

**DRAFT**



**American Electric Power Service Corporation**

**as agent for**

**Public Service Company of Oklahoma**

**Request for Proposals for  
Southwest Power Pool (“SPP”)  
Accredited Deliverable Capacity**

**RFP Issued: January 27, 2022**

**Proposals Due: March 1, 2022**

**RFP Web Address: [www.psoklahoma.com/rfp](http://www.psoklahoma.com/rfp)**

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## 1. **Background**

Public Service Company of Oklahoma (“PSO” or the “Company”) is seeking up to 250 MW of SPP Accredited Deliverable Capacity for planning years 2022 through 2026.

<b>Resource</b>	<b>Short-Term Capacity</b>
Volume	<b>Up to 250 MW in 2022/2023/2024/ 2025/2026</b>
Size (minimum)	<b>50 MW Blocks</b>
Contract Type	<b>Capacity Purchase Agreement</b>
RTO /Location	<b>SPP</b>
In-Service Date	<b>N/A (Existing Resources)</b>

## 2. **Introduction**

American Electric Power Service Corporation (“AEPSC”) and PSO are subsidiaries of American Electric Power Company, Inc. (“AEP”).

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 approximately 220,000 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 SWEPCO (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](http://www.aep.com).

PSO serves approximately 560,000 customers in 232 cities and towns across 30,000 square miles of eastern and southwestern Oklahoma. PSO is headquartered in Tulsa, Oklahoma, with regulatory and external affairs offices in Oklahoma City. The Company's distribution operations are organized into three districts: Tulsa, Lawton and McAlester. PSO has 3,771 MW of owned generating capacity, 1,109 MW of natural gas PPA capacity and has executed long-term Renewable Energy Purchase Agreements (“REPAs”) with wind generation resources totaling 1,137 MW. Additional information regarding PSO can be accessed by visiting [www.psoklahoma.com](http://www.psoklahoma.com).

### 3. RFP Overview

- 3.1. Background: PSO as a member of SPP serves retail and wholesale load within Oklahoma. AEPSC is issuing this RFP requesting proposals for electric generating capacity to supply the needs of PSO's customers, with a portion of those needs beginning in the planning year 2022.
- 3.2. Additional Resources: AEPSC seeks to satisfy PSO's capacity needs from one or more resources in amounts of up to 250 MW of SPP Accredited Deliverable Capacity.
- 3.3. Product: PSO is seeking purchases of electric capacity from generating resources within the Southwest Power Pool ("SPP") that will allow PSO to satisfy its load and planning reserve obligations. The generating resource must have accredited capacity that satisfies the qualifications for Deliverable Capacity in Attachment AA of the SPP Open Access Transmission Tariff.
- 3.4. Proposal: Bidders may submit a proposal for any portion of the planning year 2022-2026 term. A minimum quantity of 50 MW is required per planning year offered. The Proposal should be in the form of agreement shown in Appendix D and Bidder must clearly identify any exceptions to the form of agreement in Appendix D.
- 3.5. Resource Location: AEPSC will consider capacity from resources connected to the SPP transmission system and prefers assets in Oklahoma.
- 3.6. 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 less than two months (see Section 6.1).
- 3.7. Regulatory Approvals: The Company's decisions regarding the results of this RFP will be subject to its receipt of regulatory approvals from the OCC, where applicable. Definitive agreements between the Company and Bidders for selected Projects can be conditioned upon 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.
- 3.8. Non-Binding. This RFP is not a commitment by the Company to acquire any capacity 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 purchase of capacity from the selected Proposals.
- 3.9. 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:

[PSOCapacityRFP@aep.com](mailto:PSOCapacityRFP@aep.com)

**4. Product Description and Requirements**

AEPSC seeks to contract for capacity from one or more electric generation resources to fulfill its capacity needs. For Proposals from an existing generation resource, the existing resource must be commercially operable, including all facilities necessary to deliver capacity to the transmission system of SPP. The generation facility must have all relevant environmental and other permits necessary for operation and maintenance.

