

**American Electric Power Service Corporation
as agent for**

Public Service Company of Oklahoma

**Request for Proposals
for
Wind Energy Resources**

RFP Issue Date: January 7, 2019

RFP Proposals Due: March 1, 2019

RFP Web Address: www.psoklahoma.com/rfp

Revision 1 (01/22/19)

2019 PSO Wind
Energy Resources RFP

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1. Introduction

American Electric Power Service Corporation (“AEPSC”) and Public Service Company of Oklahoma (“PSO”) or the “Company”) are subsidiaries of American Electric Power Company, Inc. (“AEP”). AEPSC is administering this Request for Proposals (“RFP”) on behalf of PSO who is seeking competitively priced wind energy resources solely on a turnkey basis through its acquisition of the ownership interests in one or more wind projects totaling up to 1,000 MW. Projects must have a 100 MW minimum nameplate capacity that are either currently in commercial operation or that will achieve commercial operation by December 15, 2021 (each a “Project” and collectively the (“Projects”), all as further described in this RFP. Affiliates of the Company will not participate as Bidders in this RFP.

Contemporaneous with this RFP, AEPSC is administering a Request for Proposals on behalf of Southwestern Electric Power Service Company (“SWEPSCO”) (such RFP, the “SWEPSCO RFP”) who is seeking the same wind energy resources in the same geographical area as PSO in this RFP through the acquisition of one or more wind projects. PSO and SWEPSCO are affiliates and anticipate that one or more of the wind projects for which they are seeking proposals through their respective RFPs may be jointly owned by them as further described in Section 2.6.

A Bidder that submits a Proposal in response to this RFP will also be required to submit an identical proposal in response to the SWEPSCO 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 765kV 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 SWEPSCO (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.

PSO serves approximately 550,000 customers across 30,000 square miles of eastern and southwestern Oklahoma. PSO is headquartered in Tulsa, Oklahoma. The Company's distribution operations are organized into three districts: Tulsa, Lawton and McAlester.

PSO has 3,810 MW of owned generating capacity, 1,023 MW of natural gas PPA capacity and has executed long-term Renewable Energy Purchase Agreements (“REPAs”) with wind generation resources totaling 1,137 MW.

2. RFP Overview

- 2.1. Additional Wind Resources. As identified by the results of the Company's most recent Integrated Resource Plan which was submitted to the Oklahoma Corporation Commission on December 21, 2018, additional wind resources continue to be determined by the Company to be a selected economic resource for addition to its generation portfolio. The IRP shows a need for up to 1,000 MW of near-term wind generation, with 600 MW to be added by 2022, and an additional 400 MW to be added by 2023.
- 2.2. Project Acquisition and Ownership. PSO is only seeking Projects on a turnkey basis in which it individually, or together with SWEPCO, 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.
- 2.3. Project Location. The Company is seeking Projects that are physically located in, and interconnected to, the SPP in Oklahoma, Arkansas, Louisiana or Texas and (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 and (b) which balance (i) Project performance and (ii) deliverability to the AEP West load zone in the Tulsa area via a potential generation-tie line that may be constructed by the Company in the future to avoid or alleviate anticipated transmission congestion, if necessary.
- 2.4. PTC Value. The Company is seeking Projects that are either in service or that will be placed in service by December 15, 2021, and which will qualify for at least 80% of the federal Production Tax Credit ("PTC").
- 2.5. 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 five months (see Section 6.1). The Company anticipates filing for regulatory approval in Oklahoma in Q3-2019 and receiving regulatory approval by Q3-2020. Due to these timing considerations and the deadline for 80% PTC qualification, only Proposals conforming to the requirements of this RFP will be accepted by the Company for evaluation.
- 2.6. Co-Owned Projects. As described in Section 1 - Introduction, PSO and SWEPCO are conducting contemporaneous RFPs for the same wind resources in the same geographic area. A Bidder that submits a Proposal in response to this RFP is required to submit an identical proposal in response to the SWEPCO RFP. The SWEPCO RFP contains a reciprocal proposal submission requirement for the PSO RFP. PSO and SWEPCO anticipate selecting the same Projects through their respective RFP processes and jointly acquiring the selected Projects if they obtain

their respective state regulatory approvals for the selected projects. However, PSO reserves the right to proceed with any Project if SWEPCO does not receive its state regulatory approvals as described in Section 2.8.

- 2.7. Wind Turbines (New Technology). The Company anticipates that Bidders of new Projects will collaborate with the three major wind turbine suppliers (GE, Vestas and Siemens-Gamesa) to bring new wind turbine project solutions (higher output, improved technology, lower pricing and lower operating and maintenance expenses) that offer cost advantages over their wind projects and which are in commercial operation by December 15, 2021, (the “Commercial Operation Deadline”).
- 2.8. Regulatory Approvals. The Company’s decisions regarding the results of this RFP will be subject to its receipt of regulatory approval from the Oklahoma Corporation Commission 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 and (b) SWEPCO receiving its regulatory approvals for the same projects.
- 2.9. Notice to Proceed. Upon obtaining regulatory approvals for the Projects selected by the Company as described in Section 2.8, 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 Purchase Sale Agreement (PSA) Term Sheet (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, of its or SWEPCO’s regulatory approvals are received.
- 2.10. 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 its regulatory filings.
- 2.11. 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.

