

INDUSTRY EXPERT PANEL TRANSMISSION PROVIDER BOARD REPORT

RFP-000005
Minco – Pleasant Valley – Draper 345 kV
April 12, 2022

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Acronyms and Definitions

These terms are used in this report and are taken from the SPP Tariff Attachment Y or have been defined by the IEP for use in this report.

ASTD: American Society of Training & Development.

ATRR: Annual Transmission Revenue Requirement.

Applicant: An entity that submitted an application to the Transmission Provider to be a Qualified RFP Participant (QRP).

BIL: Base Insulation Level

Competitive Upgrades (CU): Those upgrades defined in Section I.1 of this Attachment Y or an upgrade for which the Transmission Provider must select a replacement Transmission Owner pursuant to Section IV.3 of this Attachment Y.

Criterion: An element in the SPP Tariff, Attachment Y that the IEP is directed to consider in its evaluation of proposals. As part of its evaluation, the IEP members may have further divided a criterion into sub-criteria, and further divided a sub-criterion into factors.

DART: Days Away [from work], Restricted or Transferred.

DPP: Detailed Project Proposal.

DTO: Designated Transmission Owner.

Electric Reliability Organization (ERO): The term identified to the North American Electric Reliability Corporation, as subject to oversight by the Federal Energy Regulatory Commission and governmental authorities in Canada.

ERO Enterprise: The collective term identifying NERC as the Electric Reliability Organization and its six regional organizations that are responsible for ensuring the reliable operation, planning, and security of the bulk electric system through oversight of reliability standards development, monitoring, and enforcement for the industry to follow, both interconnection-wide and regionally.

EMR: Experience Modification Rate.

FAA: Federal Aviation Administration.

Federal Energy Regulatory Commission (FERC): An independent agency that regulates the interstate transmission of electricity, natural gas, and oil.

Guaranty: This term shall have the meaning given in Attachment X of this Tariff.

Guarantor: This term shall have the meaning given in Attachment X of this Tariff.

Industry Expert Panel (IEP): The panel of industry experts designated by the SPP Oversight Committee to review and evaluate proposals submitted in response to any Request for Proposals in the Transmission Owner Selection Process.

ISO: International Organization for Standardization.

kmz: Keyhole Markup Language Zipped file (Google Earth file).

MTDS: Minimum Transmission Design Standards.

North American Electric Reliability Corporation (NERC): A nonprofit regulatory authority whose mission is to ensure the reliability of the North American bulk power system. See also Electric Reliability Organization (ERO).

Project: The Minco-Pleasant Valley-Draper 345 kV Transmission Line Project, the Minco-Pleasant Valley-Draper Project.

Present Value of the Revenue Requirement (PVRR): The estimated ongoing cost of operating the project over a 40-year period as calculated in the RFP Response Form Excel Workbook, Tab 3-PVRR.

RFP Response Estimate (RRE) Cost Summary: The RRE is the cost to construct the project including materials, labor, equipment, and other non-material costs, as calculated in the RFP Response Form Excel Workbook, Tab 2B.

Request for Information (RFI): A request to one or more Respondents for information related to its proposal.

Request for Proposals (RFP): For purposes of this Attachment Y, a request issued by the Transmission Provider for proposals from QRPs to construct, own, operate, and maintain a Competitive Upgrade.

RFP Proposal or Proposal: A proposal submitted by one or more QRPs in response to a Request for Proposals issued by the Transmission Provider for a Competitive Upgrade.

RFP Respondent: Each QRP involved in the submission of an RFP Proposal that proposes to be the DTO for all or part of a Competitive Upgrade.

QA/QC – Quality Assurance/Quality Control

Qualified RFP Participant (QRP): An entity that has been determined by the SPP to meet the requirements in Attachment Y to submit a proposal.

ROW – Right of way.

Scoring category: One of the five major categories identified in the SPP Tariff, Attachment Y for evaluation of proposals, which include Engineering Design, Project Management, Operations, Rate Analysis, and Finance.

SPP Tariff, Attachment Y or Attachment Y: SPP’s Open Access Transmission Tariff, Sixth Revised Volume No. 1 that sets out the steps for the Owner Designation Process.

Transmission Owner Selection Process (TOSP): The process of determining the Designated Transmission Owner for a Competitive Upgrade pursuant to Section III.2 of this Attachment Y.

TRIR: Total Recordable Incident Rate.

Industry Expert Panel Internal Report Executive Summary

Executive Summary

In October 2020, the Board finalized approval of the 2020 Integrated Transmission Planning (ITP) recommendations that included two Competitive Upgrades (CU). One, the Minco-Pleasant Valley-Draper 345 kV Transmission Line Project (Project), which is the subject of this report, and the Butler-Tioga 345 kV Transmission Line Project which was subsequently re-evaluated by SPP Staff and withdrawn by the Board in April 2021. SPP issued a Request for Proposals (RFP) as required by the SPP Transmission Owner Selection Process (TOSP) to qualified entities soliciting proposals to construct, own, and operate the Minco-Pleasant Valley-Draper Project pursuant to Attachment Y of the SPP Tariff.¹

After the RFP was approved for issuance, the Oversight Committee approved the selection of five panel members, with a lead and second in each of the five scoring categories described in Attachment Y of the SPP Tariff and designated one member to act as chairperson for the panel.

The newly formed IEP for the Project held multiple conference calls in May through August 2021 in which the group adopted a set of work practices and developed the IEP Direction to Respondents document.

The IEP also discussed the scoring methodology within each scoring category and began to document those methodologies for ultimate inclusion in the IEP Recommendation Report and IEP Direction to Respondents document. Initially, the panel agreed that a successful project was one that was constructed safely, on time, and within budget, and would operate safely and according to its design parameters. The IEP adopted a scoring philosophy that would be used to allocate points to the specific criterion/sub-criterion in each scoring category based upon information provided in the proposals, using this rubric:

- Unacceptable (0%): Proposals that provided information not relevant to the RFP requirements or did not meet the minimum requirements for a particular criterion/sub-criterion were rated Unacceptable and no points were allocated for that criterion/sub-criterion.
- Good (50%): Proposals that provided an acceptable level of supporting information for a particular criterion/sub-criterion were rated Good and allocated 50% of the available points for that criterion/sub-criterion.
- Better (75%): Proposals that provided a better level of supporting documentation for a particular criterion/sub-criterion were rated Better and allocated 75% of the available points for that criterion/sub-criterion.
- Best (100%): Proposals with the best supporting documentation for a particular criterion/sub-criterion were rated Best and allocated 100% of the available points for that criterion/sub-criterion.

The proposals were made available to the IEP on November 12, 2021. The group designated a letter identifier for each proposal to avoid focus on any Respondent's identity, as shown in Table 1. At all

¹ www.spp.org

times the IEP sought to conduct its work in a non-discriminatory manner and to operate within the structure set by Attachment Y.

Table 1
Letter Designation for Each Proposal

Letter Designation	Respondent
Proposal A	
Proposal B	
Proposal C	
Proposal D	
Proposal E	
Proposal F	
Proposal G	

During the first several weeks of the evaluation period, each IEP member reviewed each of the proposals, examined the information presented that addressed the criteria and sub-criteria within his primary and secondary scoring categories, and determined point allocations consistent with the scoring philosophy. If the IEP needed additional information from Respondent(s), the IEP instructed SPP staff to send a Request for Information (RFI) to Respondent(s) requesting clarifying information to support the IEP’s evaluations. During the evaluation period, the IEP met weekly by video conference to discuss its evaluations and common issues. Proposal C was presented by two entities that combined to form one proposal for two separate pieces of the Project. When necessary, the criteria were scored separately as Proposal C1 and C2 from each entity, and the two scores were combined based on the [REDACTED] ownership split (based on percentage ownership of total mileage) to arrive at a combined score for Proposal C.

On January 19-20, 2022, the full IEP met via video conference. The lead for each scoring team presented their point allocations for each criterion and sub-criterion in their respective category for review and discussion by the full IEP. As part of this meeting, the IEP examined whether the allocation of points for any criterion or sub-criterion that overlapped across scoring categories resulted in a double counting or inadequate allocation of points. In addition, the IEP addressed whether the point allocation spread for any criterion/sub-criterion was consistent across scoring categories and did not result in an inappropriate weighting of the total point allocations.

After these discussions, SPP staff compiled the point allocations for each scoring category and presented a summary tabulation of the point allocations. SPP previously determined that each RFP Respondent had submitted a Detailed Project Proposal and met the requirements to receive 100 incentive points. The evaluators for the Engineering Design, Project Management, Operations, and Finance scoring categories each determined that all proposals demonstrated an ability to produce a successful project for their review areas. The results of the IEP final scoring for each proposal and incentive points are shown in Table 2.

Table 2
Total IEP Point Allocation by Scoring Category and Proposal

Scoring Results Matrix SPP-RFP-00005 Minco-Pleasant Valley-Draper 345kV										
RFP Proposal	RRE	PVRR	Engineering Design (200pts)	Project Management (200pts)	Operations (250pts)	Rate Analysis (225pts)	Finance (125pts)	Total Score	Incentive Pts	Grand Total Score
E	\$ 55,053,470	\$ 50,712,417	197.00	194.00	169.38	225.00	115.00	900.38	100.00	1000.38
D	\$ 77,558,459	\$ 67,239,991	157.00	168.00	216.56	179.50	109.06	830.13	100.00	930.13
C	\$ 85,631,534	\$ 77,444,363	153.10	163.35	213.08	152.50	120.00	802.03	100.00	902.03
G	\$ 74,030,113	\$ 70,946,775	187.50	168.50	167.50	174.00	96.25	793.75	100.00	893.75
B	\$ 87,661,315	\$ 87,268,023	158.50	153.00	205.31	129.00	106.88	752.69	100.00	852.69
A	\$ 96,992,028	\$ 96,351,168	174.00	153.00	205.31	109.00	106.88	748.19	100.00	848.19
F	\$ 87,005,124	\$ 84,178,479	178.00	152.50	186.25	125.00	101.25	743.00	100.00	843.00
Average	\$ 80,561,720	\$ 76,305,888	172.16	164.62	194.77	156.29	107.90	795.74	N/A	895.74

The IEP unanimously recommends Proposal E as the Recommended RFP Proposal.

