

American Electric Power Service Corporation
as agent for
Southwestern Electric Power Company
Request for Proposals for
Capacity Purchase Agreements (CPAs)
from Qualified Bidders
for
New and Operational Resources

Southwestern Electric Power Company is seeking resources (e.g., wind, solar, natural gas, storage) via three RFPs totaling:
2,100 MW of Accredited Capacity.

This RFP is associated with CPAs only.

Other RFPs may be found at the Web Address noted below.

The Resources requested in this RFP will be acquired via Capacity Purchase Agreements (CPA) for purchase of SPP Accredited Deliverable Capacity.

RFP Issued: January 31, 2024
Proposals Due: April 3, 2024

RFP Web Address: www.swepco.com/rfp

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Background

Southwestern Electric Power Company (“SWEPCO” or “Company”) is pursuing additional generation and capacity resources via three requests for proposals (“RFPs”).

The Company has identified the need for additional resources to serve the future energy and capacity needs of its customers and to maintain compliance with the Southwest Power Pool (SPP) Planning Reserve Margin (PRM) requirement. This resource need is reflected in the Company’s Integrated Resource Plan (“IRP”) proceeding which is currently pending in Louisiana Public Service Commission (“LPSC” or the “Commission”) Docket No. I-36242 and outlined at the second IRP stakeholder conference conducted on August 29, 2023. The resources ultimately selected from this RFP are critical to meet SWEPCO customers’ future load needs given (a) recent and future SWEPCO unit retirements, (b) SPP’s recently approved and current evaluation for a potential increase in their PRM requirement, and (c) SPP’s September 8, 2023 filing with the Federal Energy Regulatory Commission (“FERC” Docket No. ER23-2781-000) to add a new winter season Resource Adequacy Requirement (“RAR”).

The Company is seeking approximately 2,100 MW of accredited capacity from 1) Wind, Solar, BESS, and Natural Gas resources via three RFPs and 2) Company Self-Build Proposals, as described in Table 1 below.

TABLE 1

RFP	Details
PSA	Wind, Solar, BESS, and Natural Gas RFP via one or more PSAs for SPP resources. In addition, the Company is soliciting Proposals for completion of an energy storage project at SWEPCO’s Harry D. Mattison power plant site.
PPA	Wind, Solar, BESS, and Natural Gas RFP seeking energy, SPP capacity, environmental attributes (including RECs), and ancillary services via one or more PPAs.
CPA	Capacity RFP seeking short-term SPP accredited deliverable capacity via one or more Capacity Purchase Agreements (CPAs) for planning years 2025-2029.
Self-Build Proposals: The Company plans to evaluate one or more Self-Build Proposals in addition to the Proposals received in the PSA RFP. The Self-Build Proposals will be developed by the AEP Projects Group who are independent from the RFP Team. Self-Build Proposals shall 1) be submitted to the RFP Team one day prior to the PSA, PPA, and CPA Proposal Due Date, and 2) use as a basis for the Proposal, the information required in the PSA Proposal Content Section (RFP Section 6) and all applicable appendices.	

Merrimack Energy Group, Inc. (“Merrimack”) will serve as the Independent Monitor (“IM”) to review and track SWEPCO’s conduct of this RFP. The Company has also established a Code of Conduct, which has been implemented for evaluation of any Self-Build Proposals.

SWEPCO will evaluate each conforming bid within the three RFPs individually and collectively, to determine the portfolio of projects that best fits the Company’s needs described above while also taking into consideration previous state commission orders in each of SWEPCO’s jurisdictions.

This RFP document is associated with the CPA RFP only.

The PSA and PPA RFPs may be found at www.swepco.com/rfp

1. Introduction

American Electric Power Service Corporation (“AEPSC”) and SWEPCO are subsidiaries of American Electric Power Company, Inc. (“AEP”).

AEP is one of the largest electric utilities in the United States, delivering electricity and custom energy solutions to 5.6 million regulated retail customers in 11 states. AEP owns the nation's largest electricity transmission system, a more than 40,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP also operates 225,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 25,000 megawatts of generating capacity in the U.S. AEP also supplies approximately 4,100 megawatts of renewable energy to customers. AEP's utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, PSO and SWEPCO (in Arkansas, Louisiana, and Texas). AEP's headquarters is in Columbus, Ohio. More information about AEP can be accessed by visiting www.aep.com.

SWEPCO serves approximately 552,000 customers in northwestern and central Louisiana, western Arkansas, East Texas and the panhandle of North Texas. SWEPCO’s headquarters are in Shreveport, Louisiana.

SWEPCO owns 4,916 MW of diverse generating capacity, including SWEPCO’s 809 MW share of the North Central Energy Facilities.¹ The Company has recently received approval in Arkansas and Louisiana to purchase an additional 999 MW of solar and wind resources upon project completion in 2024 and 2025. SWEPCO also has short and long-term PPAs and CPAs totaling over 1,016 MW. In addition, SWEPCO has over 4,000 miles of transmission and 26,000 miles of distribution lines. Additional information regarding SWEPCO can be accessed by visiting www.SWEPCO.com.