- 2.12. 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:

PSOWindRFP2019@aep.com

3. Project Description and Requirements

- 3.1. 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 by the Commercial Operation Deadline.
- 3.2. Project Location. All Projects must be physically located in, and interconnected to, the SPP in Oklahoma, Arkansas, Louisiana or Texas.
- 3.3. Minimum Project Size. Each Project must have a minimum nameplate rating of 100 MW.
- 3.4. Interconnection. Each Project must be interconnected to the SPP with the demonstrated ability to achieve commercial operation of the Project by the Commercial Operation Deadline.
- 3.5. Existing Projects. Bidders may submit Proposals for wind projects that either are already in service or that are an expansion of an existing Project provided that such expansion has separate metering and a metering protocol that is acceptable to the Company.
- 3.6. PTC Qualification. Each Project must qualify for at least 80% of the PTC in accordance with Section 45 of the Internal Revenue Code of 1986, as amended.
- 3.7. Wind Resource Analysis/Study. Each Project must have 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 to the Company for use by the Company's independent consultant.
- 3.8. Turbine Specific Site Suitability Report. Each Project must have a Turbine Specific Site Suitability Report from the turbine manufacturer.
GE: Mechanical Load Analysis (MLA)
Siemens: Site Assessment Report (SAR)
Vestas: Wind Power Plant Assessment (WPPA)

3.9. AEP Wind Generation Facility Standards. Each Project must satisfy the AEP Wind Generation Facility Standards (see Appendix E). The AEP Wind Generation Facility Standards (Appendix E) includes the following:

3.9.1. Wind Farm Technical Specification and Design Criteria (GEN-4560), and

3.9.2. Wind Facility – O&M Building Specification and Design Criteria (GEN-4561).

3.10. AEP Requirements for Connection of Facilities. Project substation and interconnection facilities must conform to the AEP Requirements for Connection of Facilities (Appendix F). These requirements also apply to New Facilities interconnecting to non-AEP utilities and are in addition to any requirements of the non-AEP transmission service provider. 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).

4. Bid Price and Structure

4.1. Proposal pricing must be for the Company’s acquisition of a turnkey Project that is complete, commercially operable, integrated wind-powered electric generating plant designed for a minimum of a 30-year life; including, but 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.

4.2. In addition to Section 4.1, Proposal pricing must include the costs associated with the following:

4.2.1. 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;

4.2.2. post-commercial operation power curve testing activities and associated costs, including the installation and removal of any temporary test met towers; and

4.2.3. transmission and interconnection facilities required for the Project, including system or network upgrades, as required by SPP for the Project to interconnect to SPP.

- 4.3. Projects should be proposed at both (a) maximum nameplate rating and (b) if possible, in 50-100 MW increments above the 100 MW minimum and up to maximum nameplate rating.

5. Interconnection/Delivery Point

- 5.1. 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.
- 5.2. The Bidder is responsible during 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.
- 5.3. Each Project must have a completed SPP 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.

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	
Bidders Technical Conference	December 6, 2018
RFP Issued	January 7, 2019
Notice of Intent	January 30, 2019
Q&A Deadline	February 22, 2019
Proposal Due Date	March 1, 2019
Final Project Selection and Negotiation	March – July, 2019
Execute Definitive Agreements	July 30, 2019
File for Regulatory Approvals	August 1, 2019
Required Regulatory Approvals	No later than August 1, 2020
Notice to Proceed	No later than August 15, 2020
Commercial Operation Date	No later than December 15, 2021

- 6.2. By the Notice of Intent date, Bidders should send a written notice to PSO via email at PSOWindRFP2019@aep.com indicating their intention to submit a Proposal and describing (a) the Project size and location and (b) the SPP interconnection location and the SPP queue unique identifier for the interconnection request.

- 6.3. Bidders may execute a Confidentiality Agreement with PSO prior to the submission of their Proposals. Bidders should request the Confidentiality Agreement from PSO via email at PSOWindRFP2019@aep.com.
- 6.4. Proposals must be complete in all material respects and be received no later than 4:00 p.m. EST on the Proposal Due Date at AEPSC's Columbus, Ohio location as defined in Section 7 of this RFP.
- 6.5. 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.
- 6.6. 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.
- 6.7. 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

Two hard copies and two electronic thumb drive copies of the Bidder's Proposal shall be submitted by the Proposal Due Date to:

American Electric Power Service Corporation
Attn: PSO Wind Energy 2019 RFP Manager
1 Riverside Plaza (14th Floor)
Columbus, OH 43215

8. Proposal Content

- 8.1. New Build Projects. 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.
 - 8.1.1. A completed Appendix I (Proposal Content Check Sheet).
 - 8.1.2. An executive summary of the Project's characteristics and timeline, including any unique aspects and benefits.
 - 8.1.3. Summary documentation demonstrating the Project will qualify for at least 80% of the PTCs under Section 45 of the Internal Revenue Code of 1986, as amended.

- 8.1.4. A completed Appendix A (Wind Project Summary).
- 8.1.5. 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.
- 8.1.6. The identity of all persons and entities that have a direct or indirect ownership interest in the Project.
- 8.1.7. A completed Appendix B (Bidder's Credit-Related Information).
- 8.1.8. 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.
- 8.1.9. Any exceptions to the terms and conditions contained in the PSA Term Sheet (Appendix D).
- 8.1.10. Any exceptions to the AEP Wind Generation Facility Standards (Appendix E).
- 8.1.11. Any exceptions to AEP Requirements for Connection of Facilities (Appendix F)
- 8.1.12. Expected land lease payments and property tax costs over a 30-year period.
- 8.1.13. OPTIONAL: Bidders may provide a separate O&M services proposal for a full 10-year warranty from the Project's turbine manufacturer (Appendix H).
- 8.2. Existing Projects: In addition to the information required in Section 8.1, Bidders must submit the following information for Proposals for existing Projects:
 - 8.2.1. Audited financial statements (two years, last quarterly-unaudited) and FERC Form 1 if applicable.
 - 8.2.2. Documentation supporting PTC qualification and remaining PTC life including any supporting documentation.
 - 8.2.3. Historical production data (annual MWh) from initial commercial operation date through July 1, 2018.

- 8.2.4. Hourly production (MWh) for the period January 1, 2016 through July 1, 2018.
- 8.2.5. Historical operations and maintenance expenses for the period from commercial operation through July 1, 2018.
- 8.2.6. Forecasted operations and maintenance costs for the period from January 1, 2019 through the end of the expected life of the asset.
- 8.2.7. A summary of all outages for the period of January 1, 2013 through July 1, 2018, including the reasons for such outages.
- 8.2.8. A summary of all turbine and balance of plant warranty issues experienced to date.
- 8.2.9. Forecasted annual production of the facility for the remainder of the facility's design life.
- 8.2.10. 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.

