



2022 Request for Proposals Wind & Solar RFPs

Bidders Technical Conference



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 7/29/2022 OR ITS BIDDING REQUIREMENTS. THE DRAFT RFPs ISSUED ON 7/29/2022 OR SUBSEQUENT REVISIONS CONTROLS IN THE EVENT OF ANY CONFLICT BETWEEN THE RFPs AND THIS PRESENTATION OR ANY OTHER STATEMENTS MADE BY SWEPCO REPRESENTATIVES.

Agenda

- Purpose
- Introduction to AEP
- Introduction to SWEPCO
- Wind & Solar RFPs
 - Overview
 - Proposal Evaluation Process
- Upcoming RFPs
- Questions and Answers
 - Q&A Deadline: November 4, 2022
- Email Questions to:
SWEPCO2022RFP@aep.com



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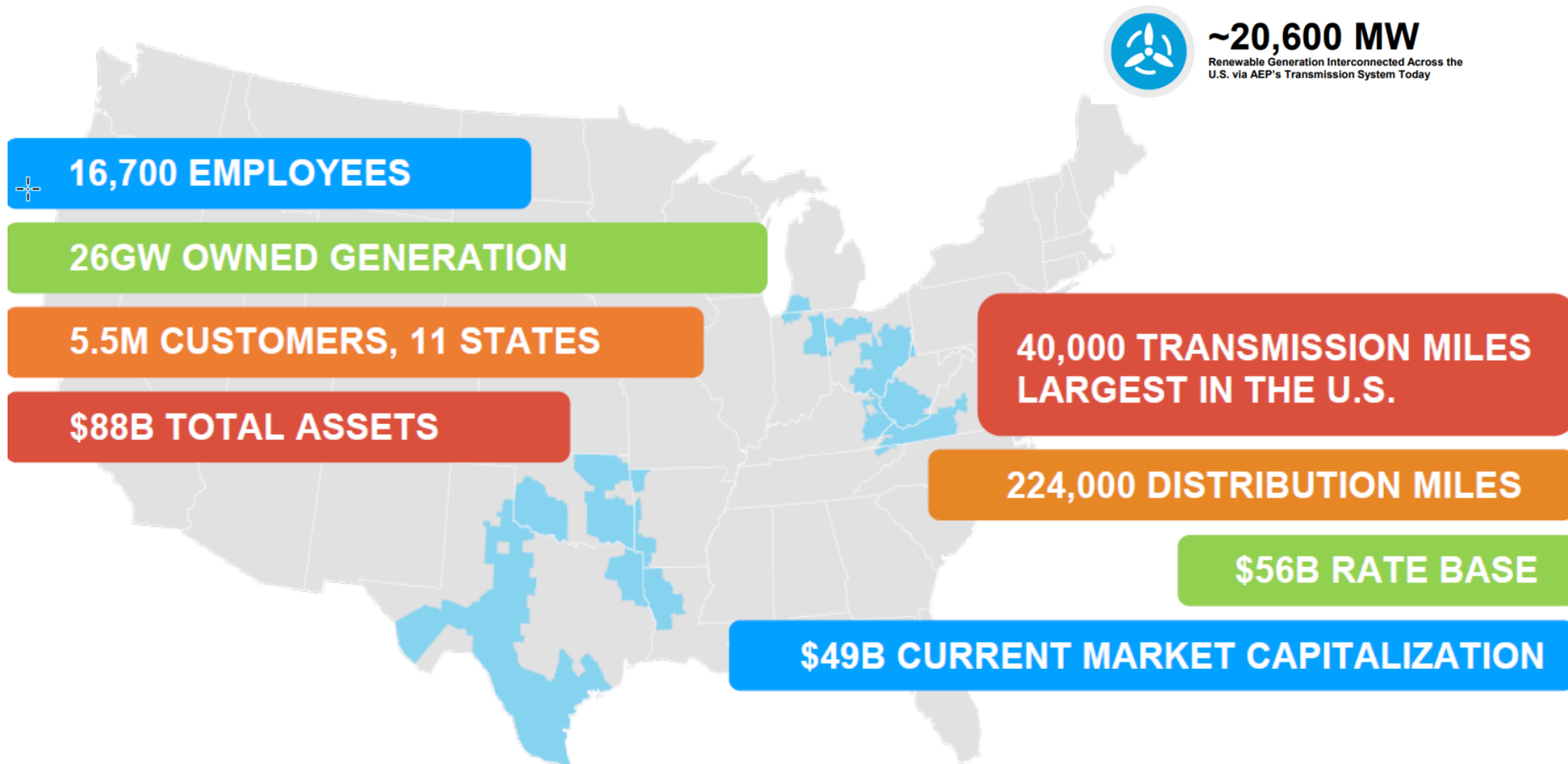
Purpose

