



2024 Request for Proposals Natural Gas, Wind, Solar, & Storage RFPs

Bidders Technical Conference



An **AEP** Company

BOUNDLESS ENERGY™

January 18, 2024

Disclaimer

THIS PRESENTATION IS A SUMMARY OF THE KEY FEATURES OF THE DRAFT RFPs AND NOT A COMPREHENSIVE REPRESENTATION OF THE DRAFT RFPs ISSUED ON 11/29/2023 OR ITS BIDDING REQUIREMENTS. THE DRAFT RFPs ISSUED ON 11/29/2023 OR SUBSEQUENT REVISIONS CONTROLS IN THE EVENT OF ANY CONFLICT BETWEEN THE RFPs AND THIS PRESENTATION OR ANY OTHER STATEMENTS MADE BY SWEPCO REPRESENTATIVES.

Administration / Ground Rules

Participant
microphones
muted during
the call

1

Enter all
questions via
the Q&A
feature on
Zoom

2

RFP Team will
answer select
questions, but
some may
require
follow-up

3

Questions and
Official
Answers will
be posted to
the RFP
website

4

Copy of the
presentation
will be posted
to the
website

5

Agenda

- Opening Remarks (Tom Brice, SWEPCO Vice President Regulatory and Finance)
- Purpose
- Introduction to SWEPCO / AEP
- Overview of RFPs for Wind, Solar, Battery, and Natural Gas Resources
 - 3 Separate RFPs (PSA, PPA, CPA)
 - Proposal Evaluation Process
- Questions and Answers
 - Q&A Deadline: March 19, 2024
- Email Questions to: SWEPSCO2024RFP@aep.com



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Purpose

- Southwestern Electric Power Company (SWEPCO or the Company) is pursuing additional generation and capacity in three Request for Proposals (RFPs):
 - Purchase and Sale Agreement (PSA) RFP
 - Power Purchase Agreement (PPA) RFP
 - Capacity Purchase Agreement (CPA) RFP
- Resources acquired as a result of these RFPs will support the energy and capacity needs of SWEPCO’s customers and help maintain compliance with the Southwest Power Pool (SPP) Planning Reserve Margin (PRM) requirements
- This need is reflected in the Company’s Integrated Resource Plan (IRP) proceeding, which is currently pending in the Louisiana Public Service Commission (LPSC) Docket No. I-36242 and outlined at the second IRP stakeholder conference conducted on August 29, 2023

Self-Build Proposals

- The Company plans to evaluate one or more Self-Build Proposals in addition to the Proposals received in the RFPs
- The Self-Build Proposals will be developed by the AEP Projects Group who are independent from the RFP Team
- Self-Build Proposals shall:
 - be submitted to the RFP Team one day prior to the Proposal Due Date (4/3/2024), and
 - use as a basis for the Proposal, the information required in the PSA Proposal Content Section (RFP Section 6) and all applicable appendices

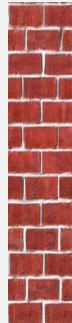
Code of Conduct

The Company has established a Code of Conduct, which has been implemented for the evaluation of any Self-Build Proposals.

RFP Administration

RFPs will be managed and implemented by:

- RFP Team
- Economic Evaluation Team
- SWEPCO Liaison



Self-Build Proposal Team

Team will include dedicated representatives, including from:

- AEP Projects
- AEP Engineering

Independent Monitor

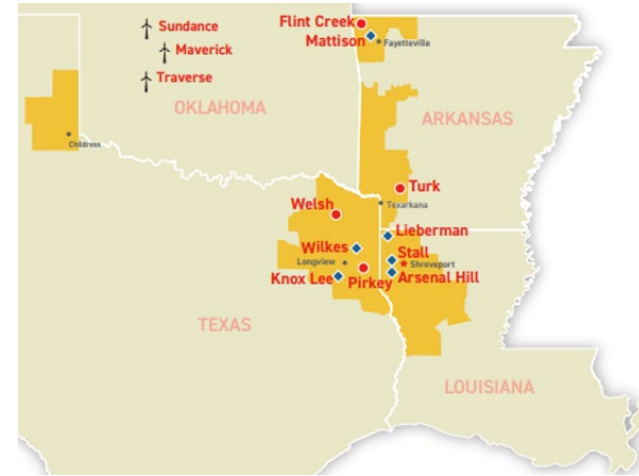
Merrimack Energy Group, Inc. will serve as the Independent Monitor to review and track SWEPCO's conduct during this RFP.