The IEP unanimously recommends Proposal D as the Recommended Alternate RFP Proposal.

Industry Expert Panel Evaluation Process and Results

Section 1: Industry Expert Panel History

In October 2020, the Board finalized approval of the 2020 Integrated Transmission Planning recommendations. These recommendations included two projects that were determined to be CUs, as defined in the SPP Tariff. Each CU is subject to a separate TOSP. This report is to address the Minco-Pleasant Valley-Draper 345 kV project. Under the SPP TOSP, SPP issued an RFP to qualified entities to provide them an opportunity to submit a proposal to construct, own, and operate the CU facility pursuant to the SPP Tariff.

On May 3, 4, and 7, 2021, the members of the expert pool and SPP Board member Josh Martin attended training sessions via video conference. The experts were provided an overview of SPP and information related to its ITP process, FERC Order 1000, the SPP Order 1000 Process, and SPP Tariff provisions related to Order 1000, as well as a description of the role and expectations of the expert panel.

On May 4, 2021, SPP published the RFP for the Minco - Pleasant Valley - Draper 345 kV Transmission Project. The RFP terms were largely dictated by Attachment Y of the SPP Tariff. All interested qualified entities were required to submit proposals on or before November 1, 2021. A standard RFP Response template was provided to each qualified entity. In addition to the required response format, each entity was instructed to meet additional guidelines (such as minimum design standards, SPP Operating Criteria, and incumbent interconnection requirements) in its response. Each of these additional guidelines was noted in the RFP and included detailed documentation of the requirements.

After the RFP was approved for issuance, SPP staff identified five prospective members of the expert pool to serve as the IEP, and the Oversight Committee approved the recommended members. A lead and second in each of the five scoring categories was designated as shown in Table 3 below.

Table 3
SPP Industry Expert Panel for Minco – Pleasant Valley - Draper Project

Area of Expertise/Scoring Category	Primary Expert	Secondary Expert
Engineering Design		
Project Management		
Operations		
Rate Analysis		
Finance		

*Chairperson

On May 18, 2021, the IEP held its initial meeting by conference call. The group covered general organizational issues, RFI philosophy, and set an evaluation schedule. The group also discussed the need to set up a scoring methodology for each category based on the criteria/sub-criteria outlined in

the Tariff and any other items each expert felt could be beneficial to their respective scoring category. Finally, the group discussed its initial task to provide input to the IEP Direction to Respondents document no later than the mid-point of the RFP response window.

In subsequent calls in May through August 2021, the group met via conference call and adopted a set of work practices that included:

- When emails are used for communications with other IEP members, or the SPP staff, the sender will copy Chris Cranford and the IEP Chairperson on each email.
- Chris Cranford will maintain a master archive of all email communications involving the IEP's activities.
- Before sending an email, each IEP member will review the draft email for clarity of content understanding that the email may be made public at some point.
- IEP members will not initiate contact directly with any RFP Respondent.
- If a RFP Respondent initiates contact with an IEP member, that member will terminate the contact immediately and notify IEP Chairperson, Chris Cranford, and Ben Bright who will assess whether any follow-up action is appropriate.
- An IEP member may request that an RFI be sent to RFP Respondents utilizing the SPP staff to transmit the RFI and receive and distribute responses to the IEP members as appropriate.
- IEP members will retain documents on which they relied in rating the RFP Respondents' proposals until completion of the TOSP, at which time they will delete notes/files used in the TOSP.
- The IEP adopted a scoring philosophy that would subdivide each of the five scoring categories into criteria and sub-criteria with assigned points that sum to the point total set for each scoring category in the SPP Tariff, Attachment Y, and allocated points according to categories – Unacceptable (0%), Good (50%), Better (75%), and Best (100%).
- In November 2021, the IEP decided to seek a 30-day extension in its schedule and requested that Chris Cranford present the request to the SPP Oversight Committee. The extension request was later approved by the Oversight Committee.

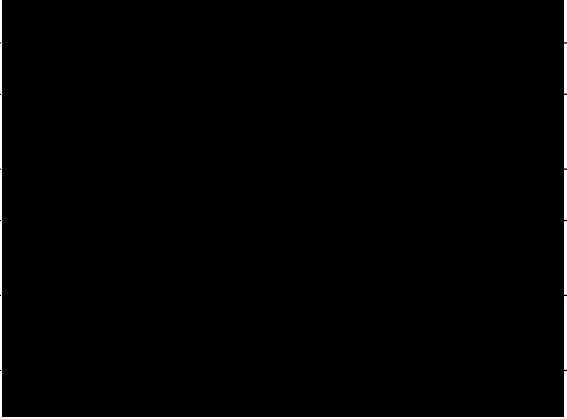
During the same May through August period of 2021, the group met via conference call and discussed the appropriate way to measure the ultimate success or failure of the Project, which was categorized as needed for economic purposes. The IEP determined that a successful project would be built within the target in-service date and budget, constructed in a safe manner, and operated as intended and in accordance with the requirements set out by SPP. The IEP also discussed the scoring methodology within each scoring category and began to document those methodologies for ultimate inclusion in the IEP Recommendation Report and IEP Direction to Respondents document.

The IEP also discussed its policy on seeking additional information from RFP Respondents. The IEP determined that each response would be evaluated based only on information provided by the Respondent. If required, a clarification would be sought using an RFI to gain a better understanding of the information provided. No additional information would be requested from an individual Respondent so as not to allow one Respondent an unfair advantage to supplement its response. If additional information was needed in the evaluation, a request would be sent to all relevant Respondents. In addition, the IEP determined that its role was to evaluate the information provided for reasonableness and for comparison but not to serve as an audit function.

The IEP published the IEP Direction to Respondents document on July 16, 2021.

The SPP Staff made the proposals available to the IEP on November 12, 2021, and the IEP designated a letter identifier for each proposal in keeping with the SPP’s directive that the IEP should act in an impartial way. These identifiers are listed in Table 4.

Table 4
Letter Designation for Each Proposal

Letter Designation	Respondent
A	
B	
C	
D	
E	
F	
G	

Section 2: IEP Scoring Category Methodologies

Prior to receiving the proposals, the IEP spent extensive time discussing the overall approach as to how each proposal would be evaluated, and the scoring teams identified the point assignments to criteria and sub-criteria for each scoring category.

Each scoring category team developed a matrix that assigned the maximum available points for that scoring category to each criterion and any related sub-criteria based upon the perceived significance of the criteria's impact on the success of the Project. A successful project was defined as one that would be constructed safely, on time, and within budget, and would be operated safely and according to its design parameters.

To achieve consistency in its scoring approach, the IEP adopted a philosophy in which points would be allocated to the criteria/sub-criteria for each scoring category based on the information contained in each proposal, including attachments and appendixes, using this rubric:

- Unacceptable (0%): proposals that provided information not relevant to or did not meet the minimum requirements for the criteria/sub-criteria were allocated no points,
- Good (50%): proposals that provided an acceptable level of supporting information for criteria/sub-criteria were rated Good and allocated 50% of the available points,
- Better (75%): proposals that provided a Better level of supporting documentation were allocated 75% of the available points, and
- Best (100%): proposals with the Best supporting documentation were allocated 100%.

In addition, the IEP decided that to attempt to maintain the relative weight of point allocations to criteria in Attachment Y of the SPP Tariff, the evaluator for each scoring category would allocate the maximum number of points assigned to each criterion or sub-criterion to at least one proposal that best supported that criterion or sub-criterion.

An explanation of the maximum point assignments to each criterion and any related sub-criterion and the scoring matrixes and point assignments for each scoring category are presented below.

Engineering Design

The SPP Tariff, Attachment Y assigns Engineering Design a maximum of 200 points and designates four criteria for review: Type of Construction (wood, steel, design loading, etc.), Losses (design efficiency), Estimated Life of Construction, and Reliability/Quality metrics.

In addition to these four criteria, two additional criteria were added in the RFP Response Form Workbook. The first, Design Experience, is to emphasize that long-term reliability/resilience and performance of the transmission line is dependent on the experience and capabilities of the staff and engineers assigned to designing the Project. The second, Other, would recognize any other or additional features presented/proposed not included in other criteria.

To assist in the evaluation of each Proposal the Type of Construction was further divided into the following seven sub-criteria: Design Loading Criteria, Conductor Type/Name, Shield Wire, Structure Configuration, Insulators, Dampers, and Markers.

The 200 points designated by Attachment Y for Engineering Design were assigned to the summary criteria and further allocated to applicable sub-criteria based on their perceived relative significance to the success of the Project from an Engineering Design standpoint. While all criteria/sub criteria are important, some were judged to have a higher impact on the success of the project and were assigned points in the 20 to 30 range. Others were judged to have a more moderate impact or more easily accomplished and were assigned points ranging from 4 to 12. The point assignments for each criterion and sub-criterion are shown in Table 5.

A more detailed explanation of the point assignments follows.

Type of Construction

Type of Construction for the proposed transmission line was identified as the most significant criterion affecting project success in Engineering Design and was assigned 116 points of the maximum 200 points because of the breadth of the related sub-criteria: Design Loading, Conductor, Shield Wire, Structures, Insulators, Dampers, and Markers.

Design Loading

Design Loading was assigned 30 points because it is the starting base for a safe, resilient, and reliable project throughout the project's service life. Design loading cases create the basis for engineering and ultimate design of a transmission project. The loading cases are specified in the RFP, SPP Minimum Transmission Design Standards (MTDS), SPP Planning Criteria, and national codes and standards. These design cases must be correct to achieve a successful project. The safe and reliable operation of the Project is a function of the design load basis.

Conductor

Conductor was assigned 30 points maximum because it is also a fundamental component of a transmission project. The overall usefulness/capacity of a transmission line is a direct function of the conductor used. The RFP specifies a minimum conductor ampacity of 3,000 amps based on the SPP planning process that led to the project moving forward. Anything less than the required line capacity would cause re-evaluation of the Project and potential deferral/replacement with an alternate grid solution. Conductor used also is the basis for the Line Losses criterion.

Shield Wire

Shield Wire was assigned 10 points maximum. The design for lightning protection will affect the performance and reliability of the Project. Minimum performance goals are expected in flashover per 100 miles per year. Also, an RFP requirement is for a redundant communications path of a minimum of 36 fibers, often achieved in the selection of the shield wire(s).

