



REQUEST FOR PROPOSALS (RFP)

KyMEA Renewable Capacity and Energy Procurement

**RFP # 2017-1
March 1, 2017**

The Kentucky Municipal Energy Agency (KyMEA) seeks written proposals from qualified suppliers of electric capacity and energy produced from renewable resources. As explained more fully in the RFP:

1. KyMEA may purchase power from one or more suppliers responding to the RFP commencing not earlier than May 1, 2019 or later than June 1, 2022 for terms of 10 to 20 years;
2. Resources should: (a) be delivered to a node in MISO Zone 6, the LGE/KU transmission system or to a Member's distribution system; (b) not be committed for sale to third parties; and (c) qualify for designation as network resources under the LGE/KU Open Access Transmission Tariff ("OATT") to serve the loads of KyMEA's Member municipal electric systems to the extent appropriate under the OATT; and
3. KyMEA prefers the energy source to be wind turbine or solar-photovoltaic technologies, or combinations thereof.

Proposers are required to submit by email their questions pertaining to this RFP no later than 2 pm EDT on March 22, 2017 and their proposals no later than 2 pm EDT on April 12, 2017, and meet other requirements specified in this RFP.

All communications regarding this RFP should be directed to John Painter of nFront Consulting LLC, 321-710-2637 or JohnPainter@nFrontConsulting.com. Communications with KyMEA Board Members and other representatives of KyMEA and its Members may result in disqualification as more completely provided in the RFP.

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

Introduction to KyMEA

The Kentucky Municipal Energy Agency (KyMEA), formed pursuant to Sections 65.210 to 65.300 of the Kentucky Revised Statutes, as amended, known as the "Interlocal Cooperation Act", seeks written proposals from qualified suppliers of electric capacity and energy produced from renewable resources ("Proposal").

KyMEA is committed to supply all requirements service to the following KyMEA Members (AR Members) commencing on May 1, 2019: the Cities of Bardwell, Falmouth, Madisonville, Paris, and Providence, the Frankfort Plant Board, the Barbourville Utility Commission, and the Corbin City Utilities Commission. The annual demand and energy requirements of the KyMEA AR Members at the input to the Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU) (collectively, LGE/KU) transmission system are projected to be approximately 290 MW and 1,350,000 MWhs, respectively, in 2022.

KyMEA anticipates supplying certain capacity, energy, and potentially other services to Owensboro Municipal Utilities (OMU) and future KyMEA Members. The OMU annual demand and energy requirements are projected to be approximately 190 MW and 820,000 MWhs, respectively, in 2022.

All current KyMEA Members listed above are municipal electric systems located in the Commonwealth of Kentucky and connected to the LGE/KU transmission system. Certain other municipal electric systems in the Commonwealth have expressed an interest in considering membership in KyMEA in the future. Addition of other members may increase KyMEA's capacity and energy requirements.

KyMEA anticipates the potential to purchase 50 MW or less of capacity from projects based on wind turbine or solar-photovoltaic technologies, or combinations thereof, as a result of this solicitation. KyMEA anticipates considering proposals that may range in size from 250 kW to 50 MW of installed capacity.

This RFP requires submittal of data that will be required to screen alternatives to determine if competitive negotiations should be undertaken with one or more Proposers.

Negotiation Procedure - RFP Form 1

This RFP will be conducted under the provisions of the Kentucky Model Procurement Code, specifically Kentucky Revised Statutes 45A.370 titled Competitive Negotiation. Written or oral discussions will be conducted with the responsible Proposers whose proposals are determined in writing by KyMEA or its consultants to be reasonably susceptible of being selected for award based on qualifications and the evaluation factors provided in the RFP.

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

Any award granted hereunder is subject to KyMEA's successful negotiation of any remaining unresolved terms to be included in a final power purchase agreement(s) with a responsible Proposer(s) in order to achieve the best and most advantageous terms and conditions for KyMEA and its Members relating to renewable capacity and energy.

Proposer understands that KyMEA reserves the right to make an award on the basis of initial proposals without discussions, subject to the successful negotiation of a final power purchase agreement(s).

Proposers are required to submit with their Proposals a completed copy of the Notice of Negotiation Procedure, RFP Form 1, in acknowledgment of their understanding and acceptance of this negotiation procedure.

Qualification of Proposers – RFP Form 2

KyMEA anticipates that successful Proposers will have provided information demonstrating in a manner acceptable to KyMEA the following characteristics. KyMEA reserves the right, but is not required, to reject Proposals that do not demonstrate the characteristics outlined below.

