

The Bidder will be expected to work with RG&E to install any interconnections to the local distribution system, including metering and telemetry, as may be required to operate/utilize the proposed non-fossil Resources. Generally, RG&E will perform any required work to its distribution system for interconnection and Bidders must perform work on the customer's side of the meter. All costs of interconnection will be included as a cost in the BCA analysis.

## A. Dedicated Facilities and Charges (as applicable)

It is not required but it is possible that a Proposal may require dedicated facilities to interconnect the proposed non-fossil fuel Resources. Dedicated facilities in this case may include, but are not limited to, electrical interconnection equipment, telemetry, thermal storage infrastructure, or communications and control systems. Bidder is solely responsible for the design, planning, permitting, installation, and costs of the dedicated facilities.

## B. Standards

Proposals will be required to meet the following standards as appropriate:

a. <u>Facility Standards</u>. Facilities must be designed and constructed such that all gas supply, scheduling, transmission and distribution services shall be performed in compliance with all applicable laws, operating policies, criteria, rules, guidelines and tariffs of the New York Public Service Commission ("NYPSC"), Federal Energy Regulatory Commission ("FERC"), State and Federal laws and regulations, follow Good Utility Practice and meet RG&E's design, construction standards, and operation and maintenance procedures. Bidder, at its own expense, shall fulfill all contractual, metering and interconnection requirements as set forth in RG&E's applicable tariffs, to the extent that they apply to FERC tariffs, and the terms required by any Service

Agreement entered into as a result of any future RFP. Meet any other state agency requirements [e.g., Department of Environmental Conservation ("DEC")].

b. Gas Supply Standards. To the extent that a Resource proposed provides, utilizes or in any way modifies the natural gas supply to an end use customer, Bidder shall follow all procedures, rules and regulations which are a part of RG&E's Natural Gas Retail Access Program, including the Uniform Business Rules, Energy Service Company ("ESCO") Qualifications, Creditworthiness Requirements and RG&E's Gas Transportation and Supply Tariffs

c. Protective Apparatus. The project design and associated facilities must include but shall not be limited to the following safety and control equipment. RG&E requires this be in place prior to operation of all facilities to protect its gas distribution system as well as Company personnel and the general public from potential damage or harm as a result of abnormal operating conditions. All of the following must be in accordance with the latest editions of RG&E's Gas Construction Standards, Gas Operating & Maintenance Procedures, USDOT 29 CFR Part 192, NYCRR Part 255, National Electric Code ("NEC"), National Fuel Gas Code and applicable National Fire Protection Association ("NFPA"), American Petroleum Institute ("API"), American National Standards Institute ("ANSI"), American Society of Mechanical Engineers ("ASME") and American Gas Association ("AGA") Classification of Gas Utility Areas for Electrical Installation standards:

- Safety relief valves to protect against gas system over pressurization;
- Gas odorization equipment to ensure readily detectible levels of gas-in-air concentrations should a leak occur;
- Gas pressure, gas temperature, online water and hydrogen sulfide monitoring equipment capable of being remotely monitored;
- Remote Terminal Unit ("RTU") for local system operating function awareness and remote communication with RG&E's Gas Control Center;
- Site security devices such as lighting, equipment locks, building entry alarms and tamper-proof main gates; and
- Combustible gas indicators to monitor for the presence of gas within facility areas and the installation of cathodic protection devices for all buried steel gas facilities.

d. Demonstrate that they can obtain and comply with all required environmental and operating permits while meeting the requested reliability needs.

e. Proposals that include beneficial electrification or fuel switching—from other energy sources to electricity—may require an assessment of their potential impact on the electric grid. This includes evaluating any necessary grid upgrades and the associated costs. While this analysis will not be conducted as part of the initial proposal evaluation, it will be incorporated into the BCA used to assess proposals submitted in response to future RFPs.

f. Any violations of the standards, terms and conditions of this RFP or future requirements provided in an amendment to the Bidder may result in performance penalties including but not limited to financial penalties, suspension, and/or termination.

# 7. RFP Terms and Conditions

## A. General

Bidders should clearly state all assumptions made about the meaning or accuracy of information contained in this RFP. In the absence of a question or clarifying assumption from a Bidder, each Bidder shall be deemed to have agreed with and understood the requirements of this RFP. While RG&E has endeavored to provide accurate information to Bidders, RG&E makes no such warranty or representation of accuracy.

Any transaction resulting from this RFP will be subject to RG&E receiving all required regulatory approvals, including, but not limited to, acceptance by the NYPSC of the transaction as well as approval for cost recovery acceptable to RG&E. Participants in this RFP agree to execute a definitive Agreement with terms customary in the industry and appropriate under the circumstances (“Agreement”).