www.MerrimackEnergy.com

Southwestern Electric Power Company

- Headquarters in Shreveport, LA
- A unit of AEP, SWEPCO has been providing affordable, reliable electricity to customers since 1912
- SWEPCO operates in western AR, northwestern and central LA, East TX and the panhandle of North TX
- SWEPCO Generation Portfolio
 - Resources (Natural Gas, Coal, and Wind)
 - Owned Capacity = 4,916 MW
 - Purchased Power = 1,016 MW



Introduction to SWEPCO



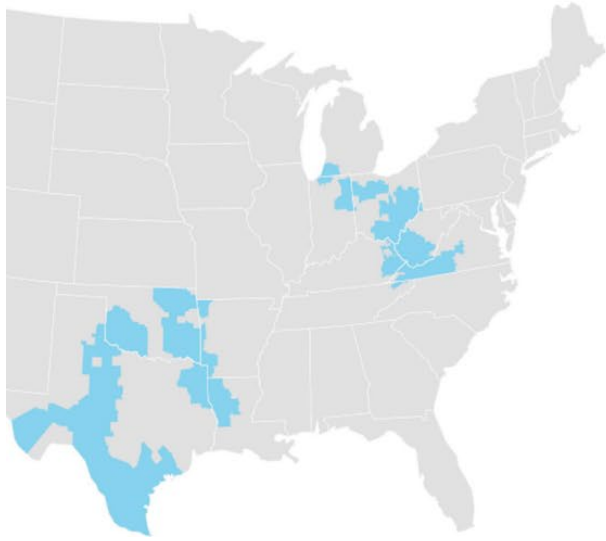
TOTAL CUSTOMERS

Retail Customers

3/31/2023	Residential	Commercial	Industrial	Other	Total
Arkansas	106,525	18,733	607	217	126,082
Louisiana	207,734	25,332	2,040	181	235,287
Texas	155,509	31,349	4,248	190	191,296
TOTAL	469,768	75,414	6,895	588	552,665

Source: https://www.swepco.com/lib/docs/company/about/2023FactSheet_SWEPCO.pdf

American Electric Power



40K
TRANSMISSION MILES
Nation's largest electric transmission system

225K
DISTRIBUTION MILES
One of the largest distribution systems in the U.S.