¹ <https://www.swepco.com/clean-energy/renewable/plan>

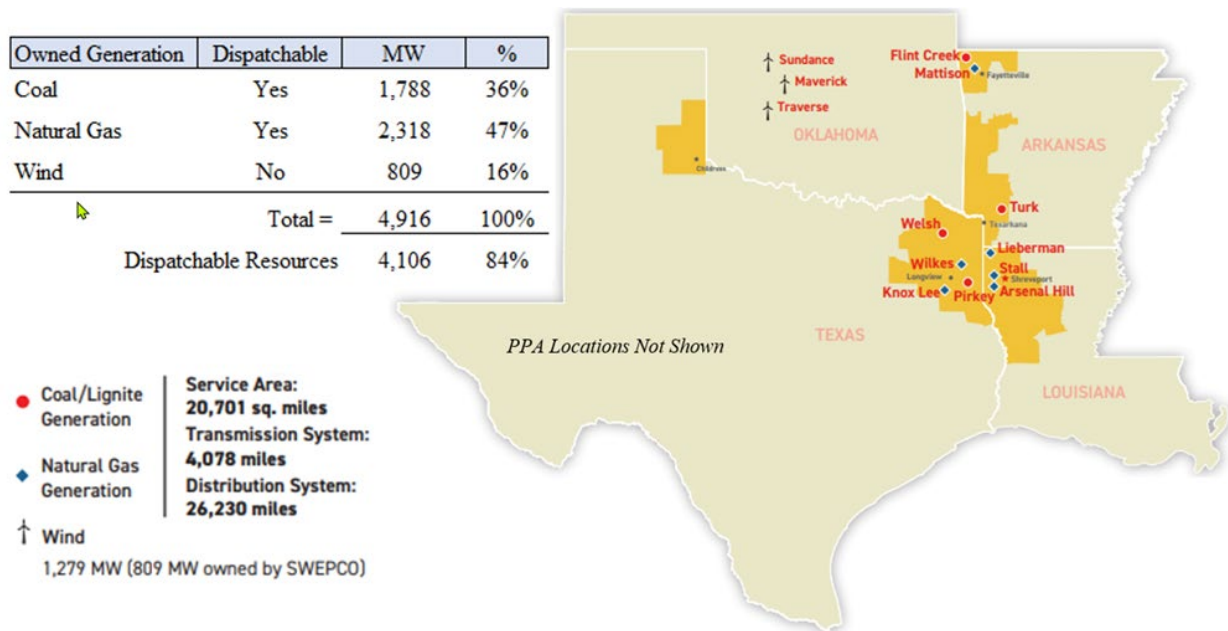


Figure 1. SWEPCO Generating Assets.

2. RFP Overview

- 2.1 SWEPCO is pursuing approximately 2,100 MW of SPP accredited capacity via the three RFPs and, 2) Company Self-Build Proposals as shown in Table 1.
- 2.2 The Resources requested in this RFP will be contracted via CPAs for purchase of unit deliverable capacity from generating resources within the SPP for **planning years 2025, 2026, 2027, 2028, and 2029**. The generating resource must have accredited capacity that satisfies the qualifications for Deliverable Capacity in Attachment AA of the SPP Open Access Transmission Tariff.
- 2.3 SWEPCO may execute one or more CPAs resulting from this RFP.
- 2.4 The Company's decisions regarding the results of this RFP may be subject to its receipt of regulatory approvals from the Louisiana Public Service Commission and the Arkansas Public Service Commission. Definitive agreements between the Company and Bidders for selected Projects may be conditioned upon the Company receiving the regulatory approvals described in the preceding sentence that are in form and substance satisfactory to the Company in its sole discretion.
- 2.5 SWEPCO has engaged Merrimack to serve as an Independent Monitor for the RFP. The IM will review and track SWEPCO's conduct of the RFP to ascertain that no undue preference is given to Self-Build Proposals.
- 2.6 This RFP is not a commitment by the Company to purchase deliverable capacity from any Project, and it does not bind or obligate the Company or its Affiliates in any way.

The Company in its sole discretion will determine which Bidders, if any, it wishes to engage in negotiations with that may lead to definitive CPAs with one or more selected Projects.

- 2.7 The estimated time period between the receipt of Proposals and the time required for the Company's evaluation, due diligence, selection, negotiation and the execution of definitive agreements is outlined in Section 5.1. The Company anticipates filing for regulatory approval in Arkansas and Louisiana in Q3-2024 and receiving regulatory decisions by February 2025.
- 2.8 The RFP seeks Proposals for both new and operational projects. Additionally, Bidders for operational projects must have 100% ownership of the asset or have documented authority to offer the asset into the RFP.
- 2.9 All questions regarding this RFP should be emailed to: SWEPCO2024RFP@aep.com. SWEPCO will post a list of the non-confidential "Questions and Answers" to the RFP website on a weekly basis from issuance until 10 business days prior to the Proposal Due Date.

