



REQUEST FOR PROPOSALS

ENERGY EXPRESS PROJECT

**Battery Energy Storage Systems (“BESS”)
Procurement &
20-Year Long-Term Service Agreement**

220 MW / 880 MWh | 18 Tennessee Projects
Utility-Scale Battery Energy Storage Portfolio

Solicitation # 7SPC RFP 2026 09 01

USDA New ERA Program Compliant
Clean Electricity Investment Credit and Elective Payment Compliant

Issued By

Seven States Power Corporation

RFP Release Date
September 1, 2026

Proposal Due Date
October 30, 2026

DOCUMENT GUIDE

This guide summarizes where Bidders should look for relevant materials. Section numbering in the body controls.

Section	Topic
1	Procurement overview and sites
2	Schedule, questions, submission, and reserved rights
3	Category A, Category B, equipment boundary, and engineering support
4	USDA, Buy America, domestic content, FEOC, and federal provisions
5	Technical, operating, safety, data, controls, and cybersecurity
6	Performance guarantees, testing, and repair or replacement remedies
7	20-year warranty and LTSA
8	Lifecycle price, delivery, payment, security, insurance, and remedies
9	Bidder qualifications
10	Proposal organization and page limits
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BIDDER PACKAGE: Main RFP plus Appendix A draft Equipment Supply Agreement, Appendix B Pricing Workbook, the consolidated Bidder Response Forms, and Appendix D Supply Chain Compliance Workbook.

1. PROCUREMENT OVERVIEW

Seven States Power Corporation requests proposals from qualified battery energy storage system Bidders for one integrated Category A portfolio award covering 18 projects at 17 project locations. The Selectee will furnish the complete equipment package, delivery, commissioning support, a 20-year equipment warranty, and a mandatory 20-year long-term service agreement covering equipment warranty administration, preventive and corrective maintenance within the Selectee's equipment scope, replacement parts, technical support, software and controls support, augmentation, and other long-term equipment services specified in this RFP. Site design and physical installation will be performed by Seven States' contractors. Site operations and services outside the Selectee's equipment scope may be separately procured by Seven States.

PROCUREMENT OBJECTIVE: Select one responsible Bidder offering the strongest combination of country-of-origin certification, compliance certainty, evaluated lifecycle price, financial strength, durable warranty and service support, safe technical performance, and delivery certainty.

1.1 Portfolio

Utility	Projects	Sites	MW AC	Usable MWh	Typical Project Size
Memphis Light, Gas & Water (MLGW)	7	7	100	400	10 to 20 MW
Nashville Electric Service (NES)	9	9	100	400	8 to 20 MW
BrightRidge (Jonesborough, TN)	2	1	20	80	10 MW
Total	18	17	220	880	4-hour systems

1.2 Site Schedule

Site	Utility	MW	MWh	Primary Voltage	Connection	Grounding	ZIP
1	MLGW	20	80	23 kV	Wye	Solidly grounded	38125
2	MLGW	15	60	23 kV	Wye	Solidly grounded	38134
3	MLGW	10	40	23 kV	Wye	Solidly grounded	38128
4	MLGW	10	40	23 kV	Wye	Solidly grounded	38118
5	MLGW	15	60	23 kV	Wye	Solidly grounded	38016
6	MLGW	10	40	23 kV	Wye	Solidly grounded	38118

Site	Utility	MW	MWh	Primary Voltage	Connection	Grounding	ZIP
7	MLGW	20	80	23 kV	Wye	Solidly grounded	38141
8	NES	12	48	23.9 kV	Wye	Solidly grounded	37214
9	NES	8	32	23.9 kV	Wye	Solidly grounded	37013
10	NES	12	48	23.9 kV	Wye	Solidly grounded	37013
11	NES	12	48	23.9 kV	Wye	Solidly grounded	37221
12	NES	8	32	23.9 kV	Wye	Solidly grounded	37218
13	NES	20	80	23.9 kV	Wye	Solidly grounded	37217
14	NES	8	32	23.9 kV	Wye	Solidly grounded	37211
15	NES	12	48	23.9 kV	Wye	Solidly grounded	37075
16	NES	8	32	23.9 kV	Wye	Solidly grounded	37075
17	BrightRidge	10	40	13.2 kV	Wye	Solidly grounded	37659
18	BrightRidge	10	40	13.2 kV	Wye	Solidly grounded	37659

Bidders shall price an assumed portfolio delivery window of April through December 2028, with commercial operation of all sites occurring no later than two years after issuance of the initial purchase order. The binding schedule will be established before agreement execution following USDA underwriting and utility coordination. A proportional shift of up to three months into the first quarter of 2029 may occur. Bidders shall state their maximum number of site deliveries per month, minimum spacing between deliveries, and commissioning staffing limits.

2. PROCUREMENT PROCESS SCHEDULE

Event	Date
Public release	September 1, 2026
Written questions due	September 18, 2026, 11:59 PM ET
Answers and addendum target	September 28, 2026
Proposals due	October 30, 2026, 11:59 PM ET
Conditional selection target	December 14, 2026
Full compliance package	45 calendar days after conditional selection
Agreement execution	Subject to USDA approval

2.1 Communications

All procurement communications shall be sent only to EEP-BESS-RFP@7SPC.com. Seven States will publish all questions received and all answers without Bidder names. Contact with members, host utilities, engineers, evaluators, or advisers about this procurement is prohibited unless authorized in writing.

2.2 Submission

- Submit all required Excel workbooks in their native Excel format and all remaining proposal documents as one searchable, signed PDF.
- Use the subject line: 7SPC RFP 2026 09 01 | Energy Express BESS | Bidder Name | Communication Type.
- Name the proposal file: 7SPC_RFP_2026_09_01_BidderName_Proposal.pdf. Use the same solicitation number in every related file name.
- For oversized files, request a Bidder-specific Dropbox File Request link before the deadline. The completed upload time controls.
- The latest complete proposal received before the deadline replaces all earlier versions. Initial proposal files may not be password protected.
- Late proposals may be accepted or rejected at Seven States' sole discretion. No formal protest or debriefing process is offered.