23GW
OWNED GENERATION
Diverse generation fleet
As of September 30, 2023

\$95B
TOTAL ASSETS
As of September 30, 2023

\$62B
RATE BASE
Strong rate base growth

\$42B
CURRENT MARKET CAPITALIZATION
As of November 6, 2023

17,000
EMPLOYEES
Across the system

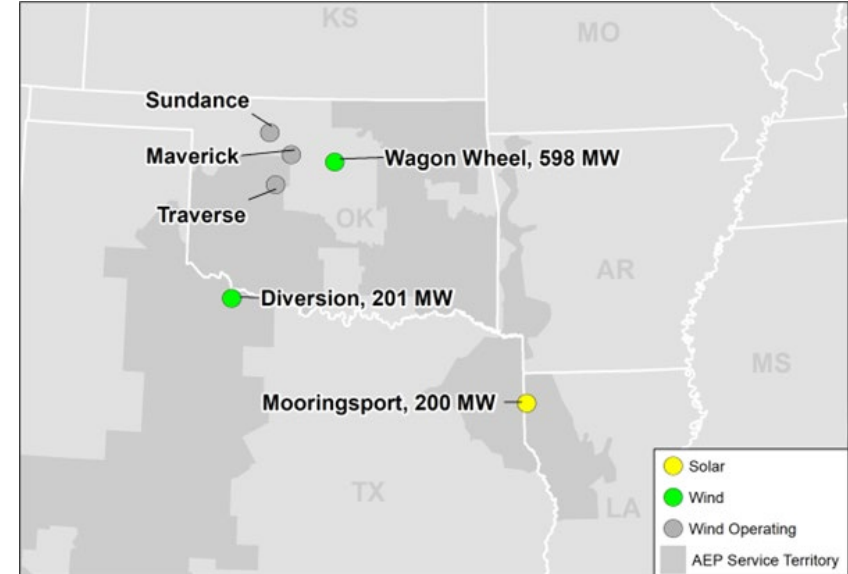
5.6M
CUSTOMERS
Throughout 11 states

Statistics are as of December 31, 2022, unless separately disclosed

SWEPCO Renewable Additions

North Central Wind (NCW) Facilities

- SWEPCO's share of NCW Facilities = 54.5% (809 MW)
 - Affiliate Public Service Company of Oklahoma's share = 45.5% (675 MW)
- NCW consists of 3 wind facilities (1,484 MW)
 - Sundance (199 MW, In-Service 4/2021)
 - Maverick (287 MW, In-Service: 9/2021)
 - Traverse (998 MW, In-Service: 3/2022)
- Further Information on North Central Wind can be viewed at: <https://www.swepco.com/clean-energy/renewable/plan>



2021 RFP

- As result of the 2021 RFP process, SWEPCO obtained regulatory approvals for the purchase of three renewable resources totaling 999 MW at completion
 - Diversion Wind (200.6 MW)
 - Mooringsport Solar (200 MW)
 - Wagon Wheel Wind (598.4 MW)

RFPs Overview

RFP General Information

GENERAL INFORMATION	
Eligibility	Operating and Greenfield Projects
RFP Size	2,100 MW of Accredited Capacity (Cumulative Total)
Commercial Operation Date (COD)*	December 2027 or December 2028
SPP Requirement	Each Project must be active in SPP Queue 2021-001, or earlier
RFP Agreement Type	Purchase and Sale Agreement (PSA) Power Purchase Agreement (PPA) Capacity Purchase Agreement (CPA)
Mattison Battery	PSA RFP allows Bidders to use property and surplus interconnection rights at SWEPCO's Harry D. Mattison power plant site to propose an energy storage project

*CPA RFP offers Terms that include SPP Planning years 2025-2029

Overview (PSA RFP)

- SWEPCO is seeking Projects on a turnkey basis in which it will acquire all of the equity interests in the project company at completion
 - Seller to design, develop, procure, build, construct, commission and start-up a complete project

PSA RFP				
Resource Type	Wind	Solar	Natural Gas	BESS
Eligibility	Operating and Greenfield			
Size (min.)	100 MW	50 MW	50 MW	20 MW
SPP Location	AR, LA, TX, OK, KS, MO	SWEPCO Wires	SWEPCO Wires	SWEPCO Wires
Min Design Life (New)	30 Years			20 Years
Min Design Life Remaining (Operating)	15 Years			
Purchase 100% Equity Interest in Project Company at:	Substantial Completion			Mechanical Completion

Overview (PPA RFP)

- SWEPCO is seeking resources to be acquired via PPAs for the purchase of Energy, Capacity, Ancillary Services, and, if applicable, Environmental Attributes (including RECs)

PPA RFP				
Resource Type	Wind	Solar	Natural Gas	BESS
Eligibility	Operating and Greenfield			
Product	Energy, Capacity, Ancillary Services, and Environmental Attributes (if applicable)			
Size (min.)	20 MW	20 MW	20 MW	20 MW
SPP Location	AR, LA, TX, OK, KS, MO	AEP Wires	AEP Wires	AEP Wires
Term Requirement	20-Year* (Alternates Allowed)	20-Year* (Alternates Allowed)	15-Year* (Alternates Allowed)	20-Year* (Alternates Allowed)
Pricing Structure	Fixed Price / Non-Escalating All-In Around-the-Clock Price		Fixed Monthly Capacity with Variables for Operations	

* Base Proposal must be for stated Term

Overview (CPA RFP)

- SWEPCO is seeking resources to be acquired via CPAs for the purchase of SPP Accredited Deliverable Capacity.