1. Entity type: Investor owned utility, exempt wholesale generator, municipal electric utility, joint action agency, electric cooperative, or wholesale power marketing firm, each with the authority to do business in the Commonwealth of Kentucky;
2. Credit status: A BBB or above credit rating by a minimum of two established credit rating agencies (Standard and Poor's, Fitch, or Moody's). Proposers whose ratings are below BBB may be considered so long as additional credit assurance acceptable to KyMEA is provided;
3. Bonding capability: Proposers must be able to post performance bonds or other credit support suitable in KyMEA's judgment in relation to the proposed transaction;
4. Rights to project: Proposer must have contractual or ownership rights to the physical electric generation units from which the proposed electric power supply would be provided to KyMEA;
5. Designated Network Resources: Proposer's resources currently qualify or can qualify as a designated network resource(s) under the LGE/KU OATT to the extent appropriate under the terms of the OATT; and
6. Experience: Experience in financing, developing, operating, and maintaining projects similar to the resources from which electric power supply would be provided to KyMEA.

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

All Proposers are required to submit to KyMEA with their Proposals a completed Qualification of Proposers form. The Qualification of Proposers form is included as RFP Form 2.

Communications regarding this RFP and Submission of Proposals, Data, and Forms

From the date this RFP is advertised until a notice of recommended award, notice of rejection of all Proposals or other notice is made, Proposers are required to confine all communication related to this RFP exclusively to the contact person at nFront Consulting LLC specified below and any other representatives designated by that person. Unless authorized in advance, no contact related to the RFP, will be permitted between a Proposer, its employees, representatives, or affiliates and any board member, officer, official, director, employee, representative or staff of KyMEA or any of the municipalities that are, or are considering becoming, Members of KyMEA. Any unauthorized contact will be the basis for disqualification of the Proposer from further consideration.

All questions regarding this RFP, technical or otherwise, should be submitted electronically by e-mail in accordance with the RFP Schedule below to:

Subject: KyMEA Renewable RFP 2017-1
John Painter
E-mail: johnpainter@nfrontconsulting.com

Only responses provided in writing by KyMEA will be considered official. A verbal response by KyMEA will not be considered an official response. Responses to questions determined by KyMEA, at its sole discretion, to be applicable to the RFP process in general and all published addenda will be provided to all persons who request the RFP and to potential Proposers to whom this RFP has been distributed by nFront Consulting. Questions, answers and addenda will be communicated in electronic form.

If discussions pertaining to the revision of the specifications or quantities are held with any potential Proposer, all other potential Proposers shall be afforded an opportunity to take part in such discussions. At KyMEA's sole discretion, a Request for Proposals based on revised specifications or quantities may then be issued as promptly as possible, shall provide for an expeditious response to the revised requirements, and shall be awarded upon the basis of the lowest evaluated bid price determined by applying the criteria set forth in the Request for Proposals.

Each Proposer is free to determine the format of the Proposal. Proposers should provide all information requested in this RFP. Each Proposal, with Forms 1 and 2, must be submitted by email to the following address by the date shown below under the heading "RFP Schedule."

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

KyMEA Renewable RFP 2017-1
John F. Painter
Email: johnpainter@nfrontconsulting.com

One completed and signed original of the Proposal and Forms 1 and 2 with all supporting materials must be delivered to the following address by the time and date shown below under the heading "RFP Schedule."

KyMEA Renewable RFP 2017-1
John F. Painter
nFront Consulting LLC
2465 Southern Hills Ct.
Oviedo FL 32765

Failure to submit completed and signed Proposals and RFP Forms 1 and 2 by the time specified below under the heading "RFP Schedule" may be a basis for disqualification of the Proposer.

RFP Schedule

The timetable for this RFP process is shown below. The dates and times set forth below may be changed at any time at the discretion of KyMEA. All deadlines for submittals due from Proposers are specified in Eastern Daylight Time ("EDT").

Milestone	Due Date
Release of RFP by KyMEA	3/1/2017
Last date for Proposers to submit questions regarding the RFP to assure a response By Email to: JohnPainter@nFrontConsulting.com	3/22/2017 by 2 pm EDT
Date by which responses will be provided to questions submitted by the due date above:	3/29/2017 by 5 PM EDT

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

Milestone	Due Date
Proposal Submission <i>(Include, as part of the Proposal, Forms 1 and 2 and all supporting data and information)</i>	
By Email to JohnPainter@nFrontConsulting.com	4/12/2017 by 2 pm EDT
Original Copy Delivered to nFront Consulting	4/14/2017 by 5 pm EDT

After receipt of Proposals, KyMEA intends to request any clarification deemed necessary and then perform screening and other quantitative and qualitative analyses. Further discussions and, if appropriate, negotiations will then be initiated with a Proposer(s) deemed reasonably susceptible of being selected for award.

KyMEA will include in the power purchase agreement certain conditions precedent to its obligations to purchase and pay for any capacity and energy. Those conditions precedent will include, without limitation, completing the process of designating the Proposer's resources as network resources for the service of the loads of KyMEA's Members and making such other transmission arrangements as are necessary under terms that are acceptable to KyMEA.

