



**NYSEG**

An Avangrid company

# **Non-Pipes Alternative to Goshen System Semi- Permanent Gas Supply Peaking Tap Project**

## **Request for Proposal**

### **DISCLAIMER**

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# 1. Overview

## A. Introduction

New York has established ambitious targets to reduce greenhouse gas (“GHG”) emissions and transition toward a clean energy future. Achieving these goals will require a dramatic shift towards innovative alternative approaches to solving natural gas system issues, such as non-pipes alternatives (“NPA”) projects which are intended to cost-effectively alleviate natural gas system constraints and reliability concerns while reducing reliance on fossil fuels

New York State Electric & Gas (“NYSEG”) is committed to building a portfolio of cost-effective and innovative NPA projects that will grow over time as new opportunities emerge to address traditional natural gas system needs. NYSEG is striving to establish a portfolio of NPA projects offering diversity in terms of customer class (municipal, industrial, commercial, and residential), project size, solution technology type (e.g., heat pumps, demand response, energy efficiency), and location (communities designated as environmental justice or disadvantaged, areas with low to moderate income levels, geographical diversity, etc.). Not only does this growing portfolio demonstrate NYSEG’s commitment to pursuing innovative solutions to traditional system issues, but it will support New York’s clean energy and climate goals by reducing fossil fuel dependence and mitigating GHG emissions through electrification and natural gas load reduction projects.

NYSEG is issuing this Request for Proposal (“RFP”) to qualified and experienced parties (“Bidders”) with the capability to develop and deliver innovative solutions to address gas reliability concerns with respect to the Goshen System in NYSEG’s natural gas service territory.

## B. Background

The Goshen System is part of NYSEG’s natural gas distribution network, generally located in the Village of Goshen in Orange County. It is supplied through two (2) Points of Delivery (PODs), operating at different pressures. The system has been identified as a vulnerable location, with limited supply conditions that are most evident during peak winter demand periods.

The Goshen POD, an essential delivery point within the system, has experienced recurring capacity limitations. At Design Day conditions, the Goshen system operates at approximately 68% of its contractual gas supply obligations, leaving only a narrow operationally available capacity to support additional demand. New load requests would further reduce this margin, creating additional constraints on the system. To preserve system reliability and meet delivery obligations, NYSEG must either reduce demand or introduce up to 100 thousand cubic feet per hour (MCFH) of additional supply into the system.



To address these challenges, NYSEG is proposing a project to provide supplemental gas supply during peak demand periods. The proposed solution involves constructing a semi-permanent liquefied natural gas (LNG) injection tap that will function as a peak-shaving facility during the coldest months of the year—typically December through March—when heating demand is highest.

### C. RFP Purpose

NYSEG is issuing this RFP to identify non-fossil-fuel NPA Resources that could avoid the need for constructing a semi-permanent LNG injection tap within the Goshen System. The traditional approach would involve land acquisition, permitting, and the development of a new natural gas injection point. However, NYSEG is actively seeking innovative alternatives that either reduce existing natural gas usage or introduce equivalent renewable energy resources into the area.

Through this RFP, NYSEG invites a broad range of market participants to propose creative and cost-effective solutions that can help offset approximately 100 MCFH of natural gas demand during peak winter periods—typically from December through March. All submitted proposals will be carefully evaluated, and NYSEG may select one or more solutions to meet the identified need, either individually or as part of a comprehensive portfolio.

The proposed NPA solution(s) must address NYSEG’s responsibility to provide safe and reliable service at reasonable costs and in an environmentally sound manner.

**The term of the agreement associated with this RFP is expected to be 12/31/2026 – 11/30/2036 (10 years).**

**If you are interested in collaborating with other potential Bidders to this RFP, please send an email to the Goshen NPA mailbox ([NPA@Avangrid.com](mailto:NPA@Avangrid.com)) by December 3, 2025, indicating such interest. NYSEG will share your contact information with all other parties who are also interested in collaborating on this RFP for purposes of developing and submitting a Proposal. The subject line of the email must contain ‘Goshen NPA’.**



## 2. RFP Project Description

### A. NPA Resource(s) Need Summary

The Resource needs for this RFP are summarized in the table below and further detailed in Sections II.B through II.C

<b>Goal</b>	To ensure system reliability and meet delivery obligations.
<b>Identified Need</b>	A reduction of approximately 100 MCFH <sup>1</sup> in the defined area.
<b>Term</b>	10 Years (12/31/2026 – 11/30/2036)

The existing natural gas system reliability concerns in the area occur during times of peak gas usage as described in the paragraph below. Proposed NPA solutions should focus on technology's ability to reduce gas usage during these peak periods.

NYSEG's system planning criteria require action when projected demand exceeds available upstream supply and system capacity at key delivery points. This RFP seeks to mitigate delivery constraints during Design Day conditions to address reliability risks in the Goshen System. Peak usage typically occurs during the coldest days from December through March.

### B. Resource Requirements

Resources proposed in response to this RFP must be able to address NYSEG's responsibility to provide safe and reliable service at reasonable costs.

NYSEG will only accept non-fossil-fuel resources, both dispatchable and intermittent, that are reliable and proven technologies for consideration as viable NPA solutions. Examples of eligible technologies are further outlined in Section II.C.

