

Request for Qualifications for Governmental Aggregation of
Eligible Residential and Small Commercial Electric and Natural
Gas Customers in DP&L and Vectren/Dominion Utility
Territories

Issued by:



Issue Date: August 22, 2016

Response Date: September 6, 2016

As the consultant of record for, and on behalf of the Cities/Villages/Townships/Counties represented by Supernova Partners, LLC, Affordable Gas & Electric Company, LLC (AGE) (Ohio Licenses 13-709E (2) and 13-320G (2)), we invite PUCO Certified Retail Electric Suppliers and Natural Gas Suppliers to submit qualifications necessary to bid on the electric supply load and natural gas supply of our collective communities.

The qualifications of each Supplier will be reviewed and an approved list of suppliers will be issued a Request for Proposal (RFP), based on the Plan of Operation and Governance for each commodity.

Suppliers approved to receive an RFP will be provided with load data for the respective commodities after each community is officially registered as a Government Aggregator.

Background

The cities of Bellefontaine and Greenville, Unincorporated Shelby County; Newberry Township; Villages of Anna, Ansonia, Belle Center, Covington, Degraff, Quincy, St Paris, Wayne Lakes and West Milton have approved ordinances to allow for aggregation referendums to be placed on the November 2016 ballot. The purpose of the referendum is to allow the government aggregator to obtain electric and natural gas cost savings and a reliable source of supply for its constituents by aggregating all eligible residential and small commercial retail accounts under Ohio's electricity and natural gas aggregation laws ("Act").

AGE is seeking a supplier for electric and natural gas supply and a turnkey program that will include all the aggregation services needed to meet the requirements of PUCO and the Act. Such services shall include, but are not limited to the following: Governance Plan development assistance, assistance in applying for certification, administration of the opt-out process, provisions for a toll-free call center to handle customer calls, attendance at public meetings as needed and filing of all required reports. The cost for these services shall be included in the pricing offered.

AGE will be combining the electricity and natural gas load of those communities who approve the ballot referendum as a single unit for the purposes of pricing. Additionally, AGE will assist in the municipalities' efforts to select the supplier offering the most beneficial bid for the entire group. Given that we may be seeking pricing for both electricity and natural gas, it is feasible that each commodity may be awarded to a different supplier. Bids for electricity and natural gas will come under separate RFP's.

Supplier Overview

Company Name: Dynegy Energy Services (East), LLC dba **Dynegy**

Principal Address: **312 Walnut St, Suite 1500, Cincinnati, 45202**

Proposal Contact Person: **Rich Surace**

Contact Phone: **513-503-6167**

Contact Fax: **877-213-6426**

Contact Email: **Rich Surace**

Business Type (C-Corp, S-Corp, Partnership, etc.): **Limited Liability Company, LLC**

Name of Parent Company (if any): **Dynegy Inc.**

Do you have an Ohio Office? **Yes, regional offices are located in Cincinnati**

Company Website: **www.dynegy.com**

Describe your company's organizational structure including parent, affiliate and subsidiary companies.

See Exhibit A, Dynegy Fact Sheet

Please indicate any and all physical electric generation assets that are owned and or controlled by your company. Indicate whether ownership and or control are within your organization or a parent company.

See Exhibit A, Dynegy Fact Sheet

Indicate how many years you have been in the electric supply business. List all states in which you are currently licensed to supply electricity generation and natural gas (if applicable) and indicate approximate volume of sales.

Dynegy has been a retail electric provider in the State of Ohio since 2004 and State of Illinois since 2000 through retail electricity providers Dynegy and Homefield Energy (Illinois only). Currently, Dynegy is licensed in Illinois, Ohio and Pennsylvania. We have separate sales and customer service staffs in Ohio and Illinois that are focused solely on regional business so that our resources are not stretched among numerous jurisdictions. Dynegy Energy serves approximately 830,000 residential accounts across Ohio and Illinois.

Please indicate the number of residential accounts currently served respectively through municipal electric aggregation and natural gas aggregation programs. Preference may be given to suppliers with significant previous municipal aggregation experience.

Dynegy serves approximately 830,000 residential accounts across Ohio and Illinois. Dynegy has been selected as the supplier for over 400 municipal aggregation programs.

Please indicate from where the generation needed to serve our electricity load will be provided. Indicate whether the transmission agreements needed are in place to deliver the power.

Capacity and Energy will be from resources located in the PJM Interconnection regional transmission organization. Dynegy possesses all the necessary agreements and licenses required to deliver power to residential and small business customers.

