



IEP DIRECTION TO RESPONDENTS

RFP# SPP-RFP-000005

MINCO-PLEASANT VALLEY-
DRAPER 345KV

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This document was produced by a team of the Independent Expert Panel for the Minco-Pleasant Valley-Draper 345 kV Project.

The Southwest Power Pool has empaneled an Independent Expert Panel (IEP) team to work through the Transmission Owner Selection Process for the Minco-Pleasant Valley-Draper 345 kV Transmission Line (the Project). The IEP team has met to plan its work effort and evaluated how it plans to score the proposals it receives from Respondents for the Project. This document explains the scoring criteria and areas of emphasis as required by the SPP Strategic Planning Committee and Board of Directors, especially as the scoring criteria and areas of emphasis may differ from those used for previous Competitive Upgrade projects.

The evaluation of each Respondent's proposal will be based on the information provided and the extent to which the proposal demonstrates the Respondent's ability to complete, commission, and operate the Project within the scope, proposed budget, and schedule, safely and with high quality. The evaluation will judge how well the Respondent fully articulates, in a concise and complete form, its expertise, capabilities, and relevant experience in each area covered by the Request for Proposal (RFP) and associated RFP Response Form.

While each section of Respondents' proposals will be evaluated and scored separately, the IEP team also will look at each proposal in its entirety, considering interrelationships between each section that could affect the final overall evaluation. For example, the lowest cost proposal in the Rate Analysis section may be the result of a lower quality design or inferior equipment choice in the Engineering Design section, or less than robust plans in the Project Management and Operations sections.

SECTION 1: ENGINEERING DESIGN (RELIABILITY/QUALITY/GENERAL DESIGN), 200 POINTS

MEASURES THE QUALITY OF THE DESIGN, MATERIAL, TECHNOLOGY, AND LIFE EXPECTANCY OF THE COMPETITIVE UPGRADE.

1A.1 Type of Construction

Overall engineering/design of the Project will play a large role in evaluation of Respondents' proposals. Respondents should provide a Design Criteria document that summarizes the Project design criteria and readily verifies that the proposed design meets all applicable codes and standards, and SPP planning standards. Compliance with the SPP Minimum Transmission Design Standards is required and should be confirmed in the Design Criteria. Designs shall meet/exceed all RFP requirements. Structure configuration that accommodates Live Line Maintenance should be discussed in the Design Criteria.

Type of Construction, including Structure types, Foundation types, Conductor, Shield Wire(s), Insulators, Dampers, and Markers will be evaluated and should be included and summarized in the Response Form Workbook, as these impact the overall safety, reliability, and performance of the Project.

1A.2 Losses

Scoring for line losses will be based on the conductor type and size proposed, the line-rating capacity, and impedance/resistivity and reactance. Loss calculation methods are discussed in the RFP in a footnote on page 11. The Calculation Method should be provided as an attachment and summarized in the Response Form Workbook 1A.14, including the line losses reported in MWh/Yr. A conductor selection study, if provided as an engineering attachment, will be evaluated for scoring.

1A.3 Life of Construction

Performance over the service life of the assets also will have significant impact on the scoring because it addresses the safety, reliability, availability, and quality of the transmission line. Respondents should include estimated life in years for structures, foundations, conductor, and insulators in the Response Form Workbook.

1A.4 Reliability/Quality

The design will be evaluated with respect to Reliability and Quality. The engineering QA/QC process should be included as an attachment, and any ISO certifications should be provided. A Lightning Performance Study should be included as an Engineering attachment, and the results in expected flashover per 100 miles per year should be summarized in the Response Form Workbook. The number and spacing of storm structures should be summarized in the Response Form Workbook.

1A.5 Design Experience

Design staff experience should be addressed by identifying the specific resources in the Organization Chart, by experience, capabilities, and availability that will be applied on the Project's different phases. Resumes of key personnel should be included. The Design Independent QA/QC program will be evaluated, and any ISO certification will be considered. Experience on similar relevant projects and regulatory requirements will be important in scoring Respondents' proposals because they impact all phases: Type of Construction, Losses, Life, and Reliability/Quality.

