



August 21, 2019

INTRODUCTION

American Electric Power Service Corporation (AEPSC) is seeking proposals on behalf of one or more of AEPSC’s affiliated or associated companies for the supply of coal to one or more power plants.

This solicitation seeks coal that meets the specifications listed in Exhibit A “Coal Specifications”. All proposals shall be priced subject to the attached Master Purchase and Sale Agreement (Exhibit B).

AEPSC is seeking proposals for the following:

Coal Region	Q4 2019	Q1 2020	CY 2020	CY 2021	CY 2022
Central Appalachian Basin	-	350,000		750,000	750,000
Powder River Basin	1,300,000	2,000,000	-	1,500,000	1,500,000
Illinois Basin	-	-	-	250,000	500,000
Northern Appalachian Basin	-	-	250,000	250,000	1,500,000

Each valid proposal should include:

- The Seller’s and Producer’s name(s);
- The location of the mine;
- The mine type (surface or underground);
- The seam of coal being mined;
- The mine district;
- The quality of the coal, inclusive of suspension/rejection limits;
- The coal preparation (washed, crushed run-of-mine, etc.);
- The tons proposed for delivery each month;
- The stated price per ton;
- The commencement date and months of delivery; and
- MSHA ID Number, Environmental Permits (if new mine), and the intended method of mining (surface or deep)

Please complete all attached forms with a valid offer.

COAL PROPOSAL PACKAGE

In order to ensure that proposals are responsive to AEPSC's needs and provide a uniform basis for evaluation, please complete the “Coal Proposal Form” (see Excel attachment within RFP email). For each Coal Proposal Form, complete all six (6) tabs of the spreadsheet for each offer and specification. Typical coal analyses, including the Proximate, Ultimate, Trace Element and Mineral Ash Analyses, Grindability Index, and Ash Fusion Temperatures, shall be submitted along with the Coal Proposal Form.

BID SUBMITTAL

Tab 6 of the Coal Proposal Form(s) should be printed, signed by a person having proper authority to legally obligate the offering company, and scanned to a .pdf file for submittal. Tabs 1 through 5 of the Coal Proposal Form should be submitted electronically in the excel format. The Coal Proposal Form, along with any additional supporting materials, and must be received no later than 5:00 p.m. EDT time, **WEDNESDAY, SEPTEMBER 4, 2019**. Proposals are to be kept open for AEPSC's acceptance until 5:00 p.m EDT., **TUESDAY, SEPTEMBER 17, 2019**. All proposals are to be submitted by e-mail to aepfuelsrfp@aep.com.

If you do not wish to receive future solicitations, please send an email to aepfuelsrfp@aep.com with the subject line "Remove from Solicitation" on or before WEDNESDAY, SEPTEMBER 4, 2019.

BID EVALUATION

Proposals will be evaluated based upon the following factors:

- 1) Delivered cost (cents per million Btu);
- 2) Coal quality with appropriate price adjustments for guaranteed percent ash and pounds SO₂ per million Btu based on the relevant SO₂ emissions allowances and SO₂ removal costs, inclusive of rejection limits;
- 3) Reliability of supply and transportation flexibility;
- 4) Previous experience with bidder or bidding company in past business with AEPSC;
- 5) Creditworthiness of bidding company;
- 6) Agreement Terms and Conditions

AEPSC reserves the right to modify or withdraw this invitation, to reject any or all proposals, and to terminate any subsequent negotiations at any time. AEPSC also reserves the right to accept one or more proposal(s) for a portion or for all of the quantities of coal it seeks to acquire with this invitation.

AEPSC will retain in confidence all proposals and other information received pursuant to this invitation, except when the same is requested by a court or government agency, or otherwise required to be disclosed.

Those submitting proposals shall be responsible for the completeness and accuracy of all information contained in and used in preparation of its proposal(s) and for having supplied all necessary information.

It should be noted that for payment purposes, weighing and sampling shall be performed at the same location. Sampling and analysis shall be performed by a mutually agreeable third party laboratory.

All proposals shall be submitted by the offering company at their sole cost and expense.

Should further information be required, please contact Amy Jeffries at (614) 716-6235, Tina Sefcik at (614) 716-6113 or Amanda Torgerson at (614) 716-6222.

Thank You.

EXHIBIT A
COAL SPECIFICATIONS

Central Appalachian Basin (FOB NYMEX Barge or CSX Rail)	Contracted Half-Month	Shipment Rejection Limit
Calorific Value (Btu/lb.)	12,000 to 12,600	< 11,800
Moisture (%)	10.00	> 10.00
Ash (%)	12.00	> 13.50
Sulfur Dioxide (lbs. SO ₂ /mmBtu)	<i>up to 1.67</i>	> 1.75
Ash Fusion Temp. (H=1/2W) °F Red. Atm	2,700	< 2,600

Powder River Basin (FOB Rail)	Contracted Half-Month	Shipment Rejection Limit
Calorific Value (Btu/lb.)	8,600 to 9,000	< 8,400
Moisture (%)	27.00	> 31.00
Ash (%)	5.50	> 7.00
Sulfur Dioxide (lbs. SO ₂ /mmBtu)	<i>up to 0.80</i>	> 1.20

Illinois Basin (FOB Barge)	Contracted Half-Month	Shipment Rejection Limit
Calorific Value (Btu/lb.)	11,200 to 12,600	< 10,900
Moisture (%)	13.00	> 14.00
Ash (%)	8.50	> 10.50
Sulfur Dioxide (lbs. SO ₂ /mmBtu)	<i>up to 5.5</i>	> 5.60
Chlorine (%)	-	> 0.20

Northern Appalachian Basin (FOB Barge or CSX Rail)	Contracted Half-Month	Shipment Rejection Limit
Calorific Value (Btu/lb.)	11,500 to 13,000	< 11,300
Moisture (%)	8.00	> 12.00
Ash (%)	9.50	> 12.50
Sulfur Dioxide (lbs. SO ₂ /mmBtu)	<i>up to 7.4</i>	> 7.50
Ash Fusion Temp. (H=1/2W) °F Red. Atm	2,100	> 2,300

The above specifications may not exactly match one or more of the coal types a prospective supplier may have, but should be included in the one that most closely fits such specification.

EXHIBIT B
AEP MASTER AGREEMENT TEMPLATE



(Double click on PDF icon to open document or refer to attachments in email)