3. Product Description and Requirements

AEPSC seeks to contract for capacity from one or more electric generation resources to fulfill its capacity needs. For Proposals from an existing generation resource, the existing resource must be commercially operable, including all facilities necessary to deliver capacity to the transmission system of SPP. The generation facility must have all relevant environmental and other permits necessary for operation and maintenance.

- 3.1. **Product**: SWEPCO is seeking purchases of electric capacity from generating resources within the SPP that will enable SWEPCO to satisfy its load and planning reserve obligations. The generating resource must have accredited capacity that satisfies the qualifications for Deliverable Capacity in Attachment AA of the SPP Open Access Transmission Tariff.
- 3.2. **Proposal**: Bidders must submit at least one Proposal for a minimum quantity of 10 MW of SPP accredited Deliverable Capacity. The Proposal should be in the form of agreement shown in Appendix D and Bidder must clearly identify any exceptions to the form of agreement in Appendix D. Bidders may also submit an Alternate Bid that includes an energy purchase option.
- 3.3. **Resource Location**: AEPSC will consider electric generation resources connected to the SPP transmission system and prefers locations near SWEPCO's load zone in Arkansas, Louisiana, or Texas. Capacity from resources outside of SPP must have firm transmission to SPP and be registered in SPP Integrated Marketplace.

- 3.4. Delivery Term: For planning years 2025, 2026, 2027, 2028, and 2029, Delivery Terms of one (1) year (minimum) to five (5) years (maximum) are required. Alternative terms may also be considered.
- 3.5. Delivery Start Date. Delivery of capacity will begin June 1, 2025, 2026, 2027, 2028, or 2029, depending on the Delivery Term proposed, and subject to regulatory approvals. As an example, a Bid for planning year 2026 would begin on June 1, 2026 and end on May 31, 2027.

4. Bid Price:

- 4.1 Bidders shall specify in detail all pricing components related to the Base Proposal for the contract capacity, or for any Alternate Proposal(s) provided.
- 4.2 The Bid price must be a fixed, non-escalating price for the Delivery Term of the CPA.
- 4.3 Proposals that have material contingencies, such as for financing and/or credit related issues, will not be considered.

5. RFP Schedule & Proposal Submission:

- 5.1 Schedule: The following schedule and deadlines apply to this RFP. AEPSC reserves the right to revise this schedule at any time and at AEPSC's sole discretion.

RFP Timeline	
Draft RFP Posted Online	11/29/2023
Bidders Technical Conference	1/18/2024
RFP Issued	1/31/2024
Notice of Intent	2/15/2024
Q&A Deadline	3/19/2024
Proposal Due Date	4/03/2024
Project Selection and Negotiation	July 2024
Execute Definitive Agreements	August 2024
Required Regulatory Approvals	February 2025
Effective Date of Agreement	June 1 of 2025, 2026, 2027, 2028, or 2029

- 5.2 Notice of Intent. SWEPCO requests that Bidders provide a Notice of Intent ("NOI") to SWEPCO by the Notice of Intent Date defined in the RFP Timeline (§5.1). The NOI shall include the agreement type (CPA), the project(s) name, technology, location, size (MW), and SPP Queue number. The NOI shall be emailed to the following address: SWEPCO2024RFP@aep.com

- 5.3 Bidders will be required to sign a Confidentiality Agreement (“CA”) prior to receiving detailed instructions on how to access the Box site to submit Proposals. Bidders should request SWEPCO’s Form CA by emailing SWEPCO2024RFP@aep.com indicating the agreement type (CPA), the project(s) name, technology, location, size, and SPP Queue number.
- 5.4 Proposals must be complete in all material respects and must be submitted electronically via the Box site no later than 3:00 p.m. CT (4:00 p.m. ET) on the Proposal Due Date outlined in Section 5.1. Proposals should be as comprehensive as possible to enable the Company to make a definitive and final evaluation of the Proposal’s benefits to its customers without further contact with the Bidder.
- 5.5 The Company reserves the right to solicit additional information or Proposals and the right to request additional information from Bidders during the Proposal evaluation process.
- 5.6 Proposals and bid pricing must be valid for at least 120 days after the Proposal Due Date at which time Proposals shall expire unless the Bidder has been notified that its Proposal has been included in Short-List Selection.
- 5.7 The preparation and submission of all Proposals will be at the expense of the Bidder.
- 5.8 Bidders are allowed to submit more than one mutually exclusive Proposal. AEPSC will review and evaluate the Proposals to identify the set that meets the capacity needs of SWEPCO and provides the best combination of value, risk, and reliability for SWEPCO and its customers. In addition, SWEPCO will consider any Alternate Proposals that are also submitted.

6. Proposal Content

This section outlines the minimum requirements that all Proposals must meet to be eligible to participate in this RFP. All Proposals must include concise and complete information. Bidders are expected to provide any information that could affect the cost for capacity purchased through this RFP. If certain information is inadvertently omitted or lacking in detail from a Proposal, AEPSC may contact the Bidder to obtain such information.

