

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

APPLICATION OF SOUTHWESTERN :
ELECTRIC POWER COMPANY FOR :
CERTIFICATION AND APPROVAL OF : DOCKET NO. U-
THE ACQUISITION OF CERTAIN :
RENEWABLE RESOURCES AND :
NATURAL GAS CAPACITY :
CONTRACTS IN ACCORDANCE WITH :
THE MBM ORDER, THE 1983 AND 1994 :
GENERAL ORDERS :

DIRECT TESTIMONY OF
AMY E. JEFFRIES
FOR
SOUTHWESTERN ELECTRIC POWER COMPANY

MAY 2022

TESTIMONY INDEX

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<u>EXHIBIT</u>	<u>EXHIBITS</u> <u>DESCRIPTION</u>
EXHIBIT AEJ-1	SOLAR RFP
EXHIBIT AEJ-2	WIND RFP
EXHIBIT AEJ-3	CAPACITY RFP
HIGHLY SENSITIVE PROTECTED MATERIAL (HSPM) EXHIBIT AEJ-4	DIVERSION PSA
HIGHLY SENSITIVE PROTECTED MATERIAL (HSPM) EXHIBIT AEJ-5	WAGON WHEEL PSA
HIGHLY SENSITIVE PROTECTED MATERIAL (HSPM) EXHIBIT AEJ-6	MOORINGSPOINT PSA
HIGHLY SENSITIVE PROTECTED MATERIAL (HSPM) EXHIBIT AEJ-7	ONETA 2023 CPA
HIGHLY SENSITIVE PROTECTED MATERIAL (HSPM) EXHIBIT AEJ-8	ONETA 2024 CPA
HIGHLY SENSITIVE PROTECTED MATERIAL (HSPM) EXHIBIT AEJ-9	GREEN COUNTRY CPA

GLOSSARY OF ACRONYMS

AEP	American Electric Power
AEPSC	American Electric Power Service Corporation
APCo	Appalachian Power Company
ITC	Investment Tax Credit
LPSC	Louisiana Public Service Commission
MBM	Market Based Mechanism
MW	Megawatt
PPA	Power Purchase Agreement
PSA	Purchase and Sales Agreement
PTC	Production Tax Credit
RFP	Request for Proposal
SPP	Southwest Power Pool
SWEPCO	Southwest Electric Power Company
RTO	Regional Transmission Organization
UPC	United Professionals Company

1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

3 A. My name is Amy E. Jeffries. My business address is 1 Riverside Plaza, Columbus,
4 Ohio 43215. I am employed by American Electric Power Service Corporation
5 (AEPSC), a wholly owned subsidiary of American Electric Power Company, Inc.
6 (AEP), as Director – Regulated Infrastructure Development. AEP is the parent
7 company of Southwestern Electric Power Company (SWEPCO or the Company).
8 AEPSC supplies engineering, financing, accounting, regulatory, and similar planning
9 and advisory services to AEP’s regulated electric operating companies, including
10 SWEPCO.

11 Q. WOULD YOU BRIEFLY DESCRIBE YOUR EDUCATIONAL AND
12 PROFESSIONAL BACKGROUND?

13 A. I earned a Master of Business Administration from The Ohio State University in 2000
14 and a Bachelor of Science in Business Administration with a major in Procurement and
15 Materials Management from Bowling Green State University in 1993.

16 My professional background in energy began in 1998 as an Account Manager
17 at Clinton Energy Management Services, a natural gas marketing company. In 2000, I
18 joined AEPSC in the Commercial Operations Rotational Program. While in the
19 program, I served in various roles before obtaining the role of Fuel Procurement
20 Coordinator with responsibilities for the procurement of coal for a number of coal-fired
21 power plants. I then transitioned to the role of Energy Trader in 2004, with
22 responsibilities for optimizing emission allowance credits and renewable energy
23 certificates. In 2010, I was promoted to Manager – Structuring, in which I provided

1 analytical support for the Fuel, Emissions, and Logistics team. In 2014, I was promoted
2 to Manager - Natural Gas Procurement, and in 2018, I assumed the position of Manager
3 - Coal Procurement. I was promoted to my current position in 2021.

4 Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES AS DIRECTOR –
5 REGULATED INFRASTRUCTURE DEVELOPMENT?

6 A. As Director - Regulated Infrastructure Development, I am part of a team that: (1)
7 structures and issues renewable energy requests for proposals (RFPs); (2) reviews and
8 evaluates proposals received in response; (3) negotiates and finalizes the agreements
9 with the successful bidder(s); and (4) provides ongoing commercial support as the
10 Company pursues regulatory approvals and moves forward to construction and
11 eventual completion of renewable energy projects.

12 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY
13 COMMISSIONS?

14 A. Yes. I have submitted testimony or testified before regulatory bodies in Louisiana,
15 Texas, Kentucky, Oklahoma, West Virginia, and Virginia on behalf of AEP affiliates.

16

17 II. PURPOSE OF TESTIMONY

18 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

19 A. The purpose of my direct testimony is to support the Company's 2021 RFPs for Solar
20 Energy Resources, Wind Energy Resources, and Accredited Deliverable Capacity (SPP
21 Capacity) and the resulting agreements, which includes three purchase and sale
22 agreements (PSAs) for three renewable energy facilities (Selected Facilities) totaling

1 approximately 999 Megawatts (MWs), and three short-term capacity purchase
2 agreements (CPAs). More specifically, my testimony:

- 3 • provides an overview of the 2021 SWEPCO RFPs, discusses the RFP
4 evaluation and selection processes, and describes the Company's due
5 diligence that resulted in the Selected Facilities;
- 6 • provides an overview of the PSAs negotiated for the Selected Facilities;
7 and
- 8 • provides an overview and results of the Company's 2021 SPP Capacity
9 RFP and resulting CPAs.

10 Q. PLEASE SUMMARIZE YOUR TESTIMONY AND CONCLUSIONS.

11 A. To meet its emerging capacity needs, SWEPCO used a robust, multi-step process to
12 issue and evaluate three competitive RFPs, which resulted in the successful execution
13 of the PSAs for the Selected Facilities, as well as three CPAs. SWEPCO and AEPSC
14 have significant experience evaluating RFPs and entering into PSAs for the acquisition
15 of renewable energy facilities and CPAs for capacity.

16 As described below, SWEPCO entered into three PSAs with affiliates of
17 Invenergy LLC for the Selected Facilities. Invenergy has successfully developed 191
18 wind, solar, natural gas, and storage projects totaling over 30,000 MW, and SWEPCO
19 has successfully collaborated with Invenergy previously to develop renewable
20 generation facilities. Based on my experience with recent renewable purchase
21 evaluations, the terms of the PSAs are reasonable and consistent with industry practice.
22 SWEPCO employed a similar process as that utilized for the Selected Facilities for the
23 2021 SPP Capacity RFP, and based on my experience the selected and executed CPAs
24 are reasonable.

1 III. 2021 SWEPCO RFP OVERVIEWS

2 Q. DO SWEPCO AND AEPSC HAVE EXPERIENCE EVALUATING AND
3 ENTERING INTO AGREEMENTS FOR RENEWABLE ENERGY FACILITIES?

4 A. Yes. SWEPCO and AEPSC have a significant amount of experience evaluating
5 projects for potential acquisition and entering into PSAs for renewable energy facilities.
6 Plus, AEP's regulated portfolio of renewable Power Purchase Agreements (PPAs)
7 totals 2,860 MW with projects located across seven states. In 2019, SWEPCO jointly
8 entered into PSAs for the acquisition of the North Central Energy Facilities together
9 with its sister company Public Service Company of Oklahoma, consisting of three wind
10 projects, totaling approximately 1,484 MW located in Oklahoma. SWEPCO has 469
11 MW of wind PPAs, and has recently executed, and filed for approval of, the Rocking
12 R solar PPA for 72.5 MW in Louisiana and Arkansas.¹ Most recently, another
13 SWEPCO sister company, Appalachian Power Company (APCo), filed in Virginia and
14 West Virginia for approval of nearly 500 MW of wind and solar projects including 1)
15 agreements to purchase three solar facilities totaling 205 MW and an agreement to
16 purchase a 204 MW wind project; and 2) 89 MW of solar PPAs, all subject to regulatory
17 approval.

18 Q. WHY DID SWEPCO ISSUE THE 2021 SWEPCO RFPs?

19 A. As discussed by SWEPCO witnesses A. Malcolm Smoak and Thomas P. Brice,
20 SWEPCO has a capacity need beginning in 2023 driven by the retirement of aging
21 SWEPCO generation units. SWEPCO evaluated the acquisition of new generation

¹ Louisiana Docket No. U-36259 and Arkansas Docket No. 22-003-U, both filed on January 28, 2022.

1 resources to meet that need and determined that adding wind and solar resources
2 supplemented by short-term capacity purchase agreements to bridge the gap until the
3 in-service date of the new, Company-owned wind and solar resources, was the best
4 customer value as discussed in more detail by SWEPCO witness James F. Martin. The
5 RFPs, which I describe in my testimony, support the procurement of these resources.

6 Q. ASIDE FROM MEETING CAPACITY NEEDS, ARE THERE ADDITIONAL
7 BENEFITS IN PURSUING SOLAR AND WIND RESOURCES AT THIS TIME?

8 A. Yes. There are significant federal tax benefits available from pursuing the Selected
9 Facilities now. These tax benefits serve to buy down the cost of energy for customers.
10 Under current law, federal Production Tax Credits (PTC) are scheduled to be phased
11 out for wind projects, and federal Investment Tax Credits (ITC) for solar projects will
12 be reduced to 10% for facilities that achieve commercial operation after December 31,
13 2025, provided projects meet the eligibility requirements for these valuable tax credits.
14 The projects the Company is pursuing have qualified under the start of construction
15 requirements contained in the IRS Code and are expected to achieve commercial
16 operation by December 31, 2025. Company witness David A. Hodgson discusses how
17 the federal tax benefits buy down the cost of energy.

18 Q. PLEASE PROVIDE AN OVERVIEW OF THE SELECTED RESOURCES FROM
19 THE 2021 SWEPCO RFPs.

1 A. Table 1 below summarizes the Selected Resources resulting from the 2021 RFPs.

2 **Table 1: 2021 SWEPCO RFP SELECTED RESOURCES**

Purchase and Sale Agreements					
Facility	Developer	Resource	Size	Location	Projected In-Service Date
Diversion	Invenergy	Wind	200.6 MW	TX	December 2024
Wagon Wheel	Invenergy	Wind	598.4 MW	OK	December 2025
Mooringsport	Invenergy	Solar	200.0 MW	LA	December 2025
Capacity Purchase Agreements					
Facility	Owner	Resource	Capacity (MW)	Location	Planning Year Delivery
Oneta	Oneta	NGCC ¹	Varied ²	OK	2023
Oneta	Oneta	NGCC ¹	Varied ²	OK	2024
Green Country	JPower	NGCC ¹	Varied ²	OK	2024, 2025, 2026

3 ¹ Natural Gas Combined Cycle

4 ² Please see Table 3

5

6 **IV. RFP PREPARATION ACTIVITIES**

7 Q. PURSUANT TO APPLICABLE REGULATORY REQUIREMENTS, WHAT STEPS
8 DID THE COMPANY TAKE PRIOR TO THE ISSUANCE OF THE RFPs ON JUNE
9 28, 2021?

10 A. The Louisiana Public Service Commission (LPSC) Market Based Mechanism (MBM)
11 Order requires the Company to follow these steps prior to the issuance of any RFP:

- 12
- File notice of intent to issue the RFP;
 - File informational filing with draft RFP;
- 13

- 1 • Coordinate with LPSC Staff and its consultant, United Professionals
2 Company (UPC)²;
3 • Hold a Bidders Technical Conference; and
4 • Issue the final RFP.

5 I explain certain of these steps further below.

6 Draft RFP Filing: The Company drafted and subsequently filed the draft RFPs with
7 the LPSC on April 28, 2021, simultaneously making the materials available to the
8 public, including potential bidders, for review and comment on its website³.

9 LPSC Staff and UPC Coordination: In accordance with the Louisiana MBM, LPSC
10 Staff reviewed and UPC provided feedback that was considered prior to issuance of the
11 final RFPs. In addition, both parties participated in the SWEPCO Bidders Technical
12 Conference.

13 Bidders Technical Conference: The Company held a webinar and technical conference
14 on June 22, 2021. During the webinar and teleconference, the Company discussed the
15 background associated with the Company and the RFPs, the details required with bid
16 submissions, the RFP evaluation process, and the timeline associated with the RFP
17 process. The Company also explained how questions: 1) could be submitted to the
18 Company, and 2) that answers regarding questions would be posted to the Company's
19 RFP website.

² United Professionals Company is the consultant for this MBM RFP Process.

³ www.swepco.com/rfp

V. THE RFP PROCESS

1
2 Q. PLEASE PROVIDE AN OVERVIEW OF THE 2021 SWEPCO RFPs.

3 A. The Company issued three separate competitive RFPs (EXHIBITS AEJ-1 through
4 AEJ-3) on June 28, 2021 with proposals due on August 12, 2021, which resulted in the
5 Selected Facilities and SPP Capacity resources included in this petition. The highlights
6 of each RFP are summarized in Table 2.

