



Fitchburg Gas and Electric Light Company (“FG&E”)

Request for Proposals

To Provide NEPOOL-GIS Certificates in Compliance
with the Massachusetts Renewable Energy Standard, the
Alternative Portfolio Standard, the Clean Peak Standard,
and the Clean Energy Standard

For the Period:

Calendar Year 2021

Issue Date: May 2, 2022

REQUEST FOR PROPOSALS

1. Introduction

The Electricity Restructuring of 1997¹ established a requirement to foster the development of new renewable energy sources through implementation of the Renewable Energy Portfolio Standard (“RPS”) (M.G.L. ch. 25A § 11F). The Electric Restructuring Act was modified by the Green Communities Act of 2008 (“GCA”) to include requirements for existing renewable resources and to encourage the development of alternative renewable facilities. In addition, on January 1, 2010, new regulations were filed so that a specified and growing portion of the RPS Class I renewable energy requirement comes from solar photovoltaic (PV) energy. In April 2014, a second phase of the solar program was implemented to continue supporting new solar PV installations across the Commonwealth. The Massachusetts Act and its revisions require a Retail Electricity Supplier (“RES”) to source a minimum portion of its resources from certain renewable energy resources (“Class I Resource, Class I Solar Carve-Out Resource, Class I Solar Carve-Out II Resource, Class II Resource, Class II Waste to Energy Resource, APS Resource”). The Massachusetts Department of Energy Resources (“DOER”) regulations implementing these requirements (225 CMR 14.00, 225 CMR 15.00, 225 CMR 16.00) can be found at:

<http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/>

On August 11, 2017, the Massachusetts Department of Environmental Protection (“MassDEP”) promulgated final regulations at 310 C.M.R. 7.75 to establish a Clean Energy Standard (“CES”) for the Commonwealth of Massachusetts. The purpose of the regulation in conjunction with 310 C.M.R. 7.74 is to limit or reduce greenhouse gas (“GHG”) emissions in Massachusetts to satisfy the mandate of Section 3(d) of the Global Warming Solutions Act. The CES is designed to function in a manner similar and compatible with the existing RPS administered by the DOER. The regulations require all RES to annually procure clean energy certificates (CEC) (referred to as “clean generation attributes” in the regulation) for a percentage of electricity sales. CECs are produced by any resource that meets the CES eligibility requirements which includes all RPS Class I resources and non-RPS Class I resources that are approved by MassDEP. CES obligations can be satisfied with RPS Class I RECs or from certificates associated with units approved by MassDEP. On July 10, 2020 the MassDEP issued an amendment to 310 C.M.R. 7.75 to establish a CES for Clean Existing Generation Units (CES-E). The regulations require all RES to annually procure CES-E certificates (referred to as “clean existing generation attributes” in the regulation) for a percentage of electricity sales. CES-E certificates are produced by any resource that meet the CES-E eligibility requirements that are approved by MassDEP.

¹ Act Relative to Restructuring the Electric Utility Industry in the Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protections Therein, Chapter 164 of the Acts of 1997 (“Massachusetts Act”).

On August 7, 2020, the DOER promulgated final regulations at 225 C.M.R. 21.00 to establish a Clean Peak Energy Portfolio Standard (CPS) to increase clean energy during the periods when Net Demand of electricity is the highest. Clean Peak Resources contribute to the Commonwealth's environmental protection goals concerning air emissions including, but not limited to, those required by the Global Warming Solutions Act, M.G.L. c. 21N, §§ 1-9, by displacing nonrenewable generating resources during Seasonal Peak Periods, while also having added benefits of reducing peak demand and system losses and increasing grid reliability. The regulation requires a RES to source a minimum portion of its resources from a Clean Peak Resource. The DOER regulation implementing the requirements can be found at: www.state.ma.us/doer/rps/index.htm.