- 6.1 General Information: Bidder’s Proposal shall include an executive summary of the Proposal characteristics and timeline (as applicable), including any unique aspects. Bidder’s must complete and submit an Appendix A (Proposal Summary) with the Bidder’s Proposal.
- 6.2 Identity: The identity of all persons and entities that have a direct or indirect interest in the Proposal or generating resource providing capacity. Bidders are required to provide a list of all affiliated companies, including holding companies, subsidiaries or predecessor companies engaged in selling capacity or electricity either presently or in the past.

- 6.3 Proposal: Each Bidder must submit a Proposal that meets SWEPCO's capacity requirements described in Section 3.
- 6.4 Credit Requirements:
- 6.4.1 AEPSC will evaluate the ability of Bidders to perform under the terms of their Proposals, by reviewing published credit ratings and performing its own internal credit analysis. If Bidder wishes to provide a Corporate Guaranty, it must be in the form acceptable to AEPSC.
 - 6.4.2 If a prospective Bidder has an existing EEI Master Power Purchase and Sale Agreement ("EEI Agreement") with AEPSC/SWEPCO, those agreements will be considered as the basis for a contract under this RFP. Additional modifications and credit requirements, including an Independent Amount, may be required to conform to the credit and collateral requirements under this RFP. Margining under the EEI Agreement will not be considered.
 - 6.4.3 If a Bidder does not have an existing EEI Agreement with AEPSC / SWEPCO, or if such agreement exists, but does not include acceptable credit or other provisions, then an EEI Agreement will be negotiated. Bidders may request AEPSC's standard EEI cover sheet terms and collateral requirements by completing a CA as described in Section 5.3 and requesting the documents via email at SWEPCO2024RFP@aep.com.
- 6.5 Bidder Profile: A completed Appendix C (Bidder Profile) shall be included with the Proposal.
- 6.6 Legal Proceedings: The Bidder should list all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been or are engaged that could affect Bidder's performance of its Proposal. The parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters should be identified. The Proposal shall include a summary of all material actions, suits, claims or proceedings (threatened or pending) against Bidder, its Guarantor (if applicable) or involving the generation facility or the site as of the Proposal due date, including existing liabilities whether or not publicly disclosed, including but not limited to those related to employment and labor laws, environmental laws, or contractual disputes for the development, construction, maintenance, or operation of the facility.
- 6.7 Agreement Exceptions: Bidder shall include in its Proposal any exceptions to the draft Confirmation Letter (Appendix D). The terms in the draft Confirmation Letter are included merely to provide guidance to a Bidder in the preparation of their response. These commercial terms shall not be binding on AEPSC. The shortlisted Bidder and AEPSC will negotiate a mutually acceptable agreement to govern any commercial relationship established by the parties.

7. Proposal Evaluation

- 7.1 Initial Review of Proposals: AEPSC will perform an initial review of each Proposal to determine if all required information has been provided. The Bidder may be required to provide additional information to ensure the Bid is complete.
- 7.2 Eligibility and Threshold Requirements: If the Bidder does not qualify under any one of the Sections 7.2.1 – 7.2.4, the Bidder will not qualify for this RFP and will be notified accordingly.
 - 7.2.1 The generating resource must have accredited capacity that satisfies the qualifications for Deliverable Capacity (See RFP §3.1);
 - 7.2.2 The minimum capacity bid must be 10 MW (See RFP §3.2);
 - 7.2.3 Proposals must designate a specific generating resource (see RFP §3.3);
 - 7.2.4 Resources located outside of the SPP region must include firm transmission service to the SPP transmission system (See RFP §3.3).
- 7.3 Bidders with Proposals meeting the requirements in Section 7.2 will move to the next phase of the evaluation process. The Proposal evaluation process will include an assessment of the Bid Price (Economic Analysis) and other additional benefits as provided with the Proposal (Non-Price Analysis). The Non-Price evaluation will include an assessment of areas such as contract risks and benefits, locational benefits, likelihood of transmission availability, resource diversity and project development risks.
- 7.4 AEPSC reserves the right, at its sole discretion, not to engage in post-bid negotiations with any Bidder that has not been selected for the short-list. Selection for the short-list and post-bid negotiations does not constitute a “winning bid Proposal.” Only execution of a definitive agreement by both AEPSC and Bidder on mutually acceptable terms will constitute a “winning bid Proposal.” All Proposals become the property of AEPSC and will not be returned to Bidders.

8. Confidentiality

AEPSC will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all Proposals submitted. Bidders should clearly identify each page of information considered to be confidential or proprietary. AEPSC reserves the right to release any Proposals to its agents or consultants for purposes of Proposal evaluation. Regardless of the confidentiality, all such information may be subject to review by the appropriate state jurisdiction, or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. Under such circumstances, AEPSC will make reasonable efforts to protect the Bidder’s confidential information.