1A.6 Other

In addition to the design itself, Respondents should describe how Engineering will be engaged in procurement, including approval of materials, as well as in on-site presence during construction. Other data the Respondent believes relevant to the Project not previously covered should be summarized in the Response Form Workbook and supported with attachments in the Engineering section.

SECTION 2: PROJECT MANAGEMENT (CONSTRUCTION PROJECT MANAGEMENT), 200 POINTS

MEASURES AN RFP RESPONDENT'S EXPERTISE IN IMPLEMENTING CONSTRUCTION AND COMMISSIONING OF THE COMPETITIVE UPGRADE.

Measures an RFP Respondent's expertise in implementing construction and commissioning of the competitive project upgrade.

All project management criteria listed in Attachment Y will be evaluated with a focus on those items that have the greatest impact to the schedule or cost of the Project. This would include items such as environmental factors, regulatory approval processes, construction processes, identification and mitigation of high risk and critical path items, and qualifications and project management experience of personnel to complete projects on time and within budget.

The following is a list of nine criteria that will be assessed during the review of the RFP, as identified in Attachment Y and RFP.

2A.1 Environmental Factors

- Describe the environmental review and permitting process and experience in evaluating all relevant environmental factors. This should include discussion of factors expected to be encountered on the proposed route selection (e.g., endangered species, cultural areas, etc.).
- Describe the development and execution of specific plans for addressing possible federal, state, or municipality regulations and securing the necessary regulatory permits and approvals.
- Describe possible land and infrastructure crossings with emphasis on crossings with regulatory risk.
- Describe any special environmental considerations, including cost implications, due to construction in the proximity of the University of Oklahoma main campus, the National Weather Center, and recreational areas at Lakes Stanley Draper and Thunderbird.
- Provide environmental staff resumes and experience.

2A.2 Rights of Way Acquisition

- Describe experience with various transmission line siting approval processes. Provide instances in the last five years where the necessary approvals for right of way (ROW) acquisition for EHV line was obtained, whether through the exercise of eminent domain or other means.

- Provide documents that demonstrate that there is control of any ROW segments related to this Project. If there are no eminent domain rights, then provide plans and experience for gaining the necessary ROW approvals.
- Provide ROW staff resumes or experience descriptions.

2A.3 Procurement

- Describe supply management and tracking systems, if any. Provide any current contractual agreements with suppliers indicating how and where equipment will be manufactured, transported, and temporarily stored. Also provide current and projected lead time of major equipment.
- Describe the quality of the material selected, and its warranties.
- Describe Quality Assurance / Quality Control processes used for material and equipment procurement, including review of each manufacturer's quality processes and anticipated factory inspections.
- Explain any steps that will be taken to ensure that the materials and labor required for the Project will be available and at the costs included in the estimates in light of current anomalies in labor and materials markets due to the coronavirus pandemic.
- Provide material procurement staff resumes or experience descriptions.

2A.4 Project Scope and Development Schedule (Including obtaining Regulatory Approvals)

- Provide the overall scope of the project and major milestones including high level summary of any foreseen major obstacles.
- Provide best and worst-case scenario schedule to meet desired service date.
- Describe detailed processes and plans for managing all aspects of project development and scheduling, including key milestones for construction, regulatory approvals, and commissioning activities.
- Provide proposed Gantt chart, accounting for possible schedule and risk registry deviations.
- Describe regulatory and permitting review processes.
- Describe experience and track record in identifying and developing a critical path schedule for this Project, including how unforeseen obstacles encountered in the past on projects of similar scope and magnitude were addressed.
- Describe project development schedule for access to and performance of work on the Pleasant Valley property and within the Pleasant Valley substation to connect the new 345 kV transmission line and associated fiber optic communications circuits at the designated dead-end structure.

2A.5 Construction

- Provide evidence of prior experience in managing the construction of projects similar in significance, scope, and magnitude. Explain how to deploy the necessary support staff, field crews, and material handling resources.
- Describe safety protocols that will be followed during the construction process including manuals, training, awards, and site-specific safety / health documents.