7 **Table 2: 2021 SWEPCO Request for Proposal Summary**

RFP (Contract Type)	Size (up to MW)	Expected COD by	RTO (Location)
Solar Energy Resources (PSA)	300 MW	12/15/2024,12/15/2025	SPP (SWEPCO Service Territory)
Wind Energy Resources (PSA)	3,000 MW	12/15/2024, 12/15/2025	SPP (AR, LA, TX, OK, KS, or MO)
SPP Capacity (CPA)	200 MW 200 MW 250 MW 250 MW 250 MW	2023 2024 2025 2026 2027	SPP

8 Q. DID THE COMPANY FOLLOW THE PROCESS ESTABLISHED IN THE RFPs
9 FROM THE TIME THEY WERE ISSUED THROUGH THE IDENTIFICATION OF
10 THE SELECTED FACILITIES?

11 A. Yes.

1 Q. PLEASE DESCRIBE THE GENERAL STEPS IN THE COMPANY’S ISSUANCE
2 OF RFPs.

3 A. In general, the structure of all of the RFPs are similar, as I describe in this section of
4 my testimony. The renewable RFPs included in the Company’s filing followed five
5 general steps:

6 Step 1: Issuance of the RFP

7 Step 2: Receipt and Review of Proposals

8 Step 3: Screening of Eligibility & Threshold Requirements

9 Step 4: Detailed Analysis & Due Diligence

10 Step 5: Final Project Selection, Negotiations, PSA Execution

11 STEP 1: ISSUANCE OF THE RFP

12 Q. PLEASE DESCRIBE THE INITIAL RFP STEPS.

13 A. The AEPSC’s Regulated Infrastructure Development team worked in cooperation with
14 the Company to develop the RFPs. As I described earlier, the Company issued its RFPs
15 by posting each RFP to its website, issuing a news release to various publications, and
16 notifying prospective bidders via email. In addition, as part of the RFP, the Company
17 provided an opportunity for bidders to submit questions to the Company and the
18 Company posted responses to general questions to its website.

19 STEP 2: RECEIPT AND REVIEW OF PROPOSALS

20 Q. WHAT WAS THE FIRST STEP SWEPCO TOOK AFTER PROPOSALS WERE
21 RECEIVED?

22 A. Upon receipt of proposals, the Company reviewed the proposals for completeness and
23 then contacted bidders if there were any deficiencies, giving the opportunity to provide
24 the necessary information for the Company to further evaluate the proposal.

1 Q. PLEASE DESCRIBE THE BIDS RECEIVED IN RESPONSE TO THE 2021
2 SWEPCO RENEWABLE RFPs.

3 A. SWEPCO received proposals from bidders on August 12, 2021. The Company
4 received:

- 5 • sixteen bids representing ten unique wind projects in Texas, Oklahoma, and Kansas
6 totaling over 4,000 MW; and
- 7 • seven bids representing five unique solar projects in Texas, Louisiana, Arkansas,
8 and Oklahoma totaling approximately 750 MW.

9 Additionally, certain bidders submitted multiple bids for the same project (e.g., bid
10 variations with multiple expected commercial operations dates) accounting for a
11 greater number of bids than projects.

12 STEP 3: SCREENING OF ELIGIBILITY & THRESHOLD REQUIREMENTS

13 Q. PLEASE DESCRIBE THE ELIGIBILITY AND THRESHOLD REQUIREMENTS
14 OF THE RFP PROCESS.

15 A. After review of proposals for completeness, each proposal had to meet all of the
16 Eligibility and Threshold Requirements prior to being considered further. The
17 Eligibility and Threshold Requirements included criteria such as meeting the RFP
18 target commercial operation date, minimum project size, location of proposed
19 resources, interconnection status, and minimum design life. The Eligibility and
20 Threshold requirements for each RFP is contained in Section 9 of the associated RFP
21 in EXHIBITS AEJ-1 through AEJ-3.

22 Three of the wind bids and one solar bid did not meet the Eligibility and
23 Threshold requirements. The three wind bids lacked a SPP definitive system impact

1 study (RFP Section 9.1.3), and one solar bid was not located in SWEPCO’s service
2 territory (RFP Section 9.1.4), as required in each applicable RFP.

3 After the Eligibility and Threshold review, thirteen wind bids and six solar bids
4 remained in the RFP process.

5 Q. IN ADDITION TO THE BIDS ELIMINATED IN THE ELIGIBILITY AND
6 THRESHOLD REVIEW, WERE THERE OTHER PROPOSALS NOT
7 CONSIDERED IN THE DETAILED ANALYSIS PHASE OF THE RFP?

8 A. Yes, in addition to the bids eliminated in the Eligibility and Threshold review, the
9 following bids were eliminated from further consideration:

- 10 • Two wind bids were withdrawn from the RFP by the bidders.
- 11 • Three wind bids were proposed with commercial operations dates of December
12 2022 and/or December 2023. Because these bids were from projects that also
13 included bids with a commercial operation date of December 2024, the
14 Company did not to consider the bids with the earlier commercial operations
15 dates (December 2022 and December 2023) due to the timing required for the
16 regulatory approval processes (up to 1 year, ~June 2023), and the subsequent
17 construction and commissioning of the projects that were unlikely to be
18 achieved given the regulatory approval and construction timeline.
- 19 • Two solar bids representing the same solar project were withdrawn by the
20 bidder.

21 After the Eligibility and Threshold review and the removal from consideration
22 of the bids described above, eight wind and four solar bids remained under
23 consideration and subject to the Company’s Detailed Analysis as discussed in the next
24 section.

1 STEP 4: DETAILED ANALYSIS & DUE DILLIGENCE

2 Q. PLEASE DESCRIBE THE DETAILED ANALYSIS PORTION OF THE RFP
3 PROCESS.

4 A. After completion of the Eligibility and Threshold Requirements review, a Detailed
5 Analysis was conducted on each of the proposals as described in Section 9.2 of each
6 RFP. The purpose of the Detailed Analysis was to determine a numerical scoring of
7 both quantitative (“economic”) and qualitative (“non-price”) merits of each bid. The
8 Detailed Analysis was comprised of two parts: (1) the Economic Analysis constituting
9 90 percent of the overall evaluated value of each proposal; and (2) the Non-Price Factor
10 Analysis constituting 10 percent of the overall evaluated value of each proposal. These
11 two scores were then combined to determine an overall score for each bid. The Detailed
12 Analysis process allowed the Company to objectively evaluate and rank each eligible
13 bid, which informed the decision to move forward with further due diligence on the
14 proposals.

15 Q. WHAT WERE THE COMPONENTS OF THE ECONOMIC ANALYSIS?

16 A. As stated in the testimony of Company witness Martin, AEPSC’s Integrated Resource
17 Planning team completed the Economic Analysis for each of the proposals that met the
18 Eligibility and Threshold Requirements described above. The components of the
19 Economic Analysis were received from various AEP teams and included the bid price
20 and expected annual energy (MWh) for each proposal, transmission congestion and
21 line losses, operations and maintenance and ongoing capital costs, and other operating
22 company specific modeling variables such as applicable federal tax credits, and
23 financing assumptions.

1 Q. WHAT TYPES OF FACTORS COMPRISED THE NON-PRICE COMPONENT OF
2 THE DETAILED RFP ANALYSIS?

3 A. The non-price factors detailed in the RFPs included: (1) impact on wildlife, the
4 environment, and identified cultural resources; (2) proximity to tribal or government
5 lands; (3) exceptions to AEP Generation Facility Standards; (4) exceptions to the Form
6 PSA; (5) development status of the project; and (6) credential of the Bidder's
7 independent consultant used to prepare the Resource Analysis/Study for wind
8 proposals.

9 Q. PLEASE DESCRIBE THE RESULTS OF THE COMPANY'S DETAILED
10 ANALYSIS.

11 A. As a result of the analysis, the Company subsequently short-listed the five highest-
12 ranking projects from the Detailed Analysis and moved forward with further due
13 diligence and initiated PSA negotiations with the selected bidders.

14 Q. DID THE COMPANY ELIMINATE ANY BIDS DURING SUBSEQUENT DUE
15 DILIGENCE OR NEGOTIATIONS WITH THE SHORT-LISTED BIDDERS?

16 A. Yes, two of the short-listed wind proposals were eventually removed from
17 consideration. The first bidder paused the due diligence and negotiations pending its
18 management's approval and was unable to demonstrate the ability to complete the
19 process satisfactorily and in an acceptable timeframe. The second bidder was removed
20 from consideration after presenting unresolved material wildlife mitigation cost
21 concerns and material changes to the Company's transaction structure and Form PSA.

1 Q. DID THE COMPANY REPLACE THE TWO ELIMINATED SHORT-LISTED
2 BIDS?

3 A. Ultimately, the Company did not replace the eliminated short-listed bids. However,
4 following the removal of the two wind projects described above, the Company revisited
5 the four remaining proposals that met the Eligibility and Threshold Requirements but
6 did not originally make the short-list, which included two wind and two solar proposals.

7 Wind Proposals Remaining: Due to the timing of events, one wind proposal could not
8 be considered as this proposal was bid into and now under consideration for the
9 Company's affiliate's Public Service Company of Oklahoma RFP, and the other wind
10 proposal did not have the necessary time for due diligence, contract negotiations, and
11 resolution of a required FERC waiver associated with extension of its target in-service
12 date.

13 Solar Proposals Remaining: One of the remaining solar proposals was reconsidered;
14 however, during due diligence it was determined that the project did not have sufficient
15 site or right-of-way control. The remaining solar project was reconsidered as well;
16 however, subsequent to project due diligence and negotiations, the Company decided
17 to pass on this opportunity due to the project's overall value proposition.

18 Q. WERE THERE ANY OTHER CHANGES TO THE SELECTED FACILITIES
19 DURING THE DUE DILIGENCE AND NEGOTIATION PROCESS?

20 A. Yes. During negotiations, the Mooringsport Solar proposal was reduced from 300 MW
21 to 200 MW after the developer switched to an earlier, but smaller, interconnection
22 queue position because of concerns of completing the project with the prior

1 interconnection queue position by the end of 2025, to maintain federal tax credit
2 benefits.

3 Q. DID THE VOLATILITY AND UNCERTAINTY IN THE WIND AND SOLAR
4 EQUIPMENT SUPPLY CHAIN MARKETS AFFECT NEGOTIATIONS OR
5 PRICING?

6 A. Yes. Like much of the economy, including other new sources of generation, the supply
7 chain markets for both wind and solar equipment, materials and logistics, and labor
8 markets, were volatile in 2021 and have remained so in 2022. After the receipt of
9 proposals from the RFPs in August 2021, and the selection of proposals in November
10 2021, bidders were concerned with the changing supply markets for equipment and
11 materials and the impact on pricing and availability. Consequently, the selected bidders
12 expressed concerns that their original bid pricing (August 2021) would no longer “hold”
13 for their projects, which ultimately will be placed into service, several years later, in
14 2024 or 2025. These concerns delayed contract negotiations as the short-listed bidders
15 reassessed their bid pricing and proposed structure changes to the terms and conditions
16 of the PSA.

17 Q. WHAT WERE THE DRIVING MARKET PRESSURES THAT FORCED BIDDERS
18 TO UPDATE THEIR BID PRICING?

19 A. The upward driving market pressures that affected the pricing of wind turbines, solar
20 modules, inverters, and balance of plant include: 1) a significant increase in all
21 commodities, including pricing for steel and polysilicon; 2) increased fuel and
22 transportation costs, 3) COVID-19 impacts to the supply chain; and 4) overall inflation,
23 including labor costs.

1 In addition, concerns over solar module tariffs and the recent announcement of
2 the anti-circumvention investigation by the U.S. Department of Commerce has injected
3 uncertainty and put additional pressures on solar module pricing and availability.

4 STEP 5: FINAL PROJECT SELECTION, NEGOTIATIONS, PSA EXECUTION

5 Q. WHAT WAS THE FINAL PROJECT SELECTION?

6 A. The Company selected the lowest reasonable cost facilities that were available from
7 the competitive RFP process. The Company commenced discussions with Invenergy,
8 for two of the wind projects (Wagon Wheel, Diversion) and one solar project
9 (Mooringsport). These three projects were included in the Final Project Selection
10 which became the Selected Facilities. Invenergy was engaged in detailed due diligence
11 and negotiations as the Company worked towards final executable contracts for each
12 project. I discuss the executed contracts for the Selected Facilities later in my
13 testimony.

14 Q. WHAT DUE DILIGENCE DID THE COMPANY UNDERTAKE WITH REGARD
15 TO THE SELECTED FACILITIES?

16 A. The Company engaged third-party consultants to independently study energy resource
17 assessments (expected annual energy). In addition, the Company performed detailed
18 due diligence on technology, overall project design, site control, transmission and
19 interconnection, steps taken to qualify for federal tax credits, environmental and
20 wildlife impact assessments, and local community impacts.

1 Q. DESCRIBE THE CONTRACT NEGOTIATION ACTIVITIES WITH THE
2 DEVELOPER OF THE SELECTED FACILITIES.

3 A. Once the Selected Facilities were identified, the Company continued with due diligence
4 activities as described above and initiated formal contract negotiations with the
5 developer. The Company then went through an iterative process of contract
6 negotiations during the uncertain market environment, as noted earlier in my testimony,
7 which impacted both pricing and schedule. Then after further due diligence with the
8 developer the Company was successful in executing PSAs for Diversion, Wagon
9 Wheel, and Mooringsport which are included in HIGHLY SENSITIVE PROTECTED
10 MATERIAL (HSPM) EXHIBITS AEJ-4 through AEJ-6.