Acceptance and Disqualification of Proposals

KyMEA reserves the right to accept the Proposal(s) that, in its sole judgment, best meet the needs and objectives of KyMEA and its members, to reject any and all Proposals, and to waive irregularities and formalities in any Proposal that is submitted.

Without limiting the generality of the foregoing, KyMEA may accept or reject Proposals that are incomplete or irregular, omit any item that the RFP requires, or do not include timely submittal of all required RFP information and forms.

Proposer may submit Proposals that may deviate from the specific requirements of the RFP. KyMEA at its sole discretion may accept and evaluate, or disqualify, any nonconforming Proposals received.

Reserved Rights of KyMEA

At any stage in the RFP process, KyMEA reserves the right, at its sole discretion, to:

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

1. Accept or reject any and/or all conforming or non-conforming Proposals received in response to this RFP;
2. Waive any individual Proposal requirement if deemed in KyMEA's best interest;
3. Accept multiple or no Proposals;
4. Accept quantities and terms different from those sought in the RFP upon mutual agreement of KyMEA and the Proposer;
5. Accept or reject any Proposals received after the submittal deadlines;
6. Accept or reject any Proposal if the Proposer fails to fully complete and timely submit all required RFP Forms;
7. Not disclose information which KyMEA has determine may be confidential or may be subject to a non-disclosure or confidentiality agreement between KyMEA and a Proposer or another party;
8. Negotiate arrangements for power supply with one or more Proposers;
9. Request clarifications from Proposers at any time;
10. Amend this RFP at any time;
11. Cease negotiations with any or all Proposers at any time;
12. Set deadlines for completing negotiations of agreements; and
13. Disqualify a Proposer during the negotiation process for failing to honor the terms of the RFP or those contained in its Proposal.

Confidentiality of Information

KyMEA anticipates taking reasonable steps consistent with applicable Kentucky law relating to governmental agencies and open records requests to maintain the confidentiality of proposed pricing and other commercially sensitive information provided by Proposers, including, upon request of a Proposer, entering into a non-disclosure agreement (NDA) acceptable to KyMEA. The form of an acceptable NDA is attached hereto as Exhibit A.

Power Supply Resources Sought by KyMEA

The purpose of this RFP is to solicit Proposals for capacity, energy, and other attributes from renewable resources for the service of the loads of KyMEA Members and such other uses as KyMEA may deem appropriate.

KyMEA seeks proposals consistent with the following preferences and requirements:

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

1. Resources must qualify for designation as network resources under the LGE/KU Open Access Transmission Tariff (“OATT”) to serve the loads of KyMEA’s Member municipal electric systems to the extent applicable to the project;
2. KyMEA shall be entitled to specified amounts of capacity and energy, and any and all environmental, ancillary, renewable, and other attributes of the resource. KyMEA’s rights must not be secondary to rights of any other party to use or purchase attributes of the resource. Proposer shall specify any limitation on KyMEA’s re-marketing of capacity or other attributes to parties other than KyMEA’s Members;
3. KyMEA’s prefers that resources are delivered to the LGE/KU transmission system, the distribution system of one of KyMEA’s Members, or a node in MISO Zone 6;
4. If the resource is interconnected to another transmission system or another zone in MISO, Proposer should designate a delivery point in MISO Zone 6 or at an interface with the LGE/KU transmission system and include costs and risks of transmitting the power from the point of interconnection to the delivery point. If Proposer specifies a delivery point on another transmission system, KyMEA’s evaluation will include allowance for such costs and risks; and
5. KyMEA prefers the energy source to be wind turbine or solar-photovoltaic technologies, or combinations thereof.

Depending on pricing and other aspects of the Proposals, KyMEA may, without limitation:

1. Incorporate the capacity and energy from a proposed renewable resource into a portfolio being assembled to serve all of KyMEA’s AR Members; and/or
2. Use the capacity and energy from a proposed renewable resource for the service of one (or more) of KyMEA’s AR Members.

Contracting and Project Options

KyMEA requests Proposals under which KyMEA would purchase capacity, energy and other attributes of, or from, a project owned by the proposer under the terms of a power purchase agreement (PPA) between the Proposer and KyMEA. KyMEA anticipates that other parties may make purchases from the same project.

Proposals must clearly specify that all operations and maintenance responsibilities will be fulfilled, and related costs borne, by Proposer or its successors over the term of the PPA.

Proposals must clearly describe the project(s) from which power will be supplied, including identifying the key power production equipment to be used.

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

KyMEA is willing to consider Proposals that would provide similar or better economic benefits to KyMEA as a PPA-based Proposal, but that are based on KyMEA having or taking ownership of the project. For instance, KyMEA would consider a proposal for a project that would be built by proposer, owned or leased by KyMEA, and funded partially by grants if the cost and risk profile of such a project structure can be demonstrated to be advantageous to KyMEA in comparison to having the Proposer own the project and sell capacity and energy to KyMEA under a PPA.