- Provide resumes or experience descriptions of staff assigned oversight and supervision responsibilities for construction site safety.
- Provide safety records for the past 5 years of the construction crews, preferably in terms of (1) providing Experience Modification Rate (EMR), (2) Total Recordable Incident Rate (TRIR), and (3) Days Away [from work], Restrictions, and Transfers (DART) for previous major EHV transmission line projects.
- Provide resumes or experience descriptions of anticipated field personnel and contractor(s) who will be constructing the 345KV transmission project.

2A.6 Commissioning

- Provide detailed plan of commissioning activities, including coordination with neighboring utilities and interconnection agreements.
- Describe plans for coordinating, with the Pleasant Valley Substation Owner, the evaluation and resolution of any infrastructure crossing(s) the new 345 kV transmission line will have on existing Pleasant Valley substation infrastructure.
- Describe any special system studies required to evaluate the impacts of such crossings, including the impact of potential tower contingency or multi-line outages.
- Describe any potential restrictions to construction during certain times of the year or during these outages.
- Provide resumes or experience descriptions of anticipated personnel who will be commissioning the 345KV transmission project.

2A.7 Time to Construct

- Describe, in detail, the timeline / milestones / contingency plans to meet the desired service date.
- Describe the impact of unforeseen issues on completion date(s) and projected costs.
- Describe the size end experience of construction crews (internal or contractors) that expected to work on this project.

2A.8 Experience of Construction Major Projects / Track Record

- Provide a Construction Project Organizational Chart.
- Provide resumes of those expected to be in key leadership roles in managing all aspects of construction, including QA/QC process, record keeping, reporting, and their approach to addressing issues that may be encountered.
- Provide a list of major EHV construction projects that were completed by your organization on-time and within budget in the last five years.

2A.9 Other Comments

- Provide any additional comments or support documents (if any) that pertain to project management but not covered under Sections 2A.1 through 2A.8.

SECTION 3: OPERATIONS (OPERATIONS/MAINTENANCE/SAFETY), 250 POINTS

MEASURES SAFETY AND CAPABILITY OF A RFP RESPONDENT TO OPERATE, MAINTAIN, AND RESTORE THE COMPETITIVE UPGRADE.

This evaluation category measures the safety and capability of a RFP Respondent to operate, maintain, and restore the competitive upgrade in accordance with this Project's description and specification. Criteria will be assessed with an emphasis on recognizing i) that the successful operation of the competitive upgrade can only occur through a lifetime commitment, ii) that timing, financial strategy, and expertise are relevant for repairs and storm recovery, including replacement/rebuilds following a catastrophic failure, iii) that there is a difference between what should be proactively completed to improve reliability and resiliency, as compared to what should be reactively completed in response to external events, and iv) that the competitive upgrade must be operated in a safe manner throughout its lifecycle.

Respondents should describe their plans for gaining physical access to such infrastructure, including the Pleasant Valley Substation, to perform routine maintenance or emergency repairs. If such maintenance or emergency repairs are to be performed by others, Respondents should describe their plans to arrange such activities.

Scoring under this evaluation category will be weighted based on the significance of minimizing reliability and safety concerns with a focus on addressing the availability and resiliency of the competitive upgrade. Particular attention to scoring will be made on the Respondents' plans regarding system emergency response, facility maintenance, and personnel safety. Scoring will be based on the following criteria identified in Attachment Y:

3A.1 Control Center Operations (staffing, etc.)

- Identify the entity that will be operating and maintaining the facilities specific to this competitive upgrade, including location of their primary Control Center(s).
- Describe the entity's experience as an Extra High Voltage Transmission Operator, including real time monitoring and control of the competitive upgrade.
- Describe the relevant experience of the entity's staff, including contracted services, with Control Center management and operations.
- Identify the number of staff, typically located within the Control Center(s), that will be responsible for management and operations of the competitive upgrade during normal system conditions.
- Identify the number of staff, anticipated to be within the Control Center(s), that will be responsible for management and operations of the competitive upgrade during emergencies.