11

12 VI. SELECTED FACILITIES PSAs

13 Q. PLEASE PROVIDE AN OVERVIEW OF THE PSAs FOR THE SELECTED
14 FACILITIES.

15 A. The Company entered into three PSAs with affiliates of Invenergy for the Selected
16 Facilities. The PSAs govern the construction of the Selected Facilities by the Sellers
17 and the Company's purchase of 100% of the equity interests of each of the project
18 holding companies that own the rights and assets associated with each of the Selected
19 Facilities. The PSAs are presented in HSPM EXHIBITS AEJ-4 through AEJ-6.

20 Q. PLEASE DESCRIBE THE GENERAL TERMS OF THE PSAs.

21 A. The PSAs include the covenants (e.g., development, construction timing, and pre-
22 closing activities), representations and warranties, indemnifications, termination rights
23 and conditions precedent to proceeding (including regulatory approvals) that are typical

1 in such transactions. The PSAs also include details regarding the purchase of the equity
2 interests, pricing, timing of payment by the Company and the associated conditions
3 precedent for such payment. Finally, the PSAs contain requirements for the provision
4 of project supplier warranties and Seller representations, warranties, indemnifications
5 and credit support for same.

6 Q. WHAT IS THE TOTAL PURCHASE PRICE OF THE SELECTED FACILITIES?

7 A. The total purchase price for the Selected Facilities is approximately [REDACTED]
8 [REDACTED] The purchase price of each facility is included in the PSAs
9 as HSPM EXHIBITS AEJ-4 through AEJ-6.

10 Q. IS THE PURCHASE PRICE THE TOTAL COST FOR THE FACILITIES?

11 A. No. This total purchase price does not include associated owner's costs, allowance for
12 funds used during construction, or any contingencies for risk mitigation related to each
13 individual project, as further described by Company witness Joseph G. DeRuntz.

14 Q. HOW DID THE COMPANY ADDRESS RISK MITIGATION FOR THE PROJECTS
15 IN THE PSAs?

16 A. The company consciously negotiated to place risk on the most appropriate party to
17 manage, mitigate and economically clear the identified risks. [REDACTED]

18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]

1

2

3 Q. WHEN WILL THE COMPANY PURCHASE THE SELECTED FACILITIES?

4 A. The Company will be purchasing the project companies holding the wind facilities and
5 the solar facilities upon their commercial operation dates and mechanical completion
6 dates, respectively.

7 Q. PLEASE EXPLAIN THE EXPERIENCE AND VALUE THE SELLER HAS AS A
8 RENEWABLE ENERGY DEVELOPER.

9 A. Invenergy LLC affiliates, which own Wagon Wheel, Diversion, and Mooringsport is
10 the developer and Seller of the three Selected Facilities. Invenergy is North America's
11 largest independent, privately held renewable energy provider and develops, owns, and
12 operates renewable energy facilities worldwide. Invenergy has successfully developed
13 191 wind, solar, natural gas, and storage projects totaling more than 30,000 MW.

14 SWEPCO has successfully collaborated with Invenergy on the 1,484 MW
15 North Central Energy Facilities as described earlier in my testimony. In addition, AEP,
16 through its regulated affiliate APCo, has also entered into four transactions with
17 Invenergy.

18 Q. ARE THERE STATE COMMISSION REGULATORY APPROVAL
19 REQUIREMENTS IN THE PSAs FOR THE SELECTED FACILITIES?

20 A. Yes. The Company's purchase obligations are conditioned on regulatory approval by
21 the Commissions in Texas, Arkansas, and Louisiana, although it is possible that some
22 or all of the transactions may proceed even if not all regulatory approvals are received,
23 as discussed by Company witness Brice.

1 Q. WHAT IS THE NOTICE TO PROCEED PROVISION OF THE PSAs?

2 A. A Notice to Proceed (NTP) is issued to the Seller after the above regulatory approvals
3 have been received and certain Buyer (Company) conditions precedent or requirements
4 have been satisfied by Seller. The NTP gives each of the PSA counterparties
5 authorization under the PSA to advance construction activities into the major
6 construction phase of the facility and commits the Company to future payment and
7 receipt of the projects once each of the projects are completed. The NTP Outside Date
8 for all three projects is July 31, 2023, which if not achieved, gives the Seller and the
9 Company termination rights in the PSA.

10 Q. WHAT ARE THE CONDITIONS PRECEDENT FOR THE NTP?

11 A. The conditions precedent required prior to the NTP issuance consist of a variety of
12 obligations for the Company and the Seller. The major requirements include the
13 following:

- 14 • the issuance of state regulatory approvals acceptable to SWEPCO;
- 15 • all major project contracts shall have been executed and in full force and
16 in effect;
- 17 • the Company received an updated resource analysis;
- 18 • timely completion by the Seller of the Key Milestones for construction
19 defined in the PSAs;
- 20 • Seller shall have delivered required credit support as set forth in the
21 PSA;
- 22 • Seller shall have secured its construction loan, as applicable; and,
- 23 • acceptable Property Agreement Amendments have been obtained, as
24 required.

25 Q. [REDACTED]

26 [REDACTED]

1 A. [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]

6 Q. BASED ON YOUR EXPERIENCE AND EXPERTISE WITH RECENT
7 RENEWABLE PURCHASE EVALUATIONS, ARE THE PSAS FOR THE
8 PURCHASE OF THE SELECTED FACILITIES REASONABLE AND
9 CONSISTENT WITH INDUSTRY PRACTICE?

10 A. Yes.

11

12 VII. SPP CAPACITY RFP

13 Q. PLEASE PROVIDE AN OVERVIEW AND RESULTS OF THE 2021
14 ACCREDITED DELIVERABLE CAPACITY RFP.

15 A. SWEPCO issued the competitive SPP Capacity RFP simultaneously with the 2021
16 Solar and Wind Energy Resource RFPs as I described earlier. The SPP Capacity RFP
17 was for the purchase of Qualified Deliverable Capacity from generating resources
18 within SPP to allow the Company to satisfy its load and planning reserve obligation.
19 The SPP Capacity RFP employed similar RFP processes as utilized in the Solar and
20 Wind Energy Resource RFPs. As outlined in Table 2, the Company sought up to 200
21 MW in SPP planning years⁴ 2023 and 2024; and up to 250 MW in planning years 2025,

⁴ The SPP planning year is from June 1 to May 31 of the following year. For Planning year 2023, the period includes June 1, 2023 through May 31, 2024.

1 2026, and 2027. After the issuance of the RFP, the Company reevaluated its need for
2 capacity and secured the following volumes as shown in Table 3 with Oneta and J
3 Power. The CPAs are presented in HSPM EXHIBITS AEJ-7 through 9.

4 **Table 3: Capacity RFP Selection**

Planning Year	Seller	Project	Volume (MW)	Resource Type
2023	Oneta	Oneta	250	Natural Gas Combined Cycle
2024	Oneta	Oneta	170	
2024	J Power	Green Country	180	
2025	J Power	Green Country	350	
2026	J Power	Green Country	200	

5 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

6 A. Yes, it does.

American Electric Power Service Corporation
as agent for
Southwestern Electric Power Company

Request for Proposals for up to 300 MW
of Solar Energy Resources

The Solar Resources requested via this RFP will be acquired via Purchase and Sale Agreements (“PSA”) for purchase of 100% of the equity interest of the Project’s limited liability company at Mechanical Completion.

RFP Issue Date: June 28, 2021

RFP Proposals Due: August 12, 2021

RFP Web Address: www.swepco.com/rfp

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1. Background

Southwestern Electric Power Company (“SWEPCO” or the “Company”) is pursuing additional generation resources via three Request for Proposals (“RFPs”) to support the terms of the Joint Settlement (LPSC Docket U-35324) associated with an RFP for Solar generation resources located within the SWEPCO service territory.

This **Solar PSA RFP** seeks up to 300 MW of Solar Resources via multiple purchase and sale agreements (“PSA”) for purchase of 100% equity interest in the project companies selected.

The Wind PSA RFP and SPP Capacity RFP may be found at www.swepco.com/rfp.

The Company will evaluate each of the RFPs, individually and collectively, to determine the portfolio of projects that it elects to move forward with.

RFP SUMMARY

Resource	Solar	Wind	Short-Term Capacity
Volume	up to 300 MW	up to 3,000 MW	- up to 200 MW in 2023/2024 - up to 250 MW in 2025/2026/2027
Size (minimum)	50 MW	100 MW	50 MW Blocks
Battery Storage Option	Yes	N/A	N/A
Contract Type	Purchase & Sale Agreement	Purchase & Sale Agreement	Power Purchase Agreement
RTO / Location	Must interconnect to SWEPCO’s transmission system within SPP and be located in the SWEPCO Service Territory	Must interconnect to SPP and be located in AR, LA, TX, OK, KS, or MO	SPP
In-Service Date	by 12/15/2024 or 12/15/2025	by 12/15/2024 or 12/15/2025	N/A (Existing Resources)

2. Introduction

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

AEPSC is administering this RFP on behalf of SWEPCO who is seeking competitively priced solar energy resources (each a “Project” and collectively the “Projects”) solely on a turnkey basis through its acquisition of the ownership interests in one or more projects.

Affiliates of the Company will not participate as Bidders in this RFP.

AEP is one of the largest electric utilities in the United States, delivering electricity and custom energy solutions to nearly 5.4 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 224,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 26,000 megawatts of generating capacity in the U.S. AEP also supplies approximately 4,300 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 east Texas). AEP's headquarters is in Columbus, Ohio. More information about AEP can be accessed by visiting www.aep.com.

SWEPCO serves 543,000 customers in northwestern and central Louisiana, western Arkansas, East Texas and the panhandle of North Texas. SWEPCO's headquarters are in Shreveport, Louisiana.

SWEPCO has 5,349 MW of generating capacity, including the Sundance Wind Facility, and has executed long-term renewable energy purchase agreements (“REPA”) with wind generation resources totaling 469 MW. In addition, SWEPCO has over 4,000 miles of transmission and 25,000 miles of distribution lines. Additional information regarding SWEPCo can be accessed by visiting www.SWEPCO.com.

3. RFP Overview

3.1. **Background:** SWEPCO is pursuing up to 300 MW of additional solar resources as required by the terms of the Joint Settlement (LPSC Docket U-35324) associated with the request for proposals for up to 200 MW of solar generation resources located within the SWEPCO service territory. SWEPCO is also seeking to satisfy the need for additional generation resources as a result of recent announced retirements by the Company. This need will be reflected in the Company's draft Integrated Resource Plan (“IRP”) to be shared with stakeholders in upcoming IRP stakeholder processes.

3.2. **PSA Proposals.** SWEPCO is only seeking Projects on a turnkey basis in which it will acquire all of the equity interests in the project company whose assets are comprised solely of the Project. Proposals that do not meet these criteria, including proposals for renewable energy power purchase agreements, will not be considered by the Company.

- 3.3. Base Proposal. A Proposal for a solar energy resource (Base Proposal) is required by Bidders to participate in this RFP. Bidders may include an alternate Proposal for a solar energy resource with a battery energy storage system (BESS Option). Standalone BESS proposals will not be accepted in this RFP.
- 3.4. ITC Value. SWEPCO is seeking Solar Projects that will qualify for the Federal Investment Tax Credit (ITC). While qualifying for these Federal Tax credits is not an Eligibility and Threshold Requirement (§9.1) for participating in the RFP, the value brought to the Proposals in buying down the cost of energy by utilization of these tax credits is significant, and is included in the Company's Economic Analysis (§9.2.1) and ranking of each of the respective Proposals.
- 3.5. Timing. The 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 anticipated to be seven months (see Section 6.1). The Company anticipates filing for regulatory approval in each of its operating jurisdictions (Louisiana, Arkansas and Texas) in Q1-2022 and receiving regulatory approvals by the end of Q1-2023.
- 3.6. Regulatory Approvals. The Company's decisions regarding the results of this RFP will be subject to its receipt of regulatory approvals from the Arkansas Public Service Commission, the Louisiana Public Service Commission, the Public Utility Commission of Texas, and the Federal Energy Regulatory Commission. Definitive agreements between the Company and Bidders for selected Projects will be conditioned upon (a) 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. The Company plans to submit a portfolio of Projects to the regulatory commissions described above for approval. In the event the entire portfolio is not approved, the Company may reduce the size of the portfolio accordingly by eliminating Project(s) from the portfolio.
- 3.7. Notice to Proceed. Upon obtaining regulatory approvals for the Projects selected by the Company as described in Section 3.6, the Company would issue a Notice To Proceed ("NTP") for the Bidders to proceed with the construction of selected Projects that are not already in commercial operation. The Form Purchase Sale Agreement (PSA) (Appendix D) contains additional information regarding the conditions and timing for NTP issuance. The Company may issue NTP for selected Projects that it prefers over other selected Projects if some, but not all, approvals are received.
- 3.8. Reservation of Rights. The Company reserves the right, without qualification, to select or reject any or all Proposals and to waive any formality, technicality, requirement, or irregularity in the Proposals. In addition, the Company reserves the right to utilize a Bidder's completed Appendices and any supplemental information submitted by the Bidder in any of its regulatory filings.

3.9. Non-Binding. This RFP is not a commitment by the Company to acquire any Project and it does not bind the Company or its affiliates in any manner. The Company in its sole discretion will determine which Bidders, if any, it wishes to engage in negotiations with that may lead to definitive agreements for the acquisition of a selected Project.

3.10. RFP Questions. All questions regarding this RFP should be submitted by email to:

SWEPCO2021RFP@aep.com

Questions and answers that are determined to be pertinent to Bidders will be posted to the RFP webpage. All questions must be submitted by August 6, 2021.