9. Bidder's Responsibilities

- 9.1 Timely Submission of Proposals: It is solely the Bidder's responsibility to submit the Proposals by the Proposal Due Date stated in Section 5.1.
- 9.2 Compliance with Federal and State Regulations: If required, short-listed Bidders must provide documentation that will enable AEPSC to assess the Bidder's ability to comply with all federal and state regulations, and to obtain all permits, licenses, and approvals necessary to conduct the sale of capacity and energy through this RFP.
- 9.3 Clarification of Proposals: While evaluating Proposals, AEPSC may request additional information about any item in the Proposal. All requests will be made in writing, and the Bidder will be required to respond to the request within five (3) business days or AEPSC may choose to stop evaluating Bidder's Proposal.

10. Reservation of Rights

A Proposal will be deemed accepted only when the Company and the successful Bidder have executed definitive agreements for the Company's purchase of capacity. The Company has no obligation to accept any Proposal, whether or not the stated price in such Proposal is the lowest price offered, and the Company may reject any Proposal in its sole discretion and without any obligation to disclose the reason or reasons for rejection.

BY PARTICIPATING IN THE RFP PROCESS, EACH BIDDER AGREES THAT ANY AND ALL INFORMATION FURNISHED BY OR ON BEHALF OF THE COMPANY IN CONNECTION WITH THE RFP IS PROVIDED WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USEFULNESS, ACCURACY, OR COMPLETENESS OF SUCH INFORMATION, AND NEITHER THE COMPANY NOR ITS AFFILIATES NOR ANY OF THEIR PERSONNEL OR REPRESENTATIVES SHALL HAVE ANY LIABILITY TO ANY BIDDER OR ITS PERSONNEL OR REPRESENTATIVES RELATING TO OR ARISING FROM THE USE OF OR RELIANCE UPON ANY SUCH INFORMATION OR ANY ERRORS OR OMISSIONS THEREIN.

The Company reserves the right to modify or withdraw this RFP, to negotiate with any and all qualified Bidders to resolve any and all technical or contractual issues, or to reject any or all Proposals and to terminate negotiations with any Bidder at any time in its sole discretion. The Company reserves the right, at any time and from time to time, without prior notice and without specifying any reason and, in its sole discretion, to (a) cancel, modify or withdraw this RFP, reject any and all Proposals, and terminate negotiations at any time during the RFP process; (b) discuss with a Bidder and its advisors the terms of any Proposal and obtain clarification from the Bidder and its advisors concerning the Proposal; (c) consider all Proposals to be the property of the Company, subject to the provisions of this RFP relating to confidentiality and any confidentiality agreement executed in connection with this RFP, and destroy or archive any information or materials

developed by or submitted to the Company in this RFP; (d) request from a Bidder information that is not explicitly detailed in this RFP, but which may be useful for evaluation of that Bidder's Proposal; (e) determine which Proposals to accept, favor, pursue or reject; (f) reject any Proposals that are not complete or contain irregularities, or waive irregularities in any Proposal that is submitted; (g) accept Proposals that do not provide the lowest evaluated cost; (h) determine which Bidders are allowed to participate in the RFP, including disqualifying a Bidder due to a change in the qualifications of the Bidder or in the event that the Company determines that the Bidder's participation in the RFP has failed to conform to the requirements of the RFP; (i) conduct negotiations with any or all Bidders or other persons or with no Bidders or other persons; (j) execute one or more definitive agreements with any Bidder, and (k) utilize a Bidder's completed Appendices and any supplemental information submitted by the Bidder in any its regulatory filings.

11. Contacts

All correspondence and questions regarding this RFP should be directed to:

SWEPCO2024RFP@aep.com

Appendix A

Proposal Summary

Company Information

Bidder (Company):		
Contact Name (Title):		
Address:		
City:	State:	Zip Code:
Work Phone:	Cell Phone:	
Email Address:		
Is the Proposal being submitted through a partnership, joint venture, consortium, or other association? _____ If so, please identify all partners, joint ventures, members, or other		

General Proposal Information

Facility Name:	
Technology:	
Facility Location:	
SPP Queue #:	SPP Study Status:
Point of Interconnection with SPP:	
Bidders must submit the following for each facility: 1. SPP Deliverability Studies for the last three years 2. Hourly generation for the last 5 calendar years 3. Any ELCC information submitted to the SPP within the last year.	
Other Facility Information:	

Proposal Bid Price

MW	Term	Bid Price \$/kw-mo.	Other Bid Price Details

Appendix B

Bidder's Credit and Collateral Requirements

The RFP selected resource has the potential to expose SWEPCO and its customers to credit risk in the event a selected Bidder is unable to fulfill its obligations pursuant to the terms of an executed definitive agreement. SWEPCO views its potential credit risk as the cost it would incur in the event that the Bidder defaulted at any time during the life of the contract. In an event of default under this type of contract, it could take up to 12 months, or longer, to replace the contract with a comparable asset backed contract. In the interim, SWEPCO would have to procure capacity in the open market at then-prevailing market prices. This exposure can be viewed as a fixed collateral requirement multiplied by the megawatts (MW) of the bid.