Structure Configuration

Structure Configuration was assigned 20 points maximum. This sub-criterion is focused on structure type/configuration, self-supporting versus guyed structures, materials utilized, quantity of structures, quantity of dead end and storm structures, durability, ability to satisfy the design loading cases, and

historic use/performance of similar structures. Along with the conductor, the structures holding that conductor in the air are a fundamental component of the Project.

Insulators

Insulators was assigned 12 points maximum. This is also important component of the project. Mechanically, insulators must meet or exceed the load cases and hold the conductor to the structures. Electrically, the insulators drive the electrical performance of the line and flashover rates. The expected life of insulators can vary depending on the materials used in manufacturing.

Dampers

Dampers was assigned 8 points maximum. Damping the shield wires and conductor wires is required to protect the conductors (and shield wires) from wind induced vibration over the life of the Project.

Transmission Line Markers

Transmission Line Markers was assigned 6 points maximum. FAA requirements may come into play for marking transmission lines for air safety reasons. The Project has potential for requirements for bird diverters to mitigate bird strikes. Also, inspection and maintenance operations typically require marking structure numbers.

Line Losses

Line Losses was assigned 20 points. Losses (design efficiency) have significant financial implications and are important to the evaluation of the Project. The Response Form Excel Workbook and the IEP Direction to Respondents both ask for estimated losses in MWh/yr to allow comparison across all the proposals. Also, loss calculations are specified in the RFP. Losses/efficiency is a fundamental outcome of the Project, with significant and continuing financial impacts over the 80-plus year lifespan of the transmission line.

Estimated Life of Construction

Estimated Life of Construction was assigned 20 points maximum. Project life (design durability) have significant financial implications and are important to the evaluation of the project. All proposals are expected to have useful lives similar to thousands of miles of other transmission lines across the grid that have been in service for 80-plus years.

Reliability/Quality Metrics

The criterion related to reliability and quality metrics was assigned a maximum of 20 points. This is fundamental and drives the performance of the project and the life of the project. This applies to the quality of engineering design, and also the materials used, and the quality of the construction. Well established and industry accepted best practices for processes and policies for inspection and quality checks should be utilized.

Design Experience

Design Experience was assigned 20 points maximum. Utilizing experienced engineers and designers is core to the outcome of the Project design. Experience with similar, relevant projects benefits the overall project across engineering, procurement, and construction.

Other

A miscellaneous criterion was assigned 4 points maximum. This criterion is listed in the RFP Form Excel Workbook to recognize additional aspects or features of the proposal not included in other criteria.

Table 5 displays the weights and maximum points for the twelve criterion/sub criterion in the Engineering Design scoring category.

Table 5
Scoring Point Designation for Engineering Design

Section 1: Engineering Design (Reliability/Quality/General Design) 200 Pts <i>Measures the quality of the design, material, technology, and life expectancy of the Competitive Upgrade</i>	Sub-criteria	Weight	Total Points
1A.1 Type of Construction (Wood, Steel, Design Loading, etc.)	1A.1.1 Design Loading Criteria	15%	30
	1A.1.2 Conductor Type/Name, Ampacity, Number of sub conductors	15%	30
	1A.1.3 Shield Wire Type/Name, Number of Shield Wires, Size of Wire	5%	10
	1A.1.4 Structure Configuration	10%	20
	1A.1.5 Insulators	6%	12
	1A.1.6 Dampers	4%	8
	1A.1.7 Markers	3%	6
	Sub-Total Criteria Pts	58%	116
1A.2 Losses (Design Efficiency)		10%	20
1A.3 Estimated Life of Construction		10%	20
1A.4 Reliability/Quality Metrics		10%	20
1A.5 Design Experience		10%	20
1A.6 Other - Comments		2%	4
Scoring Category Total		100%	200

Project Management

Attachment Y identifies nine criteria for evaluation in Project Management and assigns a maximum of 200 points to this scoring category. The criteria that have the highest impact to the schedule or cost of the Project were considered most significant. These include environmental and regulatory approval processes, the construction process, identification and mitigation of risk/critical path items, the qualification of personnel and the history of the respondent’s ability to complete projects on time and within budget.

The criteria that were judged to have the most potential impact on the success of the Project were Environmental, Project Scope and Development Schedule, and Construction because these were considered essential for the Project to proceed. These criteria were assigned 32 points each. All other criteria have relatively less impact and were assigned a lower number of points.

The criteria judged to have a moderate impact on the success of the Project were Rights-of-Way Acquisition, the Time Frame to Construct, and Experience / Track Record. These three criteria were each assigned 24 points.

The criteria judged to have the least impact on the success of the Project were assigned a lower number of points. Procurement was assigned 20 points, and Commissioning was assigned 12 points. The process of commissioning typically involves common procedures and therefore was assigned fewer points.

To assist in evaluating the proposals, some of the criteria were separated into related sub-criteria with the points assigned among those sub-criteria according to their relative importance. The following is a description of all criteria, sub-criteria, and associated point designations.

Environmental

The 32 points for Environmental criterion were divided among three sub-criteria: Route Selection (16 points), Regulatory Approvals (12 points), and Support Staff (4 points).

Route Selection

Proposals were evaluated to determine how each addressed factors expected to be encountered on the proposed route, such as endangered species and cultural areas. Proposals deemed Best provided a well-defined environmental review and permitting process and procedures. In addition, proposals were evaluated for the quality of their plan to mitigate Project risk, such as the location of transmission facilities near the University of Oklahoma main campus, the National Weather Center, and recreational areas at Lake Stanley Draper and Lake Thunderbird.

Regulatory Approvals

The description of the development and execution of specific plans for addressing possible federal, state, or municipality regulations and securing the necessary regulatory permits and approvals in each proposal was evaluated and compared across proposals. This included an evaluation of factors expected to be encountered on the proposed route, such as endangered species and cultural areas such as tribal land. The description of possible land and infrastructure crossings, particularly as they

affected regulatory risk, was evaluated. Proposals that identified most or all these factors and provided mitigation plans were scored higher according to the level of detail in the plans.

Support Staff

The evaluator reviewed the resumes to gauge experience with environmental and regulatory approval processes, particularly descriptions of firsthand knowledge and experience in evaluating environmental factors. Points were allocated based upon the experience of the support staff.

Rights-of-Way Acquisition

The Rights-of-Way (ROW) Acquisition criterion was assigned a maximum of 24 points and divided into three sub-criteria: Acquisition Process (14 points), Regulatory Process and Approvals (6 points) and Support Staff (4 points).

Acquisition Process

Each Respondent's experience with transmission line siting approval processes and with approvals for ROW acquisition for EHV line was evaluated. Proposals deemed Best provided instances (including supporting documents) in which they gained necessary approvals for ROW acquisition, whether through the eminent domain or by other means, in the last five years. Proposals that included documents demonstrating control over ROW segments reduced overall Project risk and were allocated more points.

Regulatory Process

A Respondent's experience with securing ROW was evaluated. This included a review of prior experience using the regulatory process to gain ROW approvals and instances in which the transmission owner exercised the right of eminent domain. Proposals that included instances of using these processes without delaying the transmission line construction were allocated more points.

Support Staff

The resumes presented in the proposals of the support staff that would secure ROW were evaluated and compared against each other. Points were allocated based upon the experience of the staff in securing ROW.

Procurement

The Procurement criterion was assigned a maximum of 20 points and divided into two sub-criteria: Process (16 points) and Support Staff (4 points).

Process

The supply management and tracking systems and their capabilities to track equipment inventory described in each proposal were evaluated and compared against each other. Proposals with robust existing systems were allocated more points. Additionally, proposals that included contractual agreements that would reduce the risk of cost increases and supply delivery problems were allocated more points. Also, proposals with major material manufactured in the United States and with shorter

delivery schedules were allocated more points to address potential supply chain shortages. Proposals deemed Best demonstrated the highest ability to obtain high quality materials for the Project, strong prior relationships with material suppliers, and evidence of warranties on major material.

Support Staff

The resumes presented in the proposals of the support staff that would procure material for the Project were evaluated and compared against each other. Points were allocated based upon the procurement experience of the staff.

Project Scope and Development Schedule

The Project Scope and Development Schedule criterion was assigned a maximum of 32 points and divided into three sub-criteria: Project Scope and Specifications (20 points), Potential Risks (8 points), and Regulatory Approval/Mitigation Plans (4 points).

Project Scope and Specification

The Project scope and major milestones and obstacles identified in each proposal, including Gantt charts demonstrating the project construction schedule and floats, were evaluated and compared against each other. Proposals that included schedules identifying best- and worst-case scenario schedules were allocated more points. Proposals identified as Best provided detailed processes and plans for managing all aspects of Project development and scheduling, including the time to construct.

Potential Risks

The risk management plan in each proposal was evaluated and compared against the others. In addition, each proposal was evaluated for coordination plans with the incumbent utility to energize the Project. Proposals rated Best clearly demonstrated the Respondent's previous ability to address unforeseen obstacles on EHV projects.

Regulatory Approval/Mitigation Plans

The regulatory approvals and potential obstacles and their prospective plans were evaluated and compared to other proposals. Proposals rated Best should present a reasonable schedule and allocate reasonable floats for all aspects of the Project, including weather, commissioning, interconnection, regulatory, procurement, and construction.

Construction

The Construction criterion was assigned a maximum of 32 points and divided into two sub-criteria: Process and Plans (22 points) and Safety Plans and Records (10 points).

Process

Each Respondent's experience in managing construction projects similar in significance, scope, and magnitude to the Project was evaluated and compared to the others. The review included an assessment of the Respondent's plan to secure, manage, and retain construction crews at optimal

levels, including how COVID-19 may affect labor resources. Proposals were allocated points based upon how well they demonstrated Respondent’s experience and capabilities in these areas.

Safety Plans and Records

The safety protocols, including manuals, training, awards, and site-specific safety/health documents and 5-year safety records for construction crews were evaluated in each proposal and compared against each other. The reviewed safety records included the Experience Modification Rate (EMR), Total Recordable Incident Rate (TRIR) and Days Away, Restricted or Transferred (DART). Points were allocated based upon the range of safety performance as indicated in these documents, with the Best rating given to the proposal with the best safety record.