Dispatchable resources are resources that can be called upon and used on demand to improve gas system pressure. To address NYSEG's responsibility to provide safe and reliable service, any proposed dispatchable resource must be able to provide a peak day gas demand reduction equivalent to 100 MCFH over a 72-hour window, with consistent performance for 24-36 hours. Given current loads and weather patterns, NYSEG anticipates approximately 5-10 such events per year. These requirements are summarized in the table below:

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<sup>1</sup> NYSEG will consider cost effective Proposals which are below 100 MCFH but which may make a material contribution to reaching the desired reduction, as well as cost effective Proposals which are above 100 MCFH which may provide additional system improvement above that which is specifically requested in this RFP.



<b>Period</b>	72 hours
<b>Duration</b>	24-36 hours consecutively
<b>Estimated Days/Year</b>	5-10 days
<b>Months of Need</b>	December - March

Intermittent resources are resources that cannot be used on demand. These may include, but are not limited to, energy efficiency measures or fuel switching.

A reduction in demand of approximately 100 MCFH within the Goshen System is required to maintain system reliability and remain within contractual delivery obligations. This reduction must occur in the immediate area downstream of the Goshen POD to be effective. Figure 1 below identifies the area of impact represented by the pipeline (in light blue) to which affected customers are connected.

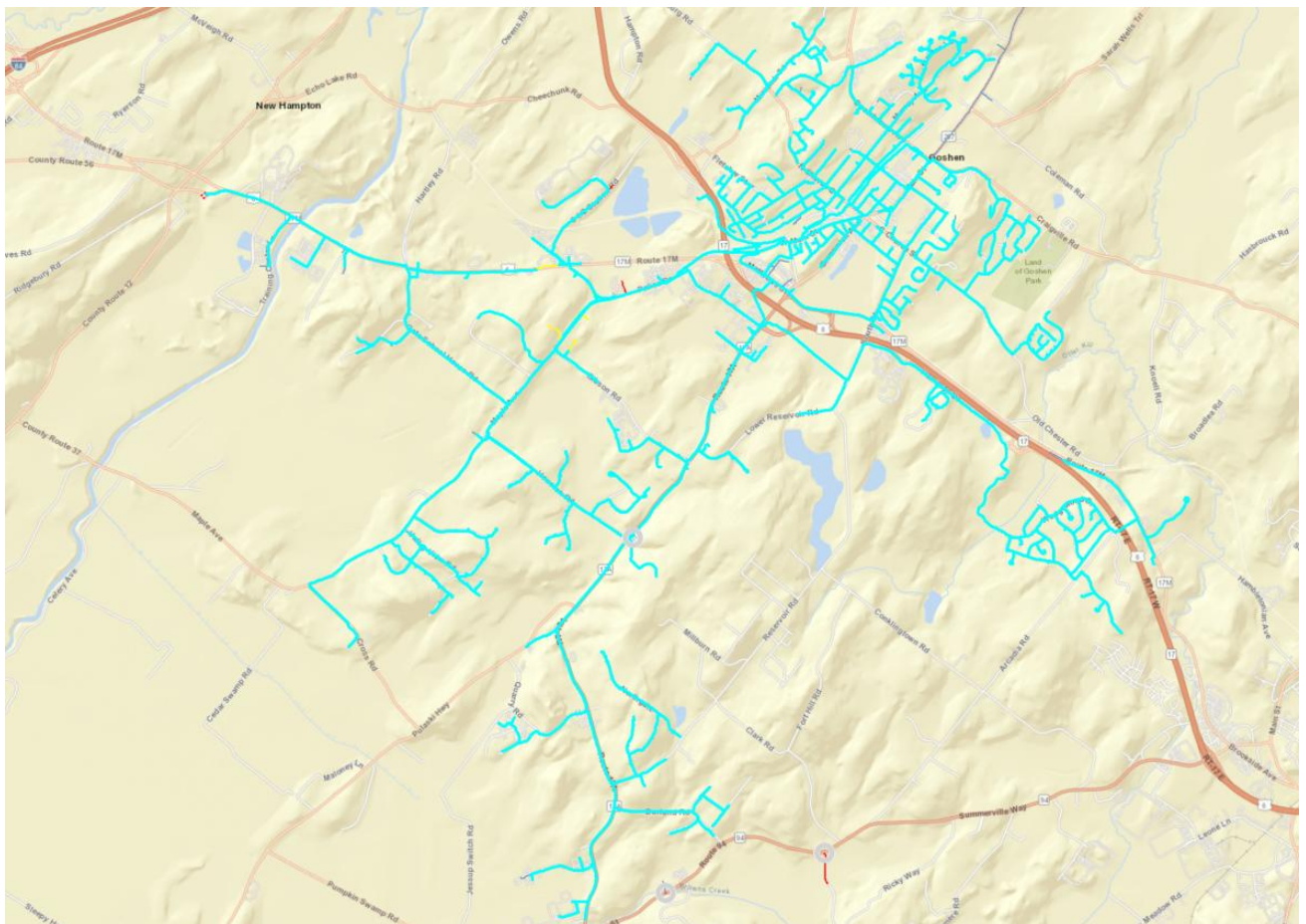


Figure 1. Map of Goshen Area of Impact



## C. Eligible Resource Types

The proposed resource(s) will be required to operate as needed to support the local gas distribution system. This solicitation is **technology-neutral** among solutions that reduce natural gas demand and/or provide system relief. NYSEG will consider proposals that may include one or a combination of different technologies that meet the resource requirements. Resources that provide system relief coincident with peak demand periods are preferred. Resources that do not provide system relief coincident with peak demand may be adjusted to account for the technology-specific “coincidence factor” associated with the percentage of load relief expected during peak demand periods.