CPA RFP				
Resource Type	Wind	Solar	Natural Gas	BESS
Eligibility	Operating and Greenfield			
Product	SPP Accredited Capacity			
Size (min.)	10 MW			
Term	1-5 Years for Capacity Planning Years 2025-2029			
Pricing Structure	Fixed Price by SPP Capacity Planning Year*			

*SPP Capacity Planning Years start on June 1 and end on May 31

Overview (PSA RFP—Mattison Details)

- Bidders have the opportunity to use SWEPCO-owned land and the existing point of interconnection at the Henry D Mattison power plant to submit proposals for a BESS storage project
- Mattison details and final site visit information provided after signing Confidentiality Agreement
- Tentative Date: February 20, 2024. Email to follow: RSVP by February 15, 2024 to SWEPCO2024RFP@aep.com (with fully executed CA)



Regulatory Approvals

- SWEPCO's decisions regarding the results of the RFP are subject to the receipt of regulatory approvals from all, or a subset of the following, as determined by the Company:
 - Arkansas Public Service Commission
 - Louisiana Public Service Commission
 - Public Utility Commission of Texas
 - Federal Energy Regulatory Commission

RFP Timelines

RFP Timeline	PSA / PPA		CPA
Draft RFP Posted Online	November 29, 2023		November 29, 2023
Bidders Technical Conference	January 18, 2024		January 18, 2024
RFP Issued	January 31, 2024		January 31, 2024
Notice of Intent	February 15, 2024		February 15, 2024
Q&A Deadline	March 19, 2024		March 19, 2024
Proposal Due Date	April 3, 2024		April 3, 2024
Short-List Selection and Negotiation	July 24, 2024		July 2024
Execute Definitive Agreements	January 24, 2025		August 2024
File for Regulatory Approvals	February 25, 2025		TBD
Required Regulatory Approvals	by March 05, 2026		February 2025
Notice to Proceed	by May 5, 2026		TBD
Commercial Operation Date	No later than December 2027	No later than December 2028	June 1 of 2025, 2026, 2027, 2028, or 2029

RFP Website Structure

General RFP information posted at Website: www.SWEPCO.com/rfp

ENERGY PROVIDER RFPS

DRAFT 2024 SWEPCO WIND, SOLAR, STORAGE, AND NATURAL GAS RFPS

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

The Company has identified the need for additional resources to serve the future energy and capacity needs of its customers and to maintain compliance with the Southwest Power Pool (SPP) Planning Reserve Margin (PRM) requirement. This resource need is reflected in the Company's Integrated Resource Plan ("IRP") proceeding which is currently pending in Louisiana Public Service Commission ("LPSC" or the "Commission") Docket No. I-36242 and outlined at the second IRP stakeholder conference conducted on August 29, 2023.

[Learn more](#)

RFP Website Structure



2024 WIND, SOLAR, STORAGE & NATURAL GAS ENERGY RESOURCE RFPs

Southwestern Electric Power Company (SWEPCO), an American Electric Power company, is pursuing additional generation and capacity resources of up to 2,100 MW of SPP Accredited Capacity via the following Requests for Proposals (RFPs).

RFP	Details
PSA	Wind, Solar, BESS and Natural Gas RFP via one or more Purchase and Sale Agreements (PSAs) for SPP resources. In addition, the Company is soliciting Proposals for completion of an energy storage project at SWEPCO's Harry D. Mattison power plant site.
PPA	Wind, Solar, BESS, and Natural Gas RFP seeking energy, SPP capacity, environmental attributes (including RECs), and ancillary services via one or more Power Purchase Agreements (PPAs).
CPA	Capacity RFP seeking short-term SPP accredited deliverable capacity via one or more Capacity Purchase Agreements (CPAs).

