

Guidelines of Application for RFP
Relating to Communication System for Smart Meters

July, 2013

Chubu Electric Power Co., Inc.

1 Purpose

These guidelines define procedures for participants ("Participants") who will apply for the request for proposals ("RFP") which publicly invites Participants and requests proposals and selects the supplier(s) for the communication equipment, communication servers and software for Chubu Electric Power Co., Inc. ("CHUBU") to build its communication system for smart meters.

2 Contents of RFP

2.1 Scope of the proposal and quotation

2.1.1 Scope of the proposal for specifications (See in Fig. 1.)

- (1) Head End System (Software development, Servers for development and maintenance of the system including maintenance of hardware and software, and Servers for operation of the system including maintenance of hardware and software)
- (2) Communication system for RF mesh network (smart meter communication part, NAP, repeater, and communication adapter)
- (3) Communication system for wireless cellular network (smart meter communication part)
- (4) Communication system for PLC (smart meter communication part and PLC master device)

2.1.2 Selection of communication methods

Participants shall select the most cost effective communication system subject to regional characteristics in CHUBU's supplying area.

2.1.3 Scope of quotation (See in Fig. 1.)

Participants shall quote the total cost based on Clause 2.1.1 and 2.1.2.

The detail will be presented in RFP Information Session.

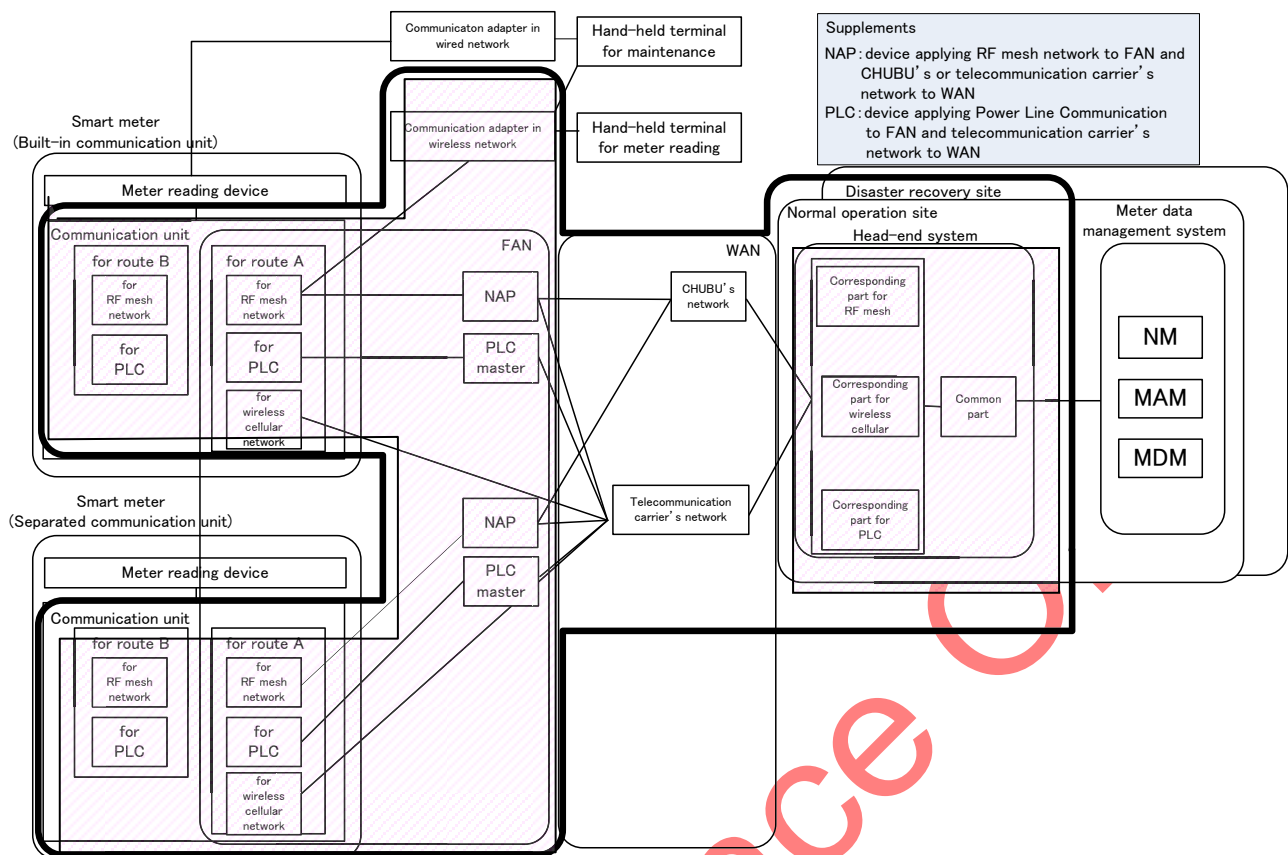


Fig. 1 Scope of Proposal and Quotation

(Scope of proposal for specifications shown as , Scope of quotation shown as)

2.2 Basic requirements of the communication system

The communication system for smart meters is a large-scale system for managing smart meters connecting 10 million electric customers in CHUBU's supplying area. The system must be capable of accurately and reliably collecting and controlling the smart meter data. In addition, since the system would handle information on privacy of the customers such as their electricity consumption, it is necessary to provide a reliable security measures against threats such as unauthorized access from the outside, information leakage and alteration.