4. Product Description and Requirements

4.1. Completed Project. Each Project must be a complete, commercially operable, integrated solar-powered electric generating plant, including all facilities that are necessary to generate and deliver energy into SPP.

4.2. Commercial Operation Deadline. The Company is pursuing Projects that can achieve the Commercial Operation Deadline of December 15, 2024, or alternatively, December 15, 2025.

4.3. Size. This RFP is seeking a total of up to 300 MW nameplate rated Solar Generation Resources. The minimum acceptable Project size is 50 MW.

4.4. Interconnection. Each Project must be interconnected to SWEPCO's transmission system within SPP.

4.5. Solar Project Location. Solar Projects must be located in the SWEPCO service territory.

4.6. Project Development.

4.6.1. Site Control. Bidder must have established site control of the proposed Project. Site control must be in the form of direct ownership, land lease, land lease option or easement for at least 35 years. A letter of intent will not be an acceptable form of demonstrated site control.

4.6.2. AEP Solar Generation Facility Standards. Each Project must satisfy the requirements of the AEP Solar Generation Facility Standard (see Appendix E). The AEP Solar Generation Facility Standard requires a minimum facility design life of 30 years and includes listings of approved module and inverter manufacturers. Proposals with non-approved solar panels and/or inverters will not meet the Eligibility and Threshold Requirements set forth in this RFP.

4.6.3. Solar Resource Analysis/Study. Bidders are required to submit all required Solar Resource Information (Appendix G).

4.6.4. BESS Option. Bidders may include in their proposals, as an option, a Bid Price for a solar energy resource with a battery energy storage system (BESS). The optional BESS must be 1) no larger (MW) than 40% of the nameplate rating (MWac) of the solar energy resource and, 2) for 4 and/or 8 hours of capacity. Battery Energy Storage systems must satisfy the AEP Battery Energy Storage System Technical Specification and Design Criteria (Specification Number GEN-4570) and AEP Design Criteria for Battery Energy Storage Systems Fire Safety (Document Number: DC-FP-BATT) (See Section 6.4 for instructions to obtain these documents).

4.6.5. AEP Requirements for Connection of Facilities. Project substation and interconnection facilities must conform to the AEP Requirements for Connection of Facilities (Appendix F).

4.6.6. Small and Diverse Suppliers. Bidder and/or its EPC-BOP contractor shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

4.7. Interconnection / Delivery Point

4.7.1. The Proposal must identify the Project's proposed transmission interconnection point(s) within SPP, including any studies, applications, line extensions and system upgrades identified as part of the interconnection approval process.

4.7.2. The Bidder is responsible during the Project start-up period for following the established SPP, NERC, and transmission operator policies and procedures that are in effect regarding facility interconnection and operation associated with a utility's transmission system.

4.7.3. Each Project must be active in SPP Queue 2018-002 or earlier. Projects in later queues will not be able to participate in this RFP. An electronic copy of SPP applications confirming the Project's queue status and any completed SPP studies must be included with Bidder's Proposal.

4.8. Congestion / Deliverability: The Company is seeking Projects in locations that are not currently experiencing, or anticipated by the Company to experience, significant congestion or deliverability constraints which are likely to result in adverse Project economics.

5. Bid Price and Structure

- 5.1. Proposal pricing must be for the Company’s acquisition of a turnkey Project that is a complete and commercially operable integrated solar-powered electric generating plant designed for a minimum of a 30-year life. The Project shall include, but is not limited to, solar modules, tracking system, balance of plant equipment, operations and maintenance facilities (if applicable¹), SCADA and all facilities required to deliver energy into SPP. In addition, pricing must include costs associated with ALTA/title insurance and construction financing.
- 5.2. In addition to Section 5.1, Proposal pricing must include the costs associated with the following:
- a minimum of two-year comprehensive warranty from a creditworthy entity for all equipment including design, labor and materials, and fitness for purpose;
 - post-commercial operation testing activities and associated costs; and
 - transmission and interconnection facilities required for the Project, including system or network upgrades, as required by SPP for the Project to interconnect to SPP.

6. RFP Schedule and Proposal Submission

- 6.1. The following schedule and deadlines apply to this RFP. The Company reserves the right to revise this schedule at any time in its sole discretion.

RFP Timeline	
Draft RFP Posted Online	April 28, 2021
Bidders Technical Conference	May 26, 2021
RFP Issued	June 28, 2021
Notice of Intent	July 16, 2021
Q&A Deadline	August 6, 2021
Proposal Due Date	August 12, 2021
Final Project Selection and Negotiation	October 15, 2021
Execute Definitive Agreements	March 11, 2022
File for Regulatory Approvals	March 26, 2022
Required Regulatory Approvals	No later than March 27, 2023
Notice to Proceed	No later than April 28, 2023
Commercial Operation Date	No later than December 15, 2024
Alternative Commercial Operation Date	No later than December 15, 2025

¹ The AEP Solar Generation Facility Standards (Appendix E) provides details regarding operations and maintenance facilities’ requirements.

- 6.2. **Bidder Technical Conference:** A Bidder Technical Conference (teleconference) will be held on May 26, 2021 at 2:00 p.m. EST (1:00 p.m. CST). Prospective Bidders may request details and sign up for the pre-bid conference by sending an email request to:

SWEPCO2021RFP@aep.com

Include the name of your company, email address, company representative name(s), and the following in the subject line of your email: **SWEPCO BIDDER TECHNICAL CONFERENCE**. AEPSC will use this information to communicate any updates regarding this RFP to potential Bidders. In addition, any updates regarding the RFP will be posted at the RFP website.

- 6.3. Proposals must be complete in all material respects and be received no later than 4:00 p.m. EST (3:00 p.m. CST) on the Proposal Due Date at AEPSC's Columbus, Ohio location as defined in Section 7 of this RFP.
- 6.4. Bidders will be required to sign a Confidentiality Agreement ("CA") prior to receiving the following documents:
- Form PSA (Appendix D)
 - AEP Solar Generation Facility Standard (Appendix E)
 - SolarEnergyInputSheet_2021.xls (Appendix G)
 - Project Land Lease & Decommissioning Cost spreadsheet (Appendix H)
 - AEP Battery Energy Storage System Technical Specification and Design Criteria (Specification Number GEN-4570) (Section 4.6.4)
 - AEP Design Criteria for Battery Energy Storage Systems Fire Safety (Document Number: DC-FP-BATT) (Section 4.6.4)
- 6.5. Bidders should request SWEPCO's Form Confidentiality Agreement by emailing (SWEPCO2021RFP@aep.com) and including the following documentation:
- Supporting documentation of Bidder's experience in developing, engineering, procuring equipment, constructing and commissioning solar powered electric generation facilities (> Project bid size) in the United States or any portion of Canada and/or otherwise have demonstrated appropriate experience, and
 - Documentation that the Project is active in SPP Queue 2018-002 or earlier.
- 6.6. 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.
- 6.7. Proposals and Bid Pricing must be valid for at least 180 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 Final Project Selection.

- 6.8. A Proposal 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.

7. Proposal Submittal

One hard copy of Bidder's Executive Summary and Appendix A and two electronic thumb drive copies of the Bidder's complete Proposal shall be submitted by the Proposal Due Date to:

American Electric Power Service Corporation
Attn: SWEPCO Solar Energy 2021 RFP Manager
1 Riverside Plaza (25th Floor)
Columbus, OH 43215

8. Proposal Content

Bidders must submit the following information for Proposals for new Projects or expansion of existing projects. All electronic versions of the Appendices shall be individual files.

- 8.1. A completed Appendix J (Proposal Content Check Sheet).
- 8.2. An executive summary of the Project's characteristics and timeline, including any unique aspects and benefits.
- 8.3. Summary documentation demonstrating how the Project will qualify for the ITC for Solar Projects under Section 48 of the Internal Revenue Code of 1986, as amended. Bidder shall provide a detailed plan regarding the steps taken to date and future actions required to satisfy IRS start of construction requirements.
- 8.4. A completed Appendix A (Solar Project Summary).
- 8.5. Detailed information regarding equipment (e.g. solar module, inverter, and BESS (if applicable)) warranty offerings including parts and labor coverage.
- 8.6. The identity of all persons and entities that have a direct or indirect ownership interest in the Project.
- 8.7. A completed Appendix B (Bidder's Credit-Related Information).
- 8.8. A completed Appendix C (Bidder Profile). Bidders must provide a general description of its (including its affiliates) background and experience in the development and construction of at least three large-scale solar projects similar to the Projects sought by the Company in this RFP. In addition, Bidders should provide at least three third-party references for such projects.

- 8.9. Any exceptions to the terms and conditions contained in the Form PSA (Appendix D).
- 8.10. Any exceptions to the AEP Solar Generation Facility Standards (Appendix E).
- 8.11. All required Solar Resource Analysis / Study information (Appendix G).
- 8.12. Bidder's Proposal shall include expected Land Lease Costs by year for at least a 35-year operating period (See Appendix H). The Land Lease costs will be used in the Economic Analysis (Section 9.2.1).
- 8.13. Bidder shall provide estimated decommissioning costs (including salvage value) and any associated studies as available (See Appendix H)
- 8.14. Bidder and/or its EPC-BOP contractor shall provide its plan to use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (Section 4.6.6).
- 8.15. OPTIONAL: Bidders may provide a separate O&M services proposal (Appendix I).
- 8.16. Battery Energy Storage System (BESS) Option: Bidder's providing an alternate Proposal for a solar energy resource with a BESS shall provide this option separate from the base solar energy resource only Proposal. This optional Proposal shall include all applicable information from this Section 8 in addition to technical, operating, performance, and warranty details associated with the BESS.

9. Proposal Evaluation & Selection

The evaluation process will be conducted in three phases:

- Section 9.1 Eligibility and Threshold Requirements
- Section 9.2 Detailed Analysis
- Section 9.3 Final Project Selection

- 9.1. Eligibility and Threshold Requirements. A preliminary screening of each Proposal will be undertaken by the Company to determine if the Proposal is eligible to proceed to the Detailed Analysis phase. Bidders and their associated Proposals Projects must satisfy the following Eligibility and Threshold Requirements:
 - 9.1.1. Project must have demonstrated a clear path toward constructability (land rights, permits, etc.) and be capable of achieving commercial operation by the Commercial Operation Deadline (December 15, 2024 or alternatively December 15, 2025) (§4.2);
 - 9.1.2. Project's minimum name-plate rating is 50 MW (§4.3);

- 9.1.3. Project must be interconnected to SWEPCO's transmission system within SPP (§4.4), be active in SPP Queue 2018-002 or earlier (§4.7.3), and remain active in the queue process with the demonstrated ability to achieve commercial operation of any interconnection for the full output of the Project by the Commercial Operation Deadline;
- 9.1.4. Project must be physically located in SWEPCO's service territory (§4.5);
- 9.1.5. Bidder has substantial Project site control (§4.6.1);
- 9.1.6. Project must have a minimum design life of at least 30 years (§4.6.2);
- 9.1.7. Project's module and inverter manufacturers must be included in the AEP Solar Generation Facility Standard (§4.6.2);
- 9.1.8. Bidder must have completed the development, construction, financing, and commissioning of a similar-sized solar project in the United States or Canada and/or otherwise have demonstrated appropriate experience;
- 9.1.9. Bidder's exceptions to the Form PSA, considered individually or in the aggregate, are minimally acceptable to the Company as a basis for further discussions.

The Company reserves the right to reject any Proposal which proceeded to the Detailed Analysis phase but which is subsequently determined by the Company not to satisfy the Eligibility and Threshold Requirements.

- 9.2. Detailed Analysis. Proposals meeting the Eligibility and Threshold Requirements in Section 9.1 will move to the Detailed Analysis phase which is comprised of the Economic Analysis and the Non-Price Factor Analysis set forth below. The Economic Analysis will constitute 90% and the Non-Price Factor Analysis 10% of the overall evaluated value of each Proposal.

The Company's evaluation and Final Project Selection (§9.3) will be based on the Solar Base Proposals without the BESS option.

- 9.2.1. Economic Analysis. The Economic Analysis will result in a Levelized Net Revenue Requirement, which will constitute 90% of the overall evaluated value of the Proposal in its Final Project Selection. The Levelized Net Revenue Requirement will be calculated as follows:
 - 9.2.1.1. The Company will first determine a Levelized Adjusted Cost of Energy ("LACOE") by adding together (a) the Levelized Cost of Energy ("LCOE") associated with each Proposal as calculated by

the Company and (b) the value of Transmission Congestion as determined by the Company's Transmission Congestion Screening Analysis. The Transmission Congestion Screening Analysis will evaluate (i) cost of transmission congestion and losses to the AEP West load zone and/or (ii) cost of deliverability / curtailment risk mitigation that the Company calculates to ensure that the resources can be designated as firm resources to meet Company's Capacity requirements.

9.2.1.2. The Company will then calculate the Levelized Net Revenue Requirement by taking the difference between (a) the levelized expected SPP revenues for the Proposal's energy in the SPP market and (b) the LACOE for each Proposal.

