PARTICIPANT PROGRAM GUIDELINES
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PROGRAM INTRODUCTION

The Bid4efficiency Program is a reverse auction for financial incentives where Pre-Qualified Bidders submit bids for energy efficiency incentives based on a price per annual kilowatt hour (kWh) or watts reduced. The auction is conducted via an online platform. The auction starts at an established Bid Ceiling Price and bidders bid down from this price by allowed Bid Decrements. At the end of the auction, the bidder(s) with the lowest price per annual kilowatt hour or a price per Watts reduced bid is considered the winner of the auction and becomes an Awardee.

Multiple auctions will be available with varying requirements including:

- Different award size auctions Ranging from $25,000 to $500,000
- Technology-specific auctions
- Segment-specific auctions
- Solution Provider-only auctions
- Customer-only auction

The purpose of these Program Guidelines is to provide participants with information on program procedures after winning an auction.
AUCTION PLATFORM POLICIES & PROCEDURES

The Bid4efficiency Program utilizes an online reverse auction platform to allow participants to competitively bid for energy efficiency incentive dollars. Below are general auction platform policies and procedures:

- Only participants that complete the program Request for Qualifications (RFQ), are approved by the AEP Ohio program administrator and attend the mandatory auction training webinar will be eligible to participate in the Bid4efficiency auction.

- Collusion with other bidders during or prior to the live auctions is strictly prohibited. Collusion includes solution providers bidding on behalf of customers, solution providers bidding for multiple customers or solution providers bidding for themselves and for customers. Collusion also includes discussing bid strategies with other customers or solution providers. AEP Ohio has the sole discretion to determine what is deemed collusion at any time during or after the auction. AEP Ohio has the right to disqualify any participant if they feel that they are not participating in the auction in a fair manner.

- All customers must bid on their own behalf and cannot have solutions providers place bids on their behalf.

- Winning bidders agree to implement energy efficiency projects—receiving incentive funding at the winning bid price.

- Bidders can only win one auction per program year in each auction block ($/kWh and $/Watts reduced). AEP Ohio will double the winning auction allotment if the project(s) submitted utilize more than awarded.

- If there are not at least 3 active participants, in addition to the number of awardees in any particular auction bucket, AEP Ohio reserves the right to void the auction results and award partial or no incentives. AEP Ohio has sole discretion to make this decision. Participating bidders agree to identify and implement energy efficiency projects, drawing down from the total incentive award amount received at the completion of the auction.

- Bidders are required to have a hardline internet connection during the live auction. Wireless, or use of mobile devices is not recommended.

- Bidders must utilize up-to-date browsers to participate in the program.

- AEP Ohio is not responsible for bidder problems associated with loss of internet connection, computer malfunctions or browser issues during an auction.

- Solution Provider bidders are strongly encouraged to bid on the appropriate sized bucket based on past performance in the AEP Ohio Incentive program or a currently identified large 2018-2019 project. You may be locked out of auctions that are larger than your past performance.

- For Solution Providers only: Winning bidders with projects that fail to achieve realization rates over 50% will lose the ability to collect the $/kWh saved Solution provider bonus, and may be prohibited from future auctions.
PROGRAM TIMELINE

The implementation period for Awardees will begin upon full execution of the Incentive Agreement by both the Awardee and AEP Ohio. The implementation period ends when the Awardee has completed full implementation of the project(s) as outlined in the Incentive Agreement and provided full documentation for the Evaluation, Measurement and Verification (EM&V) on the project(s).