Resources may be in the form of any or all of the following types:

- Fuel substitutions (which may benefit from a net carbon reduction evaluation) including electric/geothermal heat pumps and/or other forms of “beneficial electrification”<sup>2</sup>, including but not limited to:
  - Heat pump water heaters
  - Ground source heat pumps
  - Water source heat pumps
  - Air source heat pumps
  - Installation of other heat pump technologies that convert equipment from a natural gas to electric fuel source
- Incremental natural gas energy efficiency resources, including but not limited to:
  - High efficiency natural gas heating equipment
  - High efficiency natural gas water heating equipment
  - Other high efficiency natural gas equipment (e.g., cooking appliances, dryers, commercial processes, etc.)

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<sup>2</sup> If Proposals provide “beneficial electrification” NYSEG, together with the Local Distribution Company (“LDC”) will analyze the capability of the existing electric distribution system to support those additional demands. Depending on where additional electric load will be introduced, overloads on existing equipment may result. This cannot be determined until the exact location(s) of where the additional electric load will be introduced are identified. If system improvements to the electric distribution system are required for the safe and effective operation of the proposed RFP Resources on the electric distribution system, NYSEG and the LDC will identify the costs of those improvements, and the cost of required improvements may be included in the project’s benefit cost analysis (“BCA”) evaluation.





- Incremental natural gas demand response resources including but not limited to:
  - Fuel switching technology or controls
  - WIFI thermostats with demand response programs
  - Smart water heating
  
- Other resources which meet all the requirements of this RFP, including but not limited to the following:
  - Heat recovery systems
  - Internal thermal storage systems
  - Combined heat and power technology
  - Building envelope measures to reduce heating, ventilation, and air conditioning (“HVAC”) load, such as insulation and air sealing
  - Financing for energy efficiency or fuel switching resources
  - Education/community outreach initiatives that facilitate **measurable** gas load reductions
  - Electric energy efficiency, renewable energy, or storage technologies that offset additional electric costs resulting from fuel switching/beneficial electrification

NYSEG will not consider any natural gas load reductions or equivalent supply additions which are already in service as of the release date of this RFP, October 30, 2025, since projects which are already in service cannot contribute to a future change in the system pressure. Exceptions may include incremental reductions associated with projects which are already in service, as specified previously, and/or projects which may have been initiated prior to the release of this RFP but which have not created natural gas reductions or supply increases. NYSEG will not consider an alternative natural gas pipeline project as a valid Proposal.

Bidders may submit multiple Proposals for all or any combination of resources to meet the needs listed above. NYSEG welcomes comprehensive portfolio Proposals that address system needs through a variety of measures. NYSEG is very interested in receiving collaborative Proposals and encourages potential Bidders to work together as appropriate. NYSEG also reserves the right, but not the obligation to work with Bidders to further develop a portfolio of projects/Proposals or to aggregate Proposals to meet the Resource requirements.



## D. Project Economics

Through this RFP, NYSEG is seeking innovative, cost-effective solutions which meet the natural gas delivery needs identified elsewhere in this RFP. A successful Proposal will provide the natural gas supply reductions which are described throughout this RFP and will be cost effective when compared to the Goshen System Semi-Permanent Gas Supply Peaking Tap Project.

To evaluate the cost effectiveness of the Proposals, NYSEG will conduct a benefit cost analysis (“BCA”) for each Proposal. To conduct this BCA, NYSEG will require detailed resource cost information as requested later in this RFP and will utilize the estimated value of avoiding the Goshen System Semi-Permanent Gas Supply Peaking Tap Project as a benefit to the NPA project in the economic analysis. This value is estimated to be approximately **\$8.53 million** in 2025 dollars.

NYSEG will allow incentive stacking<sup>3</sup> under the NPA RFP so long as the rules of all incentive programs are adhered to and the addition of the NPA funding does not cause the total incentives received to exceed 100% of the projects’ costs. Bidders should provide clear information about additional incentives and project funding in their Proposals.

## E. Available Data and Information

NYSEG will make as much relevant data available as possible to Bidders. NYSEG, to the best of its knowledge, will provide the most accurate data at the point in time when it is provided to Bidders.

### i. Customer Counts

As of October 2025, there were 497 non-residential and 2,425 residential customers in the Goshen area of impact (total of 2,922 customers).

### ii. Customer Usage Data

Customer count and available average usage information at the town, village and county levels is hosted by the New York State Energy Research and Development Authority (“NYSERDA”) at

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<sup>3</sup> Requested NPA funding may be combined with existing applicable NYSEG incentive programs and available rebates (e.g. Clean Heat Statewide Heat Pump Program). Total estimated NYSEG funding (i.e., NPA funding + incentives + rebates) cannot be greater than the total cost of the proposed NPA solution.



<https://utilityregistry.org/>. Please consult this data source for aggregated natural gas usage as well as more detailed customer counts.

The following data will be made available upon request and execution of a Confidentiality Agreement, Attachment C:

- Available monthly usage and addresses for residential and non-residential customers in the Goshen area of impact.

### iii. Count of Residential and Non-Residential Customers by Street

Attachment B to this RFP is a table showing the count of residential and non-residential customers on each street in the Goshen System area.

### iv. NYSEG Gas Tariffs

If Bidders are interested in information regarding current NYSEG natural gas tariff structures, please visit [Pricing – NYSEG](#).