- Southwestern Electric Power Company (“SWEPCO” or the “Company”) is pursuing additional generation in two Request for Proposals (“RFPs”)
- Resources acquired as a result of these RFPs will support the Company’s need for additional generation as a result of the recent announcement of upcoming retirements of owned generating capacity by the Company
- This need is reflected in the Company’s Integrated Resource Plan (“IRP”) filed with the Arkansas Public Service Commission in December 2021 and as outlined in stakeholder meetings as part of the Louisiana IRP process

Introduction to AEP



American Electric Power



Statistics as of December 31, 2021 except for owned generation as of June 30, 2022 and market capitalization as of July 26, 2022.

Introduction to SWEPCO

RETAIL CUSTOMERS

12/31/2021

	Residential	Commercial	Industrial	Other	Total
Arkansas	105,500	18,500	600	200	124,800
Louisiana	206,600	25,000	2,000	200	233,800
Texas	154,000	30,800	4,200	200	189,100
TOTAL	466,100	74,300	6,800	600	547,800

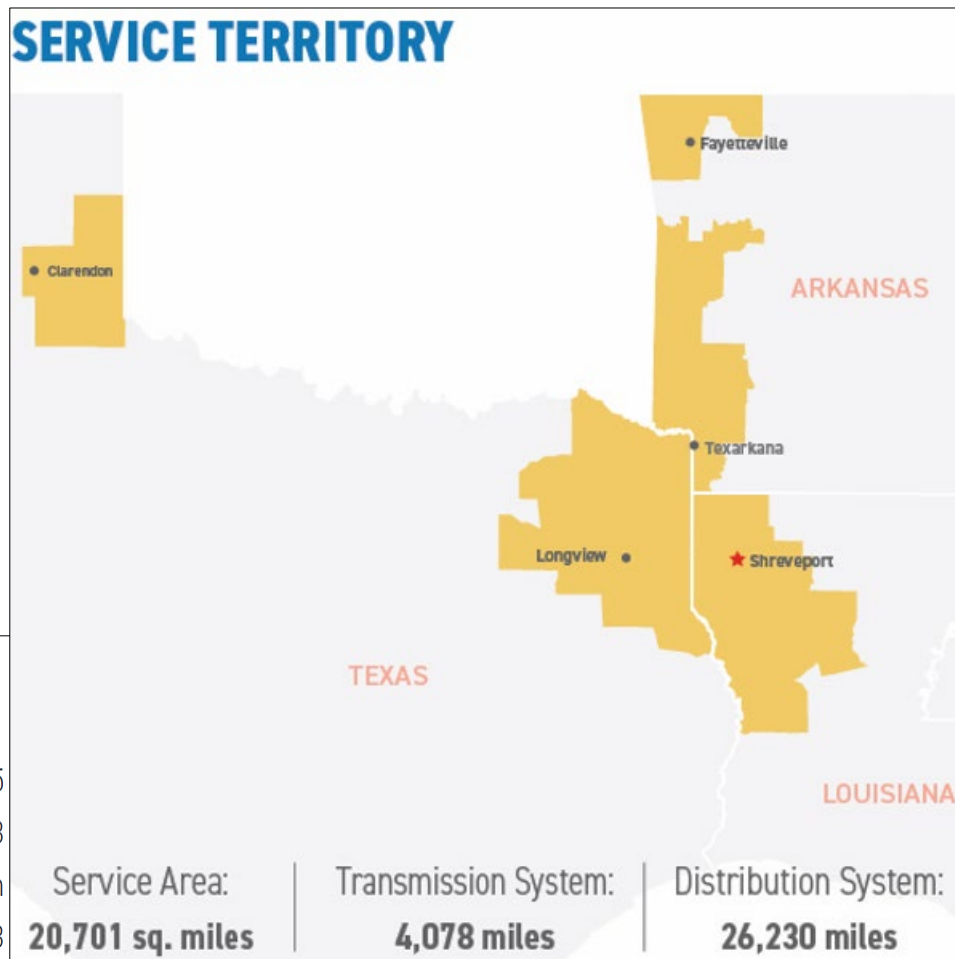
Source: https://www.swepco.com/lib/docs/company/about/2022FactSheet_SWEPCO.pdf