4.1. Location. AEPS C will consider resources connected to the SPP transmission system and prefers locations electrically near the load zone for PSO. Resources located in Oklahoma are desirable. Capacity from resources outside of SPP must have firm transmission to SPP and be registered in SPP Integrated Marketplace and have such resource qualified as Accredited Deliverable Capacity.

4.2. Delivery Start Date. Delivery of capacity will begin on June 1 of the respective bid year.

4.3. Delivery Term. Delivery term of between one (1) and five (5) year(s) is required. Bid pricing by individual delivery year is preferred. Alternative terms may also be considered.

**5. Bid Price:**

5.1. Bidders shall specify in detail all pricing components related to their Base Proposal for the contract capacity, or for any Alternate Proposal(s) provided.

5.2. Proposals that have material contingencies as determined by PSO, such as for financing and/or credit related issues, will not be considered.

**6. RFP Schedule and Proposal Submission**

6.1. Schedule: The following schedule and deadlines apply to this RFP. The bid selection and signing process for planning year 2022 will be prioritized due to timing constraints. AEPS C reserves the right to revise this schedule at any time and at AEPS C’s sole discretion.

RFP Timeline	
Draft RFP Posted Online	December 17, 2021
Bidders Technical Conference	January 6, 2022
Final RFP Issued	January 27, 2022
RFP Proposal Due	March 1, 2022
Notify Short-Listed Bidder(s)	March 15, 2022
Select Preferred Bidder / Sign Contract	April 4, 2022

6.2. Bidder Technical Conference: A Bidder Technical Conference (teleconference) will be held on January 6, 2022 at 2:00 p.m. EST (1:00 p.m. CST). Bidders with existing

SPP capacity resources may request details and sign up for the pre-bid conference by sending an email request to:

[PSOCapacityRFP@aep.com](mailto:PSOCapacityRFP@aep.com)

Include the name of your company, email address, company representative name(s), and the following in the subject line of your email: **PSO BIDDER TECHNICAL CONFERENCE**. AEPSC will use this information to communicate any updates regarding this RFP to potential Bidders. In addition, any updates regarding the RFP will be posted at the RFP website.

- 6.3. Bidders will be required to sign a Confidentiality Agreement (“CA”) prior to the submission of their Proposals. Bidders should request PSO’s Form Confidentiality Agreement by emailing [PSOCapacityRFP@aep.com](mailto:PSOCapacityRFP@aep.com).
- 6.4. Proposals and bid pricing must be valid for at least 120 days after the Proposal Due Date at which time Proposals shall expire unless the Bidder has been notified that its Proposal has been included as a short-listed or final selected proposal.
- 6.5. Proposals should be as comprehensive as possible to enable a definitive and final evaluation of the Proposal’s benefits to PSO and its customers without further contact with the Bidder.

## **7. Proposal Submittal:**

- 7.1. One hard copy of Bidder’s Executive Summary and Appendix A and two electronic thumb drive copies of the Bidder’s complete Proposal shall be submitted by the Proposal Due Date to:

American Electric Power Service Corporation  
Attn: PSO Capacity RFP Manager  
1 Riverside Plaza (25th Floor)  
Columbus, OH 43215

- 7.2. The preparation and submission of all proposals will be at the expense of the Bidder.
- 7.3. Bidders are allowed to submit more than one proposal. AEPSC will review and evaluate the Base Proposals to identify the set that meets the capacity needs of PSO and provides the best combination of value, risk, and reliability for PSO and its customers. In addition, PSO will review for consideration of any Alternate Proposals that are also submitted.

## **8. Proposal Content**

This section outlines the minimum requirements that all proposals must meet to be eligible to participate in this RFP. All proposals must include concise and complete information. Bidders are expected to provide any information that could affect the cost

for capacity purchased through this RFP. If it appears that certain information is inadvertently omitted or lacking in detail from a proposal, AEPSC may contact the Bidder to obtain such information.

8.1. General Information: Bidder's proposal shall include an executive summary of the Proposal characteristics and timeline (as applicable), including any unique aspects. A completed Appendix A (Proposal Summary) shall be included with the Bidder's proposal.

