

2019 PSO & SWEPCO Wind RFPs

Questions and Answers

Posted 2/26/19

Question 10: With regards to the LACOE analysis, is it possible to see the rough methodology or formula the weighting of congestion & basis as factored into the LACOE analysis?

Answer: As discussed in the RFP, the Company will determine an LACOE for each wind farm by adding together the LCOE associated with each proposal, and an adjustment factor which considers both the congestion cost associated with delivering each wind farm to the AEP zone and the cost of a potential future generation tie line that will move the wind energy to load. For additional information, please refer to pages 28 and 29 of the Bidders Technical Conference presentation posted at both the Companies' websites.

Question 9: Per Section 9.1.12, the RFP states that the Project must be located in an area in which deliverability is not severely limited or non-deliverable. Can you provide a) a map of the AEP West Load Zone and b) the regional areas as determined non deliverable or severely limited?

Answer "a": Neither SWEPCO nor PSO maintain a map showing utilities (including cooperatives), generators, or other market participants existing within the AEP West Load Zone (Zone 1). However, effectively, the maps provided on page 7 of the Bidders Conference Presentation for both the PSO and SWEPCO RFPs provide a graphical representation of this geographic area.

Answer "b": As stated in Section 9.1.12 of the RFP, to determine which Projects, if any, are located in an area in which deliverability is determined by the Company to be either severely limited or non-deliverable to the AEP West load zone, the Company is performing (a) an analysis of various groupings of Proposals of dependence on existing transmission lines as determined through a current distribution factor method ("DFAX") analysis performed by the Company, and (b) a First Contingency Incremental Transfer Capability ("FCITC") analysis performed by the Company on each area. These analyses have not yet been completed.

Question 8: We understand operational projects are eligible to be selected as part of the RFP. Will SWEPCO/PSO consider the acquisition of operational projects even if the operational projects have prior existing PPAs?

Answer: The Companies are not interested in projects where the output is committed to other parties.

Question 7: When is the collateral as outlined in the RFP (Appendix D, Attachment 1) due?

Answer: Per Appendix D (Attachment 1) of the RFP, Collateral Requirements must be posted by the Bidder in accordance with the following schedule: a) 50% due upon execution of the definitive agreement; and b) 100% due at Notice to Proceed.

Posted 1/28/19

Question 6: The OEM that we are working with has seen an uptick in requests for the Turbine Specific Site Suitability Report as required in Sections 3.9 and 9.1.11 of the RFP. Would the Company be receptive to relaxing the requirement on the timing of the submittal of this report?

Answer: Yes. The Company has moved the deadline for the Turbine Specific Site Suitability Reports (GE-MLA, Siemens-SAR, Vestas-WPPA) to March 29, 2019.

Posted 1/22/19

The following table details the changes made to the PSO and SWEPCO RFPs on January 22, 2019. These revisions are included in the RFP documents posted at the PSO and SWEPCO websites.

RFP Revisions (01/22/2019)	
RFP Section	Revision
§3.1	Addition of the following sentence: <i>“Projects with substations and interconnection line facilities operating at voltages above 100 kV shall provide sufficient design information, including but not limited to electrical, mechanical and civil design criteria and major material manufacturers (See Appendix A-2, “Generation Collection System” for additional details).”</i>
§8.2	Addition of §8.2.9: <i>“Forecasted annual production of the facility for the remainder of the facility’s design life.”</i>
§8.2	Addition of §8.2.10: <i>“Independent report from a nationally recognized third party engineering consultant (e.g. DNV-GL, UL (AWS Truepower), Black & Veatch, Leidos, or their equivalents) that will include 1) confirmation that the information provided in Sections 8.2.3 – 8.2.9 is accurate and 2) a summary of the facility’s condition, remaining useful life and any known or anticipated reliability issues with the Project.”</i>
Appendix A	On Page A-2, addition of the following section titled “Generation Collector System”: <i>“Proposals for Projects with substations and interconnection line facilities that operate at voltages above 100 kV as part of a generation collector system shall provide sufficient design information for the electrical, mechanical, and civil design and any associated design criteria and major manufacturers used for these facilities. At a minimum, this shall include design criteria on items such as lightning performance, insulation design, grounding design and conductor</i>

	<i>motion. In addition, any structural, foundation and clearance criteria that will be incorporated beyond the levels outlined in NESC, IEEE or other applicable standards and code, as well as any associated material design specifications, shall be identified in the proposal response. All designs should include cascading containment and allow for future live line maintenance. PSO/SWEPCO reserves the right to review all manufacturers to ensure alignment with its approved major suppliers."</i>
Appendix I	Under § 8.1.4: addition of <i>"Interconnection & Point of Delivery"</i> and <i>"Generation Collection System (>100 kV)"</i>
Appendix I	Addition of §8.2.9: <i>"Forecasted annual production for remainder of facility's life"</i>
Appendix I	Addition of §8.2.10: <i>"Independent report from nationally recognized third party"</i>

Posted 12/18/18

Question 5: Will PSO and SWEPCO consider proposals from wind energy projects that commence construction prior to SWEPCO and PSO receiving Regulatory Approvals and issuing Notice(s) to Proceed in order to achieve COD prior to December 31, 2020 and qualify for 100% of the federal Production Tax Credit?

Answer. Yes; however, any early construction activities will solely be a developer decision/risk. Neither PSO nor SWEPCO anticipates issuing formal Limited Notices to Proceed to support these early activities. In accordance with the timeline set forth in Section 6 of the RFPs, the companies are still projecting receipt of necessary regulatory approvals and issuing a Notice to Proceed (NTP) in Q3 of 2020.

Posted 12/17/18

Question 4: Was this webinar recorded and available for viewing/listening?

Answer: A recording is not available to the Bidders at this time. We note however that the discussion mirrored closely the contents of the Bidder's Technical Conference Powerpoint available on the respective RFP websites: www.swepco.com/rfp and www.psoklahoma.com/rfp

Question 3: We are trying to determine the congestion from a project we intend on submitting into the RFP. Could you identify which SPP node or nodes that would be best for analyzing congestion from our gen bus?

Answer: As discussed in the RFP, we will be analyzing the sensitivity of proposed wind generation to the transmission system along with the deliverability of this generation to the SPP-defined AEP West Load Zone node, which includes all load points within this load zone.

Question 2: Will alternative price forecasts or sensitivities be included in the Evaluation Process?

Answer: The response below assumes that the “price forecasts” as stated in the question is referring to market energy price forecasts. All projects will be evaluated against each other using the same energy price forecasts. Energy prices produced by SPP Base Case PROMOD market simulations for 2024/2029 will be used for analyzing the cost of congestion. Once the Final Project Selection has been made and negotiations have commenced with the winning Bidders, additional sensitivities will be run on the overall portfolio to estimate net revenue requirements and net benefits to the customers.

Question 1: How will the various Project Output uncertainty be included in the Evaluation Process?

Answer: We have requested in Section 3.7 of the RFP that Bidders provide a detailed 3rd party independent wind resource analysis which includes P50, P75, P90, P95 and P99 Production estimates with 1, 5, 10, 20 and 30 year timeframes. A new more detailed Appendix G to the RFP will be added to the final RFP when issued that provides further details on the required report contents. As also noted in the Webinar, our consulting meteorologist may suggest further discounts to the Bidder’s production estimates, depending on the veracity of the report.