Southwestern Electric Power Company

- SWEPCO is a unit of AEP
- SWEPCO operates in western AR, northwestern and central LA, East TX and the panhandle of North TX
- Headquarters in Shreveport, LA
- SWEPCO has been providing affordable, reliable electricity to customers since 1912

OPERATING INFORMATION

2021 Retail electric sales in megawatt-hours.....	16,452,381
2021 Wholesale sales in megawatt-hours.....	7,578,855
2021 System peak megawatts (2-16-21).....	4,563
Plant in service	\$7.31 billion
Total number of employees	1,303



Source: https://www.swepcos.com/lib/docs/company/about/2022FactSheet_SWEPCO.pdf

Further Information on SWEPCO can be viewed at: www.SWEPCO.com

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 three wind facilities (1,484 MW)
 - Sundance (199 MW) In-service: April 2021
 - Maverick (287 MW) In-service: September 2021
 - Traverse (998 MW) In-service: March 2022



Further Information on North Central Wind can be viewed at: <https://www.swepco.com/clean-energy/renewable/plan>

2021 Wind and Solar RFP Results

- As a result of the 2021 RFP process, SWEPCO made filings in May 2022 to obtain regulatory approvals for the purchase of three renewable resources totaling 999 MW.
- The three resources include:
 - Diversion Wind (200.6 MW)
 - Located in Texas
 - Expected in-service: December 2024
 - Mooringsport Solar (200 MW)
 - Located in Louisiana
 - Expected in-service: December 2025
 - Wagon Wheel Wind (598.4 MW)
 - Located in Oklahoma
 - Expected in-service: December 2025
- The outcome of the regulatory process is pending and orders are expected Q2 2023.



RFPs Overview (Wind and Solar)

Overview (Wind & Solar)

- SWEPCO is seeking Projects on a turnkey basis in which it will acquire all of the equity interests in the project company
 - Seller to design, develop, procure, build, construct, commission and start up complete project
 - Proposals that do not meet this criteria, including proposals for renewable energy power purchase agreements, will not be considered by SWEPCO

Requirement	Wind RFP	Solar RFP
Size	Up to 1,900 MW	Up to 500 MW
Minimum Project Size	100 MW	50 MW
Design Life (min.)	30 Years	
Battery Energy Storage System (BESS) - Optional	Yes	Yes
RTO / Location	SPP and located in AR, LA, TX, OK, KS, and MO	
SPP Requirement	Each Project must be active in SPP Queue 2018-001 or earlier (§4.7.3)	
In-Service Date (by)	12/1/2025 or 12/1/2026	

Regulatory Approval

- SWEPCO's decisions regarding the results of the RFP will be subject to the receipt of regulatory approvals from:
 - Arkansas Public Service Commission
 - Louisiana Public Service Commission
 - Public Utility Commission of Texas
 - Federal Energy Regulatory Commission
- The Company plans to submit a portfolio of Projects to each of the regulatory commissions for approval
 - In the event the entire portfolio is not approved by a particular commission, the Company will provide the remaining commissions the opportunity to approve an increase in that jurisdiction's share of the selected portfolio
- Upon obtaining all required approvals, SWEPCO would issue a notice to proceed (NTP) to move forward with construction of the Project

RFP Timeline for Wind and Solar (§6.1)

RFP Timeline		
Draft RFP Posted Online	July 29, 2022	
Bidders Technical Conference	September 20, 2022	
RFP Issued	September 29, 2022	
Notice of Intent	October 14, 2022	
Q&A Deadline	November 4, 2022	
Proposal Due Date	November 17, 2022	
Final Project Selection and Negotiation	February 1, 2023	
Execute Definitive Agreements	June 30, 2023	
File for Regulatory Approvals	July 7, 2023	
Required Regulatory Approvals	by July 8, 2024	
Notice to Proceed	August 8, 2024	
Commercial Operation Date	No later than December 1, 2025	No later than December 1, 2026

RFP Website Structure

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

ENERGY PROVIDER RFPS

Draft 2022 Solar Energy Resource RFP

Southwestern Electric Power Company (SWEPCO), an American Electric Power company, has issued a 2022 Solar PSA RFP to obtain up to 500 megawatts (MW) of Solar Resources via multiple purchase and sale agreements (PSA) for purchase of 100% equity interest in the project companies selected.