2.3 Reserved Rights

Seven States may reject any or all proposals, waive minor informalities, request clarification, verify information, conduct reference or facility visits, require shortlisted presentations, negotiate, request a best and final offer, cancel or amend the procurement, or make no Category B award. Seven States may identify a primary conditional Selectee and a backup Bidder while compliance evidence is reviewed.

3. SCOPE AND COMMERCIAL STRUCTURE

3.1 Category A, Mandatory Portfolio

Seven States shall select one Bidder to provide BESS equipment for the full 220 MW / 880 MWh portfolio. Partial Category A bids are not permitted and shall not be reviewed by Seven States. A Bidder may submit a separately identified alternate proposal, only in combination with a complete compliant base proposal.

3.2 Category B, Non-binding Market Information for Future Projects

Category B requests indicative pricing, standard cutsheets, and related technical information for future two-hour BESS projects. Seven States may use Category B responses to support the development, evaluation, and budgeting of additional projects with its member-LPCs (Local Power Companies) throughout the Tennessee Valley.

Category B is not scored and does not affect the evaluation or award of Category A. Category B responses create no purchase commitment or acceptance right. Seven States may, however, in its discretion, use Category B pricing, technical information, and other responses as a basis for evaluating, negotiating, or selecting a Bidder for future BESS projects, subject to any procurement requirements applicable to those projects.

Nothing in this RFP requires Seven States or any member-LPC to use Category B pricing, use the Category A Selectee, or proceed with any future project. Future projects may be separately procured from any source.

3.3 Category A, Bidder Equipment Boundary

- Battery cells, modules, racks, enclosures, battery management software and hardware, thermal management, fire and gas safety systems.
- Power conversion system, low voltage bus and internal cabling.
- Integrated medium voltage transformer, switchgear, breakers, disconnects, relays, control power, instrument transformers, auxiliary distribution, local controls, communications gateway, equipment metering, skids, enclosures, supports, and internal wiring.
- Three mandatory spare medium voltage transformers, one matched to each utility territory.
- Factory acceptance testing, drawings, data, models, settings files, training, delivery, commissioning support, warranty, software, cloud services, and LTSA.

The Bidder equipment boundary ends at the outgoing terminals of the integrated medium voltage switchgear. Seven States or its contractor shall provide and complete all foundations, site civil work, grounding grid, field medium voltage cable to the point of interconnection, unloading, installation, revenue meter, and utility studies. The host utility shall define final protection settings. The Bidder provides all required data, compatible relays, approved settings support, and commissioning files.

3.4 Engineering Support

The Bidder provides certified dimensions, weights, lifting requirements, foundation reactions, anchor information, clearances, access, cable entries, terminal data, grounding, auxiliaries, heat rejection, fire interfaces, communications architecture, protection data, models, installation tolerances, commissioning requirements, and maintenance access. Seven States engineers design each site. The construction contractor controls installation means, methods, and safety.

4. MANDATORY FEDERAL AND TAX COMPLIANCE

MANDATORY COMPLIANCE FOR CONSIDERATION: A Category A proposal must offer, with supporting documentation, a solution capable of complying without reliance on a waiver with all applicable BABAA, RUS Buy American, domestic content, elective payment (direct pay), FEOC, material assistance, and federal responsibility requirements. Failure to demonstrate this capability is grounds for rejection.

4.1 Conservative Compliance Position

The Category A equipment procurement requires both Build America, Buy America Act (BABAA) compliance and the RUS Buy American requirements applicable to the funded equipment. The Bidder must also support the domestic content bonus for the Clean Electricity Investment Credit and associated elective payment and all applicable prohibited foreign entity and material assistance restrictions. The Bidder shall be responsible for all current and amended requirements throughout the procurement process. The Bidder shall use either an approved actual cost method or an applicable safe harbor method and shall not mix methods without tax counsel approval.

Source: 2 CFR Part 184, Buy America Preferences for Infrastructure Projects
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-I/part-184>

Source: 7 CFR Part 1787, RUS Buy American Requirement <https://www.ecfr.gov/current/title-7/subtitle-B/chapter-XVII/part-1787>

Source: IRS Notices 2023-38, 2024-41 & 2025-08, Clean Energy Investment Credit Domestic Content Requirements, <https://www.irs.gov/credits-deductions/domestic-content-bonus-credit>

Source: IRS Notice 2026-15, material assistance and prohibited foreign entity interim safe harbors
<https://www.irs.gov/pub/irs-drop/n-26-15.pdf>

These references are non-exclusive, and each Bidder remains responsible for identifying and complying with all applicable laws and regulations.

4.2 Bulk-Power System Security

Executive Order 14420, Declaring a National Emergency to Secure the United States Bulk-Power System, and all applicable implementing rules, orders, directives, licenses, and mitigation requirements are part of the mandatory compliance gate. Nothing in this RFP concedes that a Project facility connected to a local distribution system is within the Executive Order's scope. The Bidder shall nevertheless provide the disclosures and support necessary for Seven States to address any applicable requirement imposed by the U.S. Department of Energy, USDA, TVA, or another authority.

Source: Executive Order 14420, Declaring a National Emergency to Secure the United States Bulk-Power System <https://www.whitehouse.gov/presidential-actions/2026/08/declaring-a-national-emergency-to-secure-the-united-states-bulk-power-system/>

- The Bidder shall identify whether any proposed BESS, battery cell or module, PCS or inverter, transformer, switchgear, control system, software, firmware, digital service, maintenance service, remote-access capability, or other critical component is foreign-produced or is designed, developed, manufactured, supplied, maintained, or controlled by a Covered Foreign Entity as defined by Executive Order 14420 or its implementing requirements.
- The proposal shall not rely on a license, exemption, prequalification, or mitigation approval unless the reliance and all associated conditions are expressly disclosed and accepted in writing by Seven States. Any known compliant alternate source and associated price or schedule effect shall also be disclosed.
- Following conditional selection, the Selectee shall promptly update these disclosures and provide compliant alternate equipment, services, or security measures when

required. Seven States may reject affected equipment, require alternate compliant sourcing, suspend release to manufacture, withhold approval or payment, or terminate affected scope. A condition existing or reasonably ascertainable as of the proposal due date shall be addressed without an increase in price or extension of schedule. The Agreement will allocate consequences of a requirement first issued after that date, subject to documented mitigation and without any automatic entitlement to additional compensation.