## 3. RFP Overview

### A. Expected Schedule

The following schedule provides milestones associated with this RFP process.

Expected Completion Date <sup>4</sup>	RFP Milestone
October 30, 2025	Issue RFP
November 12, 2025	Pre-bid conference
December 3, 2025	Last day for Bidders to indicate collaboration interest
January 7, 2026	Bidder questions due
January 14, 2026	Last day for Bidder Response Template training requests <sup>5</sup>
January 21, 2026	NYSEG responses to questions due

<sup>4</sup>NYSEG reserves the right to adjust the schedule; adjustments outside of date ranges provided will be distributed via email to interested Bidders.

<sup>5</sup>Bidders have until January 14, 2025, to request one-on-one training on the Bidder Response Template which is a requirement for bid responses to this RFP.



<b>January 28, 2026</b>	RFP responses due by 5:00PM (EST)
<b>April 1, 2026</b>	RFP results announced
<b>June 1, 2026</b>	Negotiations complete
<b>December 2026 (or sooner)</b>	Anticipated Resource in-service date

## B. Communications and Questions

To help ensure accuracy and transparency of the information provided, NYSEG asks that all communications relative to this RFP take the form of an e-mail, with a subject line containing ‘**Goshen NPA**’ directed to:

[NPA@Avangrid.com](mailto:NPA@Avangrid.com)

To indicate Bidder interest to participate in this RFP opportunity, please e-mail [NPA@Avangrid.com](mailto:NPA@Avangrid.com). Upon NYSEG’s receipt of a respondent’s interest, NYSEG will provide the respondent with details regarding the RFP pre-bid teleconference which is scheduled November 12, 2025.

Bidders are encouraged to submit questions at any time prior to the noted above last day for Bidder questions which is – January 7, 2026. Questions and answers with the originating parties’ name withheld, will be shared via email with all interested parties and will also be posted to NYSEG’s website [Non-Pipe Alternatives - NYSEG](#) prior to the deadline for RFP responses. Bidders are encouraged to mark any questions which are confidential as such, and if in agreement that the response should be confidential, NYSEG will respond to the submitting party confidentially regarding those confidential questions only. NYSEG may, in its sole discretion, decline to respond to any email or other inquiry without liability or responsibility.

## C. Submittal Instructions

NYSEG respectfully requests that all responses to this RFP be limited to forty (40) pages, including all attachments, except for Attachments A-D to this RFP. This limitation is intended to aid both Bidders and reviewers, and those portions of responses which exceed the 40-page limit (not including Attachments A-D) will not be evaluated. This 40-page limit includes all other attachments, specification sheets, brochures, and other addenda.

All Proposals must be received in electronic form via email submission referencing ‘**Goshen NPA**’ to [NPA@Avangrid.com](mailto:NPA@Avangrid.com) by January 28, 2026, at 5:00PM (EST).

The electronic documents must be in a Microsoft Word, Excel or Adobe (pdf) file, as applicable. Please note that it is not necessary to submit a paper copy of the Proposals. No



other software-created documents should be provided, nor should hard copy alone documents be accepted. Electronic documents must be emailed to [NPA@Avangrid.com](mailto:NPA@Avangrid.com). Electronic documents should be unlocked to allow calculations to be viewed.

## D. General Guidelines

The following general guidelines are provided to clarify the expectations of this RFP and to assist Bidders in developing Proposals:

- NYSEG will not consider any natural gas load reductions or equivalent supply additions which are already in service as of the release date of this RFP. Projects which are already in service cannot contribute to a future change in the system pressure for the area of impact. Exceptions may include incremental reductions associated with projects which are already in service and/or projects which may have been initiated prior to the release of this RFP but which have not created natural gas reductions or supply increases. NYSEG will not consider an alternative natural gas pipeline project as a valid Proposal.
- Proposals must be capable of providing the reliability support and satisfying the other demand-related requirements indicated within this RFP.
- NYSEG may accept a portfolio of projects/Proposals or aggregate Proposals to meet the Resource requirements. Notwithstanding the requirements for cost effective solutions to the system needs identified in this RFP, a Proposal which offers a diverse set of solutions may be considered ahead of a single solution.
- NYSEG may ask Bidders to elaborate or clarify specific points or portions of their Proposals. Clarification requests may take the form of written questions, phone calls or requests for virtual meetings.
- NYSEG reserves the right to make changes to this RFP by issuing one or more addenda or amendments and to distribute additional clarifying or supporting information relating to any changes. Information will be distributed via email to Bidders that have expressed interest in the RFP.
- Bidders are encouraged to provide and release necessary authorizations for NYSEG to verify any of such Bidder's previous work, except where it is contractually prohibited from doing so pursuant to customer agreements.
- If a Proposal is selected to move forward, Bidders will be responsible for obtaining site control and all applicable permits associated with executing their Proposal.

NYSEG warmly invites municipalities, commercial entities, and industrial customers to participate in this RFP by submitting proposals for innovative projects that address the identified need. We welcome creative, cost-effective solutions from a broad range of stakeholders and look forward to reviewing proposals that contribute to energy reliability and sustainability in the Goshen area.



## 4. RFP Proposal Format and Content

Bidders must provide the information described below for NYSEG to consider their Proposals.

NYSEG will only entertain Proposals that meet the requirements described within this RFP.