This RFP shall not be construed to create an obligation on the part of RG&E to enter into any contract, or to serve as a basis for any claim whatsoever for reimbursement of costs for efforts expended by Bidders. Furthermore, the scope of this RFP may be revised at the option of RG&E at any time, or this RFP may be withdrawn or cancelled by RG&E at any time. RG&E shall not be obligated by any Proposals or by any statements or representations, whether oral or written, that may be made by RG&E or its employees, principals, or agent.

## B. Disclaimers for Rejecting Proposals

It is solely the responsibility of each Bidder to ensure that all pertinent and required information is included in its Proposal. RG&E reserves the right to determine, at its sole discretion, whether a Proposal is incomplete or non-responsive.

This RFP does not constitute an offer to buy and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of this RFP. RG&E shall retain the right at any time, in its sole discretion, to reject any Proposal provided to this RFP. RG&E also retains the discretion, in its sole judgment, to: (a) reject any Proposal on the basis that it does not provide sufficient ratepayer benefit or that it would impose conditions that RG&E determines are impractical or inappropriate; (b) formulate and implement appropriate criteria for the evaluation and selection of Proposals; (c) modify this RFP as it deems appropriate to implement the RFP and to comply with applicable laws or other direction provided by the NYPSC; and (d) terminate the RFP. In addition, RG&E reserves the right to either suspend or terminate this RFP at any time for any reason whatsoever. RG&E will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this paragraph to Bidder(s).

## C. Proprietary Information

If a Proposal includes any proprietary data or information that a Bidder does not want disclosed to the public, such data or information must be specifically designated as such on each page on which it is found. RG&E shall be held harmless from any claim arising from the release of proprietary information not clearly identified as such by a Bidder. Because of the need for public accountability, the following information regarding the Proposal shall not be considered proprietary, even if such information is designated as such: pricing terms and non-financial information concerning compliance with RFP specifications.

Subject to the foregoing, RG&E reserves the right in its sole discretion and without liability, to utilize any or all of the submissions, Proposals and materials received in connection with this RFP in RG&E's planning efforts and otherwise.

## D. Representations and Warranties, Binding Proposals

Bidder's Proposal(s) shall be deemed to have made the following representations, warranties, and covenants to RG&E, which representations, warranties, and covenants shall be deemed to be incorporated in their entireties into Bidder's Proposal(s). Any Proposal shall include Bidder's agreement to be bound by the conditions of the RFP, including these conditions, in submitting Bidder's Proposal.

1. Bidder has read, understands and agrees to be bound by all terms, conditions and other provisions of the RFP documents;

2. Bidder has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFP, the RFP Documents, including any appendices;

3. Bidder acknowledges and agrees that, in RG&E's evaluation of Proposals pursuant to this RFP, RG&E reserves the right to disqualify Bidder if it is unwilling or unable to meet RG&E's credit requirements;

4. Bidder has obtained all necessary authorizations, approvals and waivers, if any, required by Bidder as a condition of submitting its Proposal and, if Bidder's Proposal is selected and a final Proposal is requested, Bidder will execute an Agreement with RG&E; Bidder may, but is not required to, include with their RFP response, preliminary agreements with all required host customers to participate as specified in the Bid response, which shall be replaced with binding host customer agreements prior to execution on any service agreement contemplated in this RFP;

5. Bidder is submitting its Proposal subject to all applicable laws and regulations;

6. Bidder has not engaged and covenants that it will not engage in any collusion or other unlawful or unfair business practices in connection with this RFP;

7. The information submitted by Bidder to RG&E in connection with this RFP, and all information submitted as part of the Proposal is true and accurate as of the date submitted by Bidder. Bidder covenants that any information requested herein and such attachments but not provided to RG&E as part of the Proposal, will be provided to RG&E on or before the date that Bidder specified for provision of the information in the timeline provided. Bidder also covenants that it will promptly update such information upon any material change thereto;

8. In addition, Bidder's submission of a Proposal is their acknowledgement and agreement that:

    a. RG&E will rely upon all representations, warranties, and covenants in the Proposal Submittal Package; and

    b. RG&E may disclose information as set forth in the Confidentiality Agreement (Attachment C);

9. Bidder represents and warrants that each project that is the subject of Bidder's Proposal meets the design-life requirements of this RFP. In the case where a host customer which is a part of this agreement shall vacate the associated host

customer facility used as a part of the NPA solution, the Bidder shall have the opportunity to propose to RG&E the substitute of a similar Resource, acceptance of which shall be at RG&E's sole discretion. In the case where a host customer shall vacate, and a substitute shall not be provided, further payments for that Resource shall be permanently suspended;

