

FirstEnergy Ohio Utilities
RFP for 2022 Ohio Compliant Renewable Energy Credits

Attachment 2: Credit Application

INSTRUCTIONS

All Proposers must submit a Credit Application. The Credit Application must be signed by an authorized representative of your company. *Please submit the signed and scanned copy via e-mail to manager@feohiorecrfp.com.* If Proposer previously completed a Credit Application for any previous FirstEnergy Ohio Utilities Renewable RFP, the Proposer is still required to complete a new Credit Application.

All submissions are due no later than November 9, 2022 at 5:00 EPT. *FirstEnergy Ohio Utilities reserves the right to modify any dates stated below at its sole discretion and accepts no liability to the extent the actual schedule is different from the anticipated schedule. In the event a change is made to the RFP Schedule, a revised schedule will be posted on the RFP website.*

Please see Article 5 of the PSA and Section 8 of the RFP Bidding Rules for additional information regarding Credit and Security.

Under the terms and conditions of the PSA (Article 5), a Proposer has the obligation to meet FirstEnergy Ohio Utilities' performance assurance or, alternatively, post and maintain security in an amount of 5% of the total notional dollar value of the PSA if the total notional value of the Proposal exceeds \$500,000 or if the Proposer is subject to a special condition such as bankruptcy or disclosure that it is subject to an active legal dispute concerning the Proposer's fulfillment of a REC transaction. Proposers who do not provide adequate credit information will be deemed ineligible and their Proposals will not be considered for further evaluation.

Credit Applications are used to determine the amount (if any) of security required under the PSA. Security is determined, in part, by the total notional dollar value of each Proposal. To calculate the total notional dollar value of the RECs proposed, multiply the quantity of RECs by the proposed price for each REC Type offered. If the total notional dollar value of a PSA under this RFP is less than \$500,000, no security is required provided the Proposer has no special conditions (e.g., in bankruptcy, qualifying legal dispute).

If the total notional dollar value of the PSA is in excess of \$500,000 and if FirstEnergy Ohio Utilities has determined that Proposer does not have an adequate credit rating to support the credit required for the PSA, then the Proposer shall post and maintain security in an amount of 5% of the total notional dollar value of the PSA. Upon Proposer's request, collateral posted as security will subsequently be reduced and returned proportionally based on Proposer's delivery and FirstEnergy Ohio Utilities' confirmation of the number of RECs delivered to the total contracted amount.

If Proposer is rated by one of the standard credit rating agencies, the Proposer must provide

documentation of such rating. If Proposer is not rated by one of the standard rating agencies, or if such rating is not adequate to qualify for an Unsecured Credit Line (“UCL”), or if the Proposer has a special condition, the Proposer must provide a signed statement that it is willing to post security to meet the requirements of the REC purchase (see Part III of this Credit Application). However, if the total notional dollar value of the Proposal under this RFP is less than \$500,000, no security is required provided the Proposer has no special conditions (for example, is in bankruptcy, qualifying legal dispute). We note that granting a UCL is at the discretion of FirstEnergy Ohio utilities in consultation with the RFP Manager. We strongly advise that Proposers plan if their application for a UCL is denied and security is requested.

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Credit Application Form

I. Proposer Information:

All Proposers must complete Section I

Full Legal Name of Proposer				
Estimated Proposal Value (Mark One with X)	Greater than \$500,000:		Less than or equal to \$500,000:	
Type of Organization (Corporation, Corporate Subsidiary, Partnership, Other)				
State of Incorporation				
D&B DUNS #				
Web Site				
Years in Business				
Credit Risk Contact, Full Name and Business Title	Name			
	Title			
	E-Mail Address			
	Full Mailing Address			
	Telephone #			
	Fax #			
Full Legal Name of Parent Company of Proposer				
Will another party be providing a parental guarantee?	<<Yes/No>>			
	Party			
	Contact person			
	E-Mail Address			
	Phone			
Is the applicant and/or its parent company operating under federal bankruptcy laws or bankruptcy laws in any other jurisdiction?	Applicant	<<Yes/No>>		
	Parent	<<Yes/No>>		