If an affiliate, do you have the Parental Guarantee from the Parent Company that is sufficient to cover the exposure of your portfolio with this buying group added?

Dynegy does not rely on a Parental Guarantee to cover the exposure of our retail portfolio. Dynegy is fully compliant with requirements for certification by the Public Utilities Commission of Ohio as an Competitive Retail Electric Supplier (CRES) as governed by Section 4901:1-24-(01-13) of the Ohio Administrative Code, Section 4901:1-12-(-01-15) of the Ohio Administrative Code and Section 4928.08 of the Ohio Revised Code. Dynegy meets the financial qualifications through its membership in both the Midwest Independent Transmission System Operator (MISO) and PJM Interconnection (PJM).

What is the rating of your Company's or Parent Company's long-term unsecured debt?

Moody ___N/A_____ S&P ___B+_____

Has the organization filed for bankruptcy in the past 3 years? **No**

Has the organization been subject to litigation for failure to supply contracted electricity within the past 3 years? **No**

If requested, would supplier be prepared to provide its most recent annual report or audited financial statements? **Yes**

PUCO Certification Number(s): **04-124E (6)**

What year did Company begin selling electricity to residential retail customers? In Ohio: **2010**

What year did Company begin selling natural gas to retail customers? **N/A**

List any Governmental Aggregation Opt-Out Programs you have served or are currently serving.

Between DES and HFE, Dynegy has been selected as the supplier for over 400 municipal aggregation programs containing approximately 830,000 accounts. All programs have been Opt-Out programs

In DP&L territory, please provide:

Mwh quantity your company serves under government aggregation: **16,000**

Number of Customers service under government aggregation: **We serve customers in the DP&L territory under the Clearcreek Township Aggregation**

For other electric utility territories:

Mwh quantity your company serves under government aggregation: **In Ohio: Over 750,000 MWh annually**

Number of Customers service under government aggregation: **In Ohio: Approximately 90,000**

For Vectren territory and for Dominion Gas territory, please provide:

Total Mcf natural gas volume your company serves under the government aggregation: **N/A**

Total natural gas customers your company serves under the government aggregation: **N/A**

Briefly describe your company's qualifications to deliver electricity and natural gas to a diverse mix of customers aggregated in a retail environment.

Dynegy currently serves a diverse portfolio of residential, retail and wholesale electric customer's areas across Ohio and Illinois. Our mission is to serve the electric supply needs of business and residential customers, energy aggregators and buying groups throughout Ohio and Illinois. Our customers vary from small local businesses to large multi-national companies. We also serve approximately 830,000 residential and small commercial accounts through more than 400 municipal aggregation communities in Ohio and Illinois.

If you do not intend to use your own generation, explain how your power will be sourced and your qualifications for trading electric contracts in the market.

Dynegy employs a team of industry professionals consisting of traders, schedulers, analysts, and dispatchers that utilize years of experience to provide the most economical portfolio of power supply consisting of own generation, LMPs, and bilateral market purchases.

Explain the customer service aspects for answering questions regarding the implementation of the winning bid.

During the proposal period and if Dynegy is selected as the winning bidder, Rich Surace (see contact page) will be the direct contact for the community leaders and support staff.

During the 21 day opt-out window, we will have a toll-free number set up with our call center to answer any questions residents may have.

Outside of the opt-out window, there will be a dedicated Dynegy employee assigned to working with residents on questions and getting enrolled in the electric aggregation program.

For Opt-Out questions:

Dynegy will mail an Opt-Out package to all eligible customers from a list provided by DP&L. The Opt-Out package will include an informational letter, frequently asked questions and program terms and conditions that can be used by customers to opt-out of the program.

For customers currently on competitive supply:

Customers who are currently with another competitive retail electric supplier (CRES) will not automatically be included in municipal aggregation opt out program. Customers will need to contact Dynegy if they want to participate in the program. Dynegy will extend the price and terms for all eligible customers that join after the initial aggregation commences. New customers who contact Dynegy Customer Care via website or toll-free number will be provided the Price, Term, a copy of the Terms and Conditions and required disclosures. Customers who want to participate in municipal aggregation will be switched on the next available scheduled meter read date for the account. Dynegy will not pay any termination fee of another CRES, or any previous balance owed to the Utility.

Others:

Dynegy will work with the community on the timing of future “sweeps” for eligible customers to pick up new eligible accounts.