Self-Build Proposals:The Company plans to evaluate one or more Self-Build Proposals in addition to the Proposals received in the PSA RFP. The Self-Build Proposals will be developed by the AEP Projects Group who are independent from the RFP Team. Self-Build Proposals shall 1) be submitted to the RFP Team one day prior to the PSA, PPA, and CPA Proposal Due Date, and 2) use as a basis for the Proposal, the information required in the PSA Proposal Content Section (RFP Section 6) and all applicable appendices.

To qualify for consideration resources must interconnect to SPP with an SPP Queue Position of 2021-001, or earlier.

Proposals are due April 3, 2024. All proposal responses should be submitted to the RFP BOX Account outlined in the RFP documents.

RFP Website Structure

SCHEDULE*

Draft RFP Posted Online	November 29, 2023
Bidders Technical Conference	January 18, 2024
RFP Issued	January 31, 2024
Notice of Intent	February 15, 2024
Q&A Deadline	March 19, 2024
Proposal Due Date	April 3, 2024
Final Selection and Negotiation	July 24, 2024
Execute Definitive Agreements	January 24, 2025
File for Regulatory Approvals	February 25, 2025
Required Regulatory Approvals	No later than March 5, 2026
Notice to Proceed	No later than May 5, 2026
Commercial Operation Date	No later than December 2027 or December 2028

*The above schedule is subject to review and approval by the LPSC Staff.

BIDDER'S TECHNICAL CONFERENCE

Date: January 18th, 2024

Time: 1:00-2:30 PM CST (2:00-3:30 PM EST)

Place: Zoom Webinar (Registration Instructions Below)

Q&A

Please email all questions to SWEPCORFP2024@aep.com.

Answers will be compiled and posted here on a weekly basis.

DOCUMENTS

- [Draft 2024 PSA RFP](#)
- [Draft 2024 PPA RFP](#)
- [Draft 2024 CPA RFP](#)
- [Bidder's Technical Conference](#)

RFP Details

Resource Analysis PSA RFP

Wind Resources (Appendix H)

- PSA Proposals shall include a robust wind resource analysis/study prepared by an independent consultant, which shows the Project's expected energy output utilizing the turbines designated for the Project

Solar Resources (Appendix I)

- Proposals must provide the source and basis of the solar irradiance data used in the development of energy projections for the Project.
- PSA Proposals must submit a Solar Modeling Input worksheet detailing the technology assumptions used in the energy projections (panel OEM, inverter OEM, racking configuration, etc.)

BESS Resources (Appendix J)

- Bidder must submit a Battery Storage Design Criteria worksheet providing a detailed description of the resource capabilities and design specifications

Natural Gas Resources (Appendix K)

- Bidder must submit a Thermal Data Review Form worksheet providing a detailed description of the resource capabilities and design specifications

Interconnection (§3.8 PSA / §3.12 PPA)

- The Proposal must identify the Project's proposed transmission interconnection point(s) within SPP, including any associated studies, applications, line extensions and system upgrades identified as part of the interconnection approval process
- The Bidder is responsible for following the established SPP, NERC, and transmission operator policies and procedures associated with facility interconnection and operation during the Project start-up period
- Interconnection Status:
 - Each Project must be active in SPP Queue 2021-001, or earlier. Projects in later queues will not be able to participate in this RFP

“PSA” Bid Price and Structure (§4)

- Proposal pricing must be for the Company’s acquisition of a turnkey Project that is a complete and commercially operable integrated wind or solar powered electric generating plant designed for a minimum of a 30-year life (20-year life for BESS)
- The Proposal Bid Price shall include, but is not limited to (if applicable to Proposal resource type): wind turbine generators, solar modules, tracking systems, batteries, storage containers, OEM turbines/Gen Sets, balance of plant equipment, operations and maintenance (O&M) facilities, project substation, generation tie-line, SCADA, IT, and all facilities required to deliver energy into SPP
- Warranty: a minimum of two-year comprehensive warranty from a creditworthy entity for all balance of plant equipment including design, labor and materials, and fitness for purpose
- Post-commercial operation testing activities and associated costs, including the installation / removal of any temporary test met towers (as applicable)
- All transmission and interconnection facilities required for the Project, including system or network upgrades, as required by SPP

“PPA” Bid Price and Structure (§4)