8.2. Identity: The identity of all persons and entities that have a direct or indirect interest in the Proposal or generating resource providing capacity. Provide a list of all affiliated companies, including holding companies, subsidiaries or predecessor companies engaged in selling capacity or electricity either presently or in the past must also be provided.

8.3. Proposal: Each bidder must submit a Proposal that meets PSO's capacity requirements described in Section 3.4.

8.4. Credit Requirements:

8.4.1. AEPSC will evaluate the ability of Bidders to perform under the terms of their proposals, by reviewing published credit ratings and performing its own internal credit analysis. If Bidder wishes to provide a Corporate Guaranty, it must be in the form acceptable to AEPSC.

8.4.2. If a prospective Bidder has an existing EEI Master Power Purchase and Sale Agreement ("EEI Agreement") with AEPSC/PSO, those agreements will be considered as the basis for a contract under this RFP. Additional modifications and credit requirements, including an Independent Amount, may be required to conform to the credit and collateral requirements under this RFP.

8.4.3. If a Bidder does not have an existing EEI Agreement with AEPSC / PSO, or if such agreement exists, but does not include acceptable credit or other provisions, then an EEI Agreement will be negotiated. Bidders may request AEPSC's standard EEI cover sheet terms and collateral requirements by completing a CA as described in Section 6.3 and requesting the documents via email at [PSOCapacityRFP@aep.com](mailto:PSOCapacityRFP@aep.com).

8.5. Bidder Profile: A completed Appendix C (Bidder Profile) shall be included with the Proposal.

8.6. Legal Proceedings: The Bidder should list all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been or are engaged that could affect Bidder's performance of its proposal. The parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters should be identified. The Proposal shall include a summary of all material actions, suits, claims or proceedings (threatened or

pending) against Bidder, its Guarantor (if applicable) or involving the generation facility or the site as of the Proposal due date, including existing liabilities whether or not publicly disclosed, including but not limited to those related to employment and labor laws, environmental laws, or contractual disputes for the development, construction, maintenance, or operation of the facility.

- 8.7. Agreement Exceptions: Bidder shall include in its proposal any exceptions to the draft Confirmation Letter (Appendix D). The terms in the draft Confirmation Letter are included merely to provide guidance to a Bidder in the preparation of their response. These commercial terms, shall not be binding on AEPSC. The shortlisted Bidder and AEPSC will negotiate a mutually acceptable agreement to govern any commercial relationship established by the parties.

## **9. Proposal Evaluation & Selection**

- 9.1. Initial Review of Proposals: AEPSC will perform an initial review of each proposal to determine if all required information has been provided. The Bidder may be required to provide additional information to ensure the Bid is complete.
- 9.2. Eligibility and Threshold Requirements: If the Bidder does not qualify under any one of the Sections 9.2.1 – 9.2.4, the Bidder will not qualify for this RFP and will be notified accordingly.
- 9.2.1. Generating resource must have accredited capacity that satisfies the qualifications for Deliverable Capacity (See RFP §3.3);
  - 9.2.2. The minimum capacity bid must be 50 MW (See RFP §3.4);
  - 9.2.3. Each Bidder must submit at least one Proposal from each generating resource (see RFP §3.4);
  - 9.2.4. Resources located outside of the SPP region must include firm transmission service to the SPP transmission system (See RFP §4.1).
- 9.3. Bidders with Proposals meeting the requirements in Section 9.2 will move to the next phase of the evaluation process. The Proposal evaluation process will include an assessment of the Bid Price (Economic Analysis) and other additional benefits as provided with Proposal (Non-Price Analysis). The Economic Analysis will constitute 90% and the Non-Price Analysis will constitute 10% of the overall evaluated value of each Proposal. The Non-Price evaluation will include an assessment of areas such as contract risks and benefits, locational benefits, likelihood of transmission availability, resource diversity and project development risks.
- 9.4. AEPSC reserves the right, at its sole discretion, not to engage in post-bid negotiations with any Bidder that has not been selected for the short-list. Selection for the short-list and post-bid negotiations does not constitute a “winning bid proposal.” Only execution of a definitive agreement by both AEPSC and Bidder on



mutually acceptable terms will constitute a “winning bid proposal.” All proposals become the property of AEPSC and will not be returned to Bidders.