In the event a Proposal specifies that KyMEA would assume ownership of a project, the Proposal must identify:

1. specific provisions regarding the acquisition price, costs, process, and options;
2. any grant funding that would apply to the project;
3. performance guarantees; and
4. a specific plan and budget for the operation and maintenance of the project showing and making allowances for all activities and functions that would be required to operate and maintain the project and key component replacement and renewal schedules and costs.

KyMEA will consider Proposals based on existing and proposed projects.

For proposed projects, Proposer must clearly identify the proposed site, or specific siting requirements and assumptions, on which the Proposal is based. Proposals must specify assumptions and plans regarding at least the following site related considerations and provide a project development plan and timeline with major milestones depicted:

1. Location or target area;
2. Physical acreage (footprint);
3. Other key physical characteristics;
4. Permitting;
5. Electric interconnection (including assumed identity of the electrical system to which the project would be connected and the voltage of interconnection);
6. Any other infrastructure requirements.

For all proposals, Proposer's prices must reflect that Proposer assumes responsibility for all costs and risks of project development, including without limitation, land acquisition, project siting, permitting, necessary site infrastructure, equipment acquisition, construction, and

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

interconnection with the electric system. The Proposer is responsible to understand, account for, and comply with the applicable interconnection requirements of the owner of the electric system to which the Proposer's project would be interconnected.

Proposals must clearly specify any costs that will be borne by KyMEA at any point during the term of the PPA. Any cost not clearly identified as a KyMEA responsibility by the Proposer will be the responsibility of Proposer or its successors over the term of the PPA.

Term

KyMEA anticipates that the initial power supply delivery term proposed may range from approximately 10 years to 20 years in duration, with power supply delivery to begin not prior to May 1, 2019 and not later than June 2022. Other terms will be evaluated.

Although not a requirement, KyMEA will give additional consideration to Proposals that include provisions under which KyMEA would have the right, but not the obligation, to extend the transaction beyond the initial term proposed.

If a Proposal offers a range of terms between 10 and 20 years, KyMEA may unilaterally choose to evaluate and select the term it determines is most suitable.

Capacity

KyMEA expects to contract for 50 MW or less of renewable installed capacity as a result of this solicitation.

Proposers must specify the entitlement KyMEA would have to the installed capacity of the resource(s) (or other means of defining KyMEA's entitlement to the capability of the resource to produce energy and other attributes of the project).

Proposers should explain any historical or anticipated designation by a market operator or regulatory authority as to the amount of accredited capacity that would be associated with the proposed sale to KyMEA. As used herein, the term "accredited capacity" refers to the amount of capacity that qualifies for demonstrating that a load serving entity has met capacity sufficiency requirements.

If a Proposal requires KyMEA to assume any degradation responsibility, proposals must specify the degradation of the capacity and energy to be produced by the project for which KyMEA would be responsible for each year of the term of the PPA. Proposals must identify key component replacement and renewal schedules and the assumed impact of the renewals and replacements on the capacity and energy available to KyMEA.

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

If a capacity price is specified, capacity prices shall be submitted using one of three pricing methods. All capacity prices provided should be on a “dollars per kW–month” basis. The amount of capacity that would be subject to the capacity price to determine a reservation charge must be clearly identified for each year in the term of the PPA. Permissible pricing methods are as follows.

1. Fixed Price: Fixed prices may be for the total term proposed or fixed for specified time periods (e.g., by year);
2. Escalated Price: Prices specified for a base year or base period and then escalated for subsequent years at a fixed annual percentage or by an index; or
3. Cost-Based: Cost-based Proposals may be submitted based on the lesser of actual cost and a specified not-to-exceed price limit. The not-to-exceed limit should be specified in the Proposal and should be either a Fixed Price or Escalated Price, as defined above.

Energy and Other Attributes

Proposals should clearly specify the proposed amounts of and basis for determining KyMEA’s entitlements to energy and other attributes from and of the Proposer’s resource(s). Unless the Proposer specifies otherwise, KyMEA will assume that its entitlement to the energy and all other attributes available from the Proposer’s resource(s) in all hours will be proportionate to KyMEA’s share of the resource’s capability.

Proposers are required to provide the following information regarding the energy entitlement to the project.

1. If the project is existing, please provide actual output data for the most recent 5 years (or since commercial operation of the project if less).
2. If the project is existing or to be developed on a known site, site specific projected output data must be provided.
3. If the project is to be developed on a site to be determined, output data for the targeted site area must be provided.
4. If equipment is existing or selected, output data must be equipment specific.
5. Proposers are required to provide projected output data described below for the initial year and information regarding any projected degradation in the amounts of capacity or energy to be produced by the project over the proposed term of the PPA.
6. The output data requested in 1 through 5 above shall include, or allow KyMEA to readily determine, at a minimum:

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

- a. Hourly delivered energy for 24 hours in each month under peak output conditions;
 - b. Hourly delivered energy for 24 hours in each month under average output conditions; and
 - c. Total delivered energy for each month.
7. A description of the source and basis for determining projected output data must be included.