3A.2 Storm/Outage and Emergency Response Plan

- Describe the entity's storm, outage, and emergency response plans specific to this competitive upgrade, including the following:
 - Staffing and resource mobilization philosophies.
 - Ability to acquire contracted staff and resources quickly.
 - Anticipated composition of staff, by percentage comprising of internal, augmented, or contracted services for performing switching actions, initiating engineering services, and supplying technical expertise.
 - Identification of specialized tools or services that are outside the entity's organization but are necessary for execution of the entity's emergency response plans.
 - Anticipated location of a base of operations and largest distance away from the competitive upgrade during restoration activities.
- Describe the entity's strategy, regarding replacement/rebuilds, specific to the competitive upgrade following a catastrophic, on-site failure or extraordinary event or circumstance.

3A.3 Reliability Metrics

- Identify the number of outages, average outage duration, and frequency of occurrences involving the entity's 300-399 kV transmission elements, categorized by an initiating cause code (ICC) associated with such events, that the entity experienced in the past five years. If such data is not available for the 345 kV voltage class, the entity should attempt to identify a different voltage class and provide similar information. The following ICCs should be provided by the RFP Respondent:
 - Power System Condition
 - Fire
 - Misoperation
 - Failed AC Substation Equipment
 - Lightning
 - Human Error
 - Failed AC Circuit Equipment
 - Weather, excluding lightning
 - Foreign Interference
 - Vegetation
- Identify the count of momentary and permanent transmission element outages, normalized to a per 100-mile basis.
- Identify any corporate reliability metrics that the entity tracks which could demonstrate how the entity would monitor, operate, or coordinate outages specific to and associated with the competitive upgrade.

3A.4 Restoration Experience/Performance

- Describe past restoration experiences for facilities of similar size and scope in the last five years. The RFP Respondent should include performance data that is relevant to these

experiences, including staff performance, resource utilization, and overall duration of restoration activities.

- Describe the entity's field personnel training and safety program associated with the performance of emergency transmission switching, including initial qualifications and continual certification or training.
- Describe emergency resources and their locations, such as helicopters and specialized tools.

3A.5 Maintenance Staffing/Training

- Describe the entity's field personnel training and safety program associated with the performance of daily routine (i.e., prearranged) transmission switching, including initial qualifications and continual certification or training.
- Describe the relevant experience of the entity's field personnel, including contracted services, who will perform on-site, daily routine (i.e., prearranged) transmission switching actions associated with the competitive upgrade.
- Identify the entity's organizational size regarding field operations, both internally and through contracted services, that could perform planned maintenance activities and daily routine (i.e., prearranged) transmission switching actions associated with the competitive upgrade.
- Identify the entity's organizational size regarding field operations, both internally and through contracted services, that could perform forced outage activities associated with the competitive upgrade.

3A.6 Maintenance Plans

- Describe the process the entity will use when developing a planned transmission line outage plan specific to this competitive upgrade, including the following:
 - Criteria for preventive maintenance decisions (e.g., time-based, condition-based, risk-based, predictive, etc.)
 - Staffing and resource mobilization philosophies.
 - Anticipated composition of staff and resources, both internally and through contracted services, by percentage, to complete necessary maintenance activities, engineering services, and provision of technical expertise.
 - Anticipated location of a base of operations during maintenance activities.
- Describe the entity's preventive and predictive maintenance plans or philosophies specific to the competitive upgrade, including identification of the following:
 - Anticipated frequency of routine line and tower maintenance inspections.
 - Scope of each routine inspections.
 - Description of efforts to gain physical access to secured infrastructure.
- Describe the entity's vegetation management and mitigation strategies, including identification of adapted industry standards.
- Describe the entity's computerized maintenance management system.
- Describe the ability of the bidder to perform live 345KV line maintenance.

3A.7 Specialized Maintenance Equipment and Spare Parts

- Describe the entity's strategy for balancing the procurement, storage, maintenance, management, and sufficiency of parts and equipment necessary for this competitive upgrade.
- Describe the entity's strategy for the acquisition of spare parts or equipment that may have a long lead time for procurement.
- Describe the entity's supply chain risk management policy for equipment and parts associated with this competitive upgrade.
- Identify if the entity participates in an inventory sharing agreements or joint ownership spare equipment inventories that could be used in the acquisition of hard-to-find spare parts or equipment associated with this competitive upgrade.
- Describe the entity's strategy for replacement of spare parts or equipment that may have a long lead time for procurement.
- Identify the specialized tools or services that are outside the entity's organization but are necessary for the completion of the maintenance activities associated with this competitive upgrade.
- Describe how the entity's plans to house or store such equipment, including geographic location.
- Describe the entity's warehouse inventory management system.