## **10. Confidentiality**

AEPSC will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all proposals submitted. Bidders should clearly identify each page of information considered to be confidential or proprietary. AEPSC reserves the right to release any proposals to its agents or consultants for purposes of proposal evaluation. Regardless of the confidentiality, all such information may be subject to review by the appropriate state jurisdiction, or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. Under such circumstances, AEPSC will make reasonable efforts to protect the Bidder’s confidential information.

## **11. Bidder’s Responsibilities**

- 11.1. Timely Submission of Proposals: It is solely the Bidder’s responsibility to submit the proposals by the Proposal Due Date stated in Section 6.1.
- 11.2. Compliance with Federal and State Regulations: If required, short-listed Bidders must provide documentation that will enable AEPSC to assess the Bidder’s ability to comply with all federal and state regulations, and to obtain all permits, licenses and approvals necessary to conduct the sale of capacity and energy through this RFP.
- 11.3. Clarification of Proposals: While evaluating proposals, AEPSC may request additional information about any item in the proposal. All requests will be made in writing, and the Bidder will be required to respond to the request within five (5) business days or AEPSC may choose to stop evaluating Bidder’s 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 purchase of capacity. 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; (j) execute one or more definitive agreements with any Bidder, and (k) utilize a Bidder's completed Appendices and any supplemental information submitted by the Bidder in any its regulatory filings.

**13. Contacts**

All correspondence and questions regarding this RFP should be directed to:

[PSOCapacityRFP@aep.com](mailto:PSOCapacityRFP@aep.com)

**Appendix A**  
**Proposal 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 Proposal Information***

Facility Name:	
Technology:	
Facility Location:	
SPP Queue #:	SPP Study Status:
Point of Interconnection with SPP:	
Other Facility Information:	

***Proposal Bid Price***

MW	Term	Bid Price	Other Bid Price Details

## Appendix B

### Bidder's Credit and Collateral Requirements

The RFP selected resource has the potential to expose PSO and its ratepayers to credit risk in the event a selected Bidder is unable to fulfill its obligations pursuant to the terms of an executed definitive agreement. PSO views its potential credit risk as the cost it would incur in the event that the Bidder defaulted at any time during the life of the contract. However, for purposes of determining a collateral requirement, PSO believes that in an event of default under this type of contract, it could take up to 12 months to replace the contract with a comparable asset backed contract. In the meantime, PSO would have to procure capacity in the open market at then-prevailing market prices. This exposure can be viewed as a fixed collateral requirement multiplied by the megawatts (MW) of the bid.

If there is another bid type other than capacity only, the collateral requirement would need to be negotiated.

#### Exposure Calculation / Collateral Requirement

Under this scenario, the cost of procuring 12 months of capacity is calculated as:

$$\text{MWs} \times 1,000 \text{ KW/1 MW} \times \$36/\text{KW}$$

#### Credit Rating

If available, the "Credit Rating" for either the Bidder or its Guarantor is defined for purposes of this RFP as the lower of:

1) the most recently published senior, unsecured, unenhanced, long term debt rating (or corporate issuer rating if an unsecured, unenhanced, debt rating is unavailable) from S&P;

or

2) the most recently published senior unsecured, unenhanced, debt rating (or corporate issuer rating if an unsecured, unenhanced, debt rating is unavailable) from Moody's Investor Services.

If a Credit Rating is not available for the Bidder or its Guarantor, the Bidder or its Guarantor will be unrated and must post the maximum amount of collateral required based on the Credit Matrix table below.

## Credit Matrix

Based on the Credit Rating of the Bidder or its Guarantor, the value in the Credit Matrix below represents the maximum amount of collateral required by the Bidder and/or its Guarantor. PSO's internal credit risk tolerance specific to this RFP has been applied to the total collateral requirement.