9.2.2. Non-Price Factor Analysis. The Non-Price Factor Analysis, which will constitute 10% of the overall evaluated value of the Proposal will be comprised of the following factors:

9.2.2.1. Project's (including associated transmission and interconnection facilities) impact on wildlife, the environment and identified cultural resources;

9.2.2.2. Project's (including associated transmission and interconnection facilities) location on or proximity to tribal or government lands;

9.2.2.3. Bidder's exceptions to the AEP Solar Generation Facility Standards (Appendix E);

9.2.2.4. Bidder's exceptions to the Form PSA (Appendix D);

9.2.2.5. Development status of the Project including, but not limited to, permitting, transmission and interconnection facilities and constructability;

9.3. Final Project Selection. Based upon the results of the Economic Analysis and the Non-Price Factor Analysis described above, the Company will determine which Projects will be included in the final selection. The Company will notify Bidders whether or not their Proposal has been selected and negotiation of definitive agreements will commence with Bidders whose Proposals have been selected.

10. Confidentiality

The Company will take reasonable precautions and use reasonable efforts to maintain the confidentiality of the Proposals. Bidders should clearly identify each page of information considered to be confidential or proprietary. The Company reserves the right to release

any Proposals to agents or consultants for purposes of Proposal evaluation. The Company's disclosure policies and standards will be binding upon its agents and consultants. Regardless of such confidentiality, all such information may be subject to review by the appropriate state authority or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. Under such circumstances, the Company will make all reasonable efforts to protect Bidder's confidential information.

11. Bidder's Responsibilities

- 11.1. It is the Bidder's responsibility to comply with the deadlines specified in this RFP.
- 11.2. Bidders are responsible for the timely completion of the Project by the Commercial Operation Deadline and are required to submit proof of their financial and technical wherewithal to ensure the successful completion of the Project.
- 11.3. Bidders are responsible for costs incurred by them in the preparation of their Proposal.

12. 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 acquisition of the Project. 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; and (j) execute one or more definitive agreements with any Bidder.

13. Contacts

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

SWEPCO2021RFP@aep.com

Appendix A

Solar Project Summary

Company Information

Bidder (Company):		
Contact Name:		
Contact Title:		
Address:		
City:	State:	Zip Code:
Work Phone:	Cell Phone:	
Email Address:		
<p>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 entities or persons comprising same.</p>		

General Project Information

Project Name:	
Project site located (County, State):	
Percentage of Federal Investment Tax Credit that the Project will qualify for:	
SPP Queue #:	
Expected Commercial Operation Date:	
Module Manufacturer / Model:	Annual Degradation (%):
Configuration (Fixed Tilt / Single Axis):	Design Life (years):
Inverter Manufacturer / Model:	
Solar Project Nameplate (MWac): Solar Project Nameplate (MWdc): Battery Energy Storage System (MWac) (optional):	Expected Annual Availability (%):
<p><i>Bidder must identify its <u>choice</u> in Approved Module Manufacturer and Approved Inverter Manufacturer associated with the bid and provide the applicable production data (Expected Annual Energy, Capacity Factor). Bidder shall attach module and inverter warranty information with its proposal.</i></p> <p><i>If Bidder has not finalized Module Manufacturer, they must identify the module (& inverter) options and provide the applicable design information including layout, production data (Expected Annual Energy, Capacity Factor) for each module / inverter mfg. Bidder shall attach module warranty information with its proposal.</i></p>	

Proposal Bid Pricing (Base Proposal)

Expected COD by	Module Mfg.	Expected Annual Energy	Capacity Factor	Bid Price, \$M
12/15/24				
12/15/25				
Does Bid Price take into consideration the AEP Requirements for Connection of Facilities (Appendix F)				(Y/N):

Proposal Bid Pricing (Base Proposal with BESS Option)

Expected COD by	Module Mfg.	Expected Annual Energy	Capacity Factor	Bid Price, \$M
12/15/24				
12/15/25				

Interconnection (SPP)

SPP Queue #:	Substation Name / Voltage:
System Impact Study Complete (Y/N):	System Impact Study Report Date:
Point of Interconnection with :	
SPP Interconnection Status (describe):	
<i>Please attach a copy of all interconnection studies and/or the expected completion date(s).</i>	

BESS (If applicable)

Use Case:	Integrator:
Battery Manufacturer:	Type of Battery:
Battery Model Number:	Cycles per Day:
Nameplate (MWac):	Ramp Rate:
Nameplate (MWdc):	Charge Time:
Duration (hours):	Maximum Charge Rate:
Energy (MWh):	Round Trip Efficiency:
Aux Load:	Aux Power Source:
Overbuild (MW):	Overbuild Years:
PCS Unit Power (kW):	PCS Minimum Voltage:
Qty PCS:	PCS Maximum Voltage:
Inverter Manufacturer / Model:	
Fire Suppression System (wet / pre-action):	
EMS Manufacturer / Model:	

Site Information

Site Legal Description:		
Address:		
City:	State:	Zip Code:
County	Longitude:	Latitude:
Site Control (lease, own, site purchase pending, etc.):		
Site Acres:		
Is there potential for expansion (Y / N):	If Yes; acres available:	

Permits

<p>Have you contacted all required permitting agencies regarding this project and identified all necessary permits? City (Y / N): County (Y / N): State (Y / N): Federal (Y / N): USF&W (Y / N): Other (Y / N)</p> <p>On an additional sheet, list and describe all city, county, state and federal permits required for this project. Include: status, duration, planned steps, critical milestones and timeline.</p>
--

Preliminary Site Questions¹ (Y/N)

Has the site been assessed for any environmental contamination? Describe any known environmental issues. If necessary, please describe on a separate attachments	
Are there any Tribal Lands or Tribal mineral ownership rights within Project boundary or vicinity?	
Are there any Federally or State owned or controlled lands within Project boundary or vicinity?	
Is the site adjacent or near an Environmental Justice or Fenceline community?	
Has TNC or any other non-governmental organizations been engaged?	
Are there CRP, WRP or other conservation easements within the Project boundary or vicinity?	

Attachments Required

- **Site Layout:** Attach a diagram identifying anticipated placement of major equipment and other project facilities, including transmission layouts and Point of Delivery.
- **Leases:** Attach (electronic version only) a copy of all leases, easements or other ownership documentation.
- **Permit Matrix:** Attach a comprehensive permit matrix and status of all required permits, including, but not limited to Federal (USFWS, FAA), State, County, City, etc.
- **Environmental Report Summary:** The initial Proposals shall include a summary of all environmental and other reports associated with the site. (See Note 1 for reports to summarize)

Note 1: As applicable, the following reports will be requested: Tier I / II Site Characterization Report, Environmental Work / Survey Plan, Bat Acoustic Survey Report, Avian Use Survey Report, Raptor Nest Survey Report, Prey-base Survey Report, Wetland, Waters and Playa Survey / Assessment Report, Whooping Crane Habitat Assessment Report, Lesser Prairie Chicken Survey / Assessment Report, Phase I Environmental Site Assessment Report, Historical and Cultural Resource Survey / Assessment Report, All Other Species and Environmental Resource Survey and Study Reports, Record and Notes of all Federal or State Resource Agency Correspondence and Meetings, Turbine and Environmental Resource Shapefiles (.kmz format), and Bird and Bat Conservation Strategy and Eagle Conservation Plan (if available).

Solar Projects Completed

Provide a summary of all solar projects (≥ 20 MWac) that Bidder has successfully developed and completed in the United States or Canada. For each project, describe the Bidder's specific role in the project.

Project	Location	MW	Bidder's Role
Total MW =			

Please provide a summary of the operating history of previously built solar projects (≥ 20 MW), if necessary, provide in a separate attachment.

Appendix B

Bidder's Credit-Related Information

Full Legal Name of the Bidder:
Type Bidder Entity (corporation, partnership, etc.):
Bidder's Percentage Ownership in Project:
Full Legal Name(s) of Parent Corporation: 1. 2. 3.
Entity Providing Credit Support on Behalf of Bidder (if applicable): Name: Address: City: Zip Code:
Type of Relationship:
Current Senior Unsecured Debt Rating: 1. S&P: 2. Moodys:
Bank References & Name of Institution:
Bank Contact: Name: Title: Address: City: Zip Code: Phone Number:
Legal Proceedings: As a separate attachment, please list all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been or are engaged that could affect the Bidder's performance of its bid. Identify the parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters.
Financial Statements: Please provide copies of the Annual Reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if available. If available electronically, please provide link:

Appendix C

Bidder Profile

Please list Bidder's affiliate companies:

- 1.
- 2.
- 3.
- 4.

Please attach a summary of Bidder's background and experience in Solar Energy projects.

References

1. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

2. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

3. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

4. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

Appendix D

Form Purchase and Sale Agreement

See Section 6.4 for instructions to obtain the applicable Form Purchase and Sale Agreement.

Appendix E

AEP Solar Generation Facility Standard

See Section 6.4 for instructions to obtain the AEP Solar Generation Facility Standard.

Appendix F

AEP Requirements for Connection of Facilities

Please follow the link below to access the AEP Requirements for Connection of Facilities (“Requirements for Connection of New Facilities or Changes to Existing Facilities Connected to the AEP Transmission System”).

https://www.aep.com/assets/docs/requiredpostings/TransmissionStudies/Requirements/AEP_Interconnection_Requirements_Rev2.pdf

Appendix G

Solar Resource Information

See Section 6.4 for instructions to obtain any of the documents identified below:

1. Proposal must provide the source and basis of the solar irradiance data used in the development of energy projections for the Project. Explain all assumptions used in forecasted generation calculations.
2. Bidder must populate the data required in the Company's "SolarDataReviewForm_IM" spreadsheet.
3. Bidder must attach an 8760 calendar year hourly energy forecast, net of all losses using the Company's form spreadsheet (SolarEnergyInputSheet_2021.xls).
4. Bidder must supply the Project Layout along with the contour and elevation data in CAD format

Appendix H

Projected Land Lease Costs

See Section 6.4 for instructions to obtain the Land Lease Costs spreadsheet.

Appendix I

O&M Services Scope of Work (OPTIONAL)

Bidders may request the O&M Services Scope of Work via email at:

SWEPCO2021RFP@aep.com

Appendix J

Proposal Content Check Sheet

Section	Item	Completed
8.2	Executive Summary	
8.3	Documentation demonstrating Project will qualify for % ITC	
8.4	Appendix A (Solar Project Summary) <ul style="list-style-type: none"> - Company information - General Project Information - Proposal Bid Pricing - Interconnection - BESS Information (if applicable) - Site Information - Permits - Preliminary Site Questions - Solar Projects Completed 	
8.5	Manufacturer's warranty offerings	
8.6	Identity of all person and entities that have a direct or indirect ownership interest in the project.	
8.7	Appendix B (Bidder's Credit-Related Information)	
8.8	Appendix C (Bidder Profile)	
8.9	Appendix D (Form PSA exceptions (if any))	
8.10	Appendix E (exceptions to AEP Solar Generation Facility Std)	
8.11	Appendix G (required Solar Resource Analysis / Study Info)	
8.12	Land Lease cost for 35-year period.	
8.13	Decommissioning cost estimates and studies	
8.14	Bidder's plan to use small and diverse suppliers	
8.15	O&M Services Proposal (optional)	
8.16	BESS Option information	



American Electric Power Service Corporation
as agent for
Southwestern Electric Power Company

**Request for Proposals for up to 3,000 MW
of Wind Energy Resources**

The Wind Resources requested via this RFP will be acquired via Purchase and Sale Agreements (“PSA”) for purchase of 100% of the equity interest of the Project’s limited liability company at final completion.

RFP Issue Date: June 28, 2021

RFP Proposals Due: August 12, 2021

RFP Web Address: www.swepco.com/rfp



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Attachments

Wind Project Summary.....	Appendix A
Bidder’s Credit-Related Information	Appendix B
Bidder Profile	Appendix C
Form Purchase and Sale Agreement	Appendix D
AEP Wind Generation Facility Standards	Appendix E
AEP Requirements for Connection of Facilities.....	Appendix F
Wind Resource Analysis / Study	Appendix G
Project Land Lease / Decommissioning Costs	Appendix H
O&M Services Scope of Work	Appendix I
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1. Background

Southwestern Electric Power Company (“SWEPCO” or the “Company”) is pursuing additional generation resources via three Request for Proposals (“RFPs”) to satisfy the need for additional generation resources as a result of recent announced generation retirements by the Company. This need will be reflected in the Company’s draft Integrated Resource Plan (“IRP”) to be shared with stakeholders in upcoming IRP stakeholder processes.

This **Wind PSA RFP** seeks up to 3,000 MW of Wind Resources via multiple purchase and sale agreements (“PSA”) for purchase of 100% equity interest in the project companies selected.

The Solar PSA RFP and SPP Capacity RFP may be found at www.swepco.com/rfp.

The Company will evaluate each of the RFPs, individually and collectively, to determine the portfolio of projects that it elects to move forward with.

RFP SUMMARY

Resource	Solar	Wind	Short-Term Capacity
Volume	up to 300 MW	up to 3,000 MW	- up to 200 MW in 2023/2024 - up to 250 MW in 2025/2026/2027
Size (minimum)	50 MW	100 MW	50 MW Blocks
Battery Storage Option	Yes	N/A	N/A
Contract Type	Purchase & Sale Agreement	Purchase & Sale Agreement	Power Purchase Agreement
RTO / Location	Must interconnect to SWEPCO’s transmission system within SPP <u>and</u> be located in the SWEPCO Service Territory	Must interconnect to SPP <u>and</u> be located in AR, LA, TX, OK, KS, MO	SPP
In-Service Date	by 12/15/2024 or 12/15/2025	by 12/15/2024 or 12/15/2025	N/A (Existing Resources)

2. Introduction

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



AEPSC is administering this RFP on behalf of SWEPCO who is seeking competitively priced wind energy resources (each a “Project” and collectively the “Projects”) solely on a turnkey basis through its acquisition of the ownership interests in one or more projects.