3A.8 Maintenance Performance/Expertise

- Describe the entity's past maintenance experiences for facilities of similar size and scope in the last five years. The RFP Respondent should include performance data that is relevant to these experiences, including level of success with completion on-time and within budget, staff performance, and resource utilization.

3A.9 NERC Compliance Process History

- Describe the entity's internal reliability compliance and risk management programs, including measurement and frequency of conducting compliance assessments.
- Identify the entity's NERC functional registrations and Compliance Registry Identifier or describe the entity's plans to register with the ERO Enterprise.
- Describe how this competitive upgrade will be integrated into the entity's reliability compliance program.
- Describe the entity's reliability compliance organizational structure, including the organizational level of dedicated (i.e., primary responsibility) compliance support and assessment staff.
- Describe the entity's commitment to ERO Enterprise initiatives, including participation in Reliability Standard development or standing committee activities.
- Describe the entity's systematic approach to training its Operating Personnel.
- Describe the entity's compliance management system or governance, risk, and compliance system.

3A.10 Internal Safety Program

- Describe the internal safety protocols that will be followed during maintenance activities associated with this competitive upgrade, including manuals, training, certifications, awards, and site-specific or hazard-specific environmental, health, and safety documents.
- Describe the entity's Safety Tag, Hot Line Tag, or Lockout-Tagout policy.
- Describe the entity's grounding and clearance safety procedure.
- Provide resumes or experience and certification descriptions of staff assigned oversight and supervision responsibilities for maintenance site safety.

3A.11 Contractor safety program

- Describe the entity's requirements for its contractor(s) to follow involving environmental, health, and safety protocols that will be used during maintenance activities associated with this competitive upgrade.
- Describe the entity's evaluation of its contractors' past safety performance.
- Describe the entity's evaluation of its contractors' safety and training staff credentials, including experience and required certifications.

3A.12 Safety performance record

- Describe the entity's safety performance records of its field operations and maintenance personnel for the last five years, preferably in the following terms:
 - Experience Modification Rate (EMR)
 - Total Recordable Incident Rate (TRIR)
 - Days Away [from work], Restrictions, and Transfers (DART)
- Identify the number of fatalities, deaths, dismemberments, and hospitalizations that occurred during the completion of maintenance activities, for facilities of similar size and scope of this competitive upgrade, in the last five years.

3A.13 Other comments

- Provide any other comments related to operations, maintenance, and safety the RFP Respondent(s) would like to document.

SECTION 4: RATE ANALYSIS (COST TO CUSTOMER), 225 POINTS

MEASURES AN RFP RESPONDENT'S COST TO CONSTRUCT, OWN, OPERATE, AND MAINTAIN THE COMPETITIVE UPGRADE OVER A FORTY (40) YEAR PERIOD.

4A.1: Estimated Total Cost of the Project

- The net revenue requirement (PVRR) for the Project (Tabs 3-3G of the RFP Response Form Excel Workbook) will be the primary criterion used for scoring in the Rate Analysis scoring category. The PVRR calculation includes the Attachment Y criteria:
 - RFP Response Estimate (RRE) total¹,
 - **4A.2:** Financing costs,
 - **4A.3:** FERC incentives,
 - **4A.4:** Revenue Requirements,
 - **4A.5:** Lifetime cost of the Project to customers, and
 - **4A.6:** Return on Equity.
- The evaluation of costs in the Rate Analysis will be cross-checked against related criteria in other scoring categories and point allocations adjusted as appropriate. For example, if a maintenance protocol is presented in the Operations scoring category that is inconsistent with the costs included in Rate Analysis, a negative allocation of points may be made to adjust for this inconsistency.