Each RES is required to demonstrate that a minimum percentage of its resources are provided from renewable energy generation sources as follows:

Year	MA RPS Class I Requirement	MA RPS Class I Solar Carve-Out Requirement	MA RPS Class I Solar Carve-Out II Requirement	MA RPS Class II Requirement
2021	12.4087%	1.6629%	3.9284%	3.5634%
2022	14.371%	1.543%	4.086%	3.6%

Year	MA RPS Class II Waste Energy Requirement	MA APS Requirement	MA CPS Resource Requirements	MA CES-E Resource Requirements
2021	3.7%	5.25%	3.0%	20%
2022	3.7%	5.50%	4.5%	20%

A RES may satisfy these requirements by providing renewable attribute certificates from the NEPOOL Generation Information System (“NEPOOL GIS”) or make an Alternative Compliance Payment (“ACP”) to the Massachusetts Clean Energy Center (MassCEC).

Fitchburg Gas and Electric Light Company (“FGE”) d/b/a Unitil (“Unitil”)² is seeking proposals for the supply of NEPOOL-GIS certificates from generating facilities that have been approved by the DOER or are in the process of being approved as an energy resource that meets the Massachusetts RPS, APS, CPS, or CES-E requirements. Unitil is seeking proposals that provide NEPOOL-GIS certificates that can be used to show compliance in calendar year 2021. Unitil will not accept proposals that require the purchase of NEPOOL-GIS certificates beyond calendar year 2021. It is the intent of Unitil and supplier(s) that the resulting transactions shall meet the Commodity Futures Trading Commission’s criteria for the forward contract exclusion, including that the

² The contracting entity will be Fitchburg Gas and Electric Light Company.

parties intend to physically settle the transactions, and are therefore not subject to swap regulation.

Unitil will accept proposals based on the bids received and the best interests of its retail customers in Massachusetts. Unitil reserves the right to determine the quantity, if any, of Renewable Energy Certificates ("RECs") purchased through this RFP. Nothing in this RFP, or in any proposal that may be submitted in response to this RFP, shall create any obligation on the part of Unitil, and no such obligation shall exist unless and until a definitive agreement is signed by Unitil and the respondent.

2. Quantity of Certificates Sought and Description of Proposals

2.1. Quantity of Certificates

Unitil may purchase up to the following quantity of NEPOOL-GIS Certificates to meet its RPS, APS, CPS, and CES-E obligations in Massachusetts. The quantities shown in the tables below are the amount of RECS sought in this solicitation.

Year	MA RPS Qualified NEPOOL-GIS Certificates (Class I)	MA RPS Qualified NEPOOL-GIS Certificates (Class I Solar Carve-Out)	MA RPS Qualified NEPOOL-GIS Certificates (Class I Solar Carve-Out II)	MA RPS Qualified NEPOOL- GIS Certificates (Class II)
2021	0	100	300	3,300

Year	MA RPS Qualified NEPOOL-GIS Certificates (Class II - Waste Energy)	MA APS Qualified NEPOOL-GIS Certificates (APS)	MA CPS Resource Requirements (CPS)	MA CES-E Resource Requirements (CES-E)
2021	400	600	0	0

2.2. Description of Proposals

Unitil will consider the following types of proposals for the purchase of Certificates that meet the Massachusetts RPS, APS, CPS, and CES-E requirements:

- Certificates issued by the NEPOOL-GIS in the current trading period.
- Certificates to be issued by the NEPOOL-GIS in future trading periods.

- Non-cancelable Forward Certificates issued by the NEPOOL-GIS for future trading periods.
- Proposals for all or part of the requested certificate volume. Unitil reserves the right to apportion volumes amongst winning Bidders.
- Bids shall be submitted on a per-certificate basis and should include all customs charges and tax obligations which the winning Bidder may incur as a result of performance of an awarded contract.
- Any broker fees or other charges must be included in the price bid.
- All other terms and conditions will be in accordance with the final contract(s).

2.3 Proposal Documents and Information

To assist Respondents in responding to this RFP, Unitil is providing the RFP and draft Certificate Purchase Agreement on its Wholesale Energy Supplier Website. Please use the following link to access the site, which is open to anyone (no user id or password is required): www.unitil.com/rfp

3. General Provisions

3.1 Terms and Conditions

Unitil is seeking to purchase NEPOOL-GIS Certificates that are in the best interests of its customers. The winning supplier(s) will be required to execute a Renewable Energy Certificate Purchase Agreement for the sale of NEPOOL-GIS Certificates. Bidders who currently have an active Purchase Agreement with Fitchburg Gas and Electric Light Company may be able to complete an Amendment to their existing Agreement. The Massachusetts Renewable Energy Certificate Purchase Agreement is provided in Appendix B. A winning supplier will be required to execute the Certificate Purchase Agreement(s) within five (5) business days of being notified that it has been selected as a winning supplier.