Energy pricing is expected to be provided on a dollars per MWh basis. The energy price may have a single component or may include: (i) a contract price and (ii) a variable cost adder.

The total energy price, or the energy price's components, in \$/MWh, may be specified as:

1. Fixed Price: Fixed prices may be for the total term proposed or fixed for specified time periods (e.g., by year);
2. Escalated Price: Prices specified for a base year or base period and then escalated for subsequent years at a fixed annual percentage or by an index; or
3. Cost-Based: Cost-based Proposals may be submitted based on the lesser of actual cost and a specified not-to-exceed price limit. The not-to-exceed limit should be specified in the Proposal and should be either a Fixed Price or Escalated Price, as defined above.

Proposer should provide a detailed explanation of the proposed method of energy.

Delivery of Resources

KyMEA is soliciting Proposals for capacity and energy to be supplied from specified physical resources. Resources must be capable of qualifying as designated network resources under the LGE/KU OATT to the extent required for KyMEA to use the capacity and energy purchased to serve the loads of KyMEA's Members and potentially to make sales to 3rd parties.

KyMEA prefers that resources are delivered to the LGE/KU transmission system, the distribution system of one of KyMEA's Members, or a node in MISO Zone 6.

If the resource is interconnected to another transmission system or another zone in MISO, Proposer should designate a delivery point in MISO Zone 6 or at an interface with the LGE/KU transmission system and include costs and risks of transmitting the power from the point of interconnection to the delivery point. If Proposer specifies a delivery point on another transmission system, KyMEA's evaluation will include allowance for such costs and risks.

Proposers should note that KyMEA's members are parties to an agreement with KU which shields them from pancaking of certain transmission and ancillary service charges in

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

transactions between the MISO and LGE/KU regions (the “Depancaking Agreement”). In general, if KyMEA purchases electricity from a resource in MISO, the Depancaking Agreement provides for KU to reimburse KYMEA for certain (otherwise pancaked) MISO charges for transmission and ancillary services to reach the LGE/KU interface where both MISO and LGE/KU provide and charge for corresponding services. The Depancaking Agreement has been interpreted to exclude reimbursement for such MISO charges as marginal congestion costs and marginal losses. The Depancaking Agreement is LGE/KU Rate Schedule FERC No. 402.

Energy Scheduling and Dispatch

We anticipate that proposals primarily will provide for KyMEA to take and pay for energy as and if available from the renewable resource. However, Proposer should specify any scheduling or dispatch flexibility that may be available to KyMEA.

Proposal Commitment

Proposer must hold its Proposal provisions firm for a minimum of 180 days after the date the Proposal is submitted to KyMEA.

Evaluation of Proposals

The evaluation of Proposals submitted in response to this RFP will consider the impact of a Proposal on the KyMEA Members’ total net cost of power on a present value basis over the period through May 2029 and over the proposed term of the transaction.

Projections of a Proposal’s impact on the Members’ net costs of power may include, but not be limited to:

1. The proposed price for capacity and energy;
2. Projected impacts on other resource costs of any applicable as-available, non-dispatchable characteristics of the proposed renewable energy resources;
3. Projected impacts on market transactions; and
4. Transmission related costs (including applicable transmission charges, congestion and losses, and other transmission related costs).

KyMEA’s consideration of a Proposal also may qualitatively and/or quantitatively consider: (i) risks that actual costs may be higher than projected; (ii) uncertainties that may impact the ability of the Proposer to perform as proposed; (iii) flexibility and optionality that may be provided to KyMEA; (iv) the potential volatility in the projected costs of the Proposal relative

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

to other options; and (v) impact on KyMEA's projected costs of power relative to comparable power supply costs of other suppliers in the region.

The information provided in the Proposal regarding capacity offered, capacity and energy pricing, other pricing aspects, scheduling, constraints, expected availability of energy, completion and milestone guarantees, and delivery point(s) proposed will be used in the development of the above described analysis. KyMEA also will make assumptions regarding, and use forecasts of, fuel, market prices for capacity and energy, and environmental compliance requirements in performing the evaluation.

Consistent with the above, the factors to be considered in the evaluation, in declining order of relative importance, are the following:

1. Projected net cost of power over the potential term of the transaction using the criteria and methodology stated above in absolute terms and relative to other suppliers in the region;
2. Flexibility and optionality afforded to KyMEA under the Proposal;
3. Uncertainties concerning performance and availability;
4. Uncertainties concerning transmission arrangements required for delivery as a designated network resource on the LGE/KU system;
5. Uncertainties concerning commencement of the transaction by the date proposed;
6. Creditworthiness; and
7. Location of the Proposer's resources.