Commissioning

The Commissioning criterion was assigned a maximum of 12 points and divided into two sub-criteria: Commissioning Process (10 points) and Support Staff (2 points).

Commissioning Process

The evaluation of this sub-criterion included a review of each proposal’s commissioning process, including the steps needed to commission the line, which include coordination plans with incumbent utility substation owners, identification of any outages needed to energize the transmission line, relay testing, and identification of metering requirements. Proposals deemed Best provided the best evidence and plans of how to commission the Project and coordinate with owners of the Pleasant Valley and Minco Substations.

Support Staff

The resumes presented in the proposals of the support staff that would coordinate with the incumbent utility during the commissioning process were evaluated and compared against each other. Points were allocated based upon the relative commissioning experience of the staff.

Timeframe to Construct

The Timeframe to Construct criterion was assigned a maximum of 24 points. The Project timeline, milestones, and contingency plans in each proposal was evaluated and compared to each other. The proposals were evaluated to assess how well they identified potential issues and their impact on the completion date and projected cost. The proposed size and experience of construction crews (internal or contractors) also were evaluated. Proposals that demonstrated the shortest construction schedule with reasonable floats and addressed all of the potential contingencies identified in this criterion were assigned more points.

Experience of Construction Major Projects / Track Record

The Experience of Construction Major Projects criterion was assigned a maximum of 24 points. The construction project organizational chart, historical processes and records, list of prior EHV transmission line construction projects, and the experience of the proposed construction leadership team were evaluated in each proposal and compared against other proposals. Proposals rated Best

demonstrated experience and strong track records in successfully constructing major EHV projects in the last five years.

Other

This criterion was assigned 0 points. However, if there were additional information provided in this criterion that was not scored in the above eight criteria, then, the previous criteria were re-evaluated in light of this new information.

Table 6 displays the weights and maximum points for the criteria and sub-criteria in the Project Management scoring category.

Table 6
Scoring Point Designation for Project Management

Section 2: Project Management (Construction Project management) 200 Pts <i>Measures an RFP Respondent's expertise in implementing construction projects similar in scope to the Competitive Upgrade</i>	Sub-criteria	Weight	Total Points
2A.1 Environmental	2A.1.1 Route Selection	8.0%	16.0
	2A.1.2 Regulatory Approvals	6.0%	12.0
	2A.1.3 Support Staff	2.0%	4.0
	Sub-Total Criteria Pts	16.0%	32.0
2A.2 Rights-of-way acquisition	2A.2.1 Acquisition	7.0%	14.0
	2A.2.2 Regulatory Process and Approvals	3.0%	6.0
	2A.2.3 Support Staff	2.0%	4.0
	Sub-Total Criteria Pts	12.0%	24.0
2A.3 Procurement	2A.3.1 Process	8.0%	16.0
	2A.3.2 Support Staff	2.0%	4.0
	Sub-Total Criteria Pts	10.0%	20.0
2A.4 Project Development Schedule/Scope	2A.4.1 Project Scope / Specifications	8.0%	16.0
	2A.4.2 Potential Risks	6.0%	12.0
	2A.4.3 Regulatory Approval / Mitigation Plans	2.0%	4.0
	Sub-Total Criteria Pts	16.0%	32.0
2A.5 Construction	2A.5.1 Process and Plans	11.0%	22.0
	2A.5.2 Safety plans and records	5.0%	10.0
	Sub-Total Criteria Pts	16.0%	32.0
2A.6 Commissioning	2A.6.1 Commissioning Process	5.0%	10.0
	2A.6.2 Support staff	1.0%	2.0
	Sub-Total Criteria Pts	6.0%	12.0
2A.7 Timeframe to Construct/Milestones		12.0%	24.0
2A.8 Experience of Construction Major Projects/Track Record		12.0%	24.0
2A.9 Other Comments		0.0%	-
Scoring Category Total		100.0%	200.0

Operations

Attachment Y assigns Operations a maximum of 250 points. The success of this Project hinges on successful reliable operations, maintenance, and safety, especially based on facility maintenance planning and performance. As a starting point, all Respondents were expected to demonstrate the ability to meet or exceed all applicable NERC Reliability Standards, Regional criteria, RFP requirements, and SPP operating practices, including the SPP Operating Criteria. Points for each Respondent were allocated based on the defined reliable operations, maintenance, and safety criteria and their underlying sub-criteria.

Since the Project’s description only pertained to transmission line infrastructure and conductor, a higher weighting was placed on each of the maintenance-focused scoring criteria. Each of these criteria were allocated a maximum of at least 25 points, as the importance of having effective plans, qualified resources, sufficient equipment inventories, defined implementation strategies, and executable proof of performance are critical to the sufficient maintenance of the Project. The maintenance-focused scoring criteria are identified as Maintenance Staffing/Training; Maintenance Plans; Specialized Maintenance Equipment and Spare Parts; Planned Maintenance Performance/Expertise; and NERC Compliance Process History. When the IEP inquired about possible impacts to the Project caused by pandemic-related delays, SPP staff provided some assurances based on historical information that no currently tracked transmission projects were reporting any supply chain or quality issues. Nonetheless, more points were allocated to the Specialized Maintenance Equipment and Spare Parts criterion than the other maintenance-focused scoring criteria. Importance to the success of reliable operations associated with the Project was then considered, as the operations-focused scoring criteria were allocated between 15–20 points apiece. The operations-focused scoring criteria are identified as Control Center Operations (staffing, etc.); Storm/Outage and Emergency Response Plan; Reliability Metrics; and Restoration Experience/Performance. A lower weighting was assigned to the Control Center Operations (staffing, etc.) criterion due to the limited Project’s description. This weighting of 15 points was also aligned to the individual weights assigned to each of the safety-focused scoring criteria. The safety-focused scoring criteria are identified as Internal Safety Program; Contractor Safety Program; and Safety Performance Record.

Control Center Operations (staffing, etc.)

The Control Center Operations criterion was assigned 15 points maximum. Points were allocated based upon the proposal’s description of a Respondent’s overall experience working with a Transmission Operator. A Best proposal provided thorough details of the Respondent’s experiences in active and ongoing communication and coordination to support its Transmission Operator. Proposals that provided less detailed descriptions were assessed a Better or Good score according to the level of detail provided.

Storm/Outage and Emergency Response Plan

The Storm/Outage and Emergency Response Plan criterion was assigned 20 points maximum. The evaluation focused on how each proposal described its storm, outage, and emergency response plans, particularly on the details associated with its staffing and resource mobilization philosophies. Details identifying the ability to acquire contracted staff and resources quickly, and the physical distance from the Project and the anticipated base of operations used during restoration activities, were also

evaluated. The RFP asked Respondents to summarize their evaluation strategy regarding infrastructure replacements versus a complete rebuild of the Project following a catastrophic, on-site failure or extraordinary event or circumstance. A Best proposal provided a detailed description of the Respondent’s staffing and resource mobilization philosophies. Proposals that provided fewer comprehensive descriptions were assessed a Better or Good scoring according to the level of detail provided

Reliability Metrics

Reliability Metrics was assigned 20 points, which were then assigned among three sub-criteria: Reported Outage-based Metrics (8 points), Reported Reliability-based Metrics (7 points), and Corporate Reliability Metrics (5 points). The IEP Direction to Respondents requested that Respondents provide a historical quantitative summary and metrics regarding their operations for the past five years. More points were allocated to proposals with better metrics and operational track records. As point allocations were assessed on a sub-criterion level, it was possible for a Respondent to score higher in one sub-criterion over another. Hence, when viewed strictly at the Reliability Metrics criterion level as a whole, it was possible for several Respondents to receive similar or equal point allocations. Respondents that provided insufficient information for the five-year period requested received an Unacceptable grade for that sub-criterion.

Reported Outage-based Metrics

The IEP Direction to Respondents requested each Respondent provide metrics of its operational history regarding its 300-399 kV transmission elements. Specifically, each Respondent was requested to provide its average outage durations and momentary and sustained transmission element outage metrics normalized to a per 100-mile circuit length basis. These metrics were then evaluated and compared to those of the other Respondents. Proposals that listed fewer outage occurrences and lower average outage durations received the Best score. Other proposals were scaled accordingly from Better to Good depending on their difference from the proposals with the Best score.

Reported Reliability-based Metrics

The IEP Direction to Respondents also requested each Respondent provide metrics of its operational history as categorized by initiating cause codes. These metrics were then evaluated and compared to those of the other Respondents. Proposals that identified the lowest normalized values over the requested period received the Best score. Other proposals were scaled accordingly from Better to Good depending on their difference from the proposals with the Best score.

Corporate Reliability Metrics

The IEP Direction to Respondents requested that Respondents identify any corporate reliability metrics they use to track historical outage coordination and implementation performance. These include metrics like switching accuracy rates and the number of switching steps completed annually. Proposals providing more details regarding such metrics received more points for their proactive insight on utilizing such key performance indicators. Point allocations were based on the level and specifics of details provided. A proposal providing more details regarding these metrics received the Best score. Other proposals received a score from Better to Good based on a scale of the details provided accordingly.

Restoration Experience/Performance

The Restoration Experience/Performance criterion was assigned a maximum of 20 points, which were reassigned to the sub-criteria of Past Restoration Experiences/Performance (15 points) and Field Personnel Emergency Training Program (5 points). The RFP limited the Project to transmission line infrastructure and conductor only. This scope limitation then limited the need for any specialized training, and a heavier weighing of restoration performance experience was given over restoration-related training accordingly. Respondents that provided insufficient information for the five-year period requested in the IEP Direction to Respondents received an Unacceptable grade for the sub-criterion specified.

Past Restoration Experience/Performance

Point allocations were based upon a proposal’s description of past restoration experiences for facilities of similar size and scope over the last five years. Details identifying performance data relevant to these experiences, including staff performance, resource utilization, and overall duration of restoration activities also were evaluated. Proposals that provided more details regarding their previous experiences and effective utilization of resources to reduce the duration of restoration activities received higher points.