Energy efficiency projects receiving funds through this Program must be completed before the 2019 Program year end (date TBD). If a pre-approved project will not be completed within this timeframe, the Awardee may request an extension from AEP Ohio.
PROGRAM PROCESS OVERVIEW

1. Bidders Respond to RFQ
2. Pre-qualified?
   - No: Customer/Solution Provider is Notified
3. Bidder Access, Training, & Instruction
4. Online Auction Begins
5. Auction Winner?
   - No: Directed to All Funding Opportunities / Additional Auctions
6. Awardee Submits Proposed EE Projects for Approval
7. Project Approved
   - No: Project is Revised and Resubmitted for Approval
8. Project is Implemented
9. Submit Final Application & Documentation
10. Project is Verified
11. Awardee is Reimbursed for Energy Savings Delivered at Their Winning Price per kWh or Watts
1. Notification and Training of Awardees

After the auction results are finalized, Awardees will be issued a notification of award letter, an Incentive Agreement, these Program Guidelines, a sample Project Pre-Approval and a Project Completion Form.

Awardees must review and sign the Incentive Agreement showing that they will adhere to the Program Terms and Conditions. The Awardee will then send the signed Incentive Agreement to AEP Ohio for final execution.

The Incentive Agreement will govern all program activities for the Awardee through the duration of the program.

Once the awardee and AEP Ohio have fully executed the Incentive Agreement, the Awardee will be assigned a program advisor who will act as his or her primary point of contact through the program implementation period.

After awardees are notified, AEP Ohio will conduct detailed one-on-one trainings to familiarize the awardee with program process and workflow before the Awardee begins submitting projects for pre-approval. The Program Advisor will be available for any questions during the process and will assist to expedite projects through the process to incentive payments. In addition, Awardees will be asked to participate in periodic status calls with their Program Advisor to provide an update on project status and progress towards meeting energy savings goals.

2. Identification and Implementation of Energy Efficiency Projects

The Awardees can immediately begin identifying and submitting energy efficiency projects upon execution of the Incentive Agreement. All projects require pre-approval by AEP Ohio and must meet the following requirements:

- Projects taking place in existing facilities must result in reduced electric energy consumption depending on incentive award type.
- Customer must be a non-residential customer and hold an account with AEP Ohio—in the state of Ohio.
- In order to participate, the customer must have electricity usage of 200,000 kWh per year or greater over a one year period as an account holder.
- Projects must have a minimum payback, based on annual year electricity costs savings, of at least one year.

The Awardee must submit a Project Pre-Approval form with required supporting documentation prior to moving forward with a proposed project. The form must be signed by the Awardee and the awardee’s customer (for Solution Providers only). Supporting documentation can include but is not limited to: energy calculations, equipment specification sheets and documentation of existing conditions.
PROGRAM PROCESS OVERVIEW (CONTINUED)

For Solution Providers only: The customer in the facility where the project is taking place must submit documentation acknowledging the Bid4efficiency program and the incentive bucket id that is being used toward the project. These incentive funds can be used to support the Solution Provider’s services or may be passed directly to the customer upon completion of the energy efficiency project. In addition, the customer must sign the Project Pre-Approval Form and agree to abide by the program guidelines.

Awardees will be notified in writing via email of project approval or denial within fourteen (14) business days, of receiving the pre-application, unless additional information is needed by AEP Ohio to determine project eligibility. Once a project is pre-approved, the Awardee may move forward with implementation. Projects may be selected for pre-inspection, in which case the Awardee will be notified via mail and AEP Ohio will coordinate with the Awardee to conduct the pre-inspection in an expeditious manner.

If the scope of the project changes in any material way once pre-approved, the Awardee must notify the Program Advisor or assigned engineer reviewer in writing as soon as possible to ensure continued eligibility of the project.

With each proposed project, Awardees will have to identify a project timeline with an estimated completion date. During the status calls with Program Advisors, Awardees will be required to demonstrate that projects are on track for completion according to the timeline or the Awardee must request a completion deadline extension.

3. Project Completion and Incentive Payment

After the Awardee’s approved project is completed, the Awardee will submit the Final Application form and required supporting documentation to AEP Ohio to trigger an incentive payment. Supporting documentation should include, but is not limited to: itemized and paid invoices, proof of purchase receipts and engineering calculations, as well as other standard information requested by the AEP Ohio suite of programs offered to business customers.