Credit Rating of Bidder's Guarantor S&P/Moody's	Total Requirement
A-/A3 and above	\$0
BBB+/Baa1	Collateral Requirement - \$25,000,000
BBB/Baa2	Collateral Requirement - \$20,000,000
BBB-/Baa3	Collateral Requirement - \$10,000,000
BB+/Ba1 and below	Collateral Requirement

Collateral must be provided by the Bidder or its Guarantor, if applicable, in the form of any combination of the following: cash (U.S. Dollars) or an irrevocable standby letter of credit from an issuer acceptable to PSO ("Letter of Credit"). Any guaranty or letter of credit must be in a format acceptable to PSO. The letter of credit issuer must be a commercial bank organized under the law of the United States or a political subdivision thereof operating from an office in the continental United States, who is not affiliated with the Bidder or its Guarantor (i) with a Credit Rating of at least "A-" in the case of S&P or "A3" in the case of Moody's; and, (ii) having assets of at least \$10,000,000,000.

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

Required collateral and a guaranty from an acceptable Guarantor, if applicable, must be posted by Bidder upon execution of definitive agreements.

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

On or before the date this EEI is fully executed, Seller shall establish a Security Deposit in the amount of the required collateral. If a breach of Seller's obligations under this EEI has occurred and is continuing, then in addition to any other remedy available to it, Purchaser may, draw from the Security Deposit. Purchaser may, in its sole discretion, draw all or any part of such amounts due to it from any form of Security Deposit.

"Security Deposit" means the performance security that Seller is required to establish and maintain through the term of this EEI. The Security Deposit shall be provided in the form of (A) cash, or (B) an irrevocable standby letter of credit provided from an Acceptable Issuing Bank.

"Security Deposit Amount" means the per MW security requirement established during the bidding process.

"Acceptable Issuing Bank" means a United States commercial bank or a foreign bank with a United States branch, which United States commercial bank or United States branch has at the applicable time a Credit Rating of (a) A- or better from Standard & Poor's Rating Services and (b) A3 or better from Moody's Investors Service, Inc.

## Appendix C

### RFP BIDDER PROFILE FORM

#### 1.1 Bidder's Credit Representative

The Bidder's Credit Representative is the Bidder's in-house credit contact who can answer questions or provide information about the Bidder's credit and financial information with respect to the requirements of the RFP.

Bidder's Credit Representative Information and, where necessary, the Credit Representative Information from its Guarantor, if different from Bidder's.

Name of Bidder: \_\_\_\_\_

Bidder's Credit Representative:

Last Name	First Name	Title

Address

\_\_\_\_\_

Address (2)

\_\_\_\_\_

City	State	Zip Code
Telephone Number	Fax Number	Email Address

Name of Guarantor, if applicable: \_\_\_\_\_

Guarantor's Credit Representative Information, if applicable:

Last Name	First Name	Title

Address

\_\_\_\_\_

Address (2)

---

City	State	Zip Code
Telephone Number	Fax Number	Email Address



**1.2 Credit Requirements and Financial Information for the Bidder and/or for its Guarantor**

Please submit the following information for the Bidder and/or its Guarantor:

- 1) Three most recent Annual Reports, if available;
- 2) Three most recent SEC Form 10-K; if unavailable, please provide three years of most recent audited financial information, which include Balance Sheet, Income Statement, Cash Flow Statement and accompanying related notes.
- 3) Most recent SEC Form 10-Q; if unavailable, most recent audited quarterly financial information, including Balance Sheet, Income Statement, Cash Flow Statement and accompanying related Notes. If audited quarterly information is unavailable, provide most recent quarterly or monthly financial data accompanied by an attestation by the Bidder's or its Guarantor's Chief Financial Officer that the information submitted is a true, accurate, and fair representation of the Bidder's financial condition;
- 4) Bidder's or its Guarantor's Senior Unsecured Credit rating from the following agencies:

Standard & Poor's  
\_\_\_\_\_

Moody's Investor Service  
\_\_\_\_\_

- 5) If Senior Unsecured Credit Ratings are unavailable, provide the Bidder's or its Guarantor's corporate issuer ratings from the following agencies:

Standard & Poor's  
\_\_\_\_\_

Moody's Investor Service  
\_\_\_\_\_

Is the Bidder and/or its Guarantor:

- 1) Operating under Federal Bankruptcy laws or bankruptcy laws in any other jurisdiction? (Yes/No)

Bidder

Guarantor

\_\_\_\_\_

\_\_\_\_\_



## Appendix D

### MASTER POWER PURCHASE AND SALE AGREEMENT CONFIRMATION LETTER

This confirmation letter shall confirm the “Transaction” set forth below and agreed to on \_\_\_\_\_, 2020 by and between American Electric Power Service Corporation, as agent for Public Service Company of Oklahoma (PSO) (“AEPSC” or “Buyer”) and \_\_\_\_\_ (“\_\_\_\_\_” or “Seller”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Master Agreement: EEI Master Power Purchase and Sale Agreement dated \_\_\_\_\_, 20\_\_ between Seller and Buyer

Seller: \_\_\_\_\_

Buyer: AEPSC, as agent for PSO

Product: Unit Deliverable Capacity (as defined below), with Integrated Marketplace Energy Offer Obligation (as defined below)

Unit (name and location): \_\_\_\_\_

Delivery Period: All Hours, from June 1, 20[ ] to \_\_\_\_\_

Contract Quantity: \_\_\_\_\_ KWs

Delivery Point: SPP Balancing Authority Area at [\_\_\_\_\_] (insert bus)]

Contract Price: For each month during the Delivery Period, Buyer shall pay Seller (1) the Capacity Payment minus (2) any Deficiency Amount. Should the preceding calculation result in a negative number, Seller shall pay the absolute value of such amount to Buyer.

The Capacity Payment shall be calculated by Buyer as the Capacity Price set forth below multiplied by the Contract Quantity, as set forth in the table below:

Capacity Price (\$/KW-mo)	Contract Quantity (KW)	Capacity Payment (\$/mo)
\$ _____	_____	\$ _____

Additional Definitions:      **“Available”** means that the Unit is not derated or curtailed due to: (i) Planned Maintenance, (ii) Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines), or (iii) Force Majeure.

**“Buyer’s Replacement Damages”** means the dollar amount of (i) costs incurred by Buyer, including transaction costs, to purchase replacement capacity to make up for any shortfall between the Contract Quantity and the actual amounts of Unit Firm Capacity delivered by Seller; and (ii) any Deficiency Payment incurred by Buyer.

**“Deficiency Amount”** means a monthly dollar amount, as calculated by Buyer, that will result in Buyer receiving the greater of (1) Buyer’s Replacement Damages or (2) twice the Capacity Price per KW of Contract Quantity which Seller is unable to deliver for the applicable month.

**“Deficiency Payment”** has the meaning assigned in Attachment AA of the SPP Tariff.

**“Deliverable Capacity”** has the meaning assigned in Attachment AA of the SPP Tariff.

**“Generator Owner”** has the meaning assigned in Attachment AA of the SPP Tariff.

**“Integrated Marketplace”** has the meaning set forth in in Attachment AE to the SPP Tariff.

**“Integrated Marketplace Energy Offer Obligation”** means that amounts of energy from the Unit and consistent with the Unit’s Deliverable Capacity, when Available, shall be offered by Seller or its designee into the Integrated Marketplace consistent with and pursuant to the requirements of the SPP Tariff and SPP Protocols.

**“Load Responsible Entity”** has the meaning assigned in Attachment AA of the SPP Tariff; for purposes of this Transaction Confirmation, Buyer has the role of the Load Responsible Entity.

**“Network Integration Transmission Service”** has the meaning assigned in the SPP Tariff.

“**Network Resource**” has the meaning assigned in the SPP Tariff.

“**Resource Adequacy Requirement**” has the meaning assigned in the SPP Tariff.