Outside of an opt-out window, we are willing to extend the price and terms for eligible residential accounts that want to join after the initial aggregation commences. Eligible new

customers who contact Dynegy Customer Care via website or toll-free number will be provided the Price, Term, a copy of the Terms and Conditions and required disclosures. Customers who enroll will be switched on the next available scheduled meter read date for the account. New accounts may experience a brief period of service on the Utility tariff prior to switching on a scheduled bill cycle. New accounts must be eligible for consolidated billing and not be under any overlapping supply obligation to another CRES. Dynegy will not pay any termination fee of another CRES, or any previous balance owed to the Utility. To further accommodate new account enrollments, we will provide promotional literature outlining the electric aggregation program to municipal offices, local real estate agents, the chamber of commerce, and other outlets where new residents and eligible small businesses can be reached.

Explain your process used to scrub customer data so as to only include eligible customers with the City/Village/County limits.

Dynegy is staffed with skilled and knowledgeable quantitative analysts and structuring professionals capable of performing the most advanced and challenging data mining and culling activities.

Dynegy utilizes several tools and scrubs the list per the requirements of Ohio Administration Code 4901:1-21-17 Section D to remove non-eligible customers.

Financial Overview

Describe any financial assurances intended to financially back your obligations to supply retail electric generation services.

Dynegy is fully compliant with requirements for certification by the Public Utilities Commission of Ohio as a Competitive Retail Electric Supplier (CRES) as governed by Section 4901:1-24-(01-13) of the Ohio Administrative Code, Section 4901:1-12-(-01-15) of the Ohio Administrative Code and Section 4928.08 of the Ohio Revised Code. Dynegy Energy Services meets the financial qualifications through its membership in both the Midwest Independent Transmission System Operator (MISO) and PJM Interconnection (PJM).

Customer Service Information

Please provide the name, telephone and email address of the person to contact regarding a request for proposal.

See Rich Surace's contact information on the cover page.

Will this contact be the person directly responsible for the City/Village/Township/County's account?

Yes No _____ (If no, please indicate contact information for the account)

If a resident calls with questions regarding municipal aggregation, even though it may be a billing question, how are those calls handled at the supplier level?

All questions regarding municipal aggregation and related contract terms and conditions will be handled by a Dynegy representative. Dynegy representative will handle any billing type call that is specific to supply related charges. Residents will be given the delivery service company toll free number for items specific to delivery service charges, taxes, payments, outages, etc.

Litigations and Defaults

Describe any and all investigations, indictments, or pending litigation by any federal, state, or local jurisdiction relating to the submitting entity, any officer, director, partner, or member of any affiliate or company.

Dynegy Energy Services (East), LLC is not a party to any suit, indictment or pending litigation. However, Dynegy Energy Services (East), LLC is a company within a large corporate family of companies. Its affiliate companies may from time to time be a party to or involved in an investigation, indictment or pending litigation (collectively, "Action"). However, the exposure of Dynegy affiliate companies to an Action will not have a material impact on the ability of Dynegy Energy Services (East), LLC to participate in this RFP nor will it have a material impact on Dynegy Energy Services (East), LLC's ability to perform in the event it is a successful bidder.

List all civil penalties, judgments, consent decrees, and other sanctions within the last five years, as a result of any violation of any law, rule, regulation, or ordinance in connection with any business activities relating to the submitting entity, any officer, director, partner, or member of any affiliate or related entity.

Dynegy Energy Services (East), LLC has not violated any law, rule, regulation or ordinance within the last five years (collectively "Violations"). Dynegy Energy Services (East), LLC is not aware of any Violations by its affiliate companies within the last five years. If a Violation by one of its affiliate companies has occurred within that time period, such Violation has not and will not have any material impact on the ability of Dynegy Energy Services (East), LLC to participate in this RFP. Describe, in detail, any situation in which your company (either alone or in a joint venture), or a subsidiary of your company, defaulted or was deemed to be in noncompliance of your contractual obligations to deliver energy or other ancillary customer service.

Describe, in detail, any situation in which your company (either alone or in a joint venture), or a subsidiary of your company, defaulted or was deemed to be in noncompliance of your contractual

obligations to deliver energy or other ancillary customer service. Explain the situation, its outcome and all other relevant facts.

_____ N/A _____

References

Please provide 3 aggregation community references. Include the name, contact person and phone number of each community. Briefly describe the product or service provided to each community.

See attached Reference Page.

Billing and Reporting Information

Will billing and payment, as well as all primary customer service functions be handled by DP&L, Vectren & Dominion? Yes No _____ (If no, please explain)

Pricing Options, Products and Services

With our referendum on the ballot in November, 2016 and assuming all Plans of Governance and Operation are in place and a final request for pricing is soon after certification of election results, do you see your company being able to implement a rate in the February/March/April, 2016 timeframe?