Learn more

Draft 2022 Wind Energy Resource RFP

Southwestern Electric Power Company (SWEPCO), an American Electric Power company, has issued a 2022 Wind PSA RFP to obtain up to 1,900 megawatts (MW) of Wind Resources via multiple purchase and sale agreements (PSA) for purchase of 100% equity interest in the project companies selected.

Learn more

RFP Website Structure

DRAFT 2022 SOLAR ENERGY RESOURCE RFP

Southwestern Electric Power Company (SWEPCO), an American Electric Power company, has issued a Draft 2022 Solar PSA RFP to obtain up to 500 megawatts (MW) of Solar Resources via multiple purchase and sale agreements (PSA) for purchase of 100% equity interest in the project companies selected.

Proposals will be evaluated based on criteria outlined in the final 2022 Solar PSA RFP. Projects must have a minimum nameplate rating of 50 MW and be operational by December 1, 2025, or December 1, 2026.

To qualify for consideration, Solar Projects must interconnect to the Southwest Power Pool (SPP) RTO and be sited in either Arkansas, Louisiana, Texas, Oklahoma, Kansas or Missouri. Refer to RFP for additional requirements (See Section 4 and Section 9.1).

The Final RFP is expected to be issued on September 29, 2022. The current RFP Schedule is provided below.

SCHEDULE

Draft RFP Posted Online: July 29, 2022

Bidders Technical Conference: September 20, 2022

RFP Issued: September 29, 2022*

Notice of Intent: October 14, 2022

Q&A Deadline: November 4, 2022

Proposal Due Date: November 17, 2022

Final Selection and Negotiation: February 1, 2023

Execute Definitive Agreements: June 30, 2023

File for Regulatory Approvals: July 7, 2023

Required Regulatory Approvals: NLT July 8, 2024

Notice to Proceed: NLT August 8, 2024

Mechanical Completion Date: NLT September 1, 2025, or September 1, 2026

Commercial Operation Date: NLT December 1, 2025, or December 1, 2026

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

DOCUMENTS

 **Draft 2022 Solar PSA RFP**

Bidder's Technical Conference - The Bidder's Technical Conference presentation will be posted in this location at a later date

BIDDERS TECHNICAL CONFERENCE

Date: September 20, 2022

Time: 1:00 p.m. CDT (2:00 p.m. EDT)

Place: Microsoft Teams Live Event

Registered bidders will receive a calendar invitation with a link to the live event.

Attendees will be able to watch the event in Teams—desktop (Windows or Mac), web, or mobile. If they don't have Teams, they can also use a browser (Chrome, Firefox, or Edge).

Email swepco2022rfp@aep.com to request registration.

Please include the name of your company, email address, company representative name(s), and the following in the subject line of your email:

SWEPCO BIDDERS TECHNICAL CONFERENCE

Q&A

Please email all questions to SWEPCO2022RFP@aep.com. Questions and answers will be compiled and posted here on a weekly basis.

 **Q&A - 09/09/2022**

RFP Details

Resource Assessments

Wind Resources (§4.6.4)

- Bidders 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 (Appendix G)
- 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

Solar Resources (§4.6.4)

- Bidders are required to submit all required Solar Resource Information (Appendix G)
 - Proposal must provide the source and basis of the solar irradiance data used in the development of energy projections for the Project.
 - Bidder must submit a worksheet detailing the technology assumptions used in the energy projections (panel OEM, inverter OEM, racking configuration, etc.)
 - Bidder must supply the Project Layout along with the contour and elevation data in CAD format

Interconnection (§4.7)

- 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:
 - Wind/Solar: Each Project must be active in SPP Queue 2018-001, or earlier. Projects in later queues will not be able to participate in this RFP

Bid Price and Structure (§5)

- 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
- The Proposal Bid Price shall include, but is not limited to:
 - Wind Projects: wind turbine generators, balance of plant equipment, operations and maintenance ("O&M") facilities, SCADA, and all facilities required to deliver energy into SPP
 - Solar Projects: solar modules, tracking system, balance of plant equipment, ("O&M") facilities, SCADA, 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