4.3 Proposal Stage Evidence

- Signed compliance attestation and confidence statement.
- Known battery storage component manufacturers and countries of origin, cathode active material source, PCS manufacturer and assembly location, major equipment manufacturers, material software and firmware developers, parent entities and ownership interests, countries of development and maintenance, remote support locations, ownership and control disclosures, preliminary calculation method and conclusions, and known risks.
- Preliminary Appendix D fields without confidential manufacturer cost evidence.
- Commitment to provide complete traceable evidence within 45 calendar days after conditional selection.

4.4 Conditional Selection Evidence

The primary conditional Selectee shall provide the complete cost, origin, ownership, control, licensing, remote access, manufacturing, software, firmware, and certification package within 45 calendar days after conditional selection and before contract execution or any deposit. Seven States may allow a ten-business-day cure for discrete deficiencies and one discretionary extension. Review shall be performed by Seven States, USDA, consultants, legal counsel, tax counsel, and authorized auditors under confidentiality protections. At a minimum, the conditional Selectee shall:

- Provide a product level BABAA and RUS Buy American schedule for each major delivered product, including each complete BESS unit or enclosure, PCS or inverter, medium voltage transformer, integrated switchgear package, and other separately delivered major product. State product classification, manufacturer, final manufacturing location, applicable domestic component calculation, iron or steel status, and evidence reference.
- Provide the applicable RUS Form 213 or then current USDA certification for every covered product, subject to final USDA and legal confirmation of the required form.
- For material BESS software and firmware, disclose the developer and parent, country of original development, country of ongoing maintenance and patching, remote support entity and country, and all licensing, data access, service, and operational control rights relevant to prohibited foreign entity and effective control review.

Written compliance approval is a condition precedent to contract execution, purchase order, notice to proceed, long lead authorization, release to manufacture, or deposit. Seven States may proceed to the backup Bidder if the primary Selectee does not demonstrate compliance.

4.5 Continuing Compliance Obligations

- The Selectee shall give Seven States at least 90 days' advance notice and obtain Seven States' prior written approval before any compliance-sensitive substitution.
- The Selectee shall first cure noncompliance with compliant replacement equipment at its cost and then reimburse Seven States for any remaining lost credit, recapture, interest, penalties, financing impacts, professional fees, and related costs.
- The Selectee's obligation to reimburse Seven States for any ITC disallowance, reduction, recapture, or repayment resulting from a matter within the Selectee's responsibility, including applicable interest, penalties, financing impacts, professional fees, and related costs, shall not be subject to the general contract liability cap. This obligation shall be secured by a compliance bond or standby letter of credit equal to 10% of the Category A equipment contract price; however, the security amount does not limit the Selectee's liability. If the Selectee does not independently demonstrate financial strength sufficient to support the full reimbursement obligation, Seven States may also require a guaranty from the financially qualified ultimate parent or alternative credit support meeting Section 7.3. Any such guaranty or alternative credit support is supplemental to the 10% compliance security unless Seven States expressly agrees otherwise and does not limit the underlying reimbursement obligation. The compliance security shall remain in effect through the applicable ITC recapture period and any longer period necessary to address an unresolved audit, claim, or determination concerning initial ITC eligibility. Seven States may approve reductions in the compliance security only in proportion to the remaining reasonably determined exposure.
- Records are retained through all applicable tax limitation and recapture periods plus three years.
- Obsolete replacements must preserve form, fit, function, safety, cybersecurity, performance, warranty, BABAA, RUS, domestic content, FEOC, Executive Order 14420 and applicable implementing requirements, and tax eligibility.

4.6 Federal Procurement Provisions

The agreement will include all applicable 2 CFR Part 200 Appendix II clauses and USDA award requirements. Every Bidder shall submit responsibility certifications addressing suspension and debarment, lobbying when applicable, conflicts, independent pricing, accuracy, authority, and disclosure of material changes. SAM registration and a UEI are required only if USDA or counsel confirms applicability.

Each Bidder shall submit a mandatory, unscored good faith participation plan for small businesses, minority businesses, women owned businesses, veteran owned businesses, and labor surplus area firms and shall flow the requirement to relevant subcontracts.

Source: 2 CFR 200.321, affirmative consideration of identified business types

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.321>

5. TECHNICAL REQUIREMENTS

5.1 Capacity and Measurement

- Category A rated power and usable energy are measured at the transformer high-side terminals.
- Auxiliary loads and transformer losses are included in guaranteed delivered power, usable energy, and efficiency. The guaranteed COD power and usable energy are independent of the round-trip efficiency guarantee and may not be reduced by a lower efficiency value.
- Mandatory reference pricing and layouts: 8 MW / 32 MWh and 20 MW / 80 MWh. These are portfolio reference configurations and are not utility-specific.
- Bidder shall show gross DC capacity, inverter output, auxiliaries, transformer losses, and net delivered values.

5.2 Chemistry and Architecture

Lithium iron phosphate is strongly preferred. An alternative chemistry may be proposed only if it satisfies the same compliance, safety, certification, performance, domestic content, prohibited foreign entity, warranty, service, and operating requirements and clearly identifies additional fire, setback, ventilation, or permitting constraints.

5.3 Operating Profile

Season	Months	Peak window	Dispatch assumption
Summer	June through September	2:00 PM to 8:00 PM Central	Any four continuous hours
Winter	December through March billing months	4:00 AM to 10:00 AM Central	Any four continuous hours

Normal use is one cycle per weekday excluding federal holidays, approximately 250 cycles each year. The warranty shall include up to ten additional dispatch events per contract year regardless of depth. An additional event is distinct after four continuous hours without dispatch. Primary use is peak shaving.

5.4 Grid Support and Power Quality

The equipment shall support reactive power, fixed power factor, Volt VAR, Volt Watt, frequency Watt, voltage and frequency ride through, ramp rate control, remote active and reactive commands, anti-islanding, configurable protection, and utility assigned operating modes. It shall conform to IEEE 1547 2018 and verification consistent with IEEE 1547.1 2020 to the extent applicable. Harmonics at the point of interconnection shall satisfy IEEE 519 2022. The host utility selects final categories and settings.

Shortlisted Bidders shall provide the detailed interface data sheet and validated positive-sequence dynamic, short-circuit, harmonic, control, and electromagnetic-transient (EMT) models in the formats and software versions reasonably required by TVA and the host utilities. Each Bidder shall confirm that a manufacturer-specific PSCAD model is available for the proposed PCS or inverter and plant-level controller. Grid-forming capability is a preferred optional capability. The Bidder shall provide a separate add-on price for each applicable configuration and identify all associated equipment, software, licensing, controls, testing, commissioning, and recurring costs. Grid-forming capability is excluded from base evaluated lifecycle cost but may receive points within the Technical Performance and Safety category.

After award, the Selectee shall timely provide a TVA-acceptable, manufacturer-specific and site-specific PSCAD EMT model for each applicable BESS configuration for use in TVA's System Impact Study and related modeling. The model shall represent the proposed PCS or inverter, plant-level controller, transformers and other material electrical components, operating modes, limits, protection functions, controls, settings, and relevant delays; match the equipment, firmware, and controls proposed and ultimately commissioned; and include supporting documentation, validation reports, sample test cases, parameter mapping, and applicable model-quality attestations. The Selectee shall obtain all permissions necessary for Seven States, the applicable LPC, TVA, and their consultants to use and evaluate the model for the Project, subject to reasonable confidentiality protections, and shall provide technical support and revisions necessary to resolve TVA comments without additional cost to Seven States.

5.5 Communications, Controls, Data, and Cybersecurity

- DNP3 and Modbus TCP are mandatory. Proprietary only dispatch is not acceptable.
- At each Category A site designated by Seven States as requiring the applicable LPC interface, the base Category A scope and price shall include DNP3 serial communications over 850 nm multimode optical fiber; DNP3 over TCP/IP alone does not satisfy this site-specific requirement. The Selectee shall furnish, mount, power, configure, test, and commission within the BESS equipment a NovaTech OrionMX, current configuration part number OrionMX-2S-XXXX-IO-WR-UNIV-01-03-14-207-42-44-57-35-80-95-97-98-99, or a successor configuration approved in writing by Seven States and the applicable LPC. The Selectee's scope includes all required native optical serial interfaces or media converters, expansion cards, transceivers, connectors, patch cords, internal fiber, terminations, control power, mounting hardware, software, licenses, configuration, DNP3 point mapping, and other components necessary for a complete and operable connection between the BESS control system and the OrionMX. The final DNP3 master and outstation roles, device addresses, baud rate, serial framing, point list, event classes, time synchronization, connector type, fiber count, and communications demarcation point shall be coordinated with and approved by Seven States and the applicable LPC before release for manufacture. The interface shall be demonstrated during factory acceptance testing and verified through end-to-end point-to-point testing during site acceptance testing.
- Seven States and the host utility have direct dispatch authority. Priority is defined separately for each site.

- The system shall remain fully safe and locally operable if the Selectee's cloud connectivity is unavailable, retain schedules and limits, accept local DNP3 or Modbus dispatch, buffer data, and synchronize after restoration.
- Seven States owns operating, event, maintenance, and configuration data with unrestricted export rights.
- All mandatory software, cloud, monitoring, licenses, cybersecurity patches, storage, and support for 20 years are included.
- Cybersecurity baseline: NIST CSF 2.0, NIST SP 800-82 Rev. 3, software bill of materials, unique credentials, multifactor authentication, encrypted owner-approved remote access, least privilege, logs, secure updates, rollback, vulnerability and incident response, backup, restoration, and owner ability to disable remote access without loss of warranty. IEC 62443 alignment is scored.

Event, alarm, fault, dispatch, configuration, firmware, access, maintenance, and warranty records remain accessible for 20 years. High resolution operational data remains online for at least seven years. Older data may be archived through year 20 if readily exportable in nonproprietary form.

Source: NIST Cybersecurity Framework 2.0 <https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.29.pdf>

Source: NIST SP 800-82 Rev. 3, Operational Technology Security
<https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-82r3.pdf>

5.6 Safety and Acoustic Performance

- Proposal: current UL 9540 status for the proposed or closest configuration, UL 9540A report available under NDA, gap list, certification laboratory and schedule, preliminary code matrix, and preliminary hazard mitigation analysis.
- Before release to manufacture: final UL 9540 configuration, complete UL 9540A evidence, approved hazard mitigation analysis, and resolution of material Authority Having Jurisdiction (AHJ) comments.
- Before Commercial Operation Date (COD): final safety package, emergency response plan, first responder training, signage, commissioning records, and required approvals.
- Preliminary AHJ and fire marshal consultation occurs after conditional selection and before release to manufacture.
- Mandatory acoustic compliance applies to the strictest permit, utility, local, and AHJ requirement. For comparable pricing, assume 45 dBA nighttime at the property line. Provide sound power and sound pressure ratings, measurement distance, operating condition, tonal content, HVAC and transformer contributions, modeling assumptions, and included mitigation.

5.7 Environmental Design and Manufacturing Quality

- The Bidder shall provide with its proposal the operating and storage temperature ranges, temperature-based derating curves, humidity and altitude limits, enclosure ratings, seismic ratings, wind ratings, and the acoustic information required in Section 5.6. Detailed civil and environmental interface data are required from shortlisted Bidders.

- With the proposal, identify quality management certifications, equipment and cell batch traceability systems, standard factory and site acceptance testing, nonconformance and corrective action processes, and field safety notice or recall processes.
- Shortlisted Bidders shall provide representative factory acceptance, site acceptance, nonconformance, corrective action, and recall procedures. The Selectee shall provide final procedures and complete serial number and batch traceability before manufacturing begins.
- Seven States may audit manufacturing facilities, quality records, component traceability, and factory acceptance testing upon reasonable advance notice. More immediate access may be required for a material quality or compliance concern. Seven States bears its observation costs. The Selectee bears correction and retesting costs for nonconformance.

6. PERFORMANCE GUARANTEES

The Bidder shall guarantee that each BESS achieves and maintains the performance requirements in this Section for the duration of the Warranty Period, subject only to the exclusions expressly permitted by this RFP and incorporated into the executed Agreement. The Warranty Period begins separately for each site on its commercial operation date and continues for twenty years. These guarantees apply to the complete integrated system within the Bidder's scope and are measured at the transformer high-side terminals unless expressly stated otherwise.

TWENTY-YEAR REQUIREMENT: The Bidder shall provide a 20-year equipment warranty beginning separately on the commercial operation date of each site, subject only to the exclusions expressly permitted by this RFP and incorporated into the executed Agreement. A shorter base warranty combined with an optional extension does not satisfy this requirement. The binding warranty shall be established at contract execution and shall provide uninterrupted coverage through year 20 of operation without repricing, renewal, or a future Bidder election.

6.1 Guaranteed Usable Energy and Capacity Retention

- At commercial operation, each BESS shall provide not less than the site-specific usable AC energy stated in Section 1.2 and the executed Agreement.
- Guaranteed usable energy shall not degrade by more than 1.5 percent of the commercial operation value during any successive twelve-month warranty period, measured on a linear basis.
- At the conclusion of year 20, each BESS shall retain not less than 70 percent of its guaranteed usable AC energy at commercial operation.
- The guarantee shall be met without owner-funded augmentation. Any repair, replacement, augmentation, or reconfiguration, including labor and transport, needed to meet the guarantee is at the Selectee's cost.

6.2 Round-Trip Efficiency

Each BESS shall maintain AC to AC round trip efficiency of not less than 85 percent throughout the Warranty Period. Testing shall use a full usable energy cycle at the rated four-hour operating point, nominally 0.25C, at 25 degrees Celsius or with an agreed temperature correction. The calculation includes auxiliary loads, conversion losses, thermal management, transformer losses, and other parasitic loads within the Selectee's scope. Bidders may guarantee a higher value for scoring and shall state the guaranteed curve across the operating envelope.

6.3 Power Output and Ramp Rate

- Each BESS shall continuously discharge at its site-specific guaranteed AC power for not less than four hours when moved from the maximum permitted operating state of charge to the minimum permitted operating state of charge.
- Each BESS shall continuously charge at its guaranteed AC charging power for the period required to move from the minimum permitted operating state of charge to the maximum permitted operating state of charge, not to exceed four hours unless a lower charge rating is clearly identified and accepted.
- During charging and discharging, the BESS shall achieve a ramp rate not less than its full site guaranteed MW rating per minute, subject to host utility limits and approved settings.

6.4 Availability

Each BESS shall achieve availability of not less than 97 percent during each contract year. Availability equals Included Hours minus Equivalent Unavailable Hours, divided by Included Hours. Included Hours equal measurement period hours minus approved excluded hours. Partial power or energy derates count proportionally using the greater of the power or energy unavailability percentage. Selectee-caused outages, derates, unavailable required software, unavailable communications within the Selectee's scope, and delays awaiting Selectee parts or labor count as unavailable. Exclusions are limited to host utility or grid outages not caused by the Selectee, force majeure, proven owner or construction contractor causes, and approved planned maintenance. Planned maintenance is excluded only when approved in advance, scheduled outside applicable peak dispatch windows, and limited to 120 hours per site per contract year. Emergency safety work is not planned maintenance and is counted unless caused by another defined excluded event.

6.5 Dispatch Response

- Transition from standby to full discharge within 1,000 milliseconds after receipt of a valid dispatch signal.
- Transition from standby to full charging within 1,000 milliseconds after receipt of a valid dispatch signal.
- Transition from full discharge to full charge, or the reverse, within 2,000 milliseconds, subject to the approved interconnection settings and equipment operating limits.

Bidders shall state signal receipt point, measurement resolution, deadband, communications latency assumptions, and any condition that prevents compliance. A superior guaranteed response may be considered in technical scoring.

6.6 Cycle Life

Each BESS shall support not less than 5,200 equivalent full cycles across the warranted usable state of charge window during the 20-year Warranty Period without falling below the guaranteed capacity retention schedule. This requirement reflects approximately 250 normal weekday cycles plus up to ten additional dispatch events per year. Partial cycles shall be accumulated using an agreed equivalent full cycle method.

6.7 Test and Verification

- Before COD acceptance and release of the 10 percent site retainage, each site shall pass commissioning and commercial operation acceptance tests demonstrating the full contracted MW output and MWh usable energy at the transformer high side using calibrated revenue-quality or mutually accepted test instrumentation. Any shortfall requires correction by the Selectee and successful retesting at the Selectee's cost.
- Seven States may require one scheduled performance test per site per contract year and a reasonable retest after a material repair, replacement, software change, or demonstrated shortfall.
- The Bidder shall provide the proposed detailed test protocol, correction factors, data requirements, uncertainty treatment, pass and fail criteria, and retest procedure with its proposal. The final protocol will be incorporated into the Agreement.
- Testing and calculations shall use net values at the transformer high-side terminals and shall include all losses and auxiliary loads within the Selectee's scope.

6.8 Remedy for Performance Shortfall

If a BESS fails to achieve or maintain the guaranteed performance level, the Selectee shall, at its sole cost, promptly investigate and correct the shortfall through repair, replacement, Selectee-funded augmentation, software or controls correction, or other action approved in advance by Seven States. The remedy includes materials, labor, engineering, travel, freight, removal, installation, disposal, testing, and recommissioning. Corrective equipment must preserve all tax credit and elective pay, BABAA, RUS Buy American, domestic content, FEOC, Executive Order 14420 and applicable implementing requirements, safety, cybersecurity, and warranty requirements.

The Selectee shall provide a corrective action plan within ten business days after confirmed failure, begin corrective work promptly, and restore compliance within ninety days unless Seven States approves a longer period for a documented long lead item. If the Selectee cannot restore compliance, it shall replace the affected equipment or BESS with a compliant system capable of meeting the remaining guarantees. The warranty for repaired, replaced, or augmented equipment shall continue through the original 20-year site term and shall not restart or shorten the portfolio obligation.

Except for the Peak Event Capacity Payment Credit in Section 6.9, performance remedies do not include lost revenue, lost energy savings, lost dispatch value, or other consequential operating losses. The Peak Event Capacity Payment Credit is an express contractual credit for unavailable peak shaving service and is not excluded as consequential damages. This limitation does not restrict delay liquidated damages, tax compliance reimbursement, indemnities, fraud or willful misconduct remedies, or other obligations expressly stated in the Agreement. Final remedy exclusivity, cure timing, caps, and liability treatment are controlled by the executed Agreement.

6.9 Peak Event Capacity Payment Credit

Peak shaving for the beneficiary LPC is the primary operating and economic purpose of the BESS for Seven States. General availability alone does not measure whether the BESS delivered value during the controlling monthly peak. The Selectee and LTSA provider shall therefore provide the Peak Event Capacity Payment Credit described below in addition to the repair, replacement, warranty, corrective action, and chronic failure obligations in this RFP.

- A credit is due when the controlling monthly peak for the affected LPC occurs during a valid dispatch event; an authorized dispatch instruction was issued and received at the agreed BESS control point; the BESS failed to provide the required power or energy for a reason within the Selectee's responsibility; and revenue-quality meter data, dispatch records, and BESS telemetry confirm the event and shortfall.
- Selectee responsibility includes equipment, software, controls, communications within the Selectee's scope, service, replacement parts, labor response, and failure to maintain the required state of charge when state-of-charge management is within the Selectee's scope. Exclusions are limited to proven owner dispatch error, owner-caused state-of-charge limitations, host utility or grid restrictions not caused by the Selectee, force majeure, or operation outside the agreed operating envelope.
- For a complete failure during the controlling monthly peak interval, the credit equals 100% of the affected site's monthly capacity payment. For partial performance, the credit equals the monthly capacity payment multiplied by the greater of the power shortfall percentage or energy shortfall percentage during the required dispatch. The Agreement shall define the applicable meter interval, required output, calculation, data hierarchy, notice, review, correction, and dispute process.
- For proposal risk-pricing purposes, Seven States' current estimated monthly capacity rate is \$10.00 per kW of contracted site capacity. At this rate, the estimated monthly capacity payment equals the contracted site capacity in kW multiplied by \$10.00. For example, the estimated monthly capacity payment would be \$80,000 for an 8 MW site and \$200,000 for a 20 MW site. Bidders shall use this estimate when pricing the Peak Event Capacity Payment Credit obligation.
- The \$10.00/kW-month rate reflects Seven States' current financial model and may be adjusted before COD as project costs, equipment and LTSA pricing, financing, and capacity payment arrangements are finalized. The binding monthly capacity payment for each site shall be established no later than COD and shall control all credits after COD. The current estimate does not guarantee or cap the binding capacity payment or the resulting credit. Bidders shall disclose any pricing assumption or requested limitation that would apply if the binding capacity payment differs from the current estimate.

- Seven States may offset the credit against amounts owed to the Selectee or require prompt payment. The credit is intended to fund the corresponding credit or reimbursement to the affected LPC. The Selectee is not responsible when the BESS was capable of performing but no valid dispatch instruction was issued, unless the Selectee expressly provides and guarantees the applicable peak-forecasting or automated-dispatch service.
- A Peak Event Capacity Payment Credit shall be credited against ordinary availability damages arising from the same event but shall not reduce repair, replacement, warranty, augmentation, corrective action, tax compliance, or chronic failure obligations. Annual Peak Event Capacity Payment Credits for an affected site are capped at 100% of that site's annual binding capacity payments, subject to the executed Agreement. This cap does not limit chronic failure remedies, tax-credit reimbursement, indemnities, or remedies for fraud or willful misconduct.
- Two Selectee-caused failures during controlling monthly peak events in any rolling 24-month period, or three such failures during the 20-year Warranty Period, constitute chronic performance failure. Seven States may require replacement of the affected equipment or BESS, terminate the affected site LTSA, obtain transition assistance, and recover reasonable replacement-service costs, subject to the executed Agreement.

7. WARRANTY AND 20-YEAR LONG-TERM SERVICE AGREEMENT (LTSA)

7.1 Mandatory Coverage

The Selectee shall provide coverage for all equipment purchased through this RFP for the full 20-year asset term, beginning separately on each site's commercial operation date. The mandatory LTSA is awarded with the equipment. The Selectee is the single contractual obligor for all equipment, subcontractors, and services within the LTSA scope.

- Failure coverage includes parts, labor, travel, freight, removal, installation, testing, and recommissioning.
- Base design meets the guaranteed degradation schedule without owner-funded augmentation. Selectee-funded repair, replacement, or augmentation required to meet a guarantee is included.
- Reasonable exclusions may address proven owner misuse, unauthorized modifications, force majeure, external utility faults, or operation outside the agreed envelope. The Selectee bears the burden of proof.
- Critical outage or safety event response: remote response within one hour and qualified onsite support within 48 hours.
- All onsite LTSA field labor shall be priced using applicable prevailing wages conservatively, including required records and subcontractor flow-down.
- The LTSA provider shall administer and pay Peak Event Capacity Payment Credits under Section 6.9. The Selectee remains responsible for payment and performance regardless of whether an equipment manufacturer, affiliate, software provider, service contractor, or other subcontractor caused the failure. All costs of accepting this obligation shall be included in the LTSA pricing.

7.2 LTSA Pricing

LTSA prices are fixed for years 1 through 5. For years 6 through 20, the annual adjustment equals the lesser of the applicable CPI-U increase or 3 percent, with a zero percent floor. The Pricing Workbook applies this rule and calculates NPV using a fixed 6 percent discount rate.

The proposal shall acknowledge and price the Peak Event Capacity Payment Credit framework using the current estimated monthly capacity rate of \$10.00/kW-month stated in Section 6.9. The Bidder shall disclose any assumption or requested limitation that would change its pricing or acceptance if the binding rate established no later than COD differs from that estimate.

7.3 Long-Term Support

- Seven States owns the recommended initial inventory of non-degrading spares. The Selectee shall recommend storage locations by utility territory.
- Shelf life limited or degrading battery equipment is supported through production, regional inventory, reserved rights, or equivalent access rather than long term owner storage.
- The Selectee shall provide at least 18 months discontinuation notice and at least a 12-month last time buy opportunity.
- The Selectee shall provide a recycling plan and pricing and a nonbinding 20-year decommissioning estimate.
- If the Selectee does not independently demonstrate financial strength sufficient to support its 20-year warranty, replacement, and LTSA obligations, Seven States may require an acceptable guaranty from the financially qualified ultimate parent. At Seven States' sole discretion, an irrevocable standby letter of credit, surety bond, or other credit support may be accepted in lieu of or in combination with the parent guaranty. Any alternative security shall be issued by an institution or surety acceptable to Seven States and shall be in a form, amount, duration, and priority acceptable to Seven States. The security shall include satisfactory renewal, replacement, and draw or claim provisions, including the right to draw if the instrument is not timely renewed or replaced. No guaranty, bond, letter of credit, or other security limits the Selectee's underlying obligations or liability unless expressly stated in the executed Agreement.

8. PRICE, DELIVERY, AND PAYMENT

8.1 Evaluated Lifecycle Cost

Evaluated lifecycle cost includes mandatory equipment, integrated medium voltage package, three spare transformers, delivery, required software and licenses, full 20-year warranty, initial non-degrading spares, training, commissioning support, compliance security, and the NPV of the 20-year LTSA. Category B, grid forming, unloading representative, and other optional prices are excluded.

8.2 Firm Price and Tariffs

The required base bid is firm fixed through the assumed April through December 2028 delivery window. Before agreement execution, Seven States will establish the binding schedule and may request refreshed pricing if USDA underwriting changes timing. Bidders shall provide one informational maximum portfolio adjustment for a uniform three-month shift into the first quarter of 2029.

A “Qualifying Tariff Change” means a new, increased, reduced, or repealed U.S. tariff or import duty imposed after the proposal due date on equipment, components, or raw materials incorporated into the Category A equipment, including a documented direct pass-through from a subcontractor or upstream manufacturer. It does not include tariffs or duties in effect on the proposal due date; general commodity or market-price increases; penalties; antidumping or countervailing duties; or costs resulting from the Selectee's change in sourcing, country of origin, tariff classification, or failure to use the proposed supply chain. Subject to prompt notice, open-book documentation, reasonable mitigation, and Seven States’ prior written approval, the contract price may be adjusted by the actual net incremental cost of a Qualifying Tariff Change, without markup, overhead, or profit and after deducting all reductions, refunds, drawbacks, credits, and avoided costs. Aggregate upward adjustments shall not exceed 5% of the Category A equipment contract price. Above that cap, Seven States may require performance at the cap, approve alternate compliant sourcing, defer or re-sequence deliveries, reduce or terminate affected scope, or procure replacement equipment. No amount above the cap is payable without Seven States’ express written approval.

Seven States is exempt from Tennessee sales tax through the Certified Green Energy Production Facility Program and will provide available documentation. Bids should exclude Tennessee sales tax and identify any other tax.

8.3 Payment and Security

Bidders propose milestone payment schedules, subject to Seven States approval and a fixed 10 percent retainage for each site released only after that site passes COD acceptance testing. Before contract execution, the Selectee shall provide a binding allocation of the total portfolio price to all 18 projects for milestone, retainage, insurance, termination, and site remedy administration. No deposit or other advance payment occurs before written compliance clearance. Advances are secured dollar for dollar by an advance payment bond, standby letter of credit, or approved equivalent and reduce only with title transfer, segregation, insurance, no lien evidence, and inspection rights.

Invoices are Net 60 after receipt of a correct invoice and satisfactory evidence of completion of the applicable milestone. One consolidated invoice may be submitted with itemization by site, milestone, equipment, retainage, tax treatment, prior payments, current amount, and balance. Seven States may pay undisputed portions and withhold disputed amounts.

8.4 Title, Risk, Storage, and Unloading

- Title transfers progressively when Seven States pays for specifically identified, segregated, lien-free, and insured equipment.

- Risk of loss remains with the Selectee until arrival at the named site and availability for unloading. The construction contractor coordinates unloading.
- An onsite Selectee unloading representative shall be available as a priced option.
- Owner caused site delay includes 60 days no cost storage, then reasonable documented, pre-disclosed storage and handling.
- Seven States may move site delivery dates up to 90 days within the agreed portfolio window without equipment price adjustment.

8.5 Security and Remedies

- Portfolio performance bond equal to 10 percent of the Category A contract value through final COD, reducing as sites reach COD.
- Selectee-caused delivery delay liquidated damages: 0.5 percent of the affected site equipment price per completed week, capped at 10 percent of that site price.
- Force majeure affecting a site for 180 consecutive days permits termination of affected scope. Earlier termination is allowed if USDA funding, tax eligibility, or portfolio schedule becomes unattainable.
- Change order markup maximum: 10 percent on Selectee direct labor and materials and 5 percent on subcontractor pass-through cost, with no compounded markup.
- Tennessee law and Tennessee courts govern. Selectee assignment or change of control requires prior written consent and renewed compliance review.

8.6 Insurance

The Agreement will define acceptable insurer ratings, additional insured status, primary and noncontributory coverage, waiver of subrogation, certificates and endorsements, and advance notice of cancellation or material reduction.

Coverage	Minimum
Commercial general liability	\$2 million each occurrence / \$4 million aggregate
Automobile liability	\$1 million combined single limit
Workers' compensation / employers' liability	Statutory / \$1 million
Umbrella liability	\$10 million
Professional and technology errors and omissions	\$5 million
Cyber liability	\$5 million
Pollution liability	\$5 million where exposure exists
Cargo, transit, and property	Full replacement value while the Selectee bears risk

9. BIDDER QUALIFICATIONS

- **Minimum gate:** The Bidder or its proposed BESS OEM must have manufactured and delivered at least 200 MW of utility-scale BESS equipment that has been placed in commercial operation, including at least one project with a rated capacity of 20 MW or greater.
- Three project references where available.
- U.S. service organization operational before first COD, Bidder owned or committed authorized partner, with regional personnel and spares.
- Three years audited consolidated financial statements, current interim statements if the latest audit is more than six months old, auditor and going concern information, credit rating, liquidity, material debt, covenants, litigation, ownership chart, manufacturing financing, and proposed guarantee. The Bidder shall also explain how expected 20-year warranty, replacement, and LTSA obligations are funded, reserved, insured, guaranteed, or otherwise financially supported.
- Contracting Bidder may be OEM or qualified integrator but must be one prime legal entity with full responsibility, enforceable access to compliance evidence, and no disclaimer for subcomponents. The entity and relevant ownership and control chain must satisfy prohibited foreign entity requirements.

10. PROPOSAL ORGANIZATION

Volume	Required content	Page limit
1 Compliance	Appendix C; preliminary Appendix D; good faith participation plan	10
2 Technical	Appendix E; 8 MW and 20 MW layouts; major cutsheets	25
3 Warranty and LTSA	Appendix F; Bidder draft LTSA; backing evidence	20
4 Commercial	Appendix B and commercial narrative	5 narrative pages
5 Qualifications	Appendices G and H; references; financial evidence	10 narrative pages
6 Exceptions	Appendix I and Agreement redline if requested	No limit

Forms, Excel workbooks, drawings, layouts, cutsheets, certifications, safety reports, financial statements, and exceptions are excluded from narrative page limits. Product cutsheets are mandatory for every major equipment item.

10.1 Draft Contract Documents

The completed draft Equipment Supply Agreement must be included with the public RFP. Bidders shall identify every requested change in Appendix I and may include a redline of proposed revisions in the searchable, signed proposal PDF; any requested revision may be accepted or rejected in Seven States' sole discretion. Each Bidder shall also include a

negotiable draft LTSA and the mandatory term compliance matrix in the searchable, signed proposal PDF.

11. EVALUATION AND AWARD

11.1 Mandatory Gates

- Administrative responsiveness and signed certifications.
- Minimum qualifications and responsibility.
- Compliant Category A base solution without BABAA or RUS waiver dependency.
- Sufficient preliminary domestic content, FEOC, material assistance, Executive Order 14420, ownership, control, and supply chain confidence to proceed.
- Acceptance of mandatory warranty, LTSA, pricing, and core contract requirements, subject to disclosed exceptions.

11.2 Scored Criteria

Category	Weight	Principal considerations
Compliance confidence	25%	Evidence quality, traceability, compliance margin, ownership and control, Executive Order 14420 exposure, substitution controls, remedy security
Evaluated lifecycle cost	25%	Mandatory upfront cost plus 20-year warranty, software, and LTSA NPV
Warranty, LTSA, and Bidder strength	25%	Coverage, service scope, response, credit support, financial durability, spares and obsolescence
Technical performance and safety	20%	Net performance, degradation, safety, cyber, controls, acoustic performance, optional grid forming
Delivery and manufacturing	5%	Capacity reservation, schedule, logistics, FAT, staffing, manufacturing certainty

11.3 Scoring Method

Price points equal 25 multiplied by the lowest responsive evaluated lifecycle cost divided by the Bidder evaluated lifecycle cost. Nonprice criteria use a 0 to 5 anchored scale. Zero means no response, unacceptable, or material risk. One is substantially deficient. Two partially meets with meaningful weakness. Three fully meets. Four exceeds with documented value. Five substantially exceeds with exceptional supported value.

Up to five evaluators independently score every nonprice category. Final scores are the average of final individual scores. Initial and revised scores are preserved, and revisions require explanation. The Seven States evaluation committee makes compliance gate decisions after legal and tax advice. Material core exceptions may fail the proposal; other exceptions are scored for risk.

12. CONTRACT ADMINISTRATION

Seven States, USDA, and their authorized advisers and auditors have audit rights over pricing, compliance, milestone, and LTSA records. Records are retained through the longest applicable funding, tax, warranty, limitation, recapture, and record retention period. Proposal access is restricted to personnel and advisers with a need to know, but Seven States cannot guarantee confidentiality if information is provided to a member or other entity subject to mandatory disclosure law.

Seven States will publicly disclose only information required by law, USDA, or another binding requirement. No bid bond is required. Proposals remain valid for 180 days. If additional time is required, Seven States may request voluntary extension or refreshed pricing from the conditional Selectee or remaining shortlisted Bidders.

13. APPENDICES

Appendix	Document	Status
A	Draft Equipment Supply Agreement	Included in draft form for Bidder review; subject to conditional selection, final negotiation, USDA approval, and execution
B	Pricing Workbook	Required native Excel
C	Bidder Response Forms	Include in the searchable, signed proposal PDF
D	Supply Chain Disclosure Workbook	Required native Excel; preliminary with proposal and full evidence after conditional selection
E through I	Bidder Response Forms	Include in the searchable, signed proposal PDF