Is the applicant and/or parent company subject to pending litigation or regulatory proceedings (in state court, or in federal court, or from regulatory agencies, or in any other jurisdiction) which could materially impact the applicant's and/or parent's financial condition?	Applicant	<<Yes/No>>
	Parent	<<Yes/No>>
Is the applicant and/or parent company subject to collection lawsuits or outstanding judgments that could impact solvency?	Applicant	<<Yes/No>>
	Parent	<<Yes/No>>
For all questions marked "YES" above, please explain further here.		
<p>Proposers are required to provide a statement below disclosing existing, pending, or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (State, FERC, SEC, or DOJ, etc.) investigations and any other matters relating to financial or operational status for the past three years that have arisen from Proposer's renewable resource projects or Proposer's sale or purchase of RECs.</p>		

II. Credit Information: Rated Parties

- If the Party is rated by one of the standard credit rating agencies and wishes to apply for an Unsecured Credit Line with FirstEnergy Ohio Utilities, complete this Part II of the Credit Application.
- If the Party is not rated by one of the standard credit rating agencies, skip this section and continue to Part III of the Credit Application. Please note that you will not be eligible for an Unsecured Credit Line (“UCL”).

Standard & Poor’s Credit Rating Senior Unsecured Debt (if unavailable, please provide Corporate Issuer Rating)	
Moody’s Credit Rating Senior Unsecured Debt (If unavailable, please provide Corporate Issuer Rating)	
Fitch Credit Rating Senior Unsecured Debt (if unavailable, please provide Corporate Issuer Rating)	
Please include one of the following: <ul style="list-style-type: none"> • 2 most recent Audited Annual Financial Statements • 2 most recent Annual Reports • 2 most recent SEC Form 10-K 	
What is the total net worth of your company (or your parent corporation if parent corporation is providing a guarantee)?	

To be eligible for an Unsecured Credit Line (“UCL”), the applicant must submit **audited** financial statements for the previous **2 (two) years**. If these financial statements are evaluated as acceptable, Guidehouse will establish a UCL for the Proposer. If the financial statements are not available or are evaluated as unacceptable, the Proposer will be required to post security.

Guidehouse and FirstEnergy Ohio Utilities will treat all financial statements provided by Applicant in a confidential manner. Applicant will notify Guidehouse/FirstEnergy Ohio Utilities if any financial or Credit Application information changes. Applicant certifies that the information herein is complete and accurate to the best of Applicant’s knowledge, information and belief, and that the individual signing below is an authorized Representative of the Proposer or, where applicable, the parent company.

Only execution of an agreement by both FirstEnergy Ohio Utilities and the Proposer will constitute a “Winning Proposal”.

III. Certification to Provide Security

All Parties must complete Section III

Successful Proposer's Agreement to Provide Security for Winning Proposal

Proposer certifies that if:

- its Proposal is selected as a winning Proposal in this RFP,
- its Proposal notional value exceeds \$500,000 (or has special conditions e.g., bankruptcy, qualifying legal dispute), and
- FirstEnergy Ohio Utilities elects not to extend an Unsecured Credit Line to Proposer,

Proposer will provide cash, guaranty (Appendix C in the PSA), or a Letter of Credit (Appendix B in the PSA) in the form approved by FirstEnergy Ohio Utilities in the amount of 5% of the notional value of the proposal within 3 business days upon notification of selection. Failure to provide such security, if selected, will result in disqualification of the proposal, and may result in additional legal action.

Authorized Representative Signature _____

Name of Authorized Representative (Print): _____

Title of Authorized Representative: _____

Proposer (company name) _____

Date _____

Please forward a physically signed and scanned copy to manager@feohiorecrfp.com.