Field Personnel Emergency Training Program

Proposals also were graded on the level of detail provided for the Respondent’s field personnel emergency training programs. Proposals identifying program scope requirements and credentials of their training personnel, in comparison to their peers, received more points for this sub-criterion. Proposals that provided more details regarding their program, training staff, and credentials of their training staff received a Best score. Other proposals received a score from Better to Good based on a scale of the details provided accordingly.

Maintenance Staffing/Training

Maintenance Staffing/Training was assigned a maximum of 25 points, which were then split to the underlying sub-criteria of Field Personnel Routine Training and Safety Program (18.75 points) and the Field Operations Organizational Structure (6.25 points).

Field Personnel Routine Training and Safety Program

Points were allocated based upon the Respondent’s description of its field personnel training and safety program associated with the performance of daily routine (i.e., prearranged) transmission switching, including initial training qualifications and continual certification. Respondents identifying program scope requirements and credentials of their training personnel, in comparison to their peers, received more points for this sub-criterion.

Field Operations Organizational Structure

Points were allocated based upon the proposal’s explanation of how the field organizational would be organized, including internal and contracted services. Proposals that provided more details on the

anticipated staffing structure, including the number of staff and individual’s credentials, to perform transmission and vegetation control maintenance in comparison to other proposals received more points.

Maintenance Plans

The Maintenance Plans criterion was assigned 25 points, which were then reassigned to the sub-criteria Transmission Line Planned Maintenance Processes and Vegetation Management and Mitigation Strategies. These sub-criteria were viewed as equally significant, and each was assigned a maximum of 12.5 points.

Transmission Line Planned Maintenance Processes

The description of planned maintenance processes in each proposal was evaluated, including current processes and possible modification to incorporate specifics associated with the Project. The evaluation included preventive maintenance decision-making, staffing and resource mobilization philosophies, ability to perform live 345 kV line maintenance, and anticipated location of a base of operations during maintenance activities. In addition, each proposal’s computerized maintenance management systems and preventive and predictive maintenance philosophies, including anticipated frequency of routine line and tower maintenance inspections, scope of each routine inspection, and efforts to gain physical access to secured infrastructure, were evaluated and compared against other proposals. Proposals that included more details in comparison to their peers received more points.

Vegetation Management and Mitigation Strategies

Each proposal’s vegetation management and mitigation strategy, including identification of adapted industry standards, was examined. Proposals that provided more details compared to their peers were allocated more points.

Specialized Maintenance Equipment and Spare Parts

The Specialized Maintenance Equipment and Spare Parts criterion was assigned a maximum of 30 points. Each proposal’s description of equipment required for the operation and maintenance of the Project were reviewed and compared against other proposals. Point allocations were based upon each Respondent’s strategy for balancing the procurement, storage, maintenance, availability, and sufficiency of parts and equipment necessary for the Project. Respondents were also requested in the IEP Direction to Respondents to elaborate on their strategies for the acquisition of spare parts and equipment with a long lead time and other supply chain management risks that could be experienced during regular maintenance and restoration activities. The Respondent that provided more details regarding their strategies received a higher score than their peers. More points were also allocated to proposals identifying participation in inventory-sharing agreements and/or joint ownership of spare equipment and spare parts inventories.

Planned Maintenance Performance/Expertise

The Maintenance Performance/Expertise criterion was assigned 25 points maximum. Point allocations were based upon a proposal’s description of past maintenance experiences for facilities of similar size and scope to the Project. Proposals that provided more detailed descriptions of previous

maintenance experiences and effective resource utilization to reduce planned maintenance duration, achieve on-time project completions, and avoid project budget overages in comparison to their peers, received higher points.

NERC Compliance Process History

The NERC Compliance Process History criterion was assigned a maximum of 25 points, which were assigned to the sub-criteria Internal Reliability Compliance and Risk Management Programs (12.5 points), Reliability Compliance History (6.25 points), and ERO Enterprise Initiatives (6.25 points). The IEP Direction to Respondents requested information regarding Respondents' internal reliability compliance and risk management programs. The relatively high assignment of points to this criterion was based on the relevance of the information requested. An equal weighting was applied to observable historical performance, as related to Bulk Electric System reliable operations and planning, and to the description of ongoing involvement and provision of support to the ERO Enterprise and other industry organizations.

Internal Reliability Compliance and Risk Management Programs

The IEP Direction to Respondents requested each Respondent provide a description of its internal reliability compliance and risk management programs. Specifically, each Respondent was asked to identify the number of dedicated compliance staff it would use to conduct compliance assessments, how often and to what extent each assessment would be completed, and the observed effectiveness of the reliability compliance organizational structure. These descriptions were then evaluated and compared against the other proposals. Proposals that provided more details and identified more efforts to measure, monitor, and maintain their internal reliability compliance programs received more points than their peers.

Reliability Compliance History

The Operations and Planning Reliability Compliance History of the registered entities identified within each proposal, as posted on the NERC Enforcement and Mitigation web site, was reviewed and compared against each other. Comparisons were limited to reliability standards exclusively applicable to a NERC-registered Transmission Owner, particularly towards facility maintenance and documentation. Proposals from a prospective Transmission Owner with no construction experience and therefore no comparison history, received at least a Good score. Proposals were then ranked, from Best, Better, and Good, based on the number of occurrences of violations and monetary penalties according to the assessed risk to Bulk Electric System reliability identified in each NERC Reliability Standard. Respondents that identified positive observations or awards they received from the ERO Enterprise were also considered in the ranking.

ERO Enterprise Initiatives

ERO Enterprise initiatives, including participation in Reliability Standard development or NERC standing committee activities were evaluated in each proposal and compared against each other. Respondents identifying participation in other NERC Pre-Qualified Organizations, such as those recognized by the NERC Compliance and Certification Committee for submitting and vetting of NERC Implementation Guidance, were also considered for scoring of this sub-criterion. Respondents identifying more details and instances of participation in their proposals received more points.

Internal Safety Program

The Internal Safety Program criterion was assigned 15 points maximum, which were then assigned among the sub-criteria Internal Safety Protocols (7.5 points); Safety Training, Certifications, and Awards (3.75 points); and Staff Credentials (3.75 points). Respondents were asked to provide details regarding their internal safety programs. A higher allocation of points was allocated to this sub-criterion based on the amount of information requested. An equal weighting was applied to the performance of their program, through identified certifications and accreditations, and staff experience and credentials.

Internal Safety Protocols

The description of internal safety protocols for maintenance activities, including manuals, training, and site-specific or hazard-specific environmental, health, and safety documents were reviewed and compared against each other. Particular attention was given to each Respondent’s Safety Tag, Hot Line Tag, or Lockout-Tagout policies. The Respondent that provided a description and materials identifying the most well-organized program received the Best score. Other proposals were scaled accordingly from Better to Good depending on the level of description and content of materials provided.

Safety Training, Certifications, and Awards

The description of a Respondent’s internal safety program, as recognized through certifications and accreditations of the program or its staff, were reviewed and compared against each other. A Respondent identifying how its program received more safety certifications, accreditations, and awards received the Best score. Other proposals were scaled accordingly from Better to Good depending on the level of description and certifications identified.

Staff Credentials

The experience and credentials of the training staff presented in each proposal were reviewed and compared against each other. Respondents identifying a high qualified staff through experience and maintained certifications received more points.

Contractor Safety Program

The Contractor Safety Program criterion was assigned a maximum of 15 points, which were then reassigned to the three sub-criteria Contractor Safety Protocols (7.5 points); Contractor Safety Training, Certifications, and Awards (3.75 points); and Contractor Staff Credentials (3.75 points). Respondents were asked to provide details regarding their contractor’s safety programs. A higher allocation of points was allocated to this sub-criterion based on the amount of information requested. An equal weighting was applied to the performance of their program, through identified certifications and accreditations, and staff experience and credentials.

Contractor Safety Protocols

Each proposal’s description of its proposed contractors’ safety programs was evaluated and compared against the others. Points were allocated based upon a proposal’s description of contractor

requirements to follow environmental, health, and safety protocols that would be used during maintenance. Past safety performances were also considered. The Respondent that provided a description and materials identifying the most well-organized program received the Best score. Other proposals were scaled accordingly from Better to Good depending on the level of description and content of materials provided.

Contractor Safety Training, Certifications, and Awards

The description of the safety program of a Respondent’s contractor, as recognized through certifications and accreditations of the program or its staff, were reviewed and compared against each other. The Respondent identifying how contractor’s program received more safety certifications, accreditations, and awards received the Best score. Other proposals were scaled accordingly from Better to Good depending on the level of description and certifications identified.

Contractor Staff Credentials

The experience and credentials of a contractor’s training staff presented in each proposal were reviewed and compared against each other. Respondents identifying a highly qualified staff through experience and maintained certifications received more points.

Safety Performance Record

The Safety Performance Record criterion was assigned a maximum of 15 points. Each proposal’s description of safety performance records of field operations and maintenance personnel over the past five years, as requested in the IEP Direction to Respondents, was evaluated and compared against each other. Proposals presenting the best combination of EMR, TRIR, and DART metrics were scored as Best, with other proposals scored as Better or Good based upon their results. Proposals that failed to provide these metrics were scored as Unacceptable. Any proposals that identified an EMR value greater than or equal to 1.0 over the past five years were also scored as Unacceptable. Other considerations also scored under this criterion included an evaluation of a Respondent’s reporting of the number of fatalities, deaths, dismemberments, and hospitalizations that occurred during the completion of maintenance activities, for facilities of similar size and scope to the Project in the last five years. Proposals reporting higher numbers in these considerations received fewer points.

Table 7 displays the weights and maximum points for the criteria and sub-criteria in the Operations scoring category.