It is necessary to secure flexible scalability of the system which can easily add future business items and change the items from the viewpoint of long-term operation.

2.3 Communication system functions

System functions will be presented at RFP Information Session to be held in mid-August, 2013.

3 Eligibility and requirements

3.1 Eligibility for participation

3.1.1 Technical eligibility

The eligibility is to have the ability to propose/build a whole communication system for smart meters as a total solution, and Participant shall meet all the following terms.

- Having the ability to plan and implement a large-scale project as indicated in Clause 2.2. (Decision to be made by corresponding past experiences etc.)
- Meeting one of the following three items.
 - 1) Acquiring CMMI Level 3 certification and the certification is still effective.
 - 2) Acquiring ISO 9001 certification and the certification is still effective.
 - 3) Having experience in building a large-scale communication system for smart meters in Japan or overseas.
- Acquiring ISO27001/ISMS certification or having established an equivalent information security management system.
- Establishing an organizational structure for responding to inquiries, within a day in Japanese language, from CHUBU's employees et al. in case of the system's failures or defects, and the staff of the organizational structure shall have a sufficient technical level in order to support CHUBU's employees et al.

3.1.2 Other eligibility

Participants shall meet the following conditions in addition to the technical eligibility requirements in Clause 3.1.1.

- Having a sufficient financial and management base to properly and precisely carry out the building of the smart meter communication system.
- Not being or having relationship with organized crime groups which are any and all groups, entities and organizations engaging in racketeering, fraud, robbing, illegal loansharking, illegal gambling, drug trafficking, crimes or any other illegal activities, including, without limitation, gangs, mobs, yakuza, drug-cartels and mafia. The above organized crime groups shall include a member who was of the organized crime group within the past five years.

3.2 Requirements for participation

3.2.1 Increase of the number of suppliers

It is a precondition that CHUBU can procure the communication equipment and communication servers from multiple manufacturers in order to achieve cost reduction and stable procurement from the purchase whose delivery is April, 2017.

CHUBU will designate the Participant who passes the RFP procedures as the contractor for the purchase of the communication equipment whose delivery is until March, 2017. Participant is required to increase the number of manufacturers of each item of the equipment and arrange necessary conditions so that CHUBU can directly introduce competitive bidding from the purchase whose delivery is April, 2017.

3.2.2 Intellectual property rights etc.

Participants shall agree to the following terms with regard to intellectual property rights such as patent rights, utility model rights, design rights and copyrights including rights to register patents, utility model rights and design rights (hereinafter collectively referred to as "Intellectual Property Rights"). CHUBU will separately present other terms and conditions concerning Intellectual Property Rights in the subsequent RFP procedures.

- In case Participant holds the ownership (including co-ownership with a third party) of Intellectual Property Rights and it is included in the final specifications of the communication system for smart meters, the Participant shall grant the license to manufacturers who would like to supply equipment consisting the system for smart meters on reasonable and non-discriminatory terms and conditions.
- The terms and conditions of the above license shall be determined by direct negotiation between the Participant and the manufacturer who would like to supply equipment consisting the system for smart meters.

3.2.3 Handling of the materials provided by CHUBU

RFP documents with necessary information to propose such as CHUBU's facilities, in the form of paper documents and, partly, electronic data, will be provided at RFP Information Session. Participants who attend the RFP Information Session ("Attendees") shall submit the attached Confidentiality Pledge to CHUBU in order to protect CHUBU's confidential information. If CHUBU provides Attendees information except the above, CHUBU may separately require the Attendees to follow other procedures in order to protect CHUBU's confidential information.

3.2.4 Handling of the materials provided by Participants

CHUBU will not, for any reason whatsoever, return the Participants' documents submitted to CHUBU in the RFP procedures such as application form, proposal, estimation, presentation material, etc.

3.2.5 Expenses necessary for RFP procedures

All the costs necessary for participation in the RFP procedures including the following expenses shall be borne by the Participants.

- Costs for preparation and submission of application documents
- Costs for participation in RFP Information Session
- Costs for preparation and submission of written proposal and implementation of presentation
- Costs for conducting of Proof of Concept ("POC") etc.

3.3 Others

The contents of the procurement and terms and condition of the contract for RFP shall not be limited only to the Guidelines. Participants shall agree that CHUBU may change the process in Clause 4 and conditions in the Guidelines if necessary.

This document is subject to change and amendment at any time without notice.

4 Process of the whole RFP

The process from public offering through determination of contractor is as follows. (See Fig. 2.)