9. RFP Proposal Evaluation

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. the Project must be physically located in, and interconnected to the SPP, in Oklahoma, Arkansas, Louisiana or Texas;
- 9.1.2. the Bidder must have submitted an identical proposal in the SWEPCO RFP;
- 9.1.3. the Project will qualify for at least 80% of the PTC;

- 9.1.4. the Project must be interconnected to SPP and have a completed System Impact Study which remains active in the SPP 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;
- 9.1.5. the turbines for the Project must be manufactured by GE, Vestas or Siemens-Gamesa;
- 9.1.6. the 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;
- 9.1.7. the Project's minimum name-plate rating is 100 MW;
- 9.1.8. the Bidder has substantial Project site control;
- 9.1.9. the Project must be capable of achieving commercial operation by the Commercial Operation Deadline (December 15, 2021);
- 9.1.10. the Bidder must include an independent wind report as required in Section 3.7;
- 9.1.11. the Bidder must include the Turbine Specific Site Suitability Report as required in Section 3.8;
- 9.1.12. the Project must not be 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, based upon (a) its analysis of various groupings of Proposals of dependence on transmission lines as determined through a current distribution factor method ("DFAX")¹ analysis performed by the Company, and (b) a First Contingency Incremental Transfer Capability ("FCITC")² analysis performed by the Company on each area;
- 9.1.13. the Project, and a potential generation-tie line that may be constructed by the Company in the future to avoid or alleviate anticipated transmission congestion, if necessary, must be constructible taking into account (a) the impact on wildlife, the environment and identified cultural resources, (b) its location on or proximity to tribal or government lands and (c) other factors that would materially impact Project constructability; and

¹ DFAX analysis is an analysis of each generator to determine individual responses to transmission lines across SPP. Based on the response factors, generators will be aggregated into generator clusters.

² A FCITC analysis is an analysis on the generator clusters which Bidders plan to interconnect which will measure the amount which could be transferred from the Bidder's interconnection area to the AEP West load zone while ensuring that the system is operated respecting operating limits that will not be exceeded in the event of certain outages (or contingency).

- 9.1.14. the Bidder's exceptions to the PSA Term Sheet, 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 value of Transmission Congestion as determined by the Company's Transmission Congestion Screening Analysis. The Transmission Congestion Screening Analysis will evaluate (a) cost of transmission congestion and losses to the AEP West load zone using PROMOD and (b) the risk-adjusted cost effectiveness of various Project groupings including the cost of mitigating potential future congestion.

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

- 9.2.2.2. the Project's, including associated transmission and interconnection facilities, location on or proximity to tribal or government lands;
 - 9.2.2.3. the Bidder's exceptions to the AEP Wind Generation Facility Standards (Appendix E);
 - 9.2.2.4. the Bidder's exceptions to the AEP Requirements for Connection of Facilities (Appendix F);
 - 9.2.2.5. the Bidder's exceptions to the PSA Term Sheet (Appendix D);
 - 9.2.2.6. if applicable, the scope and terms of the O&M services proposal described in Section 8.1.13;
 - 9.2.2.7. the development status of the Project including, but not limited to, permitting, transmission and interconnection facilities;
 - 9.2.2.8. the operating history of other similar wind generation facilities that were developed and constructed by the Bidder or its affiliates; and
 - 9.2.2.9. the credentials of the Bidder's independent consultant who prepared the Wind Resource Analysis/Study (Appendix G) for the Project as described in Section 3.7.
- 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:

PSOWindRFP2019@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, []	
Bidder submitted same proposal and pricing into the SWEPCO RFP	(Y/N):
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):
Source of wind energy forecast:	
SPP Queue #:	SPP Study Status:

Proposal Bid Pricing¹

Size, MW	Expected COD by	Turbine Manufacturer	Bid Price (\$)
	12/15/2021		
	12/15/2021		

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.

The table below shall be replicated for each size option listed above.

Turbine Manufacturer Options¹

Turbine Manufacturer	GE	Siemens/Gamesa	Vestas
Nameplate (MW)			
# of Turbines			
Model #			
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.

The additional columns are available IF multiple turbine manufacturers are available.

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.

Bidder MUST include a Turbine Specific Site Suitability Report with its proposal.

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).	

Generation Collector System

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 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 reserves the right to review all manufacturers to ensure alignment with its approved major suppliers.

Wind Projects Completed

Provide a summary of all wind projects (> 100 MW) 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.

[illegible]

Total MW =

Site Information / Permits

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:	

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 (USF&W, 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

TERM SHEET FOR PURCHASE AGREEMENT FOR BUILD TRANSFER OF WIND ENERGY PROJECT

This Term Sheet is part of that Request for Proposals for Wind Energy Resources (the “**RFP**”), issued by American Electric Power Service Corporation (“**AEPSC**”), as agent for Public Service Company of Oklahoma (“**PSO**”).

Capitalized terms used but not defined in this Term Sheet shall have the meaning specified in the RFP. References in this Term Sheet to Appendix A are to Appendix A of Bidder’s Proposal.

By submitting its Proposal, Bidder will be deemed to have accepted the terms and conditions set forth in this Term Sheet except for the specific exceptions noted in the Bidder’s Proposal.

This Term Sheet does not constitute an offer or otherwise create a binding agreement or obligation to consummate any contemplated transaction. Any such obligation or agreement will be created only by the execution of definitive agreements, the provisions of which, if so executed, will supersede this Term Sheet and all other agreements, if any, related to this Term Sheet.