Table 7
Scoring Point Designation for Operations

Operations (Operations/Maintenance/Safety) 250 Points <i>Measures safety and capability of an RFP Respondent to operate, maintain, and restore a transmission facility</i>	Sub-criteria	Weight	Total Points (250)
3A.1 Control Center Operations (staffing, etc.)		6.0%	15
3A.2 Storm/Outage and Emergency Response Plan		8.0%	20
3A.3 Reliability Metrics	3A.3.1 Reported Outage-based Metrics	3.2%	8
	3A.3.2 Reported Reliability-based Metrics	2.8%	7
	3A.3.3 Corporate Reliability Metrics	2.0%	5
	Sub-Total Criteria Pts	8.0%	20.0
3A.4 Restoration Experience/Performance	3A.4.1 Past Restoration Experience/Performance	6.0%	15
	3A.4.2 Field Personnel Emergency Training Program	2.0%	5
	Sub-Total Criteria Pts	8.0%	20.0
3A.5 Maintenance Staffing/Training	3A.5.1 Field Personnel Routine Training and Safety Program	7.5%	18.75
	3A.5.2 Field Operations Organizational Structure	2.5%	6.25
	Sub-Total Criteria Pts	10.0%	25.0
3A.6 Maintenance Plans	3A.6.1 Transmission Line Planned Maintenance Processes	5.0%	12.5
	3A.6.2 Vegetation Management and Mitigation Strategies	5.0%	12.5
	Sub-Total Criteria Pts	10.0%	25.0
3A.7 Specialized Maintenance Equipment and Spare Parts		12.0%	30
3A.8 Maintenance Performance/Expertise		10.0%	25
3A.9 NERC Compliance Process History	3A.9.1 Internal Reliability Compliance and Risk Management Programs	5.0%	12.5
	3A.9.2 Reliability Compliance History	2.5%	6.25
	3A.9.3 ERO Enterprise Initiatives	2.5%	6.25
	Sub-Total Criteria Pts	10.0%	25.0
3A.10 Internal Safety Program	3A.10.1 Internal Safety Protocols	3.0%	7.5
	3A.10.2 Safety Training, Certifications, and Awards	1.5%	3.75
	3A.10.3 Staff Credentials	1.5%	3.75
	Sub-Total Criteria Pts	6.0%	15.0
3A.11 Contractor Safety Program	3A.11.1 Contractor Safety Protocols	3.0%	7.5
	3A.11.2 Contractor Safety Training, Certifications, and Awards	1.5%	3.75
	3A.11.3 Contractor Staff Credentials	1.5%	3.75
	Sub-Total Criteria Pts	6.0%	15.0
3A.12 Safety Performance Record		6.0%	15
Scoring Category Total		100%	250.0

Rate Analysis

The Rate Analysis scoring category was assigned 225 points by Attachment Y. The Present Value Net Revenue Requirement (PVRR) was the primary focus of evaluating the cost impact on SPP transmission customers and was assigned 198 points.

The cost certainty guarantee criterion was assigned 25 points based upon the likelihood and significance of these guarantees coming into use. These guarantees took two basic forms: those designed to guarantee or limit rate impact to customers from Project cost increases and those designed to guarantee a projected in-service date. Project cost guarantees were assigned 20 points, while in-service date guarantees were assigned 5 points because of the float built into the required in-service date.

A criterion was added, labeled Other, to evaluate positive cost proposals that were not addressed in the above criterion. The Other criterion was assigned 2 points.

Present Value Revenue Requirement

The calculation of PVRR includes the Attachment Y criteria of estimated total cost of the Project (4A.1), financing costs (4A.2), FERC incentives (4A.3), revenue requirements (4A.4), lifetime cost of the project to customers (4A.5), and return on equity (4A.6). The PVRR is calculated using a formula in the RFP Response Form Excel Workbook that is populated by each Respondent. It represents an objective measure of comparing the 40-year rate impact of the Project on transmission rates that SPP customers pay.

Project Cost Guarantees

Guarantees related to rate protection from Project cost overruns were assigned a maximum of 20 points. Each guarantee was evaluated to assess the degree to which the guarantees would reduce the cost risk associated with constructing and operating the Project, and points were allocated accordingly. The proposal(s) presenting cost guarantees that provided SPP customers the greatest protection (i.e., the fewest exceptions to implementing the cost guarantees) and having the highest likelihood of occurrence (i.e., applied to the lowest construction cost) would be deemed best and received the full allocation of 20 points. Allocation of points to the cost guarantees in other proposals was upon the relative level of exclusions and the likelihood the cost guarantee would occur.

In-Service Date Guarantees

Cost guarantees related to the in-service date were assigned a maximum of 5 points. The low assignment of 5 points results from force majeure provisions (SPP OATT, Part I, Section 10.1) that may exclude application of in-service delay guarantees against the events most likely to cause a significant construction delay. In-service date guarantees were evaluated based upon the likelihood that the guarantee would be invoked and the significance of the benefit to SPP customers of the cost-offset offered by a bidder if the guarantee were invoked.

Material on Hand, Assets on Hand and Rights-of-Way Ownership, Control, or Acquisition

The criterion related to the cost impact of material on hand, assets on hand and rights-of-way ownership, control, or acquisition (4A.7) was assigned 0 points. After reviewing the proposals, the evaluator determined that no points should be assigned for this criterion because it was not found to be material in distinguishing proposals because the quantitative cost should already have been incorporated in the PVRR criterion.

Other

This criterion was used to evaluate potential cost savings to SPP customers from an in-service date earlier than January 1, 2025, and depreciation rates lower than the fixed depreciation rate included in the RFP Response Form Excel Workbook that was part of each Respondent’s proposal.

Table 8 displays the weights and maximum points for the criteria in the Rate Analysis scoring category.

Table 8
Scoring Point Designation for Rate Analysis

Section 4: Rates (Cost to Customer) 225 Pts <i>Measures an RFP Respondent's and, if applicable, a CU Participant's cost to construct, own, operate, and maintain the Competitive Upgrade over a 40-year period</i>	Weight	Total Points
1. 40-Year Project NPV - includes such factors as estimated total project cost, financing costs, FERC incentives, revenue requirements, and return on equity	88%	198
2. Project Cost Cap Guarantee	9%	20
3. In-service Date Guarantee	2%	5
4. Material on Hand, Rights-of-Way Approval, Assets on Hand, to the extent the risk reduction impact of these criteria was not reflected in the NPV calculation.	0%	0
5. Other - Energy savings due to early in-service date and depreciation rates based on longer asset lives	1%	2
Scoring Category Total	100%	225.0

Finance

The SPP Tariff, Attachment Y Transmission Owner Designation Process specifies that Finance (Financial Viability and Creditworthiness) shall award up to 125 points and shall measure an RFP Respondent’s and, if applicable, a Competitive Upgrade Participant’s ability to obtain financing for the Project. The maximum 125 points were characterized and assigned to the nine criteria for this scoring category identified in Attachment Y based upon their relation to financial viability or creditworthiness.

Financial viability is the ability of a Respondent to generate adequate income to meet operating expenses and financial obligations, as well as to provide the potential for future growth, as well as adequate reserves to meet unanticipated costs. Financial viability includes the specific capability to meet construction and operational costs of the Project. Creditworthiness is defined as an assessment of the probability that a Respondent will meet its credit obligations and not default on its debt obligations.

Evidence of Financing, Material Conditions, Financial/Business Plan, Pro Forma Financial Statements, and Expected Financial Leverage

The criteria related to financial viability include Evidence of Financing, Material Conditions, Financial/Business Plan, Pro Forma Financial Statements, and Expected Financial Leverage.

In assigning points to the criteria, those related to financial viability were given more weight than creditworthiness because a Respondent may be credit worthy but may not have provided a financially viable proposal. The largest point assignment, 25 points, was made to the Business Plan criterion because it was judged the most important measure of a Respondent’s ability to meet its ongoing operating and financial obligations. The other criteria related to financial viability were assigned points accordingly: Evidence of Financing (12.5 points), Material Conditions (10 points), Pro Forma Financial Statements (18.75 points), and Expected Financial Leverage (10 points).

Debt Covenants, Projected Liquidity, Dividend Policy, and Cash Flow Analysis

The criteria related to creditworthiness include Debt Covenants, Projected Liquidity, Dividend Policy, and Cash Flow Analysis. They were assigned the following maximum points based upon their relative importance to the Respondent’s ability to meet its debt obligations: Debt Covenants (7.5 points), Projected Liquidity (16.25 points), Dividend Policy (7.5 points), and Cash Flow Analysis (17.5 points).

Table 9 displays the weights and maximum points for the criteria listed in the RFP and Attachment Y.

Table 9
Scoring Methodology Point Designation for Finance

Section 5: Finance (Financial Viability and Creditworthiness) 125 Points <i>Measures an RFP Respondents and, if applicable, a CU Participant's ability to obtain financing for the Competitive Upgrade.</i>	Weight	Total Points
5A.1 Evidence of Financing	10%	12.5
5A.2 Material Conditions	8%	10.0
5A.3 Financial/Business Plan	20%	25.0
5A.4 Pro Forma Financial Statements	15%	18.8
5A.5 Expected Financial Leverage	8%	10.0
5A.6 Debt Covenants	6%	7.5
5A.7 Projected Liquidity	13%	16.3
5A.8 Dividend Policy	6%	7.5
5A.9 Cash Flow Analysis	14%	17.5
Scoring Category Total	100%	125.0

Section 3: IEP Scoring Category Results

The scoring methodologies described in Section 2 were used to allocate points to each criterion and sub-criterion based upon information in each proposal. Proposal C was presented by two entities that combined to form one proposal for a specific piece of the Project. As a result, in some cases a criterion had to be evaluated twice because Proposal C presented two different sets of evidence, one from each entity. For example, Proposal C presented two different engineers, two procurement entities, and two construction firms. In these cases, the criteria were scored separately as Proposal C1 and C2 from each entity, and the two scores were combined based on the [REDACTED] ownership split (based on percentage ownership of total mileage) to arrive at a combined score for Proposal C.

Engineering Design

Point allocations were made to each criterion/sub-criterion for each proposal based on the information submitted in the RFP response documents. The RFP Response Form Excel Workbook contained line items for more information and provided additional details that provided better insight into other sub-criteria that were assigned point values. Some of the comparisons and allocations were quantitative, while others were qualitative assessments based upon how well the response documented the Respondent's ability to deliver the desired engineering design for the Project.

To assist in a comparative analysis across all proposals, multiple attributes were identified for each of the 12 criterion/sub-criterion. All proposals were compared against each other for value added engineering and design innovation in the procurement and construction phases, including any information included in the RFP Response Form Excel Workbook in each proposal. Significant effort was made to look at each proposal in detail, including the RFP Response Form, the RFP Response Form Excel Workbook, all engineering associated attachments, and the overall proposal as to identify information pertaining to each attribute. This information was collected and was organized in a side-by-side manner for each of the 12 criterion and sub-criterion, to assist in a comparison across all proposals and determine a Good, Better, or Best rating. Points were then allocated based scoring methodology in which a Good rating was allocated 50% of the maximum points, 75% for a Better rating, and 100% for a Best rating.

