



**Request for Proposals
Welsh Plant
Natural Gas Conversion**

American Electric Power Service Corporation (“AEPSC” or “Company”), as agent for Southwestern Electric Power Company (“SWEPCO”), is soliciting proposals to construct, operate and maintain a natural gas pipeline lateral and associated facilities to the Welsh Plant (“Plant”) located in Pittsburg, Texas. These facilities will be utilized to supply the Plant with natural gas as the primary fuel source following a conversion of the current coal-fired steam boiler to natural-gas fired.

It is the Company’s objective to obtain a reliable supply of natural gas for the project beginning on its Commercial Operation Date (“COD”) estimated to be December 1, 2027. Fuel for testing must be available at the Plant site prior to the COD. All construction and/or interconnection activities should be completed with sufficient time to provide intermittent startup and fuel for testing beginning approximately October 1, 2027.

1) RFP SCHEDULE

Proposals should be submitted to the Company via e-mail no later than 5:00 p.m. Eastern Standard Time (“EST”) on October 9, 2024. Proposals should be emailed to aepfuelsrfp@aep.com. All RFP communication with the Company shall be directed to the RFP Representative:

Clint Stutler
cmstutler@aep.com

Below is a tentative schedule for the RFP process. Notification to bidders will occur if changes to the schedule are required.

Issue Draft RFP	August 13, 2024
Notice to AEPSC of Intent to Bid	August 26, 2024
Submission of Credit Requirements	August 26, 2024
Pre-Bid Meeting	August 28, 2024
Issue Final RFP	September 9, 2024
Submission of Bids	October 9, 2024
Clarification of Bids	October 9, 2024 – November 20, 2024
Bid Selection	November 26, 2024



2) SCOPE OF WORK

The Company is soliciting responses for the following design scenario:

Delivery point requirement: 274,000 MMBtu per day (11,417 MMBtu per hour)
at a minimum pressure of 200 psig.

The design scenario described above is detailed in the *Welsh Plant Gas Conversion – Gas Pipeline RFP Specification Extent of Work* (Appendix A).

PROGRESS AND REPORTING

Bidder will be required to prepare and submit to Company, monthly progress reports, describing the status of all on going activities, and an update to the proposed Project and Construction Schedule submitted. The reports shall include significant events or changes, detail of delays, and major activities to be performed in the next month.

3) BIDDER'S REQUIREMENTS

- Submittal of Credit Information (see Section 4).
- Attendance at Pre-Bid Meeting on August 28, 2024 (see Section 5).
- Proposal inclusive of all Content Requirements (see Section 8).
- Timely Submission of Bids. It is the bidder's responsibility to submit all requested material by the deadlines specified in this RFP.

4) CREDIT INFORMATION

Bidders shall provide the following credit information by August 26, 2024:

1. The most recently published senior, unsecured, unenhanced, long-term debt rating (or corporate issuer rating if an unsecured, unenhanced long-term debt rating is unavailable) from S&P or Moody's Investor Services.
2. If a Credit Rating is not available for the Bidder or its Guarantor, the Bidder or its Guarantor may submit their previous three years of audited financial statements for review. Financial statements shall mean audited Balance Sheet, Income Statement, Cash Flow Statement, and accompanying notes.

5) PRE-BID MEETING

The virtual Pre-Bid Meeting will occur at **10:00 a.m. EST on August 28, 2024**. This meeting will provide bidders with the opportunity to request additional information or ask any clarifying questions related to the RFP. **All attendees must RSVP for the Pre-Bid Meeting by Monday, August 26, 2024 by contacting the RFP Representative, at which time a meeting invitation will be emailed.**



6) COMPENSATION / RATE STRUCTURE

The Company is soliciting proposals in which all costs and fees related to the construction of the interconnect and/or delivery facilities are borne by the bidder. The capital cost is to be recovered over a 10-year term, beginning with the expected COD of the Plant (“Initial Term”). The proposal should include the cost to construct, own, operate and maintain the interconnect and/or delivery facilities over the Initial Term of the contract. Furthermore, and also incorporated within the 10-year term, the proposal should include the rate for firm transportation capacity. The interconnect and construction cost portion of the rate should be provided separately from the firm transportation portion of the rate. All costs should be expressed as dollars per MMBtu. Please see Example 1 below:

Example 1

Rate Breakdown	\$ Per MMBtu
Interconnect	\$0.05
Firm Transportation	\$0.20
Total Rate	\$0.25

In this example, the bidder has provided a total rate of \$0.25 per MMBtu.