If there is another bid type other than capacity only, the collateral requirement would need to be negotiated.

Exposure Calculation / Collateral Requirement

Under this scenario, the cost of procuring 12 months of capacity is calculated as:

$$\text{MWs} \times 1,000 \text{ KW/1 MW} \times \$36/\text{KW}$$

Credit Rating

If available, the "Credit Rating" for either the Bidder or its Guarantor is defined for purposes of this RFP as the lower of:

1) the most recently published senior, unsecured, unenhanced, long term debt rating (or corporate issuer rating if an unsecured, unenhanced, debt rating is unavailable) from Standard and Poor's ("S&P");

or

2) the most recently published senior unsecured, unenhanced, debt rating (or corporate issuer rating if an unsecured, unenhanced, debt rating is unavailable) from Moody's Investor Services.

If a Credit Rating is not available for the Bidder or its Guarantor, the Bidder or its Guarantor will be unrated and must post the maximum amount of collateral required based on the Credit Matrix table below.

Credit Matrix

Based on the Credit Rating of the Bidder or its Guarantor, the value in the Credit Matrix below represents the maximum amount of collateral required by the Bidder and/or its Guarantor. SWEPCO's internal credit risk tolerance specific to this RFP has been applied to the total collateral requirement.

Credit Rating	Total Requirement
A-/A3 and above	\$0 (Bidder has Credit Rating) or Guaranty = Collateral Requirement (Guarantor has Credit Rating)
BBB+/Baa1	Collateral Requirement - \$25,000,000*
BBB/Baa2	Collateral Requirement - \$20,000,000*
BBB-/Baa3	Collateral Requirement - \$10,000,000*
BB+/Ba1 and below	Collateral Requirement
*Maximum guarantee value acceptable	

Collateral must be provided by the Bidder or its Guarantor, if applicable, in the form of any combination of the following: cash (U.S. Dollars) or an irrevocable standby letter of credit from an issuer acceptable to SWEPCO ("Letter of Credit"). Any guaranty or letter of credit must be in a format acceptable to SWEPCO. The letter of credit issuer must be a commercial bank organized under the law of the United States or a political subdivision thereof operating from an office in the continental United States, who is not affiliated with the Bidder or its Guarantor (i) with a Credit Rating of at least "A-" in the case of S&P or "A3" in the case of Moody's; and, (ii) having assets of at least \$10,000,000,000.

In the event that the financial condition of a Bidder or its Guarantor changes over the term of the definitive agreement, SWEPCO reserves the right to request updated information to reevaluate the Bidder and its collateral requirements, which may be adjusted accordingly.

Each Bidder must provide a statement in good faith describing the manner in which it will comply with the credit requirements, if applicable. Upon receiving notification, a Bidder selected for the short list must provide specific evidence of its ability to meet the collateral requirements to be set forth in a definitive agreement. Evidence of Bidder's ability to post sufficient collateral or a guaranty may include, but not be limited to, a comfort letter from a financial institution that would be issuing a letter of credit, evidence of available cash on financial statements, a comfort letter from a proposed guarantor, or other evidence acceptable to SWEPCO based on commercially reasonable credit standards. Any Bidder failing to provide sufficient evidence of the foregoing may be dismissed from further consideration.

Required collateral and a guaranty from an acceptable Guarantor, if applicable, must be posted by Bidder upon execution of definitive agreements.

In the event that Bidder's financial condition or Credit Rating changes at any time after submission of its bid and before consummation of definitive agreement, the Bidder will provide notice to SWEPCO and will update information concerning this change. SWEPCO reserves the right to request any updated pertinent information and to reevaluate and adjust the Bidder's and collateral requirement based on such change.

Any Bidder failing to provide evidence in sufficient detail of changes in financial condition or Credit Rating and the ability to meet any adjusted collateral requirement, may be dismissed from further consideration.

If Bidder, its Guarantor, or other affiliates supported by the same Guarantor have existing exposure under transactions with SWEPCO, or its affiliates, SWEPCO reserves the right to require additional collateral as a means to mitigate the incremental exposure from the potential transaction under this RFP.

On or before the date this EEI is fully executed, Seller shall establish a Security Deposit in the amount of the required collateral. If a breach of Seller's obligations under this EEI has occurred and is continuing, then in addition to any other remedy available to it, Purchaser may, draw from the Security Deposit. Purchaser may, in its sole discretion, draw all or any part of such amounts due to it from any form of Security Deposit.

"Security Deposit" means the performance security that Seller is required to establish and maintain through the term of this EEI. The Security Deposit shall be provided in the form of (A) cash, or (B) an irrevocable standby letter of credit provided from an Acceptable Issuing Bank.

"Security Deposit Amount" means the per MW security requirement established during the bidding process.

