



Request for Proposal

PJM Aggregated Demand Response Capacity

1. INTRODUCTION

1.1 AEP OVERVIEW

American Electric Power (AEP) is one of the largest electric utilities in the United States, delivering electricity to more than 5.5 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 36,000 megawatts of generating capacity in the U.S. AEP also owns the nation's largest electricity transmission solutions, a nearly 39,000-mile network that includes more 765 kilovolt extra-high voltage transmission lines than all other U.S. transmission solutions combined. AEP's utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia, West Virginia and Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana and east Texas).

This RFP will focus on Demand Response capacity located within AEP service areas within the PJM footprint, including AEP Ohio, Appalachian Power (Virginia, West Virginia, and Tennessee), Indiana Michigan Power (Indiana, Michigan), and Kentucky Power.

1.2 PURPOSE OF RFP

AEP is interested in purchasing aggregated Demand Response (DR) capacity within AEP's service areas within the PJM Regional Transmission Organization (RTO). Suppliers can reference section 5 of this document and attached AEP PJM Service Area zip codes for applicable areas. AEP intends to register the resources under the PJM Load Management Full Program Option and use the resources in its PJM capacity plan.

AEP would procure aggregated capacity from the supplier on a \$/MW-year basis. AEP seeks to purchase capacity for the PJM 2024-2025 Delivery Year. AEP plans to conduct similar requests for proposals for future years as it expands its DER portfolio. Aggregations can be comprised of a portfolio of assets consisting of multiple technologies or separated into asset classes (e.g., load reduction method, direct control vs. behavioral, technology/generation type) with associated usage limits, terms and cost.

AEP prefers that the supplier would provide AEP with aggregation/asset availability data and dispatch control via secure API connection.

For all customers/assets within an aggregation, suppliers will need to provide resource information, including customer name, address and/or utility account numbers so the AEP utility meter data can be associated with the DR resources.



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2. PROGRAM DETAILS

Suppliers shall comply with the following requirements:

2.1 TECHNICAL REQUIREMENTS

1. Must meet all PJM requirements to be qualified as accredited capacity;
2. Capacity should be available any day during the hours of 10am-10pm May-October, and 6am-9pm Nov-April;
3. The capacity is required to respond and fulfill any PJM Load Management events;
4. 30-minute response time unless Supplier can provide exception (as per PJM requirements). If requesting exception, Supplier must provide one of the following reasons for the exception:
 - a. Damage (feedstock/equipment/product) – This should represent unavoidable damage to feedstock, equipment or product used in manufacturing process;
 - b. Transfer of load to backup generator – Transfer of load to backup-generation requires time-intensive manual process taking more than 30 minutes;
 - c. Safety Issue – This should be expected for on-site safety violation such as OSHA standards/laws; and
 - d. Mass Market communication – The Demand Resource is comprised of mass market residential or Small Commercial customers which collectively cannot be notified of a Load Management event within a 30-minute timeframe due to unavoidable communications latency.
5. Cannot be part of any other wholesale or retail program;
6. DR capacity cannot include residential thermostats;
7. Supplier to provide for each location (tied to a utility meter) the load reduction method and the associated load reduction kilowatt capability. Load reduction methods indicate the type of electrical equipment that is controlled to provide the demand response activity and include: Heating, Ventilation and Air Conditioning (HVAC), Lighting, Refrigeration, Manufacturing, Water Heaters, Batteries, Plug Load and Generation¹; and
8. Supplier responsible for the procurement of any required environmental permits.
9. Must meet PJM annual testing requirements (currently stated in PJM Manual 18)

3. VENDOR REQUIREMENTS

Suppliers are required to accept or provide redlines to AEP's standard terms and conditions, which AEP plans to share by December 8, 2023.

3.1 EXPERTISE AND EXPERIENCE

¹ Generation types are: Internal Combustion Engine, Combustion Turbines, Steam Engines and Cogeneration units.



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Suppliers are required to possess the following qualifications, expertise, and experience in order to be considered for this RFP:

1. Demonstrated experience in the delivery of megawatt capacity through aggregated DR capacity purchases, preferably in single or multi-year contracts;
2. Proven track record of successfully executing similar projects with electric utilities of comparable size and complexity as AEP;
3. Possession of relevant certifications, accreditations, or industry-recognized qualifications that demonstrate expertise within this scope;
4. Comprehensive understanding of the regulatory environment, market dynamics, and emerging trends in the energy industry, particularly in the context of DR/DER capacity procurement;
5. Ability to provide references or past engagements with electric utilities, showcasing the successful delivery of the specified deliverables being requested; and
6. 3 years of audited financials demonstrating solvency, stability, and long-term dependability as a Supplier.

4. PROPOSAL SUBMISSION DETAILS

4.1 PROPOSAL FORMAT AND REQUIREMENTS

Proposals submitted can be no longer than 15 pages, excluding addendums, exhibits, etc. Proposals should be prepared to provide a concise yet complete description of the Supplier's approach and capabilities for satisfying the required service outlined in this RFP. In addition, Suppliers should address any and all anticipated difficulties and/or problem areas along with potential approaches to their resolution.

Responses which identify staffing limitations, budget constraints, or other specific challenges in achieving desired objectives, along with recommendations to overcoming challenges, are encouraged. In addition, the Supplier is encouraged to proactively present additional information and responses, not specifically requested, to demonstrate understanding of this endeavor and the Supplier's ability to achieve AEP's objectives.

Suppliers are requested to prepare their proposal response according to the following format:

- Cover letter (Clearly identify the legal entity making the submission; provide a single point of contact for further communication regarding this process; provide an e-mail address and telephone number for the single point of contact; and to facilitate communication, one other copy recipient may be identified. If a different entity will be the signatory on the contract, please identify the appropriate corporate entity.)
- Executive Summary
- Introduction
- Review of Roles and Responsibilities and Understanding of Assignment



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- Scope of Work
- Implementation Plan, Timeline, and Key Milestones
- Performance Goals
- Qualifications and Experience of Key Personnel
- Budget
- Appendices (complete spreadsheet entitled, “DR Capacity RFP resource Description”)

Suppliers should communicate strictly through the Ariba platform. If you have technical difficulties, please contact Zack Blake @ ezblake@aep.com.

If you have questions about this RFP, please use the following link to submit them by the due date described in section 4.3:

<https://app.smartsheet.com/b/form/e73160f69cd2462cbb5ab1b90cb6428f>

4.2 PROPOSAL EVALUATION CRITERIA

Proposals will be evaluated based on vendor experience, capacity volumes, cost, and use conditions associated with the portfolio. AEP will provide weighting of criteria by December 8th 2023.

4.3 TIMELINE

The Supplier Conference referenced below will take place from 1 to 2pm EST. Use the following links to call in.

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 295 519 923 368

Passcode: 6R3Bmx

[Download Teams](#) | [Join on the web](#)

Join with a video conferencing device

953812256@t.plcm.vc

Video Conference ID: 118 483 547 7

[Alternate VTC instructions](#)

Or call in (audio only)

[+1 614-706-7239,,779779721#](#) United States, Columbus

Phone Conference ID: 779 779 721#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)



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Task	Completion
RFP Released	11-10-2023
RFP Questions Due	11-29-2023
Supplier Conference	12-5-2023
Proposals Due	1-3-2024
Target Contracting Date	2-1-2024

5. AEP PJM SERVICE AREAS

AEP PJM Service Areas