Any proposed changes to the Renewable Energy Certificate Purchase Agreement are to be included with Respondent's response to this RFP for consideration.

Unitil's financial information is confidential and will be provided upon execution of a Mutual Confidential Non-Disclosure Agreement which is provided as Appendix D.

The winning supplier(s) shall complete delivery of NEPOOL-GIS certificates at least five (5) business days prior to the end of the applicable trading period.

3.2 Proposal Process and Submission Dates

The following table outlines the key dates associated with this procurement process.

Process Step	Date
Issue REC RFP	Monday, May 2, 2022
Non-Disclosure Agreement and Exceptions to REC Purchase Agreement Due	Wednesday, May 4, 2022
Final Pricing and Proposal Form Due	Monday, May 9, 2022, 10:00 a.m.
Winning Supplier Notified	Monday, May 9, 2022, 5:00 p.m.
Contracts Executed	Thursday, May 12, 2022

*Bids must be firm and binding until selection of winning Bidder(s).

3.3 Submission Information

Copies of all information pertaining to this RFP should be directed to:

Jeff Pentz
Energy Contracts
6 Liberty Lane West
Hampton, NH 03842
(603) 773-6473
(603) 773-6273 (fax)
Email: pentzj@unitil.com

3.4 Respondent Bid Submittal

3.4.1. Respondents to this RFP must submit a completed Proposal Submission Form, REC Purchase Agreement, including any proposed contract exceptions, Bid Form, and NDA to receive Unitil's financials. **Submissions must be received on or before May 9, 2022 by 10am (EPT)** and should be marked "FGE REC RFP 2022-05" and sent via e-mail to Jeff Pentz at pentzj@unitil.com and to energy_contracts@unitil.com. Please direct any questions to Jeff Pentz at (603) 773-6473 or at pentzj@unitil.com.

3.4.2. The **Proposal Submission Form** is attached as Appendix A. Please see the file named "App_A_Submission_Form_2022-05.doc."

3.4.3. **Renewable Energy Certificate Purchase Agreement** is attached as Appendix B1. Please see the file named "App_B1_REC_Agreement_FGE_2022-05.doc." Exceptions to the Renewable Energy Certificate Purchase Agreement are also due along with the Proposal Submission Form. If respondent has exceptions to Renewable Energy Certificate Purchase Agreement, respondent must provide an electronic copy of the Renewable Energy Certificate Purchase Agreement that is marked in redline to show proposed language. Unitil will consider the contractual terms and conditions accepted by each bidder as part of its evaluation criteria, as described in Section 5. Bidders that have previously signed a REC Purchase Agreement may utilize the **Renewable Energy Certificate Purchase Agreement Amendment** attached as Appendix B2. Please find the file named "App_B2_REC_Agreement_Amendment_FGE_2022-05.doc."

3.4.4. The **Bid Form for RECs being purchased by Unitil is attached as Appendix C1**. Please see the file named “App_C1_Bid_Form_FGE_2022-05.xls.”

3.4.5. The **Mutual Confidential Non-Disclosure Agreement** must be completed in order for Unitil to provide its financial information to bidders. The NDA must be fully executed by **5:00 PM (EPT) Wednesday, May 4, 2022**. Bidders that do not request the Company’s financials or have previously executed an NDA with the Company do not need to complete it. The NDA is attached as Appendix D. Please see the file named “App_D_NDA_FGE_2022-05.doc.”

3.4.6. Winner Notified

Unitil intends to confirm final pricing, evaluate competing bids, and select and notify the winning bidder(s) by **5:00 PM (EPT) on Monday, May 8, 2022**. Other bidders will be notified shortly thereafter that they were not selected.

3.4.7. Unitil, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this RFP or any appendix hereto or to withdraw this RFP.

3.4.8. Contact Person and Questions

Questions regarding this RFP should be submitted to Jeff Pentz at (603) 773-6473 or at pentzj@unitil.com.