**Proposals should be limited to forty (40) pages, including all supplemental documents.**

Bidders should provide the following information in the format described here. Required information for all Resources and additional required information “if applicable” is described below. Please note that all information requested below should be included in the Proposal Sections 1 – 7 shown below. There should be no other documents submitted to NYSEG with the Proposal.

Proposal Section	Proposal Section Title
1	Executive Summary
2	Body of Proposal
3	Pricing
4	Bidder Qualifications and References
5	Assumptions and Exceptions
6	Bidder Response Template (Attachment D)
7	Confidentiality Agreement (Attachment C)

1. Executive Summary – A 1-2-page, concise review of the solution presented in the Proposal. This summary should include the size of the Resources proposed in MCFH.
2. Body of Proposal – This information should constitute the majority of the allowed forty (40) pages for the Proposal. Please note that not all of the following information is required for all Proposals, but that all relevant and applicable details of the solution should be provided here, including but not limited to:
  - a. Description and location(s) of the Resources proposed.
  - b. Amount of gas to be reduced in MCFH including back up calculations.
  - c. Expected project timeline and anticipated in service date for Resources.
  - d. If applicable, a description (quantity, size, manufacturer, etc.) of the main mechanical and electrical pieces of equipment used for the project. For



example, this would include a description of heat pumps and other beneficial electrification equipment, which is proposed, if applicable.

- e. If leasing equipment, specify the terms and the final cost to the customer.
- f. Specify any electric system interconnection need.
- g. Identify the method of customer acquisition (e.g., marketing, community events, educational initiatives, etc.). If collaboration with NYSEG or other entities is anticipated, outline expectations and associated pricing.
- h. For energy efficiency and demand response Proposals: If applicable, include types and number of facilities at which the measure(s) will be implemented, including customer classes, end users served and for relevant energy efficiency and/or demand Resources, individual facility hours of operation relative to applicable energy savings/reduction measures. Specify the measures that will make up the natural gas reduction.
- i. Information describing to what extent the Resource design involves clean power supply sources that minimize environmental impacts.
- j. If available, description of the maturity and proven reliability/performance of the proposed solution's technology.
- k. Dispatchable Resources must be available by the twenty-four (24) hour notification period provided by NYSEG.
- l. Provide a detailed measurement and verification ("M&V") plan which substantiates the reasonableness of the estimated supply or reduction values including methods that will be used to determine supply and/or savings performance from a specific NPA contracted project. It should be noted that for equipment conversions, NYSEG requires that gas equipment be removed from the customer site.

### 3. Pricing

- a. Include pricing in bid price (\$/month) row within the Bidder Response Template (Attachment D)
- b. Identify total project costs if different from Proposal pricing.



- c. Provide breakdown of all Proposal costs, including but not limited to upfront costs, customer acquisition, marketing, incentives, administration, M&V, site control etc.
  - d. Provide a breakdown of costs to NYSEG, to the customer, and details of other incentive programs to be utilized.
- 4. Bidder Qualifications and References
  - a. A description of Bidder's experience in developing projects such as contemplated in the Proposal, particularly in New York.
  - b. Bidder contact information.
- 5. Assumptions and Exceptions
  - a. Documentation of verified savings from comparable projects to substantiate the reasonableness of the estimated reduction values.
  - b. Operational constraints associated with the proposed Resources.
- 6. A Bidder Proposal Template (Attachment D) is required for conducting the BCA, Proposals that do not submit the template will not be evaluated. NYSEG may contact Bidders with questions and clarifications on their template to conduct the BCA. Bidders may also request one-on-one trainings with NYSEG for this template. The deadline for requesting training is January 14, 2026.
- 7. A Confidentiality Agreement (Attachment C) will be required to be executed if a Bidder wants to keep their response confidential, if they wish to receive the available data listed in Section II.E., or if a contract is considered in the future as a result of a successful Proposal.

## 5. Proposal Evaluation

To evaluate Proposals, NYSEG will utilize its BCA methodology for NPA. NYSEG uses the societal cost test ("SCT") as the primary measure of cost effectiveness in its BCA methodology. This cost test includes not only the direct costs and benefits of a project/program (e.g., capital costs, avoided upstream supply costs) but also broader externalities associated with the project/program (e.g., CO2 and other net non-energy benefits). The SCT aims to answer the question "Is the State of New York better off as a whole?" The Proposal evaluation methodology will consider the following:





1. **Reliability** – The ability of the Resource to contribute to the alleviation of the identified low-pressure situation.
2. **Economic Impact** – To evaluate the cost effectiveness of the Proposal, NYSEG will conduct a BCA for each Proposal. To conduct this BCA, NYSEG will require Resource cost information as requested in this RFP and will utilize the estimated value of avoiding the Goshen System Semi-Permanent Gas Supply Peaking Tap project as a benefit to the NPA project in the economic analysis. This value is estimated to be approximately \$8.53 million in 2025 dollars.
3. **Environmental impacts** - Including but not limited to, air, noise, visual, water and soil impacts. Specifically, net carbon reduction<sup>6</sup> or lack thereof, may be considered.
4. **Technical Reliability** – The type of technology and the equipment being proposed. This will examine whether there is high reliability due to Resource design that is tried and proven with historical evidence of high availability.

NYSEG may include the following benefits and costs in its BCA methodology, provided that these benefits and costs are **quantifiable**:

Benefits:

- Avoided distribution infrastructure costs
- Avoided upstream supply costs
- Reliability/resiliency benefits
- Avoided emissions, including avoided CO2 emissions from energy savings, and avoided methane emissions from gas delivery.