4A.7: The Quantitative Cost Impact of Material on Hand, Assets on Hand, Rights-of-Way Ownership, Control, or Acquisition

- A lesser amount of points will be allocated to the Attachment Y criteria of
 - The quantitative cost impact of material on hand, assets on hand, rights-of-way ownership, control, or acquisition, and
 - Cost certainty guarantee.
- If a Respondent states it has material or assets on hand that will be used in the Project, the proposal should include a complete description of the material and an explanation of any benefits to the Project that are not already captured in the total project cost and therefore reflected in the PVRR.
- In addition, if a Respondent has rights-of-way that it plans to use for the Project, the proposal should attach documents that demonstrate the ownership, control, or acquisition of the ROWs and any description of benefits derived from the ROWs that are not already reflected in cost inputs to the PVRR calculation.

4A.8 Cost Certainty Guarantee

- Any cost guarantee offered by a Respondent should describe in detail the benchmark against which the guarantee is made, the circumstances and conditions under which that guarantee would be realized, and the methodology in which the value of the guarantee would be made available to SPP customers. The potential value of the guarantee in absolute dollars should also be explained as well as the timing of when that value would be assumed to occur.

¹ The RRE Cost Estimate total on Tab 2b should equal the investment total input into cell E1 of the PVRR tab. To the extent the investment total on Tab 2b is different, detail the reason(s) the values are not equal.

4A.9 Other comments

- Respondents should describe any other factors that the IEP should be aware of in which Respondent's proposal has the potential to reduce risk to successful Project construction and operation that are not reflected in other Attachment Y criteria and should explain the resulting impact on SPP customers' rates if not already reflected in the PVRR.

SECTION 5: FINANCE (FINANCIAL VIABILITY AND CREDITWORTHINESS), 125 POINTS

MEASURES AN RFP RESPONDENT'S ABILITY TO OBTAIN FINANCING FOR THE COMPETITIVE UPGRADE.

This Section 5 Finance of the Bidders' Guidance Document is intended to simplify the evaluation process by providing direction to Respondent about the information that Respondent will provide, and the recommended format of how that information should be provided. For example, any spreadsheet attachments should include a workable fully functional spreadsheet showing the calculation and underlying work papers in native format with links and formulas intact, including sufficiently detailed work papers and supporting documentation for data. Outside of the Respondents Minco-Pleasant Valley-Draper Response Form Excel Workbook, any other Excel documents submitted as supporting documentation should not be password protected. Please provide sufficient information to enable replication of the analysis, if any, that the bidder has provided.

The scoring in the Section 5 Finance section will employ the two Attachment Y categories of Financial Viability and Creditworthiness. Financial Viability includes the Attachment Y criteria of evidence of financing (**5A.1** of RFP), material conditions (**5A.2** of RFP), financial/business plan (**5A.3** of RFP), pro forma financial statements (**5A.4** of RFP), and expected financial leverage (**5A.5** of RFP). Creditworthiness includes the criteria of debt covenants (**5A.6** of RFP), projected liquidity (**5A.7** of RFP), dividend policy (**5A.8** of RFP), and cash flow analysis (**5A.9** of RFP). An additional criterion, Financial Strength (**5A.10** of RFP), is applicable to both categories because the main areas of financial strength are liquidity, solvency, profitability, and operating efficiency. This additional criterion addresses the overlap that Financial Strength has with Financial Viability and Creditworthiness. Financial Viability will be the primary focus of the evaluation in this scoring category, with Creditworthiness a second.

Financial Viability and Creditworthiness are assessed in the market, based on recent history and accurate future projections. All proposals must provide projections and assumptions for inputs and responses to the criteria described in Attachment Y, and the May 4, 2021 RFP# SPP-RFP-000005. All of the criteria listed in Attachment Y and the actual documents provided will be evaluated and scored, recognizing that the assumptions provided by the Respondents can alter the point allocation. The evaluation process will focus on the degree to which a Respondent

meets the financial qualifications required by Attachment Y that demonstrate its capacity to obtain financing and construct the Project. A Respondent should show through its proposal and any supporting documents how the Project would be financed by demonstrating the financial strength of the Respondent. Conclusive evidence of financial strength is required by means of a letter from a bonding agent or bank indicating approval of or willingness to provide the required performance bond or letter of credit to the RFP Respondent consistent with 5A.10 of the Response Form for RFP# SPP-RFP-000005.