KyMEA reserves the unilateral right to make all decisions and judgments as to the assessment of all Proposals, the appropriate assumptions to be used in the analyses, and the weight to be given to each factor.

This RFP will be conducted under the provisions of the Kentucky Model Procurement Code, specifically Kentucky Revised Statutes 45A.370 titled Competitive Negotiation. Written or oral discussions will be conducted with the responsible Proposers whose proposals are determined in writing by KyMEA or its consultants to be reasonably susceptible of being selected for award based on qualifications and the evaluation factors provided in the RFP.

Any award granted hereunder is subject to KyMEA's successful negotiation of any remaining unresolved terms to be included in a final power purchase or other agreement(s) with a responsible Proposer(s) in order to achieve the best and most advantageous terms and conditions for KyMEA and its Members relating to renewable capacity and energy.

Request for Proposals
KyMEA Renewable Capacity and Energy Procurement
RFP # 2017-1

Nonconforming Proposals

Proposers are not precluded from submitting Proposals for alternatives outside of the specific requirements or preferences set forth in this RFP for KyMEA's potential consideration.

KyMEA reserves the right, but has no obligation, to evaluate and qualify any such nonconforming Proposals as it may determine, in its sole discretion, to be in its interest to consider. Any Proposals not meeting the requirements of this RFP are subject to disqualification.

Other Considerations and Requirements

Consistent with KRS 45A.494, Kentucky resident preference will be a consideration in the evaluation of qualified Proposals.

A duly authorized representative of the Proposer must sign all Proposal documents.

Basis of Award

If an award is made, it shall be made to the responsible Proposer or Proposers whose proposal is determined in writing to be the most advantageous to KyMEA based upon the evaluation factors set forth in this RFP and the reciprocal preference for resident bidders required by KRS 45A.494, provided, however, any award made hereunder by KyMEA shall be subject to KyMEA's successful negotiation of a final power purchase or other agreement(s) in order to achieve terms and conditions which are determined by KyMEA, in its sole discretion, to be most advantageous to KyMEA and its Members based upon the evaluation factors set forth in the RFP.

KyMEA reserves the right to make an award on the basis of initial proposals without discussions, subject to the successful negotiation of a final power purchase agreement.

Request for Proposals RFP # 2017-1
KyMEA Renewable Capacity and Energy Procurement
RFP Form 1: NOTICE OF NEGOTIATION PROCEDURE

The undersigned Proposer, having read and examined the specifications and documents for the designated goods and/or services requested under this RFP, hereby acknowledges that this RFP will be conducted under the provisions of the Kentucky Model Procurement Code, specifically Kentucky Revised Statutes 45A.370 titled Competitive Negotiation.

Written or oral discussions will be conducted with the responsible Proposers whose proposals are determined in writing by KyMEA or its consultants to be reasonably susceptible of being selected for award based on qualifications and the evaluation factors provided in the RFP.

Any award granted hereunder is subject to KyMEA's successful negotiation of any remaining unresolved terms to be included in a final power purchase or other agreement(s) with a responsible Proposer(s) in order to achieve the best and most advantageous terms and conditions for KyMEA and its Members relating to renewable capacity and energy.

Proposer understands that KyMEA reserves the right to make an award on the basis of initial proposals without discussions, subject to the successful negotiation of a final agreement.

The undersigned acknowledges and understands that if all Proposers are rejected, KyMEA has the option of seeking Proposals through a subsequent RFP process.

From the date this RFP is advertised until a notice of recommended award, notice of rejection of all Proposals or other notice is made, Proposers are required to confine all communication related to this RFP exclusively to the contact person at nFront Consulting LLC specified on page 4 or page 21 of this RFP and any other representatives designated by those persons. Unless authorized in advance, no contact related to the RFP, will be permitted between a Proposer, its employees, representatives, or affiliates and any board member, officer, official, director, employee, representative or staff of KyMEA or any of the municipals that are, or are considering becoming, Members of KyMEA. Any unauthorized contact will be the basis for disqualification of the Proposer from further consideration.

All Proposals are subject to all other specifications and requirements provided for in this RFP.

Name of Company _____

Authorized Signature _____

Printed Name _____

Title _____

Date _____

Request for Proposals - RFP # 2017-1
KyMEA Renewable Capacity and Energy Procurement
RFP Form 2: QUALIFICATION OF PROPOSERS

Company Name:

Company Contact Information

- Name
- Title
- Address 1
- Address 1
- City, State, Zip
- Email:
- Phone number:

Classification of Company:

- Investor Owned Utility
- Municipal Utility
- Electric Cooperative
- Wholesale Power Marketer

Check if Yes _____

Check if Yes _____

Check if Yes _____

Check if Yes _____

Licensed in Kentucky:

Yes _____ No: _____

Number of Years in Business:

Current Credit Rating:

_____ Standard and Poor's

_____ Moody's

_____ Fitch

Bonding Capability

Proposer owns or currently has contractual rights to all physical resources from which power would be supplied to KyMEA.