- All-in Price. Pricing must include all capital costs, fixed and variable O&M costs, taxes and any other costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery

Wind and Solar Projects:

- The Bid Price shall be on an “as available” per MWh basis with no separate capacity payment
- Bid Price must be a fixed, non-escalating, “all-in” around-the-clock Price (\$/MWh) for the entire term of the agreement commencing on January 1, 2028, or January 1, 2029

BESS Projects:

- Pricing should include a fixed, non-escalating monthly capacity payment price (\$/kw-month) and all other fixed or variable costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery

Natural Gas Projects:

- Pricing should include a fixed, non-escalating monthly capacity payment price (\$/kw-month) and all other fixed or variable costs including fuel associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery.

Form Agreements (General Terms)

Purchase & Sale Agreements (PSA)*

- Notice To Proceed (NTP) subject to receipt of all required Regulatory Approvals
- Buyer to purchase 100% of project company exclusively holding all Project assets
- Major equipment (e.g. wind turbine, modules and inverters) warranties will be direct assignment through to SWEPCO
- Seller to provide full 2-year balance of plant warranty
- Seller to provide credit support for all obligations under PSA
- Customary Seller Covenants, Representations and Warranties

* General terms are highlighted above. Form Agreements are available after execution of a CA (RFP §5.4)

Form Agreements (General Terms)

Power Purchase Agreements (PPA)*

- Purchase of Renewable Energy Products
 - Energy, Capacity, Environmental Attributes (including RECs), and Ancillary Services, as applicable
- Minimum Guaranteed Availability
- Wind/Solar: Delivered Renewable Energy Products paid for at the Contract Rate (\$/MWh). No separate capacity payment
- Natural Gas/BESS: Fixed Monthly Capacity (\$/kw-month) with variable charges for operations
- Renewable Energy Products received by SWEPCO at the project's point of delivery to SPP
- Seller will be SPP Market Participant
- Seller to provide credit support for all obligations under PPA
- Customary Seller Covenants, Representations and Warranties

* General terms are highlighted above. Form Agreements are available after execution of a CA (RFP §5.4)

There are no Production Guaranty provisions in the Form PPA

Proposal Content Requirement

- All Proposals must provide concise and complete information as provided in the RFP
- The Bidder is encouraged to provide as much information as possible to aid in the evaluation of the offer

Proposal Content Check List Sheet

- Appendix A (Project Summary)
- Appendix B (Proposal Bid Pricing)
- Appendix C (Bidder Credit Information and Profile)
- Appendix D (Form Purchase and Sale Agreement)—PSA specific
- Appendix E (Form Power Purchase Agreement)—PPA specific
- Appendix F (Generation Facility Standards)—PSA specific
- Appendix G (AEP Requirements for Interconnection)—PSA specific
- Appendix H (Wind Resource Information)
- Appendix I (Solar Resource Information)
- Appendix J (BESS Resource Information)
- Appendix K (Natural Gas Resource Information)
- Appendix L (Financing Plan)
- Appendix M (Land Lease/Decommissioning/Property Taxes & Site Control Docs)
- Appendix N (Project Due Diligence—PSA; Construction Milestones—PPA)
- Appendix O (Site/Environmental/Wildlife Information)
- Appendix P (Other Non-Price Factor Documentation)
- Appendix Q (Tax Credit Information)
- Appendix R (Operational Project Information)
- Appendix S (Mattison Project Information)—PSA specific

RFP Proposal Evaluation

Evaluation Process

Proposal Receipt (§5.7)

Proposals must be complete and uploaded electronically to the RFP Box by 3pm CT on 4/3/2024



Eligibility & Threshold Requirements (§7.1)

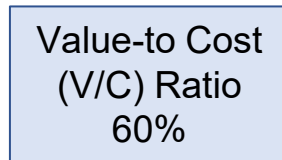
If the Bidder does not qualify under any one of the Sections in §7.1, Bidder will not qualify for the RFP



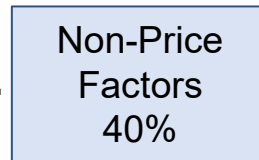
Detailed Analysis Steps (§7.2)

Metrics Calc'd

- LANCOE
- LANCOC
- V/C



+



=

Composite Score PSA/PPA	
Rank All Bids in Order of Composite Scores	1.
	2.
	3.
	4.
	5.
	6.