“**Rule**” means any law, requirement, permit, tariff, protocol, rule, order, regulation, and procedure authorized or established by any applicable governmental authority or regulatory body that may affect the Parties’ obligations in this Confirmation.

“**SPP Protocols**” means SPP’s rules, criteria, and market protocols, as they may be amended or superseded from time to time.

“**SPP Tariff**” means the SPP Open Access Transmission Tariff, Sixth Revised Volume No. 1, as may be amended from time to time.

“**Transmission Service Request**” or “**TSR**” has the meaning assigned in the SPP Tariff.

“**Unit Firm Capacity**” is a product pursuant to which the Seller agrees to deliver the Contract Quantity of capacity that qualifies as Deliverable Capacity, as measured pursuant to the SPP Protocols and SPP Tariff (including Attachment AA), from the specified Unit. The Seller must perform all applicable duties of a Generator Owner pursuant to the SPP Protocols and SPP Tariff (including Attachment AA) to qualify the Contract Quantity of capacity such that it can be used for meeting the Load Responsible Entity’s Resource Adequacy Requirement.

Representations and Warranties:

Seller represents and warrants that (1) it has sufficient contractual rights to the Unit and the energy associated with the Unit to satisfy its obligations herein; (2) the Unit will be demonstrated, in accordance with SPP Protocols and the SPP Tariff, Criteria, to have a summer net capability sufficient for Seller to satisfy its obligation to sell and deliver to Buyer the Contract Quantity of Unit Firm Capacity; (3) the Unit Firm Capacity that Seller is obligated to sell and deliver to Buyer under this Confirmation has not been sold to any other entity and (4) during the Delivery Period, energy from the Unit has not (and Seller covenants that it will not) be sold or committed to third parties in a manner which conflicts with the Integrated Marketplace Energy Offer Obligation.

Conditions Precedent: Except to the extent waived by Buyer in writing in its sole discretion, Buyer's obligation to perform this Confirmation shall be contingent upon the following:

(1) **Ratemaking Treatment.** Buyer obtaining ratemaking treatment for this Confirmation in its Oklahoma Corporation Commission ("OCC") jurisdictional rates satisfactory to Buyer in its sole judgment and discretion, without any limitation thereto whatsoever. If, for any reason, Buyer is unable to obtain satisfactory ratemaking treatment from the OCC following the execution of this Confirmation, Buyer may, at its sole discretion, terminate this Confirmation without any obligation or liability to Seller.

Additional Terms: **Single source.** Seller is not permitted to deliver the Unit Firm Capacity from any resource other than the Unit.

**Delivery and Invoicing.** The Unit Firm Capacity shall be considered to have been delivered to Buyer for purposes of determining the actual quantity received when SPP has completed its annual Resource Adequacy Requirement process and by doing so has determined the amount of capacity from the Unit which shall be credited toward meeting the Buyer's Resource Adequacy Requirement. Once the annual determination is made by SPP, the monthly quantities are expected to be the same for each month for the applicable year, with Buyer preparing invoices reflecting that quantity on a monthly basis.

**Replacement.** If Buyer has reasonable grounds to believe that Seller will be unable to deliver the Contract Quantity in a timely manner, Buyer may, after providing written notice and a 15 Business Day opportunity to Seller to cure, obtain replacement capacity for any expected shortfall (the costs for which may be included in Buyer's Replacement Damages).

**Change in law.** Should there be a change in law to any Rule that directly impacts the implementation of this Transaction Confirmation, the Parties agree to confer as to the appropriate accommodations that may be necessary to achieve delivery of the Contract Quantity at the Contract Price.

**Liquidated Amounts.** With respect to the Deficiency Amount and to Buyer's Replacement Damages, the Parties acknowledge that the damages calculated hereunder constitute a reasonable approximation of the harm or loss,

and the Parties agree upon these liquidated amounts.

This confirmation letter is being provided pursuant to and in accordance with the above-referenced Master Agreement and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

Buyer:

Seller:

American Electric Power Service Corporation

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_