1. Parties	The Bidder (herein referred to as the “ Seller ”) and AEPSC as agent for PSO (provided that PSO’s affiliate Southwestern Electric Power Company (“ SWEPCO ”) may participate as a co-buyer in such undivided percentage as PSO and SWEPCO determine) (“ Buyer ”). Seller and Buyer are hereinafter called a “ Party ” or collectively, the “ Parties. ”
2. Project; Assets	<p>The wind electric generating facility Project described in Appendix A with the nameplate capacity set forth in Appendix A (the “Project”).</p> <p>The “Assets” shall consist of all property, contracts and assets, real, personal or mixed, tangible and intangible, of every kind and description, wherever located, related to the Project held by Seller, the Project Company or their affiliates.</p> <p>The provisions in this Term Sheet assume that the Project is not in commercial operation. If Bidder’s Proposal is for a Project that is in commercial operation the provisions of this Term Sheet would apply with appropriate modifications.</p>
3. Project Company	The wholly owned direct subsidiary of Seller that owns and is developing the Project and whose sole assets consist of the Project and the Assets, and which does not have any liabilities other than liabilities related to its ownership, development and construction of the Project.
4. Transaction	The transaction shall be structured as a build-transfer arrangement pursuant to which following Substantial Completion of the Project Buyer will either (a) purchase all of the equity interests in the Project Company from Seller for the Purchase Price, or (b) purchase the Project and all of the Assets from the Project Company for the Purchase Price, such election by buyer between alternative “(a)” and alternative “(b)” to be made prior to execution of the

		Definitive Agreements (the “ Transaction ”).
5.	Purchase Price; Holdbacks	<p>The purchase price for the purchase of the equity interests in the Project Company (or for the purchase of the Project and all the Assets from the Project Company, if applicable) (the “Purchase Price”) shall be the amount set forth under “Proposal Bid Pricing” in Appendix A, payable at closing under the PSA (“Closing”) without any pre-Closing progress or other payments.</p> <p>Prior to Closing, the Parties will obtain (a) a final wind report from a wind consultant acceptable to the Parties reflecting final micro-siting of turbines, any other changes in turbine locations of the turbines and any wildlife curtailment, and (b) an updated mechanical load analysis from the turbine supplier, with a Purchase Price reduction for any adverse changes from the wind report furnished to Buyer by Seller pursuant to Section 3.7 of the RFP and any loss of energy production compared to the Proposal.</p> <p>Buyer shall hold back amounts necessary to complete punch list items and rectify any known breaches of representations or covenants of Seller, which amounts shall be payable upon final completion or cure of such breaches, respectively.</p> <p>Buyer shall holdback a specified amount per Post-Closing Turbine reflecting the value thereof. To the extent Seller completes the installation and commissioning of Post-Closing Turbines on or before the earlier of 90 days after Closing and December 15, 2021, Buyer will release such amount to Seller. Buyer will have the right to require that Seller remove any Post-Closing Turbines not installed and commissioned within such period.</p> <p>Buyer shall be entitled to the benefit of all test power proceeds net of payments to landowners based on such proceeds.</p>
6.	Seller Credit Support	If Seller’s credit is not satisfactory to Buyer, Seller will furnish credit support satisfactory to Buyer as security for the obligations of Seller and its affiliates under the Definitive Agreements in accordance with the Credit and Collateral Requirements (see Attachment 1).
7.	Project Level Credit Support	Except as set forth in Seller’s Proposal, Buyer shall not be required to replace any deposits, guarantees, letters of credit, bonds or other security posted by Seller or its affiliates under the interconnection agreements or otherwise with respect to the Project.
8.	No Buyer Parent Guarantee; Several Liability of Buyer	Buyer will not furnish a parent guarantee or other credit support for Buyer’s obligations under the Definitive Agreements. If SWEPCO is a co-buyer with PSO, their respective obligations under the Definitive Agreement shall be several as to the interests being acquired, not joint.
9.	Scope of Work	Seller shall design, develop, engineer, procure, construct, commission and start up the Project (including sufficient temporary meteorological towers for post-completion power curve / performance testing), which shall be a fully complete, commercially operable, integrated wind-powered electric

		<p>generating facility, including all facilities necessary to generate and deliver energy to the point of delivery specified in Seller’s Proposal.</p> <p>Prior to NTP, Seller shall deliver to Buyer a site plan and final scope of work for Buyer’s review. The site plan will include the layout and location for the turbines, permanent meteorological towers, O&M building, access roads, electrical collector system, substation, communication lines, and set-backs of the turbines from roads and other structures, the location of areas subject to crossing agreements, the boundaries of each tract or parcel of real property included in the Project, wetlands (if any), and areas of concern (if any) as identified in the then current environmental site assessment for the Project. In addition, Seller shall deliver an updated mechanical load analysis from the turbine supplier and an updated wind resource report from a wind engineering consultant acceptable to the Parties showing no loss of energy production compared to the Proposal. Buyer shall provide any comments it may have thereon within 30 days after receipt.</p> <p>The Project shall satisfy Buyer’s technical specifications in Appendix E and Appendix F of the RFP. Buyer shall have the right to approve the specifications for major electrical equipment such as main power transformer(s), breakers, cabling, and pad mount transformers prior to execution of the Definitive Agreements. Buyer shall have full access and inspection rights during construction.</p>
10.	TSA	<p>The Project Company will enter into a turbine supply agreement (“TSA”) acceptable to Buyer from a Tier 1 turbine supplier described under “Proposal Bid Pricing” in Appendix A.</p>
11.	BOP Contract	<p>The Project Company will enter into a balance of plant construction contract (“BOP Contract”) with Seller or an affiliate of Seller (whose obligations under the BOP Contract will be guaranteed by Seller), or a recognized third party contractor experienced in the constructing similar projects that is acceptable to Buyer and whose credit is acceptable to Buyer, (“Contractor”), covering the entire scope of work for the Project other than the procurement of turbines under the TSA and the services provided by the turbine supplier thereunder (the “TSA Work”).</p> <p><i>Commissioning, Start-Up and Testing.</i> Contractor will conduct all calibration, functional testing and start-up, commissioning and testing of the Work in accordance with the BOP Contract and the TSA other than the TSA Work. Contractor will coordinate its calibration, functional testing and start-up testing for the Work with the Project Company, turbine supplier, any independent engineer, interconnection utility and transmission system operator. Prior to, and as a condition to, Substantial Completion, Contractor will have performed the Work such that the Project satisfies the performance criteria with respect to the acceptance tests described in the BOP Contract (“Acceptance Tests”). If the Project fails to pass an Acceptance Test, Contractor will, at Contractor’s sole cost and expense, take such corrective actions as are necessary or appropriate to address such failure.</p> <p><i>Substantial Completion.</i> Substantial completion for the Work (“Substantial</p>