Short-List (§7.3)



Economic Analysis (§7.2.2)

Non-Price Factor Analysis (§7.2.2)

*Table is limited to 6 projects only as an example.
All projects that pass the E&T criteria will be scored.*

LANCOE – Levelized Adjusted Net Cost of Energy
 LANCOC – Levelized Adjusted Net Cost of Capacity
 V/C – Value to Cost Ratio



See Slide 34 for additional details

Eligibility & Threshold – PSA (§7.1)

1. Proposal must be for a PSA (§2.1, 2.2)	8. Resource Information (Appendix H – K)
2. Expected COD by 12/15/2027, or alternatively 12/15/2028 (§3.2)	9. New Wind, Solar, and Gas Projects must have a minimum design life of 30 years and BESS Projects must have a minimum design life of 20 years. Operating Wind, Solar, BESS, and Gas Projects must have a minimum remaining design life of 15 years (§3.6.7);
3. Minimum nameplate rating MWac by resource (§3.4)	10. Bidder Experience (Appendix A);
4. Solar, BESS, and Natural Gas Projects must be located in the SPP portion of Arkansas, Louisiana, or Texas and directly interconnected to SWEPCO’s transmission system. Wind Projects must be located in the SPP portion of Arkansas, Louisiana, Texas, Oklahoma, Kansas, or Missouri. (§3.5);	11. Bidder is required to include requested financial information (Appendix C) so that AEP’s credit department can conduct a financial wherewithal assessment. Bidders are required to verify that any costs associated with meeting the credit requirements are included in the submitted Bid Price (Appendix B) (§4.8);
5. Specific requirements (§3.6.1 - §3.6.4);	12. Bidder’s exceptions to the Form PSA (Wind, Solar, and BESS) or PSA Term Sheet (Natural Gas) must be complete and, considered individually or in the aggregate, minimally acceptable to SWEPCO (§6.7)
6. Bidder must have established Site Control (§3.6.5).	13. Proposal must include detailed exceptions, if any, to the applicable AEP Generation Facility Standard and Scope of Work in Appendix F. (§6.8).
7. Project must be interconnected to SPP, be active in SPP Queue Cluster 2021-001 or earlier, remain active in the queue, with the demonstrated ability to achieve COD by the expected Commercial Operation Date (§3.8.2).	<u>Some of the E&T criteria in this table has been abbreviated. Bidder must refer to the RFP document for full descriptions</u>

ONLY projects that meet the Eligibility & Threshold Requirements will move to the “Detailed Analysis” phase of the RFP

Eligibility & Threshold – PPA (§7.1)

1. Proposal must be for a PPA (§2.2)	8. The Bid Price must meet all of the requirements for the specific resource as outlined in §4.5.
2. Projects must have an Expected COD by 12/31/2027, or alternatively 12/31/2028 (§3.2).	9. Bidder Experience (§6.4).
3. Project minimum nameplate rating of 20 MWac (§3.4);	10. Resource Information (Appendix H-K)
4. Solar, BESS, and Natural Gas Projects must be located in the SPP portion of Arkansas, Louisiana, Texas, or Oklahoma and directly interconnected to AEP’s transmission system. Wind Projects must be located in the SPP portion of Arkansas, Louisiana, Texas, Oklahoma, Kansas, or Missouri. (§3.7);	11. Bidder is required to include requested financial information (Appendix C) so that AEP’s credit department can conduct a financial wherewithal assessment. Bidders required to verify that any costs associated with meeting the credit requirements are included in the submitted Bid Price (Appendix B) (§4.8);
5. Bidder must have established Site Control (§3.11.1);	12. Bidder’s exceptions to the Form PPA (Wind, Solar, and BESS) or PPA Term Sheet (Natural Gas) must be complete and, considered individually or in the aggregate, minimally acceptable to SWEPCO (§6.7)
6. Project must be interconnected to SPP, be active in SPP Queue Cluster 2021-001 or earlier, 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 (§3.12) (Not applicable to Operational Resources);	<p><u>Some of the E&T criteria in this table has been abbreviated. Bidder must refer to the RFP document for full descriptions</u></p>
7. Proposals must include a Bid Price for a 20-year Term for Wind, Solar, and BESS resources and a 15-Year Term for Natural Gas resources. Bidders may include Proposals with alternate Terms (§4.4);	