The incentive payment will be issued after AEP Ohio has verified the amount of annual kilowatt hours saved or Watts reduced by a project. AEP Ohio and its designated representatives reserve the right to perform on-site measurement and verification of the completed project prior to issuing an incentive payment to the Awardee.

In addition, AEP Ohio and its designated representatives reserve the right to monitor energy use/production/demand prior to and after installation of the project or to perform an inspection of project records or the project itself to evaluate program efficacy after receipt of incentive payment.
AEP Ohio will pay out the incentive based on the verified annual kilowatt hours saved or Watts reduced at the agreed upon $/kWh or $/W winning bid rate as determined in the auction and Incentive Agreement. The total incentive amount paid under the Bid4efficiency Program cannot be greater than 50% of the total project cost including installation and labor.

Bonus Incentive: Upon verification of energy savings, if AEP Ohio determines that the Awardee delivered 50% or higher of their total annual kilowatt hour saved or Watts reduced award amount and/or uses 50% or more of the awarded money as determined in the auction incentive agreement, the Awardee will receive an incentive bonus of $0.0025 per kWh saved. In the case of an Awardee having used 80% or more of their total annual kilowatt hour saved or Watts reduced award amount and/or uses 80% or more of the awarded money as determined in the auction incentive agreement, the Awardee will receive an incentive bonus of $0.005 per kWh saved. This 50% or 80% is only drawn down from the incentives delivered above the $25,000 cap per project for the Prescriptive & Custom Programs. Bonus Incentive funds are limited and will be paid on a first come first serve basis.

4. Retraction of Incentive Funds

AEP Ohio reserves the right to reallocate part or all incentive funds from the Awardee for reasons including but not limited to:

- Awardee violates the Incentive Agreement or Program Terms and Conditions.
- Awardee is unable to identify eligible energy efficiency projects.
- Pre-approved projects will not be completed according to their estimated timeline.
- Completed energy efficiency projects do not meet the full energy savings bid and, therefore, the Awardee has remaining funds that will not be used. Failure to meet 50% of the total award amount may result in limits on the size of future auctions in which the bidder may participate.

In the event that incentive funds will be taken back from the Awardee, the Awardee will be notified in writing by AEP Ohio. At this time, the Incentive Agreement between the Awardee and AEP Ohio will be amended.
TERMS AND DEFINITIONS

Awardee
A Pre-Qualified Bidder that is awarded energy efficiency incentive funds under the Bid4efficiency Program.

Bid Decrement
The minimum amount or percentage by which the next bid submitted in an auction is to be lower than the previous bid.

Bid Price
A price per annual kilowatt hours saved or Watts reduced submitted by a Pre-Qualified Bidder during a Bid4efficiency auction.

Bid Ceiling Price
The established opening bid price at which Pre-Qualified Bidders will start bidding down during an auction.

Eligible Customer
A non-residential electric customer in AEP Ohio’s service territory, within the State of Ohio, that is qualified to receive incentive funds through the Bid4efficiency Program to complete an energy efficiency project in their facility. Eligible Customers may compete directly in the reverse auction or work with a Solution Provider who is awarded under the Bid4efficiency Program.

Energy Efficiency Project
A measure or bundle of measures that reduce the amount of electricity required to achieve a given end use.

Incentive Agreement
A contractual agreement provided by the Program Implementer, on behalf of AEP Ohio, to the Awardee that outlines the terms and conditions that the Awardee must follow under the Program.

Pre-Qualified Bidders
An eligible customer or Solution Provider that is selected through the Request for Qualifications (RFQ) process to participate in the Bid4efficiency Program.

Reverse Auction
A type of auction in which the primary objective is to drive purchase prices downward. The Pre-Qualified Bidders compete to provide a good or service by offering progressively lower bids until no Pre-Qualified Bidder is willing to make a lower bid.
QUESTIONS & TECHNICAL RESOURCES

For any questions related to the process or program, please contact us at aepohio@bid4efficiency.com or by calling Customer Service at 800-782-0719.

A Frequently Asked Questions document (FAQs) is also available on the website at www.aepohio.com/bid4efficiency