		<p>Completion”) will be deemed to have occurred when the following have been completed (or waived in writing by Project Company with the prior written consent of Buyer), except with regard to punch list items related thereto:</p> <ul style="list-style-type: none"> (a) completion of infrastructure including the roads, foundations and collection systems; (b) completion of the substation(s) and any transmission line(s) included in the Project; (c) completion of all of the turbines (other than the Post-Closing Turbines, if any); (d) satisfaction of the Acceptance Tests; (e) all quality assurance documentation has been provided in accordance with the quality assurance plan and all non-conforming quality assurance issues have been resolved in accordance with the quality assurance plan; (f) delivery of all required lien waivers and no claims, security interests or other encumbrances; (g) delivery of preliminary as-built drawings; (h) Contractor shall have delivered, and Project Company (with the prior written consent of Buyer) shall have approved, a punch list with respect to all the Work; and (i) Project Company (with the prior written consent of Buyer) shall have accepted a substantial completion certificate. <p><i>Safety.</i> Contractor shall have, and shall use only subcontractors that are qualified prior to bidding with, an “EMR” no greater than 1.0 and a “TRIR” less than 2.7. Seller shall develop a site specific safety plan which will serve as minimum requirements for the site safety plans implemented by contractors which is reasonably acceptable to Buyer.</p> <p>Notwithstanding any force majeure provisions in the BOP Contract, in no event will a delay in Contractor’s completion of the work under the BOP Contract due to force majeure or otherwise extend the December 15, 2021 termination deadline in Section 21(a).</p>
12.	Project Warranty	<p>Contractor shall warrant that, for the duration of the applicable Warranty period, the Project and all equipment and materials and other Work furnished by the Project Company or any subcontractor, including installation (but excluding the TSA Work) will be free from improper workmanship; defects in design, engineering, construction, fabrication, workmanship, materials and operations; will be new and unused, be of good quality, undamaged and in good condition, and conform to the requirements of the BOP Contract (the “Warranty”).</p> <p>Contractor shall remedy all defects arising or discovered before Substantial Completion. Contractor shall remedy at its cost all defects and deficiencies covered by the Warranty (including any necessary uncovering and recovering) arising or discovered until 2 years following Substantial Completion, and 12 months for all other portions of the Work. The Warranty period will be extended for any parts or equipment replaced or work done as Warranty work for 12 months after completion of such work. The Warranty period also will be extended by the period during which the</p>

		<p>Project cannot be fully used because of such defect.</p> <p>Contractor shall be responsible for making good any latent or serial defect (and damage caused by or resulting from such defect, and including uncovering and recovering) that subsisted at the end of the Warranty period but was not revealed through normal Project operations, and that is discovered within 5 years after Substantial Completion.</p>
13.	PTC Qualification	<p>Buyer will have the benefit of that percentage of the federal production tax credit (“PTC”) set forth in “Wind Turbine Selection & Federal Tax Credit” of Appendix A (but not less than 80%). Seller shall confirm that it has qualified the Project for such percentage of the PTC by “beginning construction”, either by performing physical work of a significant nature or by satisfying the 5% safe harbor before the applicable date (i.e., January 1, 2017 for 100% of the PTC or January 1, 2018 for 80% of the PTC). Seller shall provide factual evidence of performance of physical work of a significant nature in the form of a report issued by a qualified third party, or factual evidence of satisfaction of the 5% safe harbor, as applicable, and factual representations by Seller of the work that has been performed, or the costs paid or incurred, as applicable. Seller shall be responsible for meeting the applicable continuous construction or continuous effort requirement.</p>
14.	PUC Approvals	<p>Following execution of the PSA, Buyer will file for the necessary regulatory approvals from the applicable public utility commissions (“PUC Approvals”). Seller shall reasonably cooperate with Buyer in such proceedings, including without limitation, providing information concerning the Project and the Assets.</p>
15.	FERC Approval	<p>Following execution of the PSA, the Parties shall use commercially reasonable efforts to seek any necessary approvals of the Transaction from the Federal Energy Regulatory Commission (including approval under Section 203 of the Federal Power Act) (the “FERC Approval”), if required, in order to obtain such approval reasonably in advance of the expected Closing date. The FERC Approval shall be acceptable to Buyer in its sole discretion. Seller shall reasonably cooperate with Buyer in such proceeding, including without limitation, providing information concerning the Project and the Assets.</p>
16.	NTP	<p>Buyer will issue the notice to proceed (“NTP”) with construction of the Project within 30 days after satisfaction (or waiver by Buyer in its sole discretion) of the following conditions:</p> <ul style="list-style-type: none"> (a) Buyer shall have received PUC Approvals that are acceptable to Buyer in its sole discretion and that have become final and non-appealable; (b) all of the major Project contracts shall have been executed, shall be in full force and effect, and Buyer shall have received estoppel certificates from the counterparties thereto; (c) Buyer shall have received the updated wind report and mechanical loads analysis described in Section 9; and (d) there shall have been no material adverse change to the PTCs or other federal or state tax benefits to Buyer. <p>If the NTP is not issued on or before August 15, 2020, each Party shall have the right to terminate the Transaction.</p>

