



March 5, 2021

Southern Company Services, as agent for and on behalf of the Southern Company affiliates, ("Purchaser") is soliciting bids for Purchaser's Q2-Q3 2021 spot requirements for some of its rail plants ("Plants").

Only internet bids (no faxed / emailed / mailed bids), submitted through the Coal Internet Bid System ("CIBS"), will be received through 12:00 p.m. EDT, **Friday, March 19, 2021**. The Producer-Broker form should be completed where applicable, for bid consideration. **All bids must remain valid for at least 30 days from date of bid closing.**

If you need technical support regarding the Coal Internet Bid System, please contact CIBS Tech Support: CIBSTECH@SOUTHERNCO.COM. If you have already registered as a new user in CIBS and need to have your personal and business information entered into the system, please email Southern Company Fuel Services: CIBSFUEL@SOUTHERNCO.COM

Q2-Q3 2021 Bituminous Spot

Submit bids via CIBS under the RFP solicited folder "**SCS March Q2-Q3 2021 Spot Solicitation**".

QUANTITY

This proposal will be for up to 400,000 tons per month for delivery May-Sept 2021. Buyer is seeking up to +/- 20% quarterly options.

TERMS & CONDITIONS

Please review the applicable terms and conditions ("Terms and Conditions for Spot Coal Purchase") which are included as an attachment to this RFP. Any exceptions to the Terms and Conditions must be provided when the bid is submitted. Changes to the Terms and Conditions after bid submission will be considered changes to the bid itself and may exclude the bid from final consideration.

PRICING

Price should be quoted as fixed in US dollars per ton f.o.b. railcar at the proposed loading facility (or CSX and NS interchange or Destination Plant) for the term of the proposal. Any specific pricing provisions should be discussed in the coal offer submitted online. Your bid will be evaluated based on the pricing information you provide.

All import coal proposals are to be quoted CIF in either handymax-sized or panamax-sized vessels or f.o.b. railcar or barge delivered into rail or barge served port ("Import Terminal"). The transportation services costs from the mine to the Import Terminal must be shown separately from the coal f.o.b. mine cost in your bid pricing.

QUALITY - (Bituminous)

DESIRED AS RECEIVED QUALITY SPECIFICATIONS

Category	*Guarantee	Minimum/Maximum
Calorific Value, Btu/lb	11,100 - 13,000	(11,000 Minimum)
Total Moisture, %	8.0	(15.0 Maximum)
Total Ash, %	8.0	(16.0 Maximum)
Sulfur, lbs SO ₂ /MMBtu	0.8 to 4.5	(5.0 Maximum)
Size	3" x 0"	
Grindability	42	(38 Minimum)
Ash Fusion Temperature, °F (H=W Reducing Atmosphere)	2,100 - 2,500	(2,050 Minimum)
Volatile Matter, %	32.0	(30.0 Minimum)

**Parameters measured on a monthly weighted average basis, except as otherwise noted. Some coal quality will require additional elemental analysis and Purchaser approval, specifically the Arsenic to Calcium Oxide ratio.*

SULFUR

Purchaser *may* accept sulfur up to 5.0 lbs SO₂ / MMBtu; however, appropriate economic consideration must be given for sulfur. Seller must specify and guarantee the monthly average sulfur content in addition to the range of expected quality for the evaluation process to accurately determine cost involved in the use of such coal.

TRANSPORTATION

A) If delivered by rail:

All transportation information listed on the Internet Coal Sales Proposal form should be completed. Four (4) hour loading is preferred. You must have or be willing to install, at the loading point, a mechanical sampling system of "cutting the full coal stream" type or other system acceptable to Purchaser in order to have your proposal considered.

Shipments must be loaded in rapid discharge cars. Unit train shipments will be scheduled by the SCS Fuel Department after Seller's transportation coordinator has received complete purchase documentation (i.e. Purchase Order and Terms and Conditions). Seller must be prepared to load unit trains 7 days per week, 24 hours per day.

B) If delivered by Vessel:

Price should be quoted CIF, or f.o.b. railcar or barge at the Import Terminal. All transportation information listed on the Internet Coal Sales Proposal form should be completed. Firm quantity is to be delivered in handymax-sized vessels or panamax-sized vessels on an agreed to schedule. The Seller will act as importer of record for U.S. Customs purposes. Governing samples for payment and quality administration purposes will be taken at the Import Terminal. Samples taken at the Import Terminal will also be analyzed by the Purchaser.

C) If delivered by truck:

Price should be quoted f.o.b. Plant. You must have or be willing to install, at the loading point, a mechanical sampling system of "cutting the full coal stream" type or other system acceptable to Purchaser in order to have your proposal considered.

Shipments will be scheduled by the SCS Fuel Department after Seller's transportation coordinator has received complete purchase documentation (i.e. Purchase Order and Terms and Conditions). Seller must be prepared to load Trucks 7 days per week, 24 hours per day. Bias testing will be performed in accordance with Purchaser's standard terms and conditions.

D) If delivered by barge:

Price should be quoted f.o.b. barge at the proposed loading facility. For coal purchased f.o.b. barge, Seller shall provide or designate loading points which have adequate and accessible mooring and barge loading facilities acceptable to Purchaser's barge carrier and is sufficient to load the coal properly and within the appropriate loading time.