Costs:

- Program administration
- Incremental distribution system investments (gas and/or electric)

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<sup>6</sup> “Net Carbon Reduction Analysis” is a process which identifies and monetizes the positive value of projects which remove carbon from the atmosphere, and that monetized value is utilized as a benefit in the formal BCA framework. For example, projects which remove fossil fuel combustion (from natural gas or other fuels) and replace it with electrification should be expected to have a positive benefit from a net carbon reduction analysis, so long as the source of the electric generation used is primarily renewable or other clean energy sources.



- Participant NPA costs (i.e., the cost of the NPA solution other than administration to be paid by participating utility customers)
- Alternative fuel costs
- Alternative fuel emissions
- Lost utility revenue

NYSEG will also consider the timing and availability of proposed solutions. Because this NPA RFP is meant to address a **current** system supply need, solutions that provide system relief sooner than the required in service date of December 2026 would be considered more favorably.

If a Proposal does not pass the BCA or is not cost effective relative to other Proposals, NYSEG in their sole discretion may reevaluate the Proposal with a lesser incentive than the proposed amount to determine if they can provide some level of funding that does pass the BCA.

NYSEG requires that gas reductions through equipment replacements be determined through the specifications of the gas equipment that has been replaced and removed from the site. Acceptance of a Proposal will occur based on the BCA score and Proposal's cost effectiveness.

## 6. Interconnection and Standards

The Bidder will be expected to work with NYSEG to install any interconnections to the local distribution system, including metering and telemetry, as may be required to operate/utilize the proposed non-fossil fuel resources. Generally, NYSEG will perform any required work to its distribution system for interconnection and Bidders must perform work on the customer's side of the meter. All costs of interconnection will be included as a cost in the BCA analysis.

### A. Dedicated Facilities and Charges (as applicable)

It is not required but it is possible that a Proposal may require dedicated facilities to interconnect the proposed non-fossil fuel Resources. Dedicated facilities in this case may include, but are not limited to, electrical interconnection equipment, telemetry, thermal storage infrastructure, or communications and control systems. Bidder is solely responsible for the design, planning, permitting, installation, and costs of the dedicated facilities.

### B. Standards

Proposals will be required to meet the following standards as appropriate:



- a. Facility Standards. Facilities must be designed and constructed such that all gas supply, scheduling, transmission and distribution services shall be performed in compliance with all applicable laws, operating policies, criteria, rules, guidelines and tariffs of the New York Public Service Commission (“NYPSC”), Federal Energy Regulatory Commission (“FERC”), State and Federal laws and regulations, follow Good Utility Practice and meet NYSEG’s design, construction standards, and operation and maintenance procedures. Bidder, at its own expense, shall fulfill all contractual, metering and interconnection requirements as set forth in NYSEG’s applicable tariffs, to the extent that they apply to FERC tariffs, and the terms required by any Service Agreement entered into as a result of any future RFP. Meet any other state agency requirements [e.g., Department of Environmental Conservation (“DEC”)].
  
- b. Gas Supply Standards. To the extent that a Resource proposed provides, utilizes or in any way modifies the natural gas supply to an end use customer, Bidder shall follow all procedures, rules and regulations which are a part of NYSEG’s Natural Gas Retail Access Program, including the Uniform Business Rules, Energy Service Company (“ESCO”) Qualifications, Creditworthiness Requirements and NYSEG’s Gas Transportation and Supply Tariffs.
  
- c. Protective Apparatus. The project design and associated facilities must include but shall not be limited to the following safety and control equipment. NYSEG requires this be in place prior to operation of all facilities to protect its gas distribution system as well as Company personnel and the general public from potential damage or harm as a result of abnormal operating conditions. All of the following must be in accordance with the latest editions of NYSEG’s Gas Construction Standards, Gas Operating & Maintenance Procedures, USDOT 29 CFR Part 192, NYCRR Part 255, National Electric Code (“NEC”), National Fuel Gas Code and applicable National Fire Protection Association (“NFPA”), American Petroleum Institute (“API”), American National Standards Institute (“ANSI”), American Society of Mechanical Engineers (“ASME”) and American Gas Association (“AGA”) Classification of Gas Utility Areas for Electrical Installation standards:
  - Safety relief valves to protect against gas system over pressurization;
  - Gas odorization equipment to ensure readily detectible levels of gas-in-air concentrations should a leak occur;
  - Gas pressure, gas temperature, online water and hydrogen sulfide monitoring equipment capable of being remotely monitored;



- Remote Terminal Unit (“RTU”) for local system operating function awareness and remote communication with NYSEG’s Gas Control Center;
  - Site security devices such as lighting, equipment locks, building entry alarms and tamper-proof main gates; and
  - Combustible gas indicators to monitor for the presence of gas within facility areas and the installation of cathodic protection devices for all buried steel gas facilities.
- d. Demonstrate that they can obtain and comply with all required environmental and operating permits while meeting the requested reliability needs.
- e. Proposals which include “beneficial electrification” or other fuel switching from another fuel to electricity may require an analysis of their potential impact on the electric grid, any improvements which might be needed to the grid, and any costs which may be associated with those grid improvements. That analysis will not be completed as part of the evaluation of Proposals. However, it will be a part of the BCA used to evaluate potential Proposals to a future RFP.
- f. Any violations of the standards, terms and conditions of this RFP or future requirements provided in an amendment to the Bidder may result in performance penalties including but not limited to financial penalties, suspension, and/or termination.