In general:

- The engineering designs for each proposal were found to meet or exceed all applicable codes and standards and SPP Planning Criteria. Each proposal also was found to comply with the SPP MTDS and met or exceeded all RFP requirements. This initial screen did not identify any proposals as Unacceptable, warranting an allocation of 0 points.
- The Engineering Design section of all proposals was complete and of high quality, with only slight variations. For example, some proposals contained more comprehensive Geotech investigations compared to others, while some included more detailed studies, and some used slightly different assumptions for detailed studies. Some proposals included additional loading cases.
- All proposals included a two-conductor bundle and two shield wires. Two shield wires would allow for good lightning protection/performance. The redundant communications RFP requirement was met with dual shield wires with fiber optic capability.

- All proposals were based on a single pole (steel or concrete). Some utilized a braced post insulator, while others used a davit arm with either V-String or I-String suspension insulators. Several proposals utilized self-supporting angle and dead-end structures (no down guys) and received a higher score in this sub-criterion attribute.
- Conductor size ranged from 954 kcmil to 1590 kcmil. Associated line losses also varied.

A more detailed explanation follows for the allocation of points within the 12 criteria and sub-criterion across the seven proposals.

Type of Construction

The Type of Construction criterion was assigned 116 points maximum and included seven sub-criteria of Loading Criteria/Foundations, Conductor, Shield Wire, Structure Configuration, Insulators, Dampers, and Markers, Knowledge of and compliance with SPP Criteria, SPP MTDS, applicable code, and regulatory requirements were carefully evaluated and had the greatest importance in scoring because these factors impact the performance, reliability and resilience of the Project.

The allocation of the points for the 116 points assigned to the criterion Type of Construction was made through the evaluation of the seven sub-criteria.

Design Loading

The Design Loading sub-criterion was assigned a maximum of 30 points. The Design Loading Criteria/Design Criteria in each proposal was initially reviewed, with a focus on National Electrical Safety Code (NESC), American Society of Civil Engineers Loading Cases, and other Loading Cases assumptions used for the basis of design.

Multiple attributes were identified and evaluated across proposals, including compliance with NESC, SPP MTSD, and industry codes and standards broken wire/broken phase case, and the ability to conduct live line maintenance.

This information was compared across all the proposals and evaluated using the scoring methodology to categorize each proposal as Good, Better, or Best. In general, proposals with more robust Design Criteria were allocated more points. Proposals also were compared against each other for their design criteria related to the Extreme Wind case and Broken Conductor/Phase case. In general, proposals using better/higher case numbers were allocated more points, consistent with the scoring philosophy. Other design assumptions and features in the proposals that could differentiate proposals when compared and points were assigned accordingly.

Proposals E, F, and G were deemed Best based on a side-by-side comparison of the design loading criteria and attributes/characteristics included in those design criteria.

Conductor

The Conductor sub-category was assigned a maximum of 30 points. Multiple attributes were evaluated, including conductor size (kcmil), conductor type, the rated ampacity (MVA), and the inclusion of a Conductor Evaluation Study and the quality of that study.

All information related to the proposed size, type, and number of conductors was compared across all proposals. In general, a larger conductor was allocated more points. In addition, the conductor rating and the conductor emergency rating were compared across proposals. Those proposals with higher ratings were allocated more points. The Conductor Selection Studies were evaluated across all proposals, and any differentiating factors were identified that would merit higher point allocations. Proposals A, E, and F were awarded Best ratings primarily because they utilized the largest conductor sizes.

Shield Wire

The Shield Wire sub-criterion was assigned a maximum of 10 points. Proposals were evaluated based upon the number of shield wires, the fiber count (the RFP specified a minimum of 36), redundant communications path (RFP Requirement), and the inclusion of a Lightning Performance Study and the quality of that study.

Information in each proposal related to the proposed size, type, and number of shield wires were compared across all proposals. In addition, data related to fiber optic capabilities, the number of fibers, and compliance with MTDS were noted. In general, shield wires providing more fibers were allocated more points. Proposals containing a Lightning Study were evaluated based upon the estimate of the expected lightning strikes in the area and how that would impact the performance of the transmission line. In general, shielding designs that were projected to produce lower flashover rates were assigned higher points. Also, all proposals were evaluated for compliance with the RFP requirement for dual communication paths. In general, proposals that included a secondary path separated from the transmission line were allocated more points.

Proposals D, E, F, and G were rated Best because they ranked the highest in these characteristic / attributes.

Structure Configuration

The Structure Configuration sub-criterion was assigned a maximum of 20 points. Proposals were evaluated based upon the number of structures, the number of dead end / storm structures, whether the structures were self-supporting or guyed, the material and quality/durability, and the inclusion of a Geotech Report and the quality of that report. Information in each proposal related to the type of structure and configuration contained in the RFP Response Form Excel Workbook and the Plan and Profile sheets was compared. The Conductor Blow Out Study and resulting ROW width requirements were reviewed and compared across all proposals. Other structural features that could differentiate proposals were identified and factored into the overall point allocations for this sub-criterion.

As part of the evaluation, the number of structures and the number and frequency of storm dead end structures were identified. In general, more structures were seen as a positive. The foundation design types and self-supporting vs. guyed were identified. In general, elimination of guys was considered a

positive. The Geotech study/Geotech investigation used in the Project design was reviewed. In general, proposals with more comprehensive Geotech evaluations were allocated more points.

Proposals A, B, E, and G were deemed Best because they had the highest number of structures, dead end/storm structures, and better Geotech investigations.

Insulators

The Insulators sub-criterion was assigned a maximum of 12 points. The evaluation of insulators was based upon the configuration (Vee String compared to Braced Post, for example), the material (glass or polymer, for example), and the Basic Insulation Level (BIL) rating.

The type and material of the proposed insulators in each proposal was compared. In general, glass insulators were considered better than polymer and received a higher point allocation. BILs and flashover performance were compared. In general, proposals with higher/better values were allocated more points.

Proposals A, F, and G were rated as Best they had higher BIL insulator ratings.

Dampers

The Dampers sub-criterion was assigned a maximum of 8 points. Point allocations were based upon the shield wire damper type and the conductor damper type. All proposals included a shield wire Spiral Vibration damper and a Stockbridge conductor damper and were deemed best and awarded the maximum points.

Transmission Line Markers

The Transmission Line Markers sub-criterion was assigned a maximum of 6 points. Proposals were evaluated based upon any FAA studies, the inclusion of bird diverters, and the numbering of structures.

Each proposal was reviewed and compared against other proposals to evaluate what markers were proposed, the inclusion of a FAA study and its assumptions and results and assumptions, and the investigation of the need for bird diverters due to potential endangered/ threatened species. All proposals fully addressed these topics and were awarded a Best rating and the maximum points.

Line Losses

The Line Losses criterion was assigned a maximum of 20 points. Proposals were evaluated against each other based upon the estimated line losses (MWh/yr), the conductor type and size, the conductor rating (amps), the conductor rating (MVA), the inclusion of a Conductor Evaluation/Selection Study and the quality of that study, and the inclusion of a Losses Study and the quality of that study.

Projected losses were compared across all proposals, and the proposals with lower losses were allocated more points. Proposals that included a Losses Study and a Conductor Selection Study were examined to identify any attributes or features that differentiated one proposal from another and points assigned accordingly. Each proposal was reviewed to record its line rating and validate that the parameters used to calculate the rating were as prescribed by SPP. Again, all proposals were compliant

with the RFP, with some variation in the conductor selected and Losses calculated. Most proposals include a very detailed Conductor Selection Study.

Proposals A, E, and F were deemed Best primarily because they utilized larger conductor, which produced lower projected losses, while the remaining proposals received a Better rating.

Estimated Life of Construction

The Estimated Life of Construction criterion was assigned a maximum of 20 points. Proposals were evaluated based upon the Estimated Life as stated in the Response Form Workbook, the Structure Estimated Life as requested in the Bidders Guidance Document, the Foundation Estimated Life as requested in the Bidders Guidance Document, the Conductor Estimated Life as requested in the Bidders Guidance Document, the Insulator Estimated Life as requested in the Bidders Guidance Document, the design quality, inclusion of ground sleeves for direct imbedded steel poles, the conductor core type, and the inclusion of a Corrosion Study and the quality of that study, and the type of insulator proposed.

All proposals were evaluated against each other for information on the estimated life of structures, conductor, and insulators. Proposals that were deemed to have a relatively longer life were allocated more points. Inclusion of a Corrosion Study was considered a positive factor, and proposals that included this study were allocated more points. The use of ground sleeves on direct imbedded steel poles was considered a positive factor, and those proposals were allocated more points. The difference in the types of conductor core materials also was used to differentiate proposals. In general, glass insulators were considered to have a longer life than polymer insulators and were allocated more points. Performance over the service life of the assets, attributed to the structural system loading criteria, structure configuration, and materials also had a significant impact on the scoring because these factors address the safety, reliability, resilience, and quality of the transmission line.

Proposals E and G were rated as Best primarily because of the high quality of engineering and quality programs and processes throughout procurement and construction. The remaining proposals were rated as Better.

Reliability/Quality Metrics

The Reliability/Quality Metrics criterion was assigned a maximum of 20 points. Each proposal was evaluated and compared against the others based upon information related to ISO Certification, the lightning flashover rates per 100 miles per year, the number of dead end / storm structures, the Engineer of Record QA/QC processes and guidelines, the inclusion of a design criteria document and the quality of that document, the estimated life of construction, the Engineer of Record engagement in the procurement process, the Engineer of Record engagement in the construction phase, factory vetting and inspections, the manufacture's QA/QC processes and policies, and the Engineer of Record Design Change Notice processes.