ONLY projects that meet the Eligibility & Threshold Requirements will move to the “Detailed Analysis” phase of the RFP

Eligibility & Threshold – CPA (§7.2)

1. The generating resource must have accredited capacity that satisfies the qualifications for Deliverable Capacity (§3.1);
2. The minimum capacity bid must be 10 MW (§3.2);
3. Proposals must designate a specific generating resource (§3.3);
4. Resources located outside of the SPP region must include firm transmission service to the SPP transmission system (§3.3).

ONLY projects that meet the Eligibility & Threshold Requirements will move to the “Detailed Analysis” phase of the RFP

Detailed Analysis (§7.2)

Economic Analysis (§7.2.1)

- 60% of the Overall Score
- Value-to-Cost Ratio is the primary ranking metric

Non-Price Factors (§7.2.2)

- 40% of the Overall Score
- Categories will be scored by various SWEPCO and AEP subject matter experts

Economic Analysis Metrics

LANCOE (\$/MWh) =	$\frac{\text{Total Cost (\$)} - \text{Total Value (\$)}}{\text{Present Value of Projected Energy Production (MWh)}}$
LANCOC (\$/MW) =	$\frac{\text{Total Cost (\$)} - \text{Total Value (\$)}}{\text{Present Value of Projected SPP Accredited Capacity (MW)}}$
Value to Cost Ratio =	$\frac{\text{Present Value of Total Value (\$)}}{\text{Present Value of Total Cost (\$)}}$

Non-Price Factors

Location & Economic Benefits
Dispatchability and Flexibility
Resource Diversity, Cost Risk, and Technology
Project Risk and Project Quality
Social Benefits and Risk

Short-List Selection

- Based on the results of the Detailed Analysis described previously, the Company will determine which projects will be included in the Short-List 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
- Shortlisted Bidders are not guaranteed award of a contract – an awarded PSA, PPA, or CPA is subject to final negotiations of a definitive agreement

Detailed Analysis Steps (§7.2)

Metrics Calc'd

- LANCOE
- LANCOG
- V/C

Value-to Cost
(V/C) Ratio
60%

+

Non-Price
Factors
40%

=

Composite Score PSA/PPA	
Rank All Bids in Order of Composite Scores	1.
	2.
	3.
	4.
	5.
	6.

Short-List (§7.3)

Short-List
Optimized
Portfolio

Economic Analysis (§7.2.2)

Non-Price Factor
Analysis (§7.2.2)

*Table is limited to 6 projects only as an example.
All projects that pass the E&T criteria will be scored.*

Bidder Requirements

- **Confidentiality Agreement (CA)**

Bidders will be required to sign a CA prior to receiving detailed RFP document appendices. Request Form CA with required support via email to: SWEPCO2024RFP@aep.com

- **Notice of Intent**

Bidders to provide NOI to SWEPCO by February 15, 2024 via email to: SWEPCO2024RFP@aep.com with the information listed in §5.3

- **Bidder Package**

RFP Proposal submittal method and additional required proposal content can be found in the RFP (§6). Instructions for using the RFP Box site for proposal submittal will be provided upon completing the CA

Questions and Answers

We will return in approximately 5 minutes to answer select questions that we received via the **Zoom Q&A feature** during the conference

If the event of a discrepancy between the answer provided during this live Q&A session and the answer posted to the website, the website answer shall prevail as the official answer

All questions following this Bidders Conference regarding the RFPs should be submitted to:

SWEPCO2024RFP@aep.com

SWEPCO RFP Website:

swepco.com/rfp