17.	Seller Covenants	<p>The PSA will include customary covenants, including the following covenants of Seller:</p> <ul style="list-style-type: none"> (a) develop and construct the Project in accordance with applicable contracts, laws and prudent industry practices and achieve Substantial Completion of the Project by December 15, 2021; (b) pay all costs of developing and constructing the Project through final completion; (c) not cause or permit the Project Company to: <ul style="list-style-type: none"> (i) make any material change in the accounting methods except as required by GAAP; (ii) merge, combine or consolidate with any other entity; (iii) issue, sell or transfer any equity interest in the Project Company except (A) pursuant to, or in connection with, the pledge of any such equity interests to Seller's lenders under the construction loan for the Project as collateral with respect to the construction financing for the Project and (B) pursuant to, or in connection with, the exercise of remedies by all or any of the lenders with respect to the construction financing; (iv) acquire (by merger, consolidation or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or collection of assets constituting all or substantially all of a business or business unit; (v) make or change any method of accounting with respect to taxes, make or change any income or other material tax election, file any amended tax return (other than sales and use or personal property tax returns), enter into any closing or similar agreement, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment against the Project Company or the Assets; (vi) change the governing documents of the Project Company (other than in connection with the construction loan agreement for the Project); (vii) hire any employee or adopt any benefit plan or incur any liability under any benefit plan; (viii) undertake any recapitalization, reorganization, liquidation, dissolution or winding up, or not maintain the Project Company's existence; (ix) engage in any line of business or activity other than the continued construction, development, operation and maintenance of the Project; (x) terminate any material contract or amend, modify or waive any material right under any material contract in a way that would reasonably be expected to have an adverse effect; (xi) settle or initiate any action in a manner that would be contrary to prudent industry practices; or (xii) commit or agree orally or in writing to do any of the foregoing.
18.	Seller Representations and Warranties	<p>Seller shall make the following representations with respect to itself and the Project Company:</p> <ul style="list-style-type: none"> (a) existence and good standing; (b) authorization, execution and enforceability of transaction documents;

	<p>(c) organization and qualification;</p> <p>(d) no conflicts or violation;</p> <p>(e) no brokers;</p> <p>(f) governmental approvals and filings and third party consents (including any consents or approvals required to enable the Project Company to be merged into Buyer, or distribute the Project and the Assets to Buyer, immediately following Closing);</p> <p>(g) legal proceedings and claims;</p> <p>(h) regulatory status;</p> <p>(i) Project developed for re-sale;</p> <p>(j) bankruptcy and solvency</p> <p>(Items (a)-(e), (i) and (j) above, and items (a), (b), (e), (h), (q), (r), (v) and (x) below, are herein called the “Fundamental Representations” and the other representations and warranties of Seller are herein called the “Non-Fundamental Representations”)</p> <p>With respect to the Project Company and the Project:</p> <p>(a) special purpose entity status;</p> <p>(b) capitalization and ownership of the equity interests in the Project Company including no liens on the equity interests other than liens to be released at or prior to Closing by the construction lenders to the Project Company;</p> <p>(c) no subsidiaries;</p> <p>(d) financial statements, changes subsequent to the date of the financial statements, and no undisclosed liabilities;</p> <p>(e) Project Company real property and other assets and title thereto, validity and enforceability and no breach or default under real property documents; no liens except for agreed permitted liens; schedule of rents and royalties payable under each lease or parcel and in the aggregate as to the Project as a whole;</p> <p>(f) contracts and project documents; in full force and effect, validity and enforceability, no breach or defaults under by Project Company and, to Project Company’s and Seller’s knowledge, as to the counterparties thereto;</p> <p>(g) required permits;</p> <p>(h) factual matters supporting “beginning of construction”, “continuous construction or “continuous efforts”, as applicable, with respect to PTC qualification;</p> <p>(i) reports and studies related to the Project including wildlife, wetland, archaeological and other customary studies and surveys having been obtained for the Project;</p> <p>(j) guaranties and other existing credit support (to include all items to be replaced by Buyer that are listed in Seller’s Proposal);</p> <p>(k) wind data;</p> <p>(l) intellectual property;</p> <p>(m) sufficiency of real property interests, permits, contract rights and intellectual property for construction and operation of the Project;</p> <p>(n) compliance with laws;</p> <p>(o) environmental matters including compliance with environmental laws</p> <p>(p) litigation and claims affecting the Project Company or the Project;</p>
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		<ul style="list-style-type: none"> (q) no existing or former employees, no labor matters, no benefit plan liabilities; (r) taxes; (s) insurance; (t) related party transactions; (u) bank accounts and powers of attorney; (v) not an “investment company”; (w) no willful exclusion of material information; and (x) no illegal payments.
19.	Buyer Representations and Warranties	<p>Buyer shall make the following representations:</p> <ul style="list-style-type: none"> (a) existence and good standing; (b) authorization, execution and enforceability of transaction documents; (c) organization and qualification; (d) no conflicts or violation; (e) no brokers; (f) governmental approvals and filings and third party consents; and (g) legal proceedings and claims.
20.	Conditions to Closing	<p>The PSA will include the following conditions to Closing:</p> <ul style="list-style-type: none"> (a) achievement of Substantial Completion of the Project such that Buyer will be able to place the Project in service in commercial operation in its business, and of agreed-upon testing requirements for purposes of the TSA and the BOP Contract, and satisfactory completion NERC or other required testing, in each case, for all turbines constituting the Project; provided that this condition will be satisfied if no more than 10% of the turbines (the “Post-Closing Turbines”) included in the Project have not achieved substantial completion but the remaining turbines and the remainder of the Project have achieved Substantial Completion; (b) as of the Closing date, as a condition to each Party’s obligation to close, each of the representations and warranties of the other Party shall be true and correct in all material respects (other than representations and warranties that are qualified by materiality or material adverse effect, in which case such representations and warranties shall be true and correct in all respects); (c) performance by the other Party in all material respects of its respective closing actions and covenants; (d) receipt of all required regulatory, and other approvals, including all required third party consents, upon terms reasonably satisfactory to both Parties; (e) Seller’s delivery to Buyer of a permitting opinion; (f) the Project Company will have obtained all permits required for the construction, completion, ownership and operation of the Project and such permits will be in full force and effect; (g) the Parties’ receipt of customary Closing deliveries (e.g., assignment of membership interest agreement, officers’ resignations, release of Seller claims against the Project Company, etc.); (h) delivery of a commitment to issue a title policy from a recognized title insurance company in a form reasonably acceptable to Buyer, subject only to “permitted encumbrances” and an ALTA survey; (i) delivery of landowner estoppels, dated not earlier than 60 days prior to