"Acceptable Issuing Bank" means a United States commercial bank or a foreign bank from a United States branch, which has at the applicable time a Credit Rating of (a) A- or better from Standard & Poor's Rating Services and (b) A3 or better from Moody's Investors Service, Inc.

Appendix C

RFP BIDDER PROFILE FORM

1.1 Bidder's Credit Representative

The Bidder's Credit Representative is the Bidder's in-house credit contact who can answer questions or provide information about the Bidder's credit and financial information with respect to the requirements of the RFP.

Bidder's Credit Representative Information and, where necessary, the Credit Representative Information from its Guarantor, if different from Bidder's.

Name of Bidder: _____

Bidder's Credit Representative:

Last Name	First Name	Title

Address

Address (2)

City	State	Zip Code
Telephone Number	Fax Number	Email Address

Name of Guarantor, if applicable: _____

Guarantor's Credit Representative Information, if applicable:

Last Name	First Name	Title

Address

Address (2)

City	State	Zip Code
Telephone Number	Fax Number	Email Address

1.2 Credit Requirements and Financial Information for the Bidder and/or for its Guarantor

Please submit the following information for the Bidder and/or its Guarantor:

- 1) Three most recent Annual Reports, if available;
- 2) Three most recent SEC Form 10-Ks; if unavailable, please provide three years' of most recent audited financial information, which includes Balance Sheet, Income Statement, Cash Flow Statement and accompanying related notes;
- 3) Most recent SEC Form 10-Q; if unavailable, most recent audited quarterly financial information, including Balance Sheet, Income Statement, Cash Flow Statement and accompanying related Notes. If audited quarterly information is unavailable, provide most recent quarterly or monthly financial data accompanied by an attestation by the Bidder's or its Guarantor's Chief Financial Officer that the information submitted is a true, accurate, and fair representation of the Bidder's financial condition;
- 4) Bidder's or its Guarantor's Senior Unsecured Credit rating from the following agencies:

Standard & Poor's

Moody's Investor Service

- 5) If Senior Unsecured Credit Ratings are unavailable, provide the Bidder's or its Guarantor's corporate issuer ratings from the following agencies:

Standard & Poor's

Moody's Investor Service

Is the Bidder and/or its Guarantor:

- 1) Operating under Federal Bankruptcy laws or bankruptcy laws in any other jurisdiction? (Yes/No)

Bidder

Guarantor

- 2) Subject to pending litigation or regulatory proceedings (in state court, federal court, or from regulatory agencies, or in any other jurisdiction) which could have

Bidder

Guarantor

Bidder

Guarantor

[illegible]

Appendix D

MASTER POWER PURCHASE AND SALE AGREEMENT CONFIRMATION LETTER

This confirmation letter shall confirm the “Transaction” set forth below and agreed to on _____, 2024 by _____ and between American Electric Power Service Corporation, as agent for Southwestern Electric Power Company (SWEPCO) (“AEPSC” or “Buyer”) and _____ (“_____” or “Seller”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Master Agreement: EEI Master Power Purchase and Sale Agreement dated _____, 20____ between Seller and Buyer

Seller: _____

Buyer: AEPSC, as agent for SWEPCO

Product: Unit Deliverable Capacity (as defined below), with Integrated Marketplace Energy Offer Obligation (as defined below)

Unit (name and location): _____

Delivery Period: All Hours, from June 1, _____ to _____

Contract Quantity: _____ KWs

Delivery Point: SPP Balancing Authority Area at [_____] (insert bus)

Contract Price: For each month during the Delivery Period, Buyer shall pay Seller (1) the Capacity Payment minus (2) any Deficiency Amount. Should the preceding calculation result in a negative number, Seller shall pay the absolute value of such amount to Buyer.

The Capacity Payment shall be calculated by Buyer as the Capacity Price set forth below multiplied by the Contract Quantity, as set forth in the table below:

Capacity Price (\$/KW-mo)	Contract Quantity (KW)	Capacity Payment (\$/mo)
\$ _____	_____	\$ _____

Additional Definitions:

“Available” means that the Unit is not derated or curtailed due to: (i) Planned Maintenance, (ii) Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines), or (iii) Force Majeure.

“Buyer’s Replacement Damages” means the dollar amount of (i) costs incurred by Buyer, including transaction costs, to purchase replacement capacity to make up for any shortfall between the Contract Quantity and the actual amounts of Unit Firm Capacity delivered by Seller; and (ii) any Deficiency Payment incurred by Buyer.

“Deficiency Amount” means a monthly dollar amount, as calculated by Buyer, that will result in Buyer receiving the greater of (1) Buyer’s Replacement Damages or (2) twice the Capacity Price per KW of Contract Quantity which Seller is unable to deliver for the applicable month.

“Deficiency Payment” has the meaning assigned in Attachment AA of the SPP Tariff.

“Deliverable Capacity” has the meaning assigned in Attachment AA of the SPP Tariff.

“Generator Owner” has the meaning assigned in Attachment AA of the SPP Tariff.