Form Purchase & Sale Agreement

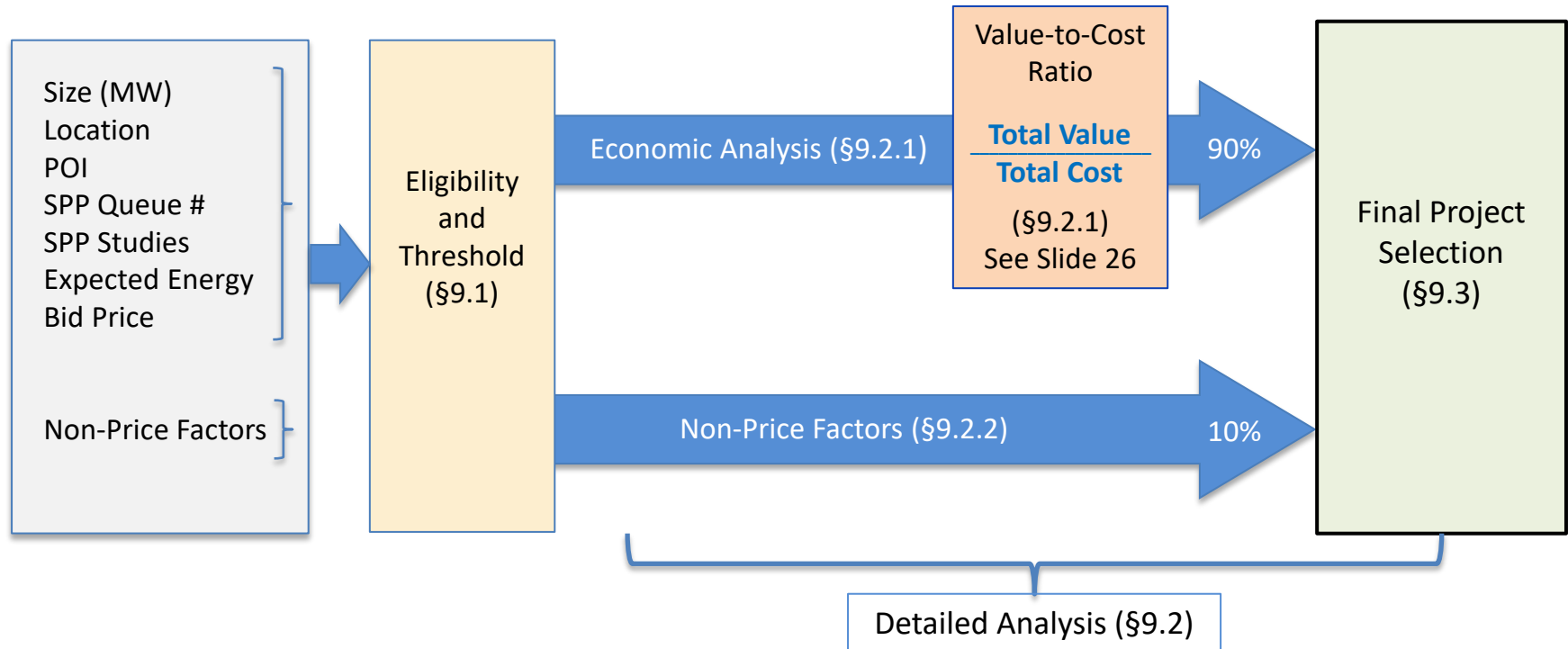
- Notice To Proceed (NTP) subject to receipt of all required Regulatory Approvals
- Buyer to purchase 100% of project company exclusively holding all Project assets
- Payment: 98% at closing (COD) / 2% at final completion
- Major equipment (e.g. wind turbine, modules and inverters) warranties will be 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

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
- Appendix M – Proposal Content Check List Sheet
 - Appendix A (Project Summary)
 - Appendix B (Bidder's Credit-Related Information)
 - Appendix C (Bidder Profile)
 - Appendix D (Form Purchase and Sale Agreement)
 - Appendix E (AEP Wind (Solar) Generation Facility Standards)
 - Appendix F (AEP Requirements for Connection of Facilities)
 - Appendix G (Wind (Solar) Resource Analysis / Study)
 - Appendix H (Project Land Lease / Decommissioning Costs)
 - Appendix I (Project Technical Due Diligence)
 - Appendix J (Site Information / Environmental / Wildlife)
 - Appendix K (Other Non-Price Factor Documentation)
 - Appendix L (PTC Supporting Documentation)