		<p>the Closing date, for real property constituting the Project to cover at least a certain percentage of both turbine and non-turbine locations (with such thresholds to be agreed in the definitive PSA); and estoppels from the counterparties to certain of the major Project agreements to be agreed upon by the Parties;</p> <p>(j) delivery of lien waivers;</p> <p>(k) no litigation seeking to enjoin the transaction or litigation that would reasonably be expected to have a material adverse effect on the Project or Project Company; and</p> <p>(l) Seller shall provide customary evidence to Buyer that, upon Buyer's payment of the Purchase Price, the construction loan financing arrangements affecting the equity interests in the Project Company or the Project shall be paid in full and that liens related thereto shall be released or otherwise extinguished.</p>
21. Termination		<p>(a) By the applicable Party if its conditions to Closing have not been satisfied (or waived by it) on or before December 15, 2021 (such date will not be extended for force majeure events under the BOP Contract or otherwise, or interconnection or transmission line delays);</p> <p>(b) by either Party upon the occurrence of a bankruptcy event with respect to the other Party;</p> <p>(c) as provided in Section 16; and</p> <p>(d) by Buyer if there is an adverse change in the PTC or other material federal or state tax benefits prior to issuance of the NTP.</p>
22. Seller Retained Obligations		<p>Seller will retain and indemnify Buyer and the Project Company for:</p> <p>(a) any liabilities incurred or accruing prior to the Closing date;</p> <p>(b) any liability of the Project Company, Seller or its affiliates for taxes with respect to any taxable period, or portion thereof, prior to the Closing date;</p> <p>(c) any liability under the Project documents, the leases and land contracts, permits, permit applications, interconnection agreements or other contracts to which the Project Company is a party or by which the Project is bound to the extent such liability (but for a breach or default by the Project Company, Seller or any of its affiliates or a waiver or extension given to or by the Project Company, Seller or any of its affiliates) would have been paid, performed or otherwise discharged, or was or would have been incurred or accrued, on or prior to the Closing date;</p> <p>(d) any liability (i) relating to the Project or any present or former developer, owner, lessee or operator of the Project or (ii) of the Project Company to Seller or its affiliates, in either case, incurred or accrued prior to the Closing date, whether or not associated with or arising from the Assets;</p> <p>(e) any liabilities for violations of law, or for remediation of releases of hazardous substances, occurring prior to the Closing date;</p> <p>(f) any claims by any prior employees of the Company relating to their employment and any liability of the Project Company with respect to any benefit plan that any entity maintains or in the past maintained (or to which such entity ever contributed or was required to contribute); and</p> <p>(g) any liabilities associated with the construction loan agreement.</p>

23.	Indemnification:	<p>(a) Seller’s indemnification for breach (i) of the Non-Fundamental Representations shall be capped at 20% of the Purchase Price and (ii) of the Fundamental Representations shall be capped at the Purchase Price; such caps shall not be applicable to fraud, bad faith, gross negligence or willful misconduct;</p> <p>(b) deductible of 0.1% of the Purchase Price before Seller is required to make indemnification payments for aggregate losses to Buyer for breach of the Non-Fundamental Representations (other than for claims related to fraud, bad faith, gross negligence or willful misconduct);</p> <p>(c) survival periods:</p> <p>(i) Non-Fundamental Representations--24 months (except as provided in clause (iii) below);</p> <p>(ii) Fundamental Representations-- 90 days after the expiration of the statute of limitations; and</p> <p>(iii) breach of representations with respect to environmental matters, zoning, permits, and real property—3 years;</p> <p>(d) materiality qualifiers in representations shall be disregarded for indemnification-related purposes (i.e., determining whether a breach has occurred and calculating damages);</p> <p>(e) Buyer’s knowledge of breach at Closing shall not be deemed to waive right to claim breach; and</p> <p>(f) damages will include lost revenues and lost PTCs and other lost tax benefits.</p>
24.	Documentation	<p>If Seller’s Proposal is included in the Final Project Selection described in Section 9.3 of the RFP, then the Parties will attempt to negotiate definitive, legally binding, written agreements reflecting the structure, final configuration, and binding terms and conditions applicable to the Transaction, including without limitation: a purchase and sale agreement (“PSA”) for the purchase of the equity interests in the Project Company (or for the purchase of the Project and the Assets if Buyer elects to purchase the Project and the Assets directly), the form of BOP Contract and any other related agreements necessary to address the other matters described in this Term Sheet (collectively, the “Definitive Agreements”).</p>
25.	Buyer Access to Project, Information and Personnel	<p>Seller shall furnish access to relevant records in response to requests from Buyer in connection with Buyer’s review of the Transaction. Seller shall make its personnel reasonably available to Buyer representatives, and upon reasonable advance notice, Seller shall permit Buyer representatives to conduct on-site reviews and to be present on site continuously through construction and testing of the Project.</p>
26.	No Liability Under Term Sheet	<p>Neither Party shall be liable to the other in contract, tort, or otherwise, for any claims, liabilities or losses alleged to result from the failure to enter into any of the Definitive Agreements. In no event shall either Party be liable to the other Party pursuant to this Term Sheet (including without limitation for any incidental, indirect, special, punitive or consequential damages for lost profits).</p>
27.	Expenses	<p>Except as may otherwise be provided in the Definitive Agreements, each of the Parties hereto will be responsible for its own expenses in connection with the proposed Transaction, including fees and expenses of legal,</p>

		accounting and financial advisors.
28.	Governing Law	New York; customary waiver of jury trial.