Affiliates of the Company will not participate as Bidders in this RFP.

AEP is one of the largest electric utilities in the United States, delivering electricity and custom energy solutions to nearly 5.4 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 224,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 26,000 megawatts of generating capacity in the U.S. AEP also supplies approximately 4,300 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 east Texas). AEP's headquarters is in Columbus, Ohio. More information about AEP can be accessed by visiting www.aep.com.

SWEPCO serves 543,000 customers in northwestern and central Louisiana, western Arkansas, East Texas and the panhandle of North Texas. SWEPCO's headquarters are in Shreveport, Louisiana.

SWEPCO has 5,349 MW of generating capacity, including the Sundance Wind Facility, and has executed long-term renewable energy purchase agreements (“REPA”) with wind generation resources totaling 469 MW. In addition, SWEPCO has over 4,000 miles of transmission and 25,000 miles of distribution lines. Additional information regarding SWEPCo can be accessed by visiting www.SWEPCO.com.

3. RFP Overview

- 3.1. **Background.** SWEPCO is pursuing up to 3,000 MW of additional wind resources to satisfy the need for additional generation resources as a result of recently announced retirements by the Company. This need will be reflected in the Company's draft IRP to be shared with stakeholders in upcoming IRP stakeholder processes.
- 3.2. **PSA Proposals.** SWEPCO is only seeking Projects on a turnkey basis in which it will acquire all of the equity interests in the project company whose assets are comprised solely of the Project. Proposals that do not meet these criteria, including proposals for renewable energy power purchase agreements, will not be considered by the Company.
- 3.3. **PTC Value.** SWEPCO is seeking Wind Projects that will qualify for the Federal Production Tax Credit (“PTC”). While qualifying for these Federal Tax credits is not an Eligibility and Threshold Requirement (§9.1) for participating in the RFP, the value brought to the Proposals in buying down the cost of energy by utilization of



these tax credits is significant, and is included in the Company's Economic Analysis (§8.2) and ranking of each of the respective Proposals.

- 3.4. Timing. The 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 anticipated to be seven months (see Section 6.1). The Company anticipates filing for regulatory approval in each of its operating jurisdictions (Louisiana, Arkansas and Texas) in Q1-2022 and receiving regulatory approvals by the end of Q1-2023.
- 3.5. Regulatory Approvals. The Company's decisions regarding the results of this RFP will be subject to its receipt of regulatory approvals from the Arkansas Public Service Commission, the Louisiana Public Service Commission, the Public Utility Commission of Texas, and the Federal Energy Regulatory Commission. Definitive agreements between the Company and Bidders for selected Projects will be conditioned upon (a) 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. The Company plans to submit a portfolio of Projects to the regulatory commissions described above for approval. In the event the entire portfolio is not approved, the Company may reduce the size of the portfolio accordingly by eliminating Project(s) from the portfolio.
- 3.6. Notice to Proceed. Upon obtaining regulatory approvals for the Projects selected by the Company as described in Section 3.5, the Company would issue a Notice To Proceed ("NTP") for the Bidders to proceed with the construction of selected Projects that are not already in commercial operation. The Form Purchase Sale Agreement (PSA) (Appendix D) contains additional information regarding the conditions and timing for NTP issuance. The Company may issue NTP for selected Projects that it prefers over other selected Projects if some, but not all, Commission approvals are received.
- 3.7. Reservation of Rights. The Company reserves the right, without qualification, to select or reject any or all Proposals and to waive any formality, technicality, requirement, or irregularity in the Proposals. In addition, the Company reserves the right to utilize a Bidder's completed Appendices and any supplemental information submitted by the Bidder in any of its regulatory filings.
- 3.8. Non-Binding. This RFP is not a commitment by the Company to acquire any Project and it does not bind the Company or its affiliates in any manner. The Company in its sole discretion will determine which Bidders, if any, it wishes to engage in negotiations with that may lead to definitive agreements for the acquisition of a selected Project.
- 3.9. RFP Questions. All questions regarding this RFP should be submitted by email to:
SWEPCO2021RFP@aep.com



Questions and answers that are determined to be pertinent to Bidders will be posted to the RFP webpage. All questions must be submitted by August 6, 2021.

4. Product Description and Requirements

- 4.1. Completed Project. Each Project must be a complete, commercially operable, integrated wind-powered electric generating plant, including all facilities that are necessary to generate and deliver energy into SPP.
- 4.2. Commercial Operation Deadline. The Company is pursuing Projects that can achieve the Commercial Operation Deadline of December 15, 2024, or alternatively, December 15, 2025.
- 4.3. Size. The SWEPCO RFP is seeking a total of up to 3,000 MW nameplate rated Wind Generation Resources. The minimum acceptable Project size is 100 MW.
- 4.4. Interconnection. Each Project must be interconnected to the SPP.
- 4.5. Wind Project Location. Wind Projects must interconnect to the SPP and be physically located in Arkansas, Louisiana, Texas, Oklahoma, Kansas or Missouri.
- 4.6. Project Development.
 - 4.6.1. Site Control. Bidder must have established site control of the proposed Project. Site control must be in the form of direct ownership, land lease, land lease option or easement for at least 30 years. A letter of intent will not be an acceptable form of demonstrated site control.
 - 4.6.2. AEP Wind Generation Facility Standards. Each Project must satisfy the requirements of the AEP Wind Generation Facility Standards (see Appendix E), which includes at a minimum:
 - the use of only GE, Siemens-Gamesa, or Vestas wind turbine generators,
 - inclusion of a Cold Weather Package (ability to operate to a minimum of -30 deg C and be capable of operating under an ice operation mode),
 - a minimum facility (including turbines) design life of 30 years, and,
 - specifications for the required O&M Building.
 - 4.6.3. Wind Resource Analysis/Study. Each Project shall include a robust wind resource analysis/study prepared by an independent consultant, which shows the expected energy output from the Project utilizing the turbines that will be used for the Project. Such analysis should include P50, P75, P90, P95 and P99 output with 1-year, 5-year, 10-year, 20-year and 30-year estimates. During the Company's evaluation process, Bidders will be required to



provide additional site information including raw meteorological data and met tower maintenance records to the Company for use by the Company's independent wind resource consultant.

4.6.4. AEP Requirements for Connection of Facilities. Project substation and interconnection facilities must conform to the AEP Requirements for Connection of Facilities (Appendix F).

4.6.5. Small and Diverse Suppliers. Bidder and/or its EPC-BOP contractor shall use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work.

4.7. Interconnection / Delivery Point.

4.7.1. The Proposal must identify the Project's proposed transmission interconnection point(s) within SPP, including any studies, applications, line extensions and system upgrades identified as part of the interconnection approval process.

4.7.2. The Bidder is responsible during the Project start-up period for following the established SPP, NERC, and transmission operator policies and procedures that are in effect regarding facility interconnection and operation associated with a utility's transmission system.

4.7.3. Each Project must have a completed SPP Definitive Interconnection System Impact Study with the demonstrated ability to achieve commercial operation of any interconnection for the full output of the Project by the Commercial Operation Deadline. An electronic copy of all completed SPP studies must be included with Bidder's Proposal.

4.8. Congestion / Deliverability. The Company is seeking Projects in locations (a) that are not currently experiencing, or anticipated by the Company to experience, significant congestion or deliverability constraints which are likely to result in adverse Project economics.

5. Bid Price and Structure

5.1. Proposal pricing must be for the Company's acquisition of a turnkey Project that is a complete and commercially operable integrated wind-powered electric generating plant designed for a minimum of a 30-year life. The Project shall include, but is not limited to, wind turbine generators, balance of plant equipment, operations and maintenance ("O&M") facilities, SCADA, and all facilities required to deliver energy into SPP. In addition, pricing must include costs associated with ALTA/title insurance and construction financing.



5.2. In addition to Section 5.1, Proposal pricing must include the costs associated with the following:

- a minimum of two-year comprehensive warranty from a creditworthy entity for all non-turbine balance of plant equipment including design, labor and materials, and fitness for purpose;
- post-commercial operation power curve testing activities and associated costs, including the installation / removal of any temporary test met towers;
- transmission and interconnection facilities required for the Project, including system or network upgrades, as required by SPP for the Project to interconnect to SPP.

6. RFP Schedule and Proposal Submission

6.1. The following schedule and deadlines apply to this RFP. The Company reserves the right to revise this schedule at any time in its sole discretion.

RFP Timeline	
Draft RFP Posted Online	April 28, 2021
Bidders Technical Conference	May 26, 2021
RFP Issued	June 28, 2021
Notice of Intent	July 16, 2021
Q&A Deadline	August 6, 2021
Proposal Due Date	August 12, 2021
Final Project Selection and Negotiation	October 15, 2021
Execute Definitive Agreements	March 11, 2022
File for Regulatory Approvals	March 26, 2022
Required Regulatory Approvals	No later than March 27, 2023
Notice to Proceed	No later than April 28, 2023
Commercial Operation Date	No later than December 15, 2024 or December 15, 2025

6.2. Bidder Technical Conference: A Bidder Technical Conference (teleconference) will be held on May 26, 2021 at 2:00 p.m. EST (1:00 p.m. CST). Prospective Bidders may request details and sign up for the pre-bid conference by sending an email request to:

SWEPCO2021RFP@aep.com

Include the name of your company, email address, company representative name(s), and the following in the subject line of your email: **SWEPCO BIDDER TECHNICAL CONFERENCE**. AEPSC will use this information to communicate any updates regarding this RFP to potential Bidders. In addition, any updates regarding the RFP will be posted at the RFP website.



- 6.3. Proposals must be complete in all material respects and be received no later than 4:00 p.m. EST (3:00 p.m. CST) on the Proposal Due Date at AEPSC's Columbus, Ohio location as defined in Section 7 of this RFP.
- 6.4. Bidders will be required to sign a Confidentiality Agreement ("CA") prior to receiving the following documents:
 - Form PSA (Appendix D)
 - AEP Wind Generation Facility Standard (Appendix E)
 - WindEnergyInputSheet_2021.xls (Appendix G)
 - Project Land Lease & Decommissioning Cost spreadsheet (Appendix H)
- 6.5. Bidders should request SWEPCO's Form Confidentiality Agreement by emailing (SWEPCO2021RFP@aep.com) and including the following documentation:
 - Supporting documentation of Bidder's experience in developing, engineering, procuring equipment, constructing and commissioning wind powered electric generation facilities (> Project bid size) in the United States or any portion of Canada and/or otherwise have demonstrated appropriate experience, and
 - Completed SPP Definitive Interconnection System Impact Study as required by Section 4.7.3.
- 6.6. 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.
- 6.7. Proposals and Bid Pricing must be valid for at least 180 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 Final Project Selection.
- 6.8. A Proposal 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.

7. **Proposal Submittal**

One hard copy of Bidder's Executive Summary and Appendix A and two electronic thumb drive copies of the Bidder's complete Proposal shall be submitted by the Proposal Due Date to:

American Electric Power Service Corporation
Attn: SWEPCO Wind Energy 2021 RFP Manager
1 Riverside Plaza (25th Floor)
Columbus, OH 43215



8. Proposal Content

Bidders must submit the following information for Proposals for new Projects or expansion of existing projects. All electronic versions of the Appendices shall be individual files.

- 8.1. A completed Appendix J (Proposal Content Check Sheet).
- 8.2. An executive summary of the Project's characteristics and timeline, including any unique aspects and benefits.
- 8.3. Summary documentation demonstrating how the Project will qualify for the PTC for Wind Projects, under Section 45 of the Internal Revenue Code of 1986, as amended. Bidder shall provide a detailed plan regarding the steps taken to date and future actions required to satisfy IRS start of construction requirements.
- 8.4. A completed Appendix A (Wind Project Summary).
- 8.5. Detailed information regarding the turbine manufacturer's warranty offering including parts and labor coverage, warranted turbine availability levels, power curve warranty, liquidated damages and other key terms.
- 8.6. The identity of all persons and entities that have a direct or indirect ownership interest in the Project.
- 8.7. A completed Appendix B (Bidder's Credit-Related Information).
- 8.8. A completed Appendix C (Bidder Profile). Bidders must provide a general description of its (including its affiliates) background and experience in the development and construction of at least three large-scale wind projects similar to the Projects sought by the Company in this RFP. In addition, Bidders should provide at least three third-party references for such projects.
- 8.9. Any exceptions to the terms and conditions contained in the Form PSA (Appendix D).
- 8.10. Any exceptions to the AEP Wind Generation Facility Standards (Appendix E).
- 8.11. All required Wind Resource Analysis / Study information (Appendix G).



- 8.12. Bidder's Proposal shall include expected Land Lease Costs by year for a 30-year operating period (See Appendix H). The Land Lease costs will be used in the Economic Analysis (Section 9.2.1).
- 8.13. Bidder shall provide estimated decommissioning costs (including salvage value) and any associated studies as available (See Appendix H)
- 8.14. Bidder and/or its EPC-BOP contractor shall provide its plan to use reasonable efforts to utilize and adopt a subcontracting plan to use small and diverse suppliers as subcontractors for work (Section 4.6.5).
- 8.15. OPTIONAL: Bidders may provide a separate O&M services proposal (Appendix I).