The Engineer's independent QA/QC process for each proposal was evaluated. Proposals that included more comprehensive and complete policies were assigned higher point values. Design ISO 9000 certification was considered a positive factor. Projected lightning performance as indicated by lower rates of flashover per 100 miles per year were allocated more points. The type of construction, line losses, and estimated project life were examined and compared for each proposal as they impacted the

reliability and efficiency of the transmission line. For example, proposals that included a higher frequency of storm / dead-end structures were deemed more favorable to reliability and were allocated more points. In addition, the engineering engagement and oversight of procurement and material approval processes for each proposal was reviewed and compared against the others, noting, for example, factory inspection policies and the manufacturer's QA/QC and inspection policies. Engagement of the design engineer throughout the procurement process was considered a positive factor and awarded higher points. Engineering engagement during construction was reviewed and compared against the others. The Engineer of Record management of Design Change Notice policies was reviewed. In general, increased involvement by the design engineers throughout the procurement and construction process merited higher point allocations.

Proposals E and G were deemed Best for several attributes, including lightning performance and robust design criteria. Other proposals provided information that supported a Better rating.

Design Experience

The Design Experience criterion was assigned a maximum of 20 points. Proposals were evaluated based upon the inclusion of a Project Organization Chart and the quality of that document, the resumes of lead design engineers, the Engineer of Record QA/QC processes and guidelines, the relevant project experience, the completeness of design case studies, and the Engineer of Record Design Change Notice processes.

The proposed Design Team Organization Chart and associated resumes of team members were evaluated to assess the team's experience based on the number of similar, relevant projects, as well as the design team's track record of previous project successes. The Design Independent QA/QC process was examined in each proposal, and the more comprehensive and complete policies were allocated more points. Design ISO certification was considered a positive factor and received higher point allocations. The overall completeness of the suite of Engineering Case Studies was compared to others, and a more extensive and complete set of Studies was considered a positive.

All proposals included information on the design staff and experience with similar projects. All were highly qualified and had significant experience. The Engineering QA/QC check process and programs were consistently good. As a result, all proposals received at least a Better rating. Proposals E and G were rated Best due to several attributes, including a robust and well documented QA/QC process for engineering, ISO certification, and a well-documented process to manage change notices during construction.

Other

The Other criterion included information not addressed in the other criteria and was assigned a maximum of 4 points. This evaluation determined that all proposals appeared to have completed the design to a 30% level, indicating a significant level of effort in the proposal submitted. In addition, several proposals include a Google Earth file depicting the route. One proposal included a video of the project route, which included a significant amount of detailed information. Finally, some proposals revealed the float included in their construction schedules. Proposals D, E, and G were ranked Best because they included additional information not addressed in other criteria, such as a back-up plan if supply chain issues arose, a kmz or Google Earth map, or video of the proposed route, and the overall thoroughness and completeness of the Response Form.

Table 10 displays the point assignments for each of the 12 criterion/sub-criterion for each proposal for the Engineering Design scoring category:

Table 10
Engineering Design Allocation by Criterion and Proposal

Section 1: Engineering Design (Reliability/Quality/General Design) 200 Pts <i>Measures the quality of the design, material, technology, and life expectancy of the Competitive Upgrade</i>	Sub-criteria	Weight	Total Points	A	B	C	D	E	F	G
1A.1 Type of Construction (Wood, Steel, Design Loading, etc.)	1A.1.1 Design Loading Criteria	15%	30	22.5	22.5	22.5	22.5	30.0	30.0	30.0
	1A.1.2 Conductor Type/Name, Ampacity, Number of sub conductors	15%	30	30.0	22.5	22.5	22.5	30.0	30.0	22.5
	1A.1.3 Shield Wire Type/Name, Number of Shield Wires, Size of Wire	5%	10	7.5	7.5	7.4	10.0	10.0	10.0	10.0
	1A.1.4 Structure Configuration	10%	20	20.0	20.0	15.0	15.0	20.0	15.0	20.0
	1A.1.5 Insulators	6%	12	12.0	9.0	9.0	9.0	9.0	12.0	12.0
	1A.1.6 Dampers	4%	8	8.0	8.0	8.0	8.0	8.0	8.0	8.0
	1A.1.7 Markers	3%	6	6.0	6.0	6.0	6.0	6.0	6.0	6.0
	Sub-Total Criteria Pts	58%	116	106.0	95.5	90.4	93.0	113.0	111.0	108.5
1A.2 Losses (Design Efficiency)		10%	20	20.0	15.0	15.0	15.0	20.0	20.0	15.0
1A.3 Estimated Life of Construction		10%	20	15.0	15.0	15.0	15.0	20.0	15.0	20.0
1A.4 Reliability/Quality Metrics		10%	20	15.0	15.0	15.0	15.0	20.0	15.0	20.0
1A.5 Design Experience		10%	20	15.0	15.0	15.0	15.0	20.0	15.0	20.0
1A.6 Other - Comments		2%	4	3.0	3.0	2.7	4.0	4.0	2.0	4.0
Scoring Category Total		100%	200	174.0	158.5	153.1	157.0	197.0	178.0	187.5

Project Management

The evaluation of each Respondent’s proposal and assignment of the available maximum 200 points in this scoring category was based upon the information provided by each Respondent and the extent to which it demonstrated the Respondent’s ability to complete the Project within the scope, proposed budget, and on or before the required in-service date.

After the initial review of the seven proposals, it was concluded, based upon individual experience and project management capabilities, that all Respondents could construct the Project based on the scope specified in the RFP, by the January 1, 2025, target in-service date or earlier, and within the Respondent proposed budget. Therefore, all Respondents received a score of Better for all criteria. The task then became determining which proposal(s) would elevate to a score of Best for each sub-criterion. The remainder of the evaluation relied on each Respondent’s ability to articulate its expertise and capabilities in each of the areas.

By its nature, the Project Management category and each of its sub-criteria are more qualitative than quantitative, leaving it to the judgement of the IEP evaluator to assign an appropriate point based on each Respondent’s response and referenced attachments.

The following is an explanation of how proposals were evaluated, and points allocated for each criterion and sub-criteria.

Environmental

The Environmental criterion was assigned 32 points and includes the sub-criteria of Route Selection (maximum 16 points), Regulatory Approvals (maximum 12 points), and Support Staff (maximum 4 points).

Route Selection

All Respondents indicated that they have retained or are planning to retain experienced contractors/consultants with knowledge of the area and with various regulatory and permitting processes in Oklahoma. All proposals provided well-defined plans for addressing relevant siting issues, including environmental, endangered species, cultural, and governmental agencies. Also, each proposal identified a preferred route, several alternate routes, the risks associated with each route, and how to mitigate these risks. Each proposal presented environmental teams with an experienced staff. All proposals demonstrated extensive experience for these sub-criteria and were rated at least Better. Proposals D, E, F, and G provided a well-defined environmental review and permitting process and procedures. In addition, these proposals provided information regarding how and why the preferred route was selected and it would have the least environmental impact and avoid any known tribal land. Proposals D, E, F, and G were awarded a Best score.

Regulatory Approvals

Proposals E and G were identified as Best for this sub-criterion. Proposal E’s preferred route

[REDACTED]. Proposal E also provided a well-defined aerial video of the entire selected route that included visual terrain and all line crossings. Proposal G identified nine route alternatives for the Minco - Pleasant Valley Transmission Line and six for the Pleasant Valley – Draper Transmission Line. It provided an excellent summary table identifying a list of the permitting agencies at the federal, state, and local levels; list of permits needed, and approval timeframe estimate for each permit. The preferred route also would avoid all tribal-owned parcels.

The remaining proposals included complete descriptions but were not as comprehensive as those in Proposals E and G. They were rated as Better.

Support Staff

Proposals D, E, F, and G presented a very experienced environmental staff and provided organization charts describing the interface with other groups and were designated Best. The other proposals were assigned Good or Better based upon the relative experience of the staffs.

Rights-Of-Way Acquisition

The ROW Acquisition criterion was assigned 24 points maximum and includes the sub-criteria of Acquisition (maximum 14 points), Regulatory Process and Approvals (maximum 6 points), and Support Staff (maximum 4 points).

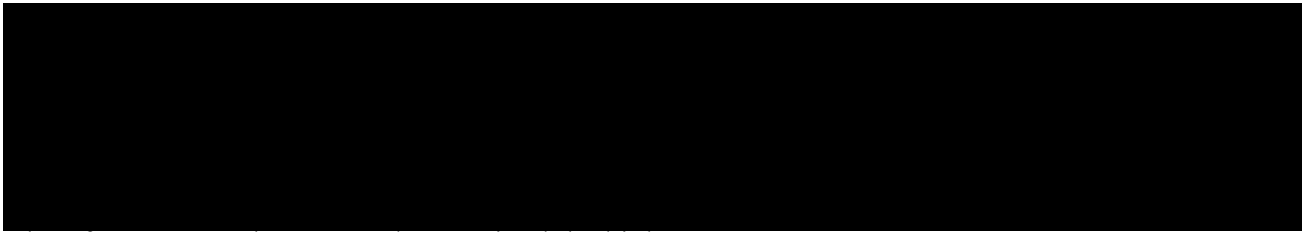
Acquisition

The proposals demonstrated all Respondents have extensive land acquisition plans and would engage experienced contractors to assist in acquiring the necessary easements for the Project. All Respondents plan to acquire [REDACTED] feet ROW width except for Proposal D, which plans for [REDACTED] feet ROW width by using monopole structures with the braced post design to allow for a compact conductor position. There was no impact on allocating overall points due to width of ROW. In addition, the proposals demonstrated all Respondents have extensive experience in fair market pricing of properties, and all plan several open-house events to address any landowner issues. Therefore, all respondents received at least a Better score.

Proposal E has already secured about [REDACTED] of the Project's ROW and has existing landowner relationships through other easement agreements for approximately an additional [REDACTED] of the Project ROW, for a total of almost [REDACTED] of the required ROW. Also, Proposal E stated that in the past five years, only about [REDACTED] required the use of eminent domain for similar size projects. Therefore, Proposal E was awarded a Best score.

Regulatory Process and Approvals

The evaluation for this sub-criterion was largely based upon each Respondent's experience in acquiring ROW, particularly in Oklahoma. [REDACTED]



Therefore, Proposals D, E, and G received the highest scores.

Support Staff

Proposals D, E and G provided resumes of support staff that indicated relatively better experience than presented in other proposals and were designated Best. The other proposals were assigned a Better rating based