RFP Proposal Evaluation (Section 9)

Evaluation Process



Eligibility & Threshold – Wind (§9.1)

1. Base Proposal must be for a Purchase and Sale Agreement for a Wind Project (§3.2, 3.3);	7. Project must have a minimum design life of at least 30 years (§4.6.2);
2. Project must be capable of achieving commercial operation by the Commercial Operation Deadline (December 1, 2025, or December 1, 2026) (§4.2);	8. Project's wind turbine generators must be manufactured by GE, Siemens-Gamesa, or Vestas; and include a Cold Weather Package (§4.6.2);
3. Project's minimum name-plate rating is 100 MW (§4.3);	9. Proposal Bid Price Shall NOT be contingent upon an operations and maintenance agreement for the Project (§5.1);
4. Project must be interconnected to the SPP (§4.4), be active in SPP Queue Cluster 2018-001 or earlier (§4.7.3), and remain active in the queue process;	10. 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;
5. Project must be physically located in Arkansas, Louisiana, Texas, Oklahoma, Kansas or Missouri (§4.5);	11. 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.
6. Bidder has substantial Project site control (§4.6.1);	

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

Eligibility & Threshold – Solar (§9.1)

1. Base Proposal must be for a Purchase and Sale Agreement for a Solar Project (§3.2, 3.3);	7. Project must have a minimum design life of at least 30 years (§4.6.2);
2. Project must be capable of achieving commercial operation by the Commercial Operation Deadline (December 1, 2025, or December 1, 2026) (§4.2);	8. Project's module and inverter manufacturers must be included in the AEP Solar Generation Facility Standard (§4.6.2);
3. Project's minimum name-plate rating is 50 MW (§4.3);	9. Proposal Bid Price Shall NOT be contingent upon an operations and maintenance agreement for the Project (§5.1);
4. Project must be interconnected to the SPP (§4.4), be active in SPP Queue Cluster 2018-001 or earlier (§4.7.3), and remain active in the queue process;	10. 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;
5. Project must be physically located in Arkansas, Louisiana, Texas, Oklahoma, Kansas or Missouri (§4.5);	11. 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.
6. Bidder has substantial Project site control (§4.6.1);	

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

Detailed Analysis (§9.2)

Economic Analysis (§9.2.1) – 90% of the Overall Score

- The following financial metrics are calculated; Value-to-Cost Ratio is the primary ranking metric constituting 90% of the overall score

LCOE (\$/MWh)	=	$\frac{\text{Total Cost (Present value of all project costs)}}{\text{Present Value of Projected Energy Production (MWh)}}$
LACOE (\$/MWh)	=	$\frac{\text{Total Cost (Present value of all project costs, including Transmission and Congestion Costs)}}{\text{Present Value of Projected Energy Production (MWh)}}$
VALUE-TO-COST RATIO	=	$\frac{\text{Total Value (Present value of all the value streams)}}{\text{Total Cost (Present value of all project costs)}}$

Detailed Analysis (§9.2) (Continued)

Non-Price Factors (§9.2.2) – 10% of the Overall Score

- Project impact on wildlife and the environment (including associated transmission and interconnection facilities)
- Project location on or proximity to tribal or government lands (including associated transmission and interconnection facilities)
- Bidder exceptions to the Form PSA
- Bidder exceptions to the AEP Solar/Wind Generation Facility Standards
- Development status of the Project including, but not limited to, permitting, transmission and interconnection facilities and constructability
- Bidder Experience and Financial Wherewithal
- Economic Stimulus, Community Support, Supplier/Contractor Diversity, and other Environmental and Social Impacts
- Bidder Independent Wind Consultant Credentials (Wind Specific)

Final Selection (Wind and Solar)

Final Project Selection

- Based upon the results of the Economic Analysis (90%) and the Non-Price Factor Analysis (10%) described previously, 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



Upcoming RFPs

SWEPCO is currently exploring plans to issue the following RFPs in the near future:

- Short-Term Capacity RFP
- Stand-Alone Battery Energy Storage System (BESS) PSA RFP

Details on these RFPs will be posted at [swepco.com/rfp](https://www.swepco.com/rfp) when they become available.

Questions and Answers

All questions regarding the RFPs should be submitted to:
SWEPCO2022RFP@aep.com