ATTACHMENT 1

CREDIT AND COLLATERAL REQUIREMENTS

For any wind resource selected under this RFP, PSO/SWEPCO and its ratepayers are exposed to credit risk in the event a selected Bidder is unable to fulfill its obligations pursuant to the executed definitive agreement. PSO/SWEPCO views the credit risk as the cost it would incur to replace the contract at then-prevailing market prices in the event that the Bidder defaulted. In order to mitigate credit exposure, PSO/SWEPCO requires credit assurances in the form of collateral in the amount of \$200/kw based upon nameplate project size from any winning Bidder(s). For example, the amount of collateral required for a nameplate project size of 100MWs equates to \$20,000,000 (\$200/kw x 1,000kw/MW x 100MWs).

Bidders can satisfy the collateral requirement with cash, a Letter of Credit, or a Guaranty. A Letter of Credit must be in an acceptable format and from a major U.S. commercial bank and have at all times a Credit Rating of at least 'A' and 'A2' from S&P and Moody's, respectively, and have assets of at least \$10,000,000,000. Credit Rating means the lower of the most recently published senior, unsecured, unenhanced, long term debt rating (or corporate issuer rating if a long term debt rating is unavailable) from S&P or Moody's Investor Services. A Guaranty must be in a format acceptable to PSO/SWEPCO. Foreign Guarantees may be considered based on acceptable country risk and format.

Based on the Credit Rating of the Bidder or its Guarantor, the value in the Credit Matrix below represents the Unsecured Credit Limit and the corresponding Collateral Requirement. If a Bidder, or its Guarantor, does not have a Credit Rating, the Unsecured Credit Limit would be \$0 and the maximum amount of collateral will be required, or row 6. PSO/SWEPCO's internal credit risk tolerance specific to this RFP has been applied to the Unsecured Credit Limit and corresponding Collateral Requirement.

Using the Credit Matrix below for illustration, the Collateral Requirement for a 500MW nameplate project size and an 'A/A2' rated Bidder/Guarantor would be \$0 (row 1). For a Bidder/Guarantor with a BB+/Ba1 or below Credit Rating, the maximum amount of collateral is required, or \$100,000,000 (row 6). If a Guaranty is provided, the Credit Rating for the Bidder/Guarantor and the corresponding Unsecured Credit Limit will be used to determine the maximum Guaranty amount. For instance, if the Guarantor was rated 'BBB/Baa2', a Guaranty can be provided up to a maximum amount of \$30,000,000 (row 4) while the remaining Collateral Requirement of \$70,000,000 must be satisfied with either cash or a Letter of Credit.

Credit Rating (Bidder/Guarantor)	Unsecured Credit Limit (\$)	Collateral Requirement (\$)	
A/A2 and above	100,000,000	\$0	row 1
A-/A3	75,000,000	25,000,000	row 2
BBB+	50,000,000	50,000,000	row 3
BBB/Baa2	30,000,000	70,000,000	row 4

BBB-/Baa3	20,000,000	80,000,000	row 5
BB+/Ba1 and below	\$0	100,000,000	row 6

In the event that the financial condition of a Bidder or its Guarantor changes over the term of the definitive agreement, PSO/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 PSO/SWEPCO based on commercially reasonable credit standards. Any bidder failing to provide sufficient evidence of the foregoing may be dismissed from further consideration.

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.

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 PSO/SWEPCO and will update information concerning this change. PSO/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 have existing exposure under transactions with PSO/SWEPCO, or their affiliates, PSO/SWEPCO reserves the right to require additional collateral as a means to mitigate the incremental exposure from the potential transaction under this RFP.

Appendix E

AEP Wind Generation Facility Standards

The AEP Wind Generation Facility Standards include the following:

1. Wind Farm Technical Specification and Design Criteria (Specification Number: GEN-4560)
2. Wind Facility – O&M Building Specification and Design Criteria (Specification Number: GEN-4561)

Bidders may request the AEP Wind Generation Standards via email at
PSOWindRFP2019@aep.com.

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://aep.com/assets/docs/requiredpostings/TransmissionStudies/Requirements/AEP-Interconnection-Requirements-Rev1.pdf>

<https://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

O&M Services Scope of Work (OPTIONAL)

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

PSOWindRFP2019@aep.com

Appendix I

Proposal Content Check Sheet

New Build Projects

Section	Item	Completed
8.1.2	Executive Summary	
8.1.3	Documentation demonstrating Project will qualify for 80% PTC	
8.1.4	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) - Wind Projects Completed - Site Information / Permits 	
8.1.5	Manufacturer's warranty offerings	
8.1.6	Identity of all person and entities that have a direct or indirect ownership interest in the project.	
8.1.7	Appendix B (Bidder's Credit-Related Information)	
8.1.8	Appendix C (Bidder Profile)	
8.1.9	Appendix D (Term Sheet - including exceptions)	
8.1.10	Appendix E (exceptions to the AEP Wind Generation Facility Standard)	
8.1.11	Appendix F (exceptions to the AEP Requirements for Connection of Facilities)	
8.1.12	Land lease payments & property tax cost for 30-year period.	
8.1.13	O&M Services Proposal (optional)	

Existing Projects (in addition to above, as applicable)

Section	Item	Completed
8.2.1	Audited financial statements and FERC Form 1	
8.2.2	PTC documentation and remaining PTC life	
8.2.3	Production data (annual MWh) COD – 7/1/18	
8.2.4	Production data (hourly MWh) 1/1/16 – 7/1/18	
8.2.5	O&M Expenses (COD – 12/31/17)	
8.2.6	Forecasted O&M (1/1/19 – end of life)	
8.2.7	Outage details (1/1/13 – 1/1/18)	
8.2.8	Warranty claims	
8.2.9	Forecasted annual production for remainder of facility's life	
8.2.10	Independent report from nationally recognized third party	