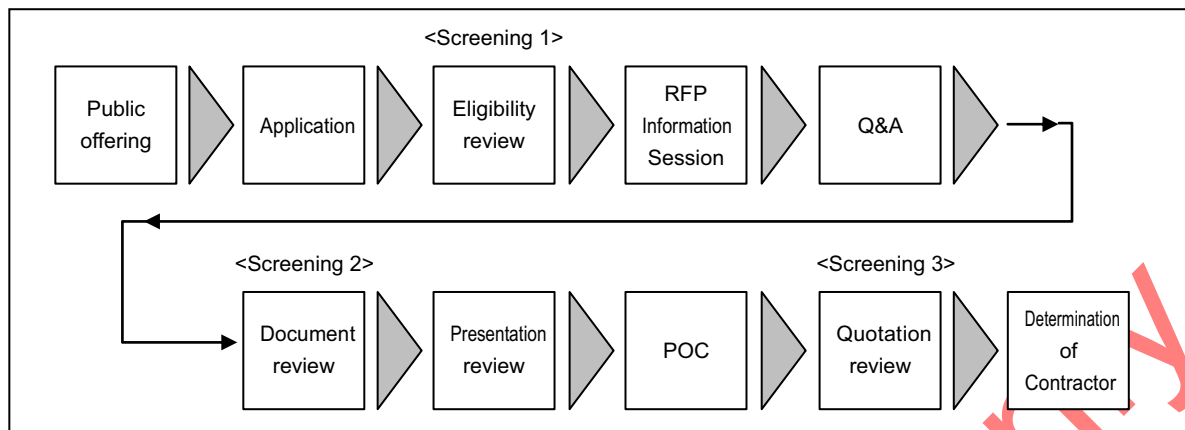


Fig. 2 Process of RFP

5 Schedule for RFP Information Session

5.1 Application for participation

5.1.1 Period of application for participation

July 22, 2013 - July 26, 2013.

5.1.2 Required documents

- 1) Application Form of RFP Relating to Communication System for Smart Meters
- 2) Application Form for Technical Eligibility for Communication System for Smart Meters
- 3) Latest company profile and financial statements covering the last three years *

* If Participant is registered as CHUBU's qualified contractors for materials and equipment procurement and outsourcing, the Participant do not need to submit the above 3) documents to CHUBU.

5.1.3 Submission method of documents

Participants shall submit to CHUBU the above 1) and 2) via email and thereafter, shall submit 1) with signature of the Participants and 3) via postal mail by 5:00 PM Japan time on July 26, 2013.

1) Email must be sent to:

Chuden.Smartcom@chuden.co.jp

2) Documents must be posted to:

Smart meter communication system team

Purchasing Group, Purchasing and Contracting Department

Chubu Electric Power Co., Inc.

1 Higashishin-cho, Higashi-ku, Nagoya

461-8680 JAPAN

5.1.4 Others

Attendees shall make the proposal subject to RFP documents provided by CHUBU in cooperation with other companies if necessary. It is not, however, necessary for Participants to decide the joint company when applying for the RFP.

RFP documents and necessary information for the preparation of the proposal such as information of CHUBU's facilities will be provided to Attendees in RFP Information Session. Inquiries about the provided information will be responded during the Q&A process in Clause 4.

5.2 Eligibility review

CHUBU will fairly and strictly conduct the eligibility review based on the required documents described in Clause 5.1.2. CHUBU will notify each Participant via email of the result of its eligibility review by 5:00 P.M. Japan time on August 2, 2013. The Participants who pass the eligibility review shall send the attached Confidentiality Pledge in Japanese language to the address in Clause 5.1.3 via postal mail by 5:00 P.M. Japan time on August 19, 2013.

5.3 RFP Information Session

CHUBU shall hold RFP Information Session as follows.

5.3.1 Attendees requirements

Attendees need to pass its eligibility review in Clause 5.2 and send its Confidentiality Pledge to CHUBU by 5:00 P.M. Japan time on August 19, 2013.

5.3.2 Date

Tuesday, August 20, 2013 (scheduled).

CHUBU will notify Attendees of the time/date and venue of RFP Information Session by sending the invitation.

5.3.3 Contents

CHUBU will notify the requirements for the specifications of the communication equipment and Head End System and guidelines for preparation for the proposal. In addition, CHUBU will provide necessary information for the preparation of the proposal.

5.3.4 Others

The number of people who attend to RFP Information Session shall be up to two people for each Attendee.

If Attendee withholds the participation in RFP Information Session or the submission of the proposal after receiving the invitation of RFP Information Session, the Attendee shall notify CHUBU in writing in any format.

6 Procedure after RFP Information Session

CHUBU will select the supplier through screening, adjustment, etc. based on the process described in Clause 4. CHUBU will present the detail of the process at RFP Information Session.

[Attachments]

- 1) Application Form of RFP Relating to Communication System for Smart Meters
- 2) Application Form for Technical Eligibility for Communication System for Smart Meters
- 3) Confidentiality pledge

[Contact information]

Inquiries shall in principle be made via email.

Chuden.Smartcom@chuden.co.jp

- * Please note that inquiries made on weekends and holidays will be responded after the next business day.

For Reference Only