9. RFP Proposal Evaluation & Selection

The evaluation process will be conducted in three phases:

- Section 9.1 Eligibility and Threshold Requirements
- Section 9.2 Detailed Analysis
- Section 9.3 Final Project Selection

- 9.1. Eligibility and Threshold Requirements. A preliminary screening of each Proposal will be undertaken by the Company to determine if the Proposal is eligible to proceed to the Detailed Analysis phase. Bidders and their associated Proposal must satisfy the following Eligibility and Threshold Requirements:
 - 9.1.1. Project must have demonstrated a clear path toward constructability (land rights, permits, etc.) and be capable of achieving commercial operation by the Commercial Operation Deadline (December 15, 2024 or alternatively December 15, 2025) (§4.2);
 - 9.1.2. Project's minimum name-plate rating is 100 MW (§4.3);
 - 9.1.3. Project must be interconnected to SPP (§4.4), have a completed SPP Definitive Interconnection System Impact Study (§4.7.3), and remain active in the queue process with the demonstrated ability to achieve commercial operation of any interconnection for the full output of the Project by the Commercial Operation Deadline;
 - 9.1.4. Project must be physically located in Arkansas, Louisiana, Texas, Oklahoma, Kansas or Missouri (§4.5);
 - 9.1.5. Bidder has substantial Project site control (§4.6.1);
 - 9.1.6. Project's wind turbine generators must be manufactured by GE, Siemens-Gamesa, or Vestas; and include a Cold Weather Package (§4.6.2);



- 9.1.7. Project must have a minimum design life of at least 30 years (§4.6.2)
- 9.1.8. Bidder must have completed the development, construction, financing, and commissioning of a similar-sized wind project in the United States or Canada and/or otherwise have demonstrated appropriate experience;
- 9.1.9. Bidder's exceptions to the Form PSA, considered individually or in the aggregate, are minimally acceptable to the Company as a basis for further discussions.

The Company reserves the right to reject any Proposal which proceeded to the Detailed Analysis phase but which is subsequently determined by the Company not to satisfy the Eligibility and Threshold Requirements.

9.2. Detailed Analysis. Proposals meeting the Eligibility and Threshold Requirements in Section 9.1 will move to the Detailed Analysis phase which is comprised of the Economic Analysis and the Non-Price Factor Analysis set forth below. The Economic Analysis will constitute 90% and the Non-Price Factor Analysis 10% of the overall evaluated value of each Proposal.

9.2.1. Economic Analysis. The Economic Analysis will result in a Levelized Net Revenue Requirement, which will constitute 90% of the overall evaluated value of the Proposal in its Final Project Selection. The Levelized Net Revenue Requirement will be calculated as follows:

9.2.1.1. The Company will first determine a Levelized Adjusted Cost of Energy ("LACOE") by adding together (a) the Levelized Cost of Energy ("LCOE") associated with each Proposal as calculated by the Company and (b) the cost of Transmission Congestion as determined by the Company's Transmission Congestion Screening Analysis and deliverability / curtailment risk mitigation cost. The Transmission screening Analysis will evaluate (a) cost of transmission congestion and losses to the AEP West load zone and/or (b) cost of deliverability / curtailment risk mitigation that the Company calculates to ensure that the resources can be designated as firm resources to meet Company's Capacity requirements.

9.2.1.2. The Company will then calculate the Levelized Net Revenue Requirement by taking the difference between (a) the levelized expected SPP revenues for the Proposal's energy in the SPP market and (b) the LACOE for each Proposal.



9.2.2. Non-Price Factor Analysis. The Non-Price Factor Analysis, which will constitute 10% of the overall evaluated value of the Proposal will be comprised of the following factors:

- 9.2.2.1. Project's (including associated transmission and interconnection facilities) impact on wildlife, the environment and identified cultural resources;
- 9.2.2.2. Project's (including associated transmission and interconnection facilities) location on or proximity to tribal or government lands;
- 9.2.2.3. Bidder's exceptions to the AEP Wind Generation Facility Standards (Appendix E);
- 9.2.2.4. Bidder's exceptions to the Form PSA (Appendix D);
- 9.2.2.5. Development status of the Project including, but not limited to, permitting, transmission and interconnection facilities and constructability;
- 9.2.2.6. Credentials of the Bidder's independent consultant used to prepare the Wind Resource Analysis/Study (Appendix G) for the Project as described in Section 4.6.3.

9.3. Final Project Selection. Based upon the results of the Economic Analysis and the Non-Price Factor Analysis described above, the Company will determine which Projects will be included in the final selection. The Company will notify Bidders whether or not their Proposal has been selected and negotiation of definitive agreements will commence with Bidders whose Proposals have been selected.

10. Confidentiality

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



11. Bidder's Responsibilities

- 11.1. It is the Bidder's responsibility to comply with the deadlines specified in this RFP.
- 11.2. Bidders are responsible for the timely completion of the Project by the Commercial Operation Deadline and are required to submit proof of their financial and technical wherewithal to ensure the successful completion of the Project.
- 11.3. Bidders are responsible for costs incurred by them in the preparation of their Proposal.

12. 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 acquisition of the Project. 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; and (j) execute one or more definitive agreements with any Bidder.

13. Contacts

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

SWEPCO2021RFP@aep.com

Appendix A

Wind Project 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 Project Information

Project Name:	
Project Location: [] County, []	
Wind Project Size (MW):	Source of wind energy forecast:
Percentage of Federal Production Tax Credit that the Project will qualify for:	%
Turbine Specific Site Suitability Report completed & included in proposal?	(Y/N):
Bidder confirms that it has substantial Project site control	(Y/N):
Independent wind report / analysis completed and included in proposal?	(Y/N):
SPP Queue #:	SPP Study Status:

Proposal Bid Pricing¹

Expected COD by	Turbine Manufacturer	Expected Annual Energy	Capacity Factor	Bid Price (\$)
12/15/2024				
12/15/2025				

Note 1: Optional size(s) provided cannot be contingent on Bidder selling the remaining portion of the Project to another party via a sale of a portion of the project company or a power purchase agreement.

Turbine Manufacturer (GE/SiemensGamesa/Vestas)			
Nameplate (MW)			
# of Turbines			
Model #		Design Life (Years)	
Expected Capacity Factor (%)			
Expected Annual Energy (MWh)			
Year 1 Capacity Factor (%) ²			
Year 1 Expected Annual Energy ²			

Note 1: Bidder is required to identify the Turbine Manufacturer and associated data above for their bid.

Note 2: Year 1 production data is required to account for potential lower Year 1 production due to routine maintenance associated with the break-in period.

Interconnection and Point of Delivery

SPP Queue #:	Substation Name / Voltage:
System Impact Study Complete (Y/N):	System Impact Study Report Date:
Feasibility Study Complete (Y/N):	Feasibility Study Report Date:
Point of Interconnection with :	
SPP Interconnection Status (describe):	
Attach electronic copies of all interconnection studies and/or the expected completion date(s).	

Site Information / Permits

Site Legal Description:		
Address:		
City:	State:	Zip Code:
County	Latitude:	Longitude:
Site Control (lease, own, site purchase pending, etc.):		
Site Acres:		
Is there potential for expansion (Y / N):	If Yes; acres available:	

Preliminary Site Questions¹ (Y / N)

Has the site been assessed for any environmental contamination? Describe any known environmental issues. If necessary, please describe on a separate attachments	
Are there any Tribal Lands or Tribal mineral ownership rights within Project boundary or vicinity?	
Is Bidder adhering to the United States Fish & Wildlife Service Land-Based Wind Energy Guidelines?	

Are there any Federally or State owned or controlled lands within Project boundary or vicinity?	
Has TNC, WAFWA or any other non-governmental organizations been engaged?	
Are there CRP, WRP or other conservation easements within the Project boundary or vicinity?	

Attachments Required

- Site Layout: Attach a diagram identifying anticipated placement of major equipment and other project facilities, including transmission layouts and Point of Delivery.
- Leases: Attach (electronic version only) a copy of all leases, easements or other ownership documentation.
- Permit Matrix: Attach a comprehensive permit matrix and status of all required permits, including, but not limited to Federal (USFWS, FAA), State, County, City, etc.
- Environmental Report Summary: The initial Proposals shall include a summary of all environmental and other reports associated with the site. (See Note 1 for reports to summarize)
- Decommissioning Studies: Attach copies of any completed decommissioning studies.

Note 1: As applicable, the following reports will be requested: Tier I / II Site Characterization Report, Environmental Work / Survey Plan, Bat Acoustic Survey Report, Avian Use Survey Report, Raptor Nest Survey Report, Prey-base Survey Report, Wetland, Waters and Playa Survey / Assessment Report, Whooping Crane Habitat Assessment Report, Lesser Prairie Chicken Survey / Assessment Report, Phase I Environmental Site Assessment Report, Historical and Cultural Resource Survey / Assessment Report, All Other Species and Environmental Resource Survey and Study Reports, Record and Notes of all Federal or State Resource Agency Correspondence and Meetings, Turbine and Environmental Resource Shapefiles (.kmz format), and Bird and Bat Conservation Strategy and Eagle Conservation Plan (if available).

Appendix B

Bidder's Credit-Related Information

Full Legal Name of the Bidder:
Type Bidder Entity (corporation, partnership, etc.):
Bidder's Percentage Ownership in Project:
Full Legal Name(s) of Parent Corporation: 1. 2. 3.
Entity Providing Credit Support on Behalf of Bidder (if applicable): Name: Address: City: Zip Code:
Type of Relationship:
Current Senior Unsecured Debt Rating: 1. S&P: 2. Moodys:
Bank References & Name of Institution:
Bank Contact: Name: Title: Address: City: Zip Code: Phone Number:
Legal Proceedings: As a separate attachment, please list all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been or are engaged that could affect the Bidder's performance of its bid. Identify the parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters.
Financial Statements: Please provide copies of the Annual Reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if available. If available electronically, please provide link:

Appendix C

Bidder Profile

Please list Bidder's affiliate companies:

- 1.
- 2.
- 3.
- 4.

Please attach a summary of Bidder's background and experience in Wind Energy projects.

References

1. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

2. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

3. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

4. Company
 - a. Contact Name:
 - b. Contact Number:
 - c. Project:

Appendix D

Form Purchase and Sale Agreement

See Section 6.4 for instructions to obtain the applicable Form Purchase and Sale Agreement.

Appendix E

AEP Wind Generation Facility Standard

See Section 6.4 for instructions to obtain the AEP Wind Generation Facility Standard.

Appendix F

AEP Requirements for Connection of Facilities

Please follow the link below to access the AEP Requirements for Connection of Facilities (“Requirements for Connection of New Facilities or Changes to Existing Facilities Connected to the AEP Transmission System”).

https://www.aep.com/assets/docs/requiredpostings/TransmissionStudies/Requirements/AEP_Interconnection_Requirements_Rev2.pdf

Appendix G

Wind Resource Analysis / Study

Required Information

- Attach the independent wind energy report
 - Wind report shall also include P50, P75, P90, P95 and P99 production estimates with 1, 5, 10, 20 and 30 year timeframes
 - Independent consultant information (resume, contact information) if not included in the wind energy report.
- Describe on-site meteorological campaign including:
 - Number of met towers
 - Height of met towers
 - Remote sensing (lidar and/or sodar)
 - Number of years of data for each tower / remote sensing device.
- Identify any wind direction sector management or other operation restriction requirements.
- Experience of developer in OK, AR, LA and TX. Identify the number of projects, years each project has been operating, turbine models and capacity rating.
- Source and basis of the wind speed data used in the development of energy projections for the project. Explain all assumptions for wake losses, line losses, etc. and the location where the data was measured.
- Wind turbine power curve adjusted for the site's specific air density.
- Provide a description of the system intended to provide real-time telemetry data.
- Attach an 8760 calendar year hourly energy forecast, net of all losses (See attached Excel spreadsheet (*Energy Input Sheet*)).
- Bidders shall provide a summary of representative wind data with measurement height referenced and any extrapolations used to estimate the wind speeds at the proposed hub height. (This item shall be provided in the electronic (CD, flash drive, etc.) version of the Proposal only.)

The following information should be available upon request; however, is not required with the submission of the Proposal.

- Project boundary (shape files, kmz files, or pdf on USGS topographic map)
- Land control, broken down by leased land, likely to be leased land, likely NOT to be leased land, and indeterminate status (shape files, kmz are best)
- Setbacks/exclusions (shape files preferred),
- Met tower installation commissioning sheets and all subsequent maintenance documents
- Raw data files for all on-site met towers
- If applicable, sodar or lidar documentation and raw data files
- Proposed turbine locations (shape file, kmz file, Excel file with coordinates, including map datum (e.g., WGS84, NAD83))
- All documents related to turbine availability, electrical system design with losses
- Any other materials the developer has in terms of turbine siting

Appendix H

Projected Land Lease Costs

See Section 6.4 for instructions to obtain the Land Lease Costs spreadsheet.