“Integrated Marketplace” has the meaning set forth in in Attachment AE to the SPP Tariff.

“Integrated Marketplace Energy Offer Obligation” means that amounts of energy from the Unit and consistent with the Unit’s Deliverable Capacity, when Available, shall be offered by Seller or its designee into the Integrated Marketplace consistent with and pursuant to the requirements of the SPP Tariff and SPP Protocols.

“Load Responsible Entity” has the meaning assigned in Attachment AA of the SPP Tariff; for purposes of this Transaction Confirmation, Buyer has the role of the Load Responsible Entity.

“Network Integration Transmission Service” has the meaning assigned in the SPP Tariff.

“Network Resource” has the meaning assigned in the SPP Tariff.

“Resource Adequacy Requirement” has the meaning assigned in the SPP Tariff.

“Rule” means any law, requirement, permit, tariff, protocol, rule, order, regulation, and procedure authorized or established by any applicable governmental authority or regulatory body that may affect the Parties’ obligations in this Confirmation.

“SPP Protocols” means SPP’s rules, criteria, and market protocols, as they may be amended or superseded from time to time.

“SPP Tariff” means the SPP Open Access Transmission Tariff, Sixth Revised Volume No. 1, as may be amended from time to time.

“Transmission Service Request” or “TSR” has the meaning assigned in the SPP Tariff.

“Unit Firm Capacity” is a product pursuant to which the Seller agrees to deliver the Contract Quantity of capacity that qualifies as Deliverable Capacity, as measured pursuant to the SPP Protocols and SPP Tariff (including Attachment AA), from the specified Unit. The Seller must perform all applicable duties of a Generator Owner pursuant to the SPP Protocols and SPP Tariff (including Attachment AA) to qualify the Contract Quantity of capacity such that it can be used for meeting the Load Responsible Entity’s Resource Adequacy Requirement.

Representations and
Warranties:

Seller represents and warrants that (1) it has sufficient contractual rights to the Unit and the energy associated with the Unit to satisfy its obligations herein; (2) the Unit will be demonstrated, in accordance with SPP Protocols and the SPP Tariff, Criteria, to have a summer net capability sufficient for Seller to satisfy its obligation to sell and deliver to Buyer the Contract Quantity of Unit Firm Capacity; (3) the Unit Firm Capacity that Seller is obligated to sell and deliver to Buyer under this Confirmation has not been sold to any other entity and (4) during the Delivery Period, energy from the Unit has not (and Seller covenants that it will not) be sold or committed to third parties in a manner which conflicts with the Integrated Marketplace Energy Offer Obligation.

Conditions Precedent: Except to the extent waived by Buyer in writing in its sole discretion, Buyer's obligation to perform this Confirmation shall be contingent upon the following:

(1) **Ratemaking Treatment.** Buyer obtaining ratemaking treatment for this Confirmation in its Arkansas Public Service Commission, the Louisiana Public Service Commission, and the Public Utility Commission of Texas (collectively "Commissions"), jurisdictional rates satisfactory to Buyer in its sole judgment and discretion, without any limitation thereto whatsoever. If, for any reason, Buyer is unable to obtain satisfactory ratemaking treatment from these Commissions within [] days following the execution of this Confirmation, Buyer may, at its sole discretion, terminate this Confirmation without any obligation or liability to Seller. Buyer shall provide such notice of termination no later than [] days following the execution of this Confirmation.

Additional Terms: **Single source.** Seller is not permitted to deliver the Unit Firm Capacity from any resource other than the Unit.

Delivery and Invoicing. The Unit Firm Capacity shall be considered to have been delivered to Buyer for purposes of determining the actual quantity received when SPP has completed its annual Resource Adequacy Requirement process and by doing so has determined the amount of capacity from the Unit which shall be credited toward meeting the Buyer's Resource Adequacy Requirement. Once the annual determination is made by SPP, the monthly quantities are expected to be the same for each month for the applicable year, with Buyer preparing invoices reflecting that quantity on a monthly basis.

Replacement. If Buyer has reasonable grounds to believe that Seller will be unable to deliver the Contract Quantity in a timely manner, Buyer may, after providing written notice and a 15 Business Day opportunity to Seller to cure, obtain replacement capacity for any expected shortfall (the costs for which may be included in Buyer's Replacement Damages).

Change in law. Should there be a change in law to any Rule that directly impacts the implementation of this Transaction Confirmation, the Parties agree to confer as to the appropriate accommodations that may be necessary to

achieve delivery of the Contract Quantity at the Contract Price.

Liquidated Amounts. With respect to the Deficiency Amount and to Buyer's Replacement Damages, the Parties acknowledge that the damages calculated hereunder constitute a reasonable approximation of the harm or loss, and the Parties agree upon these liquidated amounts.

This confirmation letter is being provided pursuant to and in accordance with the above-referenced Master Agreement and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

Buyer:

Seller:

American Electric Power Service Corporation
[COMPANY]

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____