For the required 274,000 MMBtu of capacity, the total monthly payment will equal \$2,083,542 [(\$0.25 per MMBtu * MMBtu * 365) / 12].

Although the Company will not own the pipeline and associated facilities, the Company reserves the right to review and approve engineering drawings for pipeline and associated facilities to be installed on SWEPCO property as well as review and approve the procedures for any operational release of gas (e.g., pigging process and/or cleaning blows).

7) REGULATORY FILINGS

SWEPCO desires to obtain regulatory approval to convert the Welsh Plant from coal-fired to gas-fired. It may be unavoidable for the parties to execute a Precedent Agreement, where the successful bidder will be limited to only performing work required to support any permitting and/or regulatory approvals, engineering, and right of way identification needed to construct the lateral pipeline. In line with a Precedent Agreement, the Company would require that major procurement and construction work not occur until such final Commission approval has been received by SWEPCO and any Firm Transportation Service Agreement would be contingent upon SWEPCO receiving such approval. At that time, the parties would agree to terminate the Precedent Agreement and enter into a Service Agreement. The Company will keep open communications with the successful bidder regarding the status of such approval throughout the process and notify the successful bidder once final approval has been granted.

8) PROPOSAL CONTENT REQUIREMENTS

AEPSC expects bidders to furnish any information that could impact the cost, construction schedule, reliability, or capability of the project. If it appears that certain information is inadvertently omitted from a proposal, AEPSC may contact the bidder to obtain the information.

Proposals must include the following topics:

Executive Summary: Provide an executive summary of the bid's characteristics and timeline, including any unique aspects and benefits.

Bidder's Information: Bidders must provide the name of the company, its address, and any company representative(s) (name, phone number and email address).

Compensation / Rate Structure: See Section 6.

Project and Construction Schedule: Schedules must include major milestones such as expected receipt of all regulatory approvals, completion of engineering design, procurement of construction materials, major construction activities, availability for testing, and the Commercial Operation Date, etc.

Quarterly Pre-Service Cost Estimate Template (Appendix B) – If a Precedent Agreement is required, Appendix B is a proposed template that the bidder would complete prior to capital being disbursed. This will ensure the Company is aware of potential pre-service cost exposure if the required Commission approval is not granted.

9) RFP REFERENCE DOCUMENTS

In addition to the information provided herein, the following are included as appendices to this document:

- Appendix A: Gas Pipeline RFP Specification Extent of Work
- Appendix B: Quarterly Pre-Service Cost Estimate Template
 - If Precedent Agreement is required
- Appendix C: Safety Requirements and General Terms & Conditions
 - Appendix C Attachment 1: Safety and Health Requirements (12/18/2020 Rev. 0.1)
 - Appendix C Attachment 2: Natural Gas Venting, Purging, Inerting Procedure (02-01-13)
 - Appendix C Attachment 3: PWHA Form (dated 08/01/2024)
 - Appendix C Attachment 4: GEK 110843G – Cleanliness Requirements for Power Plant Installation, Commissioning, and Maintenance

10) BID EVALUATION AND SELECTION PROCEDURES

The objective of the AEPSC bid evaluation is to identify the proposal or proposals which best meet the needs identified in this solicitation. The evaluation process will include an assessment of both economic and non-economic criteria. Non-economic factors will be assessed through a due diligence process that will gauge the relative risks and benefits of the proposal. For example, hourly shaping will be an important aspect of service for the Welsh Plant. SPP is likely to increase requirements during peak hours and reduce requirements during off-peak hours. **Bidders should include permissible hourly shaping in their proposal, which will be incorporated into the eventual Firm Transportation Service Agreement.**

The information provided in each initial bid will first be evaluated for completeness and consistency with the proposal content and bid requirements outlined in this RFP. As a result of this screening review, AEPSC will eliminate bids that do not meet the requirements described in this RFP from further consideration. AEPSC will limit follow up contacts to clarify bids or request additional information only to those bids that meet the requirements described in this RFP.