Appendix I

O&M Services Scope of Work (OPTIONAL)

Bidders may request the O&M Services Scope of Work via email at:
SWEPCO2021RFP@aep.com

Appendix J Proposal Content Check Sheet

New Build Projects

Section	Item	Completed
8.2	Executive Summary	
8.3	Documentation demonstrating Project will qualify for %PTC	
8.4	Appendix A (Wind Project Summary) <ul style="list-style-type: none"> - Company information - General Project Information - Proposal Bid Pricing - Turbine Manufacturer Options - Interconnection & Point of Delivery - Generation Collection System (>100 kV) - Site Information / Permits - Wind Projects Completed 	
8.5	Manufacturer's warranty offerings	
8.6	Identity of all person and entities that have a direct or indirect ownership interest in the project.	
8.7	Appendix B (Bidder's Credit-Related Information)	
8.8	Appendix C (Bidder Profile)	
8.9	Appendix D (Form PSA exceptions (if any))	
8.10	Appendix E (exceptions to AEP Wind Generation Facility Std)	
8.11	Appendix G (required Wind Resource Analysis / Study Info)	
8.12	Land lease payments & property tax cost for 30-year period.	
8.13	Decommissioning costs and studies	
8.14	Bidder's plan to use small and diverse suppliers	
8.15	O&M Services Proposal (optional)	



American Electric Power Service Corporation
as agent for
Southwestern Electric Power Company

Request for Proposals for
Southwest Power Pool (“SPP”)
Accredited Deliverable Capacity

RFP Issued: June 28, 2021

Proposals Due: August 12, 2021

RFP Web Address: www.swepco.com/rfp



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Attachments

Proposal Summary	Appendix A
Bidder's Credit and Collateral Requirements	Appendix B
Bidder Profile	Appendix C
Confirmation Letter	Appendix D

1. Background

Southwestern Electric Power Company (“SWEPCO” or the “Company”) is pursuing additional generation resources via three Request for Proposals (“RFPs”) to satisfy the need for additional generation resources as a result of recent announcement of upcoming retirements of owned generating capacity by the Company. This need will be reflected in the Company’s draft Integrated Resource Plan (“IRP”) to be shared with stakeholders in upcoming IRP stakeholder processes.

This **SPP Capacity RFP** seeks up to 200 MW of SPP Accredited Deliverable Capacity for planning years 2023 and 2024 and seeks up to 250 MW of SPP Accredited Deliverable Capacity for planning years 2025, 2026 and 2027.

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

The Company will evaluate each of the RFPs, individually and collectively, to determine the portfolio of projects that it elects to move forward with.

RFP SUMMARY

Resource	Solar	Wind	Short-Term Capacity
Volume	up to 300 MW	up to 3,000 MW	- up to 200 MW in 2023/2024 - up to 250 MW in 2025/2026/2027
Size (minimum)	50 MW	100 MW	50 MW Blocks
Battery Storage	Yes	N/A	N/A
Contract Type	Purchase & Sale Agreement	Purchase & Sale Agreement	Capacity Purchase Agreement
RTO /Location	Must interconnect to SWEPCO’s transmission system within SPP <u>and</u> be located in the SWEPCO Service Territory	Must interconnect to SPP <u>and</u> be located in AR, LA, TX, OK, KS, MO	SPP
In-Service Date	by 12/15/2024 or 12/15/2025	by 12/15/2024 or 12/15/2025	N/A (Existing Resources)

2. 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 nearly 5.4 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 765kV extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP also operates approximately 220,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 26,000 megawatts of generating capacity in the U.S. AEP also supplies approximately 4,300 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, SWEPCO and SWEPCO (in Arkansas, Louisiana and east Texas). AEP's headquarters is in Columbus, Ohio. More information about AEP can be accessed by visiting www.aep.com.

SWEPCO serves 543,000 customers in northwestern and central Louisiana, western Arkansas, East Texas and the panhandle of North Texas. SWEPCO's headquarters are in Shreveport, Louisiana.

SWEPCO has 5,349 MW of generating capacity, including the Sundance Wind Facility, and has executed long-term renewable energy purchase agreements ("REPA") with wind generation resources totaling 469 MW. In addition, SWEPCO has over 4,000 miles of transmission and 25,000 miles of distribution lines. Additional information regarding SWEPCo can be accessed by visiting www.SWEPCO.com.

3. RFP Overview

3.1. Background: AEPSC is issuing this RFP requesting proposals for electric generating capacity to supply the needs of SWEPCO's customers. Due to recent announcement of upcoming retirements of owned generating capacity, SWEPCO is forecasting a need for additional capacity beginning in 2023 and 2024 of up to 200 MW of SPP Accredited Deliverable Capacity and up to 250 MW of SPP Accredited Deliverable Capacity in 2025, 2026 and 2027.

3.2. Additional Resources: AEPSC seeks to satisfy SWEPCO's capacity needs from one or more resources in amounts of up to 200 MW in planning years 2023/2024; and up to 250 MW in planning years 2025, 2026 and 2027. Proposals that provide the ability to align with the increasing need over the timeframe above could be advantageous.

3.3. Product: SWEPCO is seeking purchases of electric capacity from generating resources within the Southwest Power Pool ("SPP") that will allow 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.

- 3.4. Proposal: Bidders must submit at least one proposal for a minimum quantity of 50 MW. 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.
- 3.5. Resource Location: AEPSC will consider capacity from resources connected to the SPP transmission system and prefers assets in the Arkansas, Louisiana, or Texas portions of SPP.
- 3.6. Timing: The time period between the receipt of Proposals and the time required for the Company's evaluation, due diligence, negotiation and the execution of definitive agreements is anticipated to be less than seven months (see Section 6.1). The Company anticipates filing for regulatory approval in each of its operating jurisdictions (Arkansas, Louisiana, and Texas) in Q1-2022 and receiving regulatory approvals by the end of Q1-2023.
- 3.7. Regulatory Approvals: The Company's decisions regarding the results of this RFP will be subject to its receipt of regulatory approvals from the Arkansas Public Service Commission, the Louisiana Public Service Commission, the Public Utility Commission of Texas. Definitive agreements between the Company and Bidders for selected Projects will be conditioned upon (a) 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. The Company plans to submit a portfolio of Projects to the regulatory commissions described above for approval. In the event the entire portfolio is not approved, the Company may reduce the size of the portfolio accordingly by eliminating Project(s) from the portfolio.
- 3.8. Non-Binding. This RFP is not a commitment by the Company to acquire any capacity and it does not bind the Company or its affiliates in any manner. The Company, in its sole discretion, will determine which Bidders, if any, it wishes to engage in negotiations with that may lead to definitive agreements for the purchase of capacity from the selected Proposals.
- 3.9. RFP Questions. All questions regarding this RFP should be submitted by email. Questions and answers that are determined to be pertinent to Bidders will be posted to the RFP webpage. Questions should be submitted to:

SWEPCO2021RFP@aep.com

4. 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.

- 4.1. Location. AEPSC will consider resources connected to the SPP transmission system and prefers locations electrically near the load zone for SWEPCO. Resources located in SPP portions of Arkansas, Louisiana and Texas are desirable. Capacity from resources outside of SPP must have firm transmission to SPP and be registered in SPP Integrated Marketplace
- 4.2. Delivery Start Date. Delivery of capacity will begin June 1, 2023, subject to regulatory approvals.
- 4.3. Delivery Term. Delivery terms of two (2) to five (5) years are required. Alternative terms may also be considered.

5. Bid Price:

- 5.1. Bidders shall specify in detail all pricing components related to their Base Proposal for the contract capacity, or for any Alternate Proposal(s) provided.
- 5.2. Proposals that have material contingencies, such as for financing and/or credit related issues, will not be considered.

6. RFP Schedule and Proposal Submission

- 6.1. 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	April 28, 2021
Bidders Technical Conference	May 26, 2021
RFP Issued	June 28, 2021
Notice of Intent	July 16, 2021
Q & A Deadline	August 6, 2021
Proposal Due Date	August 12, 2021
Final Project Selection and Negotiation	October 15, 2021
Execute Definitive Agreements	March 11, 2022
File for Regulatory Approvals (LPSC)	March 26, 2022
Required Regulatory Approvals	No later than March 27, 2023
Effective Date of Agreement	June 1, 2023

- 6.2. Bidder Technical Conference: A Bidder Technical Conference (teleconference) will be held on May 26, 2021 at 2:00 p.m. EST (1:00 p.m. CST). Bidders with existing SPP capacity resources may request details and sign up for the pre-bid conference by sending an email request to:

SWEPCO2021RFP@aep.com

Include the name of your company, email address, company representative name(s), and the following in the subject line of your email: **SWEPCO BIDDER TECHNICAL CONFERENCE**. AEPSC will use this information to communicate any updates regarding this RFP to potential Bidders. In addition, any updates regarding the RFP will be posted at the RFP website.

- 6.3. Bidders will be required to sign a Confidentiality Agreement (“CA”) prior to the submission of their Proposals. Bidders should request SWEPCO’s Form Confidentiality Agreement by emailing SWEPCO2021RFP@aep.com.
- 6.4. 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 as a short-listed or final selected proposal.
- 6.5. Proposals should be as comprehensive as possible to enable a definitive and final evaluation of the Proposal’s benefits to SWEPCO and its customers without further contact with the Bidder.

7. Proposal Submittal:

- 7.1. One hard copy of Bidder’s Executive Summary and Appendix A and two electronic thumb drive copies of the Bidder’s complete Proposal shall be submitted by the Proposal Due Date to:

American Electric Power Service Corporation
Attn: 2021 SWEPCO Capacity RFP Manager
1 Riverside Plaza (25th Floor)
Columbus, OH 43215

- 7.2. The preparation and submission of all proposals will be at the expense of the Bidder.
- 7.3. Bidders are allowed to submit more than one proposal. AEPSC will review and evaluate the Base 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 review for consideration of any Alternate Proposals that are also submitted.

8. 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 it appears that certain information is inadvertently omitted or lacking in detail from a proposal, AEPSC may contact the Bidder to obtain such information.

- 8.1. General Information: Bidder's proposal shall include an executive summary of the Proposal characteristics and timeline (as applicable), including any unique aspects. A completed Appendix A (Proposal Summary) shall be included with the Bidder's proposal.
- 8.2. Identity: The identity of all persons and entities that have a direct or indirect interest in the Proposal or generating resource providing capacity. 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 must also be provided.
- 8.3. Proposal: Each bidder must submit a Proposal that meets SWEPCO's capacity requirements described in Section 3.4.
- 8.4. Credit Requirements:
- 8.4.1. 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.
 - 8.4.2. 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.
 - 8.4.3. 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 6.3 and requesting the documents via email at SWEPCO2021RFP@aep.com.
- 8.5. Bidder Profile: A completed Appendix C (Bidder Profile) shall be included with the Proposal.
- 8.6. 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.

- 8.7. 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.

9. Proposal Evaluation & Selection

- 9.1. 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.
- 9.2. Eligibility and Threshold Requirements: If the Bidder does not qualify under any one of the Sections 9.2.1 – 9.2.4, the Bidder will not qualify for this RFP and will be notified accordingly.
- 9.2.1. Generating resource must have accredited capacity that satisfies the qualifications for Deliverable Capacity (See RFP §3.3);
- 9.2.2. The minimum capacity bid must be 50 MW (See RFP §3.4);
- 9.2.3. Each Bidder must submit at least one Proposal from each generating resource (see RFP §3.4);
- 9.2.4. Resources located outside of the SPP region must include firm transmission service to the SPP transmission system (See RFP §4.1).
- 9.3. Bidders with Proposals meeting the requirements in Section 9.2 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 Proposal (Non-Price Analysis). The Economic Analysis will constitute 90% and the Non-Price Analysis will constitute 10% of the overall evaluated value of each Proposal. 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.
- 9.4. 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.

10. 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.

11. Bidder's Responsibilities

- 11.1. Timely Submission of Proposals: It is solely the Bidder's responsibility to submit the proposals by the Proposal Due Date stated in Section 6.1.
- 11.2. 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.
- 11.3. 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 (5) business days or AEPSC may choose to stop evaluating Bidder's proposal.

12. 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.

13. Contacts

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

SWEPCO2021RFP@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:	
Other Facility Information:	

Proposal Bid Price

MW	Term	Bid Price	Other Bid Price Details

Appendix B

Bidder's Credit and Collateral Requirements

The RFP selected resource has the potential to expose SWEPCO and its ratepayers 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. However, for purposes of determining a collateral requirement, SWEPCO believes that in an event of default under this type of contract, it could take up to 12 months to replace the contract with a comparable asset backed contract. In the meantime, 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 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 of Bidder’s Guarantor S&P/Moody’s	Total Requirement
A-/A3 and above	\$0
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

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 with a United States branch, which United States commercial bank or United States branch 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-K; if unavailable, please provide three years of most recent audited financial information, which include 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 a material impact on the Bidder's or the Its Guarantor's financial condition?
(Yes/No)

Bidder

Guarantor

3) Subject to collection lawsuits or outstanding judgments, which could impact solvency? (Yes/No)

Bidder

Guarantor

Please provide a statement disclosing any existing, pending, or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (State, FERC, SEC, DOJ, or other) investigations and any other matters relating to financial or operational status for the past three years that arise from the sale of electricity or natural gas, or materially affect current financial or operational status.

Appendix D

**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER**

This confirmation letter shall confirm the “Transaction” set forth below and agreed to on _____, 2020 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, 2023 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 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) **Rate-making 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:
American Electric Power Service Corporation

Seller:
Name: _____
Title: _____
Date: _____

Name: _____
Title: _____
Date: _____

EXHIBIT AEJ-4 HIGHLY SENSITIVE PROTECTED MATERIALS

EXHIBIT AEJ-5 HIGHLY SENSITIVE PROTECTED MATERIALS

EXHIBIT AEJ-6 HIGHLY SENSITIVE PROTECTED MATERIALS

EXHIBIT AEJ-7 HIGHLY SENSITIVE PROTECTED MATERIALS

EXHIBIT AEJ-8 HIGHLY SENSITIVE PROTECTED MATERIALS

EXHIBIT AEJ-9 HIGHLY SENSITIVE PROTECTED MATERIALS