Yes _____ No: _____

Each proposed resource that will require transmission service ***can qualify*** for designation as a network resource for the service of the loads of KyMEA's member municipal electric systems.

Yes _____ No: _____

Request for Proposals - RFP # 2017-1
KyMEA Renewable Capacity and Energy Procurement
RFP Form 2: QUALIFICATION OF PROPOSERS

Company Name:

Each proposed resource ***currently qualifies*** as a network resource for the service of a load serving entity directly connected to the LGE/KU transmission system.

Yes _____ No: _____
If Yes, specify load serving entity:

Information is attached regarding experience with similar projects.

Yes _____ No: _____

Authorized Signature of Proposer

Printed Name

Date

Request for Proposals - RFP # 2017-1
KyMEA Renewable Capacity and Energy Procurement
TOPICS TO BE ADDRESSED IN AND FORM OF TERM SHEET

Please provide a Proposal that addresses each of the topics described in the RFP. Proposers are requested, but not required, to present their proposals in the format outlined below to the extent applicable.

KyMEA requests that each Proposal include at least the level of detail normally included in a Term Sheet.

Item	Provision
1. Seller	
2. Buyer	KyMEA
3. Product Description (Attributes)	
4. Term of Agreement	
5. Conditions precedent to Seller's Obligations	
6. Installed Capacity Amount by Year	
7. Flexibility of KyMEA to Adjust Capacity Amount during Negotiations or during the term of the transaction	
8. Capacity Price <ul style="list-style-type: none"> a. Price by Component b. Escalation c. Not to Exceed 	
9. Energy Price (Cost components as applicable) <ul style="list-style-type: none"> a. Total Rate b. Contract rate c. Variable O&M rate d. Not to Exceed 	
10. Other Charges, if any	

TOPICS TO BE ADDRESSED IN AND FORM OF TERM SHEET

Item	Provision
11. PPA Delivery Point	
12. Project Interconnection Point	
13. Arrangements for transmitting power from the point of interconnection to the delivery point, if applicable	
14. Scheduling a. Day Ahead b. Intra-Day c. Other	
15. Ancillary Services	
16. Availability	
17. Pricing, Notice and Other Provisions pertaining to any proposed option for KyMEA to extend the term of the transaction beyond the initial term	
18. Pricing, Notice, Grant Applicability, and Other Provisions pertaining to any proposed option or requirement for KyMEA to assume ownership of all or a portion of the project	
19. Other considerations	

Request for Proposals - RFP # 2017-1
KyMEA Renewables Capacity and Energy Procurement
EXHIBIT A -- FORM OF NDA AGREEMENT

Should the Proposer request that KyMEA enter a NDA as a prerequisite to receiving a Proposal or entering negotiations, this Exhibit A provides a NDA acceptable to KyMEA.

Please direct questions regarding the terms of the proposed NDA to:

Frederick F. Haddad Jr.
Executive Consultant
nFront Consulting LLC

FredHaddad@nFrontConsulting.com
321-710-2639

EXHIBIT A
KyMEA Form of
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-disclosure Agreement (this "Agreement"), dated _____, 2017, is entered into between Kentucky Municipal Energy Agency c/o Rubin and Hays with offices at 450 South Third Street, Louisville, Kentucky 40202 ("Receiving Party") and _____ with offices at _____ ("Disclosing Party"), collectively referred to as the ("Parties").

Background Statement

Receiving Party has had or desires to have confidential discussions with Disclosing Party in connection with the evaluation of proposed transactions between Disclosing Party and Receiving Party proposed by Disclosing Party in response to the Request for Proposals from Receiving Party dated _____ ("Proposed Transactions"). The Parties acknowledge that Receiving Party will be receiving, reviewing, and analyzing information with respect to Proposed Transactions that is confidential, proprietary, or otherwise commercially sensitive and not publicly available. Receiving Party and Disclosing Party have entered into this Agreement to establish terms and conditions applicable to the exchange of Confidential Information in connection with the Proposed Transactions.

Agreement

1. **Non-disclosure of Confidential Information.** Confidential Information will be kept strictly confidential by Receiving Party. Confidential Information may, however, be disclosed by Receiving Party to its directors, officers, members, employees, attorneys, consultants and financial advisors (collectively, "Representatives"), but only if such Representatives (i) need to know the Confidential Information in connection with Receiving Party's evaluation of Proposed Transactions, and (ii) agree to be bound by the terms of this Agreement. Receiving Party shall not disclose the Confidential Information to any person other than as expressly permitted by this Agreement, and shall safeguard the Confidential Information from unauthorized disclosure. Receiving Party shall use the Confidential Information solely for the purpose of evaluating Proposed Transactions and for no other purpose. Receiving Party shall be liable for any breach of this Agreement by any of its Representatives.