Once bids have been evaluated for completeness, preliminary due diligence will be conducted at this stage to identify any flaws associated with the bid that are unacceptable to AEPSC. As a result of this screening, AEPSC may either eliminate bids from further consideration, or contact bidders to clarify information or request additional material.

The Company has no obligation to accept any proposal, and the Company may reject any proposal for any reason at any time in its sole judgment and discretion. The Company has no obligation to disclose the reason or reasons for rejection. AEPSC reserves the right to solicit additional proposals and the right to submit additional information requests to bidders during the bid evaluation process.

11) POST-BID NEGOTIATIONS AND AWARDING OF CONTRACT

AEPSC may request additional information regarding factors that could impact the total cost and/or schedule of the project in order to periodically reevaluate the Company's economic and risk exposure until such time as AEPSC and the bidder execute an acceptable agreement.

Neither AEPSC nor its affiliates are obligated to enter into a definitive agreement with any bidder responding to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. AEPSC also reserves the right to negotiate with only those bidders who propose transactions that AEPSC believes offer the best combination of value to SWEPCO and their customers.



American Electric Power
1 Riverside Plaza
Columbus, OH 43215
AEP.com

For further information or access to the Plant, please contact the Company representative:

Clint Stutler
American Electric Power Service Corporation
1 Riverside Plaza, 14th Floor
Columbus, OH 43215
Phone: 614.395.3562
E-mail: cmstutler@aep.com

Appendix A: Gas Pipeline RFP Specification Extent of Work

Welsh Plant Gas Conversion: Gas Pipeline RFP Specification Extent of Work

Work Included:

This specification addresses the gas transporter's supply pipe equipment and material requirements of the gas supply to the Welsh Plant, located in Pittsburg, Texas.

(a1) The gas supply pipe is to be sized for the largest flow requirement. The design base is for providing a capacity sufficient to deliver fuel gas, at a minimum expected pressure of 200 psig (velocity not to exceed 100 feet per second) for a mass flow of 487,200 lbs./hr. or 274,000 Dth/day, based on an estimated HHV = 23,400 BTU/lb.) to two (2) 535 MW boilers. The gas supply pipe from the main gas header will come to the Welsh Plant site from the west and terminate in a new regulating and metering station to be located on the west side of the Welsh Plant's property, just east of State Road 25. (Any proposed alternate site locations will be considered.).

(a2) Design and pipe routing drawings shall be submitted for record. The drawings shall show tie-in connections, pipe routing, elevations, burial depth, coordinates at direction changes and equipment layout details, including material and equipment identification. Drawings shall be submitted after award of contract and prior to installation.

(a3) All underground pipe shall have a high visibility marker tape placed parallel and above the pipe. The tape shall contain a metal strip for easy detection from the ground surface.

(a4) All above ground gas piping, on AEP property, to be painted yellow (Federal Std. Color #13655) and labeled with black lettering as "Natural Gas" with flow direction indicated. Labeling shall be at 20 ft. intervals and easily readable from a distance of 25 ft. Lead based paint is not acceptable and shall not be used.

(a5) As close as practical to the gas supply header, the gas supply pipe shall include a filter-separator (with drain tank) and a revenue meter station.

(a5.1) The filter-separator shall remove gas condensates and 99.99% of solid particles from the gas stream. The filter-separator will have an automatic drain system to remove liquid from the vessel. The filter-separator shall have a thermal relief valve in accordance with ASME Section VIII. Level controls and alarms will be part of the automated drain system.