3.5. Right to Select Supplier

3.5.1. Unitil will review the bids received and determine the number of NEPOOL-GIS Certificates it will purchase, if any, and begin to inform Respondents so that they will make such purchases.

3.5.2. Unitil shall have the exclusive right to select or reject any, all or none of the proposals submitted at any time, for any reason. Unitil may also disregard any bid submission not in accordance with the requirements contained in this RFP. Further, Unitil expressly reserves the right, in its sole and absolute discretion, to seek clarifications of any submissions, to negotiate to seek modifications to any submissions, to unilaterally change the schedule described herein or modify any of the rules and procedures set forth herein or any other procedures, to terminate the process described herein, and to invite any (or none) of the respondents to participate further in the process, all without prior notice to other potential parties.

3.5.3. All submissions shall constitute an offer to sell to Unitil RECs, and such offer shall be required to be held open until the earlier of **5:00 PM (EPT) on Monday, May 9, 2022** or the date and time at which such offer is either accepted or rejected by Unitil. Pricing or other terms contained in such offer may not be changed or withdrawn during this period.

4. Proposal Requirements

4.1 Format of Proposal

The information required by Unitil to evaluate each proposal is identified in Appendices A through C. Bidders may simply complete the forms provided in Appendices A through C in any legible fashion and return them to Jeff Pentz as provided in Section 3.3. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

4.2 Proposed Pricing

Bidders must specify the price at which they will sell certificates to Unitil in the supplied Bid Form. Unitil is only purchasing RECs from qualifying RPS, APS, CPS, or CES-E generators and will not purchase the energy or other market products from any generator.

It is Unitil's intention to pay a supplier based on the number of valid RECs actually delivered to its account in the NEPOOL-GIS system. Proposed pricing should be structured in such manner.

4.3 Regulatory Approvals

The supplier of the certificates covered by this RFP must detail all necessary regulatory approvals required to enable it to provide Massachusetts RPS, APS, CPS, or CES-E compliant NEPOOL-GIS Certificates. The details of the schedule and process when such approvals will be obtained to satisfy its obligations for the timely sale and transfer of such Certificates to Unitil's account must be provided.

5. Selection Process

The criteria to be used in evaluating proposals will include, but is not limited to:

- Lowest evaluated bid price;
- Quantity of NEPOOL-GIS Certificates offered;
- Ability of supplier to meet its obligation to deliver NEPOOL-GIS Certificates;
- Firmness of delivery;
- The supplier's past experience in providing similar services to Unitil;
- The supplier's past experience in providing similar services to other companies in New England;
- Extent to which the Bidder accepts provisions of the Renewable Energy Certificate Purchase Agreement.

6. Confidentiality

Unitil agrees that it shall use commercially reasonable efforts to treat the non-public information it receives from respondents in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party

or use such information for any purpose other than in connection with this RFP; provided, that, in any regulatory, administrative or jurisdictional proceeding in which confidential information is sought, Unitil shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or orders seeking protective treatment, and shall inform the respondent if confidential information is being sought. Notwithstanding the foregoing, in any regulatory proceeding in which such confidential information is sought and a request for confidential treatment is made to the MDPU or NHPUC, Unitil shall not be responsible in the event that it is determined that the request for treating information in a confidential manner is not warranted. The respondent shall be required to use commercially reasonable efforts to treat all information received from Unitil in a confidential manner and will not disclose, except as required by law or in a regulatory proceeding, such information to any third party.

APPENDIX A: Proposal Submission Form

Please see file named “App_A_Submission_Form_2022-05.doc”

APPENDIX B1: Renewable Energy Certificate Purchase Agreement

Please see files named “App_B1_REC_Agreement_FGE_2022-05.doc”

APPENDIX B2: Renewable Energy Certificate Purchase Agreement Amendment

Please see files named “App_B2_REC_Agreement_Amendment_FGE_2022-05.doc”

APPENDIX C1: Bid Submission Form

Please see file named “App_C1_Bid_Form_2022-05.xls”

APPENDIX D: Mutual Confidential Non-Disclosure Agreement

Please see file named “App_D_NDA_2022-05.doc”