## 7. RFP Terms and Conditions

### A. General

Bidders should clearly state all assumptions made about the meaning or accuracy of information contained in this RFP. In the absence of a question or clarifying assumption from a Bidder, each Bidder shall be deemed to have agreed with and understood the requirements of this RFP. While NYSEG has endeavored to provide accurate information to Bidders, NYSEG makes no such warranty or representation of accuracy.

Any transaction resulting from this RFP will be subject to NYSEG receiving all required regulatory approvals, including, but not limited to, acceptance by the NYPSC of the transaction as well as approval for cost recovery acceptable to NYSEG. Participants in this RFP agree to execute a definitive Agreement with terms customary in the industry and appropriate under the circumstances (“Agreement”).



This RFP shall not be construed to create an obligation on the part of NYSEG to enter into any contract, or to serve as a basis for any claim whatsoever for reimbursement of costs for efforts expended by Bidders. Furthermore, the scope of this RFP may be revised at the option of NYSEG at any time, or this RFP may be withdrawn or cancelled by NYSEG at any time. NYSEG shall not be obligated by any Proposals or by any statements or representations, whether oral or written, that may be made by NYSEG or its employees, principals, or agent.

## B. Disclaimers for Rejecting Proposals

It is solely the responsibility of each Bidder to ensure that all pertinent and required information is included in its Proposal. NYSEG reserves the right to determine, at its sole discretion, whether a Proposal is incomplete or non-responsive.

This RFP does not constitute an offer to buy and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of this RFP. NYSEG shall retain the right at any time, in its sole discretion, to reject any Proposal provided to this RFP. NYSEG also retains the discretion, in its sole judgment, to: (a) reject any Proposal on the basis that it does not provide sufficient ratepayer benefit or that it would impose conditions that NYSEG determines are impractical or inappropriate; (b) formulate and implement appropriate criteria for the evaluation and selection of Proposals; (c) modify this RFP as it deems appropriate to implement the RFP and to comply with applicable laws or other direction provided by the NYPSC; and (d) terminate the RFP. In addition, NYSEG reserves the right to either suspend or terminate this RFP at any time for any reason whatsoever. NYSEG will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this paragraph to Bidder(s).

## C. Proprietary Information

If a Proposal includes any proprietary data or information that a Bidder does not want disclosed to the public, such data or information must be specifically designated as such on each page on which it is found. NYSEG shall be held harmless from any claim arising from the release of proprietary information not clearly identified as such by a Bidder. Because of the need for public accountability, the following information regarding the Proposal shall not be considered proprietary, even if such information is designated as such: pricing terms and non-financial information concerning compliance with RFP specifications.

Subject to the foregoing, NYSEG reserves the right in its sole discretion and without liability, to utilize any or all of the submissions, Proposals and materials received in connection with this RFP in NYSEG's planning efforts and otherwise.



## D. Representations and Warranties, Binding Proposals

Bidder's Proposal(s) shall be deemed to have made the following representations, warranties, and covenants to NYSEG, which representations, warranties, and covenants shall be deemed to be incorporated in their entireties into Bidder's Proposal(s). Any Proposal shall include Bidder's agreement to be bound by the conditions of the RFP, including these conditions, in submitting Bidder's Proposal.

1. Bidder has read, understands and agrees to be bound by all terms, conditions and other provisions of the RFP documents;
2. Bidder has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFP, the RFP Documents, including any appendices;
3. Bidder acknowledges and agrees that, in NYSEG's evaluation of Proposals pursuant to this RFP, NYSEG reserves the right to disqualify Bidder if it is unwilling or unable to meet NYSEG's credit requirements;
4. Bidder has obtained all necessary authorizations, approvals and waivers, if any, required by Bidder as a condition of submitting its Proposal and, if Bidder's Proposal is selected and a final Proposal is requested, Bidder will execute an Agreement with NYSEG; Bidder may, but is not required to, include with their RFP response, preliminary agreements with all required host customers to participate as specified in the Bid response, which shall be replaced with binding host customer agreements prior to execution on any service agreement contemplated in this RFP;
5. Bidder is submitting its Proposal subject to all applicable laws and regulations;
6. Bidder has not engaged and covenants that it will not engage in any collusion or other unlawful or unfair business practices in connection with this RFP;
7. The information submitted by Bidder to NYSEG in connection with this RFP, and all information submitted as part of the Proposal is true and accurate as of the date submitted by Bidder. Bidder covenants that any information requested herein and such attachments but not provided to NYSEG as part of the Proposal, will be provided to NYSEG on or before the date that Bidder specified for provision of the information in the timeline provided. Bidder also covenants that it will promptly update such information upon any material change thereto;
8. In addition, Bidder's submission of a Proposal is their acknowledgement and agreement that:



- a. NYSEG will rely upon all representations, warranties, and covenants in the Proposal Submittal Package; and
  - b. NYSEG may disclose information as set forth in the Confidentiality Agreement (Attachment C);
9. Bidder represents and warrants that each project that is the subject of Bidder's Proposal meets the design-life requirements of this RFP. In the case where a host customer which is a part of this agreement shall vacate the associated host customer facility used as a part of the NPA solution, the Bidder shall have the opportunity to propose to NYSEG the substitute of a similar Resource, acceptance of which shall be at NYSEG's sole discretion. In the case where a host customer shall vacate, and a substitute shall not be provided, further payments for that Resource shall be permanently suspended;
10. Bidder covenants that it will provide information requested not longer than one week following Bidder's receipt of NYSEG's request for such information;
11. Bidder covenants that it will promptly provide NYSEG with any changes or updates to the implementation schedule;
12. Bidder covenants that it will promptly provide NYSEG with any changes to its Proposal between the date of the Proposal and the execution of an Agreement, including any changes to applicable host customer sites and agreements;
13. Bidder agrees and acknowledges that NYSEG reserves the right at any time, in its sole discretion, to abandon this RFP, to change any dates specified in this RFP, to change the basis for the evaluation of Proposals, to terminate further participation in this process by any party, to accept any Proposal or to enter into any Agreement, to evaluate the qualifications of Bidder and/or the terms and conditions of any Proposal, to reject any or all Proposals, to prohibit or limit mutually exclusive Proposals, to consider additional products, to change any form, document, term or condition used in this RFP at any time during the RFP process, or waive any irregularities, all without notice and without assigning any reasons and without incurring liability of NYSEG, or any of their respective subsidiaries, affiliates, or representatives to Bidder or any other party. NYSEG shall have no obligation to consider any Proposal submitted. NYSEG will not reimburse Bidder for its expenses related to this RFP under any circumstances, regardless of whether the bidding process proceeds to a successful conclusion or is abandoned. NYSEG shall not be deemed to have accepted any Proposal, and shall not be bound by any term thereof, unless and until an authorized representative of NYSEG executes an Agreement with Bidder;
14. Bidder agrees and acknowledges that information provided by it to NYSEG pursuant to this RFP will be subject to the disclosure requirements of the NYPSC or other applicable law or regulation; and



15. Bidder agrees and acknowledges that failure to meet reliability and regulatory requirements set forth within this RFP may result in financial adjustments and/or damages associated with non-performance of contracted Resources.

## E. Credit and Performance Assurances

In its evaluation of a Proposal, NYSEG will consider Bidder's capability to perform all of its financial and other obligations including, without limitation, Bidder's ability to provide performance assurance that the Resource would be available and operate as required under the executed Agreement ("Performance Assurance"). This assurance will be provided to NYSEG by the expected effective date in the Agreement. This assurance includes the ability of Bidder to fund the reliability Proposal as described in this RFP.

If any non-public information is available and requested to be shared, Bidder shall be required to complete and submit the Confidentiality Agreement (Attachment C) prior to receipt of the non-public information. NYSEG may also request private financial statements of bidder and bidder's parent company, to assess financial condition of the bidder, which shall be covered under the Confidentiality Agreement (Attachment C).

In the event Bidder is awarded an Agreement to provide the Resources negotiated as part of this RFP, prior to or concurrent with the execution of a contract to secure these Resources, Bidder shall be required to complete and submit the Confidentiality Agreement (Attachment C), Third-Party Lite Assessment Form (Attachment E), and a Data Security Rider (Attachment F) with cyber insurance requirements, if those agreements are not already in place and applicable to the Agreement associated with this RFP.

In the event Bidder would like to execute a Confidentiality Agreement (Attachment C) prior to the submission of a Proposal, the Confidentiality Agreement (Attachment C) should be executed by the Bidder and sent to NYSEG for execution.

## F. Bidder's Waiver of Claims and Limitations of Remedies

Except as expressly set forth in this RFP, by submitting a Proposal, Bidder knowingly and voluntarily waives any rights under statute, regulation, state or federal constitution, or common law to assert any claim or complaint or other challenge in any regulatory, judicial or other forum, including the NYPSC, the FERC, the Supreme Court or any other court in the State of New York ("State Court") or United States District Court or any other United States Court ("Federal Court") concerning or related in any way to the RFP and/or any appendices to the RFP ("Waived Claims"). The assertion of any Waived Claims by Bidder at the NYPSC, FERC, State Court, Federal Court, or otherwise shall, to the extent that Bidder's Proposal has not already been disqualified, provide NYSEG the right, and may result in NYSEG electing, to reject such Proposal or terminate the RFP.





## G. Termination of the RFP and Related Matters

NYSEG reserves the right at any time, in its sole discretion, to terminate the RFP for any reason whatsoever without prior notification to Bidders and without liability of any kind to or responsibility of NYSEG or anyone acting on NYSEG's behalf. Without limitation, grounds for termination of the RFP may include the assertion of any Waived Claims by Bidder or a determination by NYSEG that, following evaluation of the Proposals, there are no Proposals that provide adequate ratepayer benefit.

NYSEG reserves the right to change the Proposal evaluation criteria for any reason, to terminate further participation in this process by Bidder, to accept any Proposal or to enter into any definitive Agreement, to evaluate the qualifications of Bidder, and to reject any or all Proposals, all without notice and without assigning any reasons and without liability to NYSEG or anyone acting on NYSEG's behalf. NYSEG shall have no obligation to consider any Proposal.

In the event of termination of the RFP for any reason, NYSEG will not reimburse Bidder or participant(s) for any expenses incurred in connection with the RFP regardless of whether Bidder's Proposal is selected, not selected, rejected, or disqualified.

# 8. Attachments

A. Definitions

B. Customer Counts by Street

C. Goshen System NPA Confidentiality Agreement

D. Bidder Proposal Template

E. Annex 2 Energy Sector Supply Chain Risk Questionnaire

F. Data Security Rider