(a5.2) The revenue meter station shall comply with the appropriate AGA requirements, have an accuracy of +/- 0.25% of full flow, and have a measurable range from 1000 lbs./hr. to 512,000 lbs./hr.

(a6) All materials, equipment, services, and future maintenance for the gas supply pipe, to the site termination point will be the gas transporter's responsibility. The pipe internal diameter must be capable of being cleaned using "pigs" and is to be clean and acceptable for service upon completion of the installation. AEP reserves the right to review and approve engineering drawings for any portion of piping and associated facilities installed on AEP property.

(a7) The gas transporter will provide all necessary access roadways for construction activity, future maintenance, and inspection needs. Additionally, any power requirements and lighting will be the responsibility of the transporter.

(a8) The gas transporter shall restore all construction site areas, other than roadways and access, to an "as-found" condition. Any excavated material shall be distributed evenly to blend in with the general contours of the area, unless otherwise required per any right-of-way agreements.

(a9) The gas transporter shall restore AEP property to "as-found" conditions, including re-seeding of grassy areas, except access and roadways. Any excavated material shall be distributed evenly to blend in with the general contours of the area. Areas immediately under equipment and termination points shall be covered with a 6-inch base of gravel.

(a10) As a minimum, for pipe and equipment installation, the gas transporter must meet the requirements of B31.8 and 10CFR, Title 49, Part 192 safety requirements, NFPA 54 and 56, and applicable AGA measurement standards. Additionally, the gas transporter is to be in compliance with the FERC approved tariff, if applicable, for the associated pipeline the gas transporter is interconnecting to, and the gas transporter must provide physical security of its equipment to safeguard against improper actions.

(a11) The gas transporter's revenue meter station shall provide the following data information to AEP's Process Information system. (All inputs to the AEP system shall be secure and must not be internet addressable. Fiber optics or RS-485 communication links are preferred.)

1. Gas Heating Value: BTU/SCF
2. Gas Flow: MSCF/HR
3. Gas Used Today: MSCF
4. Gas Used Yesterday: MSCF
5. Heat Input: MMBTU/HR

6. Energy Used Today: MMBTU
7. Energy Used Yesterday: MMBTU
8. Nat Gas Temp: DEG F
9. CO2 Concentration: %
10. N2 Concentration: %
11. Specific Gravity
12. Static Pressure: PSIG
13. Heat Value Signal Failure (this is built into our logic)
14. Instantaneous flow rate (MMBtu/Day)

(a12) All electrical components shall meet Class I, Division II, Group D, requirements for hazardous locations per NEC.

(a13) The pipe lateral must be cleaned, prior to service, in accordance with NFPA 56, and comply with AEP's "Natural Gas Venting, Purging, Inerting Procedure" dated 02-01-13. The preferred cleaning method is a continuous inert gas (nitrogen or air) blow performed at low pressure and high velocity. Natural gas shall not be used for the cleaning media. Gas blows shall be performed in accordance with General Electric's document: "Cleanliness Requirements for Power Plant Installation, Commissioning, and Maintenance" (GEK110843G), Section V: "Gas Fuel System Cleanliness and Acceptance Criteria".

(a13.1) All appropriate safety considerations shall be addressed in the Pre-Work Hazard Analysis, or Job Safety Analysis, including:

1. barricading off the blow discharge area, exclusion zones
2. ensuring all piping is secure and properly tightened
3. review of blow procedures, including install/remove blow targets
4. evacuation plan, muster point, hearing and eye protection, communication
5. debris is captured, at the discharge point, from becoming projectiles
6. safety related to use of nitrogen (asphyxiation, cryogenic temperatures)