Yes No _____

For optimal pricing to the customer, what would you generally see as the most effective length of contract assuming a February/March/April, 2016 start date?

It all comes down to what length of time the community would like price certainty.

Is your company able to provide fixed, all inclusive (including energy, capacity, transmission and distribution losses, RPA charges, imbalances, load factor adjustments, congestion charges, ancillary services, and applicable taxes) price quotes for electricity supply for 12, 24 and 36 months as well as variations in between for residential and small commercial customers as defined by the "Act"? **YES**

Pricing Guarantee for Electricity. If the rates for Tariff Service to a particular rate class are set below the selected winning bid during the term of this agreement, will your company provide the services to participating customers in such rate class at a price equal to the rate for Tariff Service or, after taking all steps necessary under the terms of our agreement, terminate the agreement and return all participating customers to their applicable LDCs? Yes _____ No _____ If yes, please provide sample language or contract terms for such Price Match Guarantee.

Is your company able to provide fixed, all inclusive natural gas price quotes for 12, and 24 months as well as variations in between for residential and small commercial customers as defined by the "Act"?

_____ N/A _____

Which pricing options will you be able to quote: (check all that apply)

Fixed Price: _____

Variable Price: _____

Percent off utility's avoidable cost pricing: _____

Percent off total delivered price: _____

Other? Explain _____

A consultant fee payable by the selected supplier on a monthly basis is required. The fee amount is \$0.00075/kWh and \$0.005/CCF. Only suppliers agreeing to the consultant fee are eligible to bid. This is a rate equal to the rate specified in our Consulting Services Agreement with each of the communities we represent.

Identify value added products and services that you would offer. If there is additional value unrelated to products and services, such as rebates and/or incentives, describe what they might be and how the City/Village/County might benefit.

Dynegy will include a pricing option for the municipality to accept a nominal per kwh fee provided such fee is established prior to final pricing stated in the contract.

Describe demand management and energy efficiency services to be provided to each class of customers.

At this time Dynegy does not offer demand response options, but does offer demand side management options to commercial and industrial customers. The local utility generally provides comparative usage data, energy efficiency information, etc., and will continue to do so for the municipal aggregation customers.

Terms and Conditions

In the event the information submitted is unclear, AGE may request additional information or explanation. The Supplier will answer all requests for additional information in writing, and these responses shall become part of the Supplier's qualifications. Suppliers failing to provide adequate information on any issues in a timely manner to allow for a comprehensive evaluation by the City/Village/County shall be considered unresponsive, and their proposals shall be subject to rejection.

Suppliers must demonstrate compliance with all legal and regulatory requirements and must be certified and approved by all applicable or required Ohio agencies and each utility. A current environmental disclosure statement must also be provided (if applicable).

A sample supply agreement with applicable terms and conditions MUST be included.

A phone interview with your company may be requested so that select government authorities may ask questions pertinent to your company.

Procedures

Please submit the answers to the RFQ on or before September, 6 2016, electronically by email to info@agellc.com.

Do not contact the City/Village/Township/County or its representatives directly.

Questions regarding this RFQ should be directed to Affordable Gas & Electric, who will compile, administer and recommend a qualified list of suppliers to ultimately send a Request for Proposal to:

Jeff Haarmann
Affordable Gas & Electric Company, LLC
10749 E Garden Rd
Mt. Vernon, IL 62864

Phone: (618) 204-0115

Email: jhaarmann@supernovapartners.com

AGE reserves the right to narrow its list of qualified suppliers to solicit bids from based on the responses of this RFQ. Once a qualified list of suppliers is selected, a formal RFP with specific bid specs will be sent.

Aggregation References

Reference 1:

Customer Name: Green Township, Hamilton County, Ohio

Contact Person: Tony Rosiello, Chairman, Green Township Board of Trustees'

Address: 6303 Harrison Avenue, Cincinnati, OH 45247

Telephone #: 513-659-5525

Contact Email: trosiello11@gmail.com

Reference 2:

Customer Name: Colerain Township, Hamilton County, Ohio

Contact Person: Frank Birkenhauer, Assistant Township Administrator

Address: 4200 Springdale Road, Colerain Township, Ohio, 45251

Telephone #: 513-385-7500

Contact Email: fbirkenhauer@colerain.org

Reference 3:

Customer Name: City of Reading, Hamilton County, Ohio

Contact Person: Patrick Ross, Safety Service Director

Address: 1000 Market Street, Cincinnati, OH 45215

Telephone #: 513-376-2501

Contact Email: pross@readingohio.com