10. Bidder covenants that it will provide information requested not longer than one week following Bidder's receipt of RG&E's request for such information;
11. Bidder covenants that it will promptly provide RG&E with any changes or updates to the implementation schedule;
12. Bidder covenants that it will promptly provide RG&E with any changes to its Proposal between the date of the Proposal and the execution of an Agreement, including any changes to applicable host customer sites and agreements;
13. Bidder agrees and acknowledges that RG&E reserves the right at any time, in its sole discretion, to abandon this RFP, to change any dates specified in this RFP, to change the basis for the evaluation of Proposals, to terminate further participation in this process by any party, to accept any Proposal or to enter into any Agreement, to evaluate the qualifications of Bidder and/or the terms and conditions of any Proposal, to reject any or all Proposals, to prohibit or limit mutually exclusive Proposals, to consider additional products, to change any form, document, term or condition used in this RFP at any time during the RFP process, or waive any irregularities, all without notice and without assigning any reasons and without incurring liability of RG&E, or any of their respective subsidiaries, affiliates, or representatives to Bidder or any other party. RG&E shall have no obligation to consider any Proposal submitted. RG&E will not reimburse Bidder for its expenses related to this RFP under any circumstances, regardless of whether the bidding process proceeds to a successful conclusion or is abandoned. RG&E shall not be deemed to have accepted any Proposal, and shall not be bound by any term thereof, unless and until an authorized representative of RG&E executes an Agreement with Bidder;
14. Bidder agrees and acknowledges that information provided by it to RG&E pursuant to this RFP will be subject to the disclosure requirements of the NYPSC or other applicable law or regulation; and
15. Bidder agrees and acknowledges that failure to meet reliability and regulatory requirements set forth within this RFP may result in financial adjustments and/or damages associated with non-performance of contracted Resources.

## E. Credit and Performance Assurances

In its evaluation of a Proposal, RG&E will consider Bidder's capability to perform all of its financial and other obligations including, without limitation, Bidder's ability to provide performance assurance that the Resource would be available and operate as required under the executed Agreement ("Performance Assurance"). This assurance will be provided to RG&E by the expected effective date in the Agreement. This assurance includes the ability of Bidder to fund the reliability Proposal as described in this RFP.

If any non-public information is available and requested to be shared, Bidder shall be required to complete and submit the Confidentiality Agreement (Attachment C) prior to receipt of the non-public information. RG&E may also request private financial statements of bidder and bidder's parent company, to assess financial condition of the bidder, which shall be covered under the Confidentiality Agreement (Attachment C).

In the event Bidder is awarded an Agreement to provide the Resources negotiated as part of this RFP, prior to or concurrent with the execution of a contract to secure these Resources, Bidder shall be required to complete and submit the Confidentiality Agreement (Attachment C), Third-Party Lite Assessment Form (Attachment E), and a Data Security Rider (Attachment F) with cyber insurance requirements, if those agreements are not already in place and applicable to the Agreement associated with this RFP.

In the event Bidder would like to execute a Confidentiality Agreement (Attachment C) prior to the submission of a Proposal, the Confidentiality Agreement (Attachment C) should be executed by the Bidder and sent to RG&E for execution.

## F. Bidder's Waiver of Claims and Limitations of Remedies

Except as expressly set forth in this RFP, by submitting a Proposal, Bidder knowingly and voluntarily waives any rights under statute, regulation, state or federal constitution, or common law to assert any claim or complaint or other challenge in any regulatory, judicial or other forum, including the NYPSC, the FERC, the Supreme Court or any other court in the State of New York ("State Court") or United States District Court or any other United States Court ("Federal Court") concerning or related in any way to the RFP and/or any appendices to the RFP ("Waived Claims"). The assertion of any Waived Claims by Bidder at the NYPSC, FERC, State Court, Federal Court, or otherwise shall, to the extent that Bidder's Proposal has not already been disqualified, provide RG&E the right, and may result in RG&E electing, to reject such Proposal or terminate the RFP.

## G. Termination of the RFP and Related Matters

RG&E reserves the right at any time, in its sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Bidders and without liability of any kind to or responsibility of RG&E or anyone acting on RG&E's behalf. Without limitation, grounds for termination of the RFP may include the assertion of any Waived Claims by Bidder or a determination by RG&E that, following evaluation of the Proposals, there are no Proposals that provide adequate ratepayer benefit.

RG&E reserves the right to change the Proposal evaluation criteria for any reason, to terminate further participation in this process by Bidder, to accept any Proposal or to enter into any definitive Agreement, to evaluate the qualifications of Bidder, and to reject any or all Proposals, all without notice and without assigning any reasons and without liability to RG&E or anyone acting on RG&E's behalf. RG&E shall have no obligation to consider any Proposal.

In the event of termination of the RFP for any reason, RG&E will not reimburse Bidder or participant(s) for any expenses incurred in connection with the RFP regardless of whether Bidder's Proposal is selected, not selected, rejected, or disqualified.

# 8. Attachments

A. Definitions

B. Customer Counts by Street

C. Pavilion System NPA Confidentiality Agreement

D. Bidder Proposal Template

E. Annex 2 Energy Sector Supply Chain Risk Questionnaire

F. Data Security Rider