2. **Notice Preceding Required Disclosure.** If Receiving Party or its Representatives are requested or required (by oral question, interrogatories, requests for information or

EXHIBIT A
KyMEA Form of
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

documents, subpoena, open meeting requirements, civil investigative demand, regulatory proceedings, stock exchange rules, or other applicable rules or regulations or similar process) to disclose any Confidential Information, Receiving Party shall promptly notify Disclosing Party of such request or requirement so that Disclosing Party may seek an appropriate protective order or waive compliance with this Agreement. If, in the absence of a protective order or the receipt of an express waiver under this Agreement, Receiving Party or its Representatives are, in the opinion of legal counsel, required to disclose the Confidential Information, Receiving Party or its Representatives may disclose only such of the Confidential Information to the party requiring disclosure as, in the opinion of legal counsel, is required by applicable law, rule or regulation and, in connection with such disclosure, Receiving Party and its Representatives shall use commercially reasonable efforts to obtain confidential treatment for such portion of the Confidential Information as is disclosed. Disclosure in accordance with this paragraph that is legally required to be made is not a violation of this Agreement.

3. Definition of “Confidential Information”. As used in this Agreement, “Confidential Information” means any and all information that is furnished, before or after the date hereof, to Receiving Party or its Representatives by Disclosing Party or otherwise that relates to or concerns Proposed Transactions or the Disclosing Party and its affiliates, and is designated as confidential by the Disclosing Party. Any such information furnished to Receiving Party or its Representatives by a director, officer, employee, member, partner, lender, consultant, agent, or other representative of Disclosing Party will be deemed furnished by Disclosing Party for the purpose of this Agreement. Notwithstanding the foregoing, the following does not constitute Confidential Information for purposes of this Agreement: (i) information that is or becomes publicly available other than as a result of a disclosure by Receiving Party in breach of this Agreement; (ii) information that was already known to Receiving Party on a non-confidential basis prior to being furnished to Receiving Party by Disclosing Party; (iii) information that becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party or a representative of Disclosing Party if such source, to Receiving Party’s knowledge, is neither subject to any prohibition against transmitting the information to Receiving Party nor bound by a confidentiality agreement with Disclosing Party; and (iv) information that is independently developed by Receiving Party without use of or reference to Confidential Information.

4. Return of Information. Confidential Information will remain the property of Disclosing Party. Upon request of the Disclosing Party, Confidential Information, and any copies thereof, will be returned to Disclosing Party or destroyed within fifteen days of receipt of the request. Unless otherwise agreed to by the Parties, the Receiving Party or its Representatives

EXHIBIT A
KyMEA Form of
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

may retain one record copy for their files. Any Confidential Information so retained shall remain subject to this Agreement without regard to Section 7 hereof.

5. No Waiver. No failure or delay in exercising any right, power, or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege hereunder.

6. Remedies. Because money damages may not be a sufficient remedy for a breach of this Agreement by Receiving Party or its Representatives, Disclosing Party shall be entitled to seek specific performance and injunctive relief as remedies for any such breach or threatened breach. Such remedies will not be deemed to be the exclusive remedies for a breach of this Agreement by Receiving Party or any of its Representatives but will be in addition to all other remedies available to Disclosing Party at law or in equity.

7. Term. Except as otherwise provided in Section 4, this Agreement shall terminate on the date that is two (2) years from the date first written above.

8. No Representations or Warranties. Neither Disclosing Party nor any of its Representatives is making any representation or warranty as to the accuracy, validity or completeness of Confidential Information and Disclosing Party shall not be liable to Receiving Party or any other party as a result of the use of Confidential Information.

9. No Assignment; Successors. Receiving Party may not assign all or any part of this Agreement without Disclosing Party's prior written consent. This Agreement inures to the benefit of the Parties hereto and their successors and permitted assigns and is binding on each other and each other's successors and permitted assigns.

10. Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KENTUCKY, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD OTHERWISE DIRECT THE APPLICATION OF THE LAWS OF A DIFFERENT JURISDICTION. EACH OF THE PARTIES HERETO AGREES THAT (A) ANY LEGAL ACTION BROUGHT HEREUNDER SHALL BE BROUGHT IN THE FEDERAL OR STATE COURTS LOCATED WITHIN KENTUCKY AND (B) ANY RIGHT OF THE UNDERSIGNED TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION ARISING OUT OF THIS AGREEMENT IS WAIVED.

11. Entire Agreement; Headings. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof. The headings of the Sections of this

EXHIBIT A
KyMEA Form of
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

Agreement are inserted for convenience only and do not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement. This Agreement may be executed via facsimile transmission and may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument.

12. Savings Clause. If any provision of this Agreement or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of the Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

To evidence their acceptance of this Agreement, the Parties' respective authorized representatives have signed below effective as of the date first specified above.

DISCLOSING PARTY

KENTUCKY MUNICIPAL ENERGY AGENCY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____