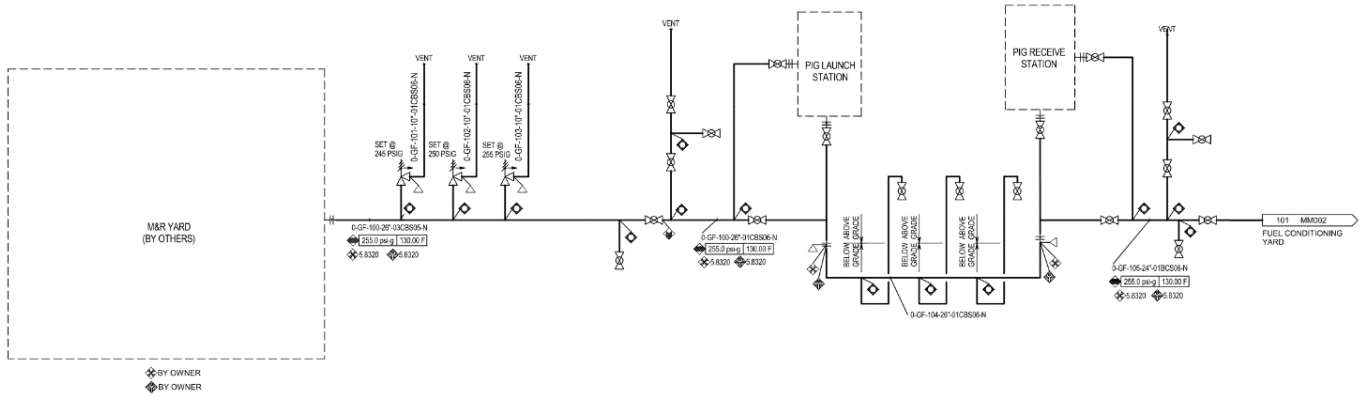
(a13.2) The goal of the cleaning process is to flow the cleaning medium through the piping system to generate higher forces than can be achieved from the flow of natural gas during operation. The line blowing effectiveness is a function of the cleaning force ratio (CFR), as defined in GEK110843G. The gas transporter (contractor) shall conduct pipe flow velocity and CFR calculations. The CFR shall be greater than 1.1, but less than 1.5 throughout the length of the pipe. Calculations shall be submitted to AEP for record, prior to blow.

(a13.3) The pipe cleanliness criteria for the completion of the pipe blow shall be determined by the use and examination of a target plate, as described in GEK110843G, Section VII: "Steam Piping cleaning and Acceptance Criteria".

(a14) Other internal pipe cleaning methods may be acceptable provided the pipe is cleaned from all loose material and adherent material which could become

detached during operation of the plant; and all water, oil, grease, and protective coatings are removed.

(a15) If launching and receiving pigging stations are provided, the portions requiring venting of gases will adhere to the NFPA 56 and comply with AEP’s “Natural Gas Venting, Purging, Inerting Procedure” dated 02-01-13.



DELIVERY LOCATION:

<https://maps.app.goo.gl/wPk8vYeur7Qvdt6V9>





Appendix B: Quarterly Pre-Service Cost Estimate Template

Bid Item	Description	QX XXXX	QX XXXX	QX XXXX	QX XXXX
1	Estimated cost of acquiring all required regulatory approvals and permits.				
2	Estimated cost of Engineering and Design.				
3	Estimated cost of Environmental Impact Study.				
4	Estimated cost of Identifying and Acquiring Rights of Ways.				
5	Estimated Material Costs.				
6	Estimated Installation and Labor Costs.				
7	Other Estimated Costs.				

**If a Precedent Agreement is required, the Company would be agreeable to discuss alternative templates or ways to communicate cost estimates.



Appendix C: Safety Requirements and General Terms & Conditions

See Separate Attachments:

- Appendix C Attachment 1: AEP Safety and Health Requirements Supplemental Terms and Conditions, 12/18/2020 Rev. 01
- Appendix C Attachment 2: Natural Gas Venting, Purging, Inerting Procedure, 02/01/13
- Appendix C Attachment 3: PWHA Welsh Gas Line Supply, 08/01/2024
- Appendix C Attachment 4: GEK 110843G – Cleanliness Requirements for Power Plant Installation, Commissioning and Maintenance

Safety requirements outlined in the above-mentioned attachments only apply to work performed on AEP/SWEPCO owned property.