Seller shall pay all costs of transportation of coal from the mine to the barge loading facility, including barge-loading charges. Purchaser shall pay cost of barge freight from the loading point to the unloading point. Purchaser shall arrange for the necessary barges and have such barges available at the loading point so as to permit loading by Seller in an orderly manner. Purchaser shall coordinate the arrival of barge at the loading point with Seller.

WEIGHING, SAMPLING, ANALYSIS

Samples taken by Seller at the loading point will be analyzed by Purchaser and will govern for payment and quality administration purposes. Please include with your proposal additional information about your ability to meet the sampling requirements of this bid.

If Seller has certified scales that conform to the most recently published Association of American Railroads "Scale Handbook" Standards, Seller's scales may be used to determine the weight of coal sold, subject to the approval of Purchaser. Please include information about your weighing system with your proposal. In the absence of acceptable scale weights from Seller, the weight of coal sold and delivered shall be determined by railroad scales or barge draft survey at Sellers expense.

In addition to the Coal Sales Proposal form, all bidders are REQUIRED to provide representative analyses (from representative samples taken and analyzed within six months of bid opening date) of the coal offered to Purchaser. The analyses must include the Hardgrove grindability index, a short proximate analysis (including Btu, sulfur, and four point reducing atmosphere ash fusion temperature), an ash mineral analysis, an ultimate analysis and a trace element analysis (including percentages of arsenic, barium, beryllium, chlorine, chromium, cobalt, copper, fluorine, lead, mercury, nickel, manganese, and vanadium).

Seller will provide an Electronic Data Interchange (EDI) to Purchaser prior to the arrival of each coal shipment at the destination plant which will include the manifest and quality for each shipment. Fax and/or email will not be proof of shipment and quality.

Any agreement for coal which has not previously been burned at Plants may be contingent on a successful test burn. The test shipment(s) of coal, if required, will be scheduled per Seller and Purchaser's joint agreement.

MISREPRESENTATIONS OF QUALITY

There are serious economic and operational costs associated with the receipt of off-specification coals. Because of this fact, we urge you to represent your coal as it will typically be received. **VENDORS WHO CONSISTENTLY SHIP COAL WHICH IS OUTSIDE THE GUARANTEED SPECIFICATION RANGE WILL BE REMOVED FROM THE PURCHASERS' BID LIST INDEFINITELY.**

EVALUATION

Purchaser's evaluation process will include a preliminary economic evaluation based on bidder supplied information. The preliminary evaluation will include an evaluation of ash, sulfur, moisture content, flexibility, reliability, transportation costs, and other factors in addition to \$/MMBtu f.o.b. price and will lead to the selection of a group of

suppliers for further consideration and possible contract awards. ***Purchaser reserves the right to reject any and all bid proposals.***

SPECIAL CONSIDERATIONS – VESSEL BIDS

1. All bids should be priced as either CIF (cost, insurance, and freight) discharge point or F.O.B. railcar or barge at the Import Terminal. This would be a price that includes all “ship-board” stevedoring or unloading charges, duties, customs, taxes and any other related charges or fees that would be routinely expected. Vessel untrimming and hold cleaning operations are for the account of the Seller.
2. Price supplied should reflect components for the mine price of fuel and a total transportation services price identified separately.
3. All quoted prices should be made in U.S. dollars and quantities should be made on a short ton basis instead of a metric ton basis.
4. If applicable, all dockage (including line handling) and wharfage fees are waived and will be Purchaser’s responsibility.
5. Quality Determination: Samples taken by Seller/Purchaser at the Import Terminal as coal is being loaded into railcars and/or barges will be analyzed by Purchaser and will govern for payment and quality administration purposes. Samples collected will be analyzed by Purchaser’s designated laboratory at Purchaser’s expense. These results will be known as the discharge port analysis and will be made available to Seller on an expedited basis, but not later than 30 days after completion of discharge. In the event the Purchaser/Seller does not perform a discharge port analysis, the load port sample analysis will determine cargo quality.
6. Weight Determination: The weight of the coal sold will be determined by certified scales that conform to the most recently published Association of American Railroads “Scale Handbook” Standards at the Import Terminal as coal is being loaded into railcars and/or barges. In the event that certified scales are not available at the Import Terminal the Loadport survey will determine the cargo quantity.
7. Demurrage/dispatch, if any, is per charter party terms and for Purchaser’s account.
8. In case a vessel does not meet the minimum discharge rates at the Import Terminal, Seller will reimburse Purchaser for labor and equipment standby time at the rate of US \$150/hour for each hour in excess of nominal laytime.
9. Any costs incurred by Purchaser for repairs to damaged unloading equipment (beyond the normal wear and tear) caused by or resulting from extraneous material being co-mingled with the coal, and or discharge operation, shall be reimbursed to Purchaser by Seller.

QUESTIONS / NEED ADDITIONAL INFORMATION

Please contact David Courtenay at (205) 613-2190 for any questions in regards to GPC Plant Bowen or Tris Swindle at (205) 613-2189 for any questions in regards to APC Plant Gaston.

Best Regards,

David Courtenay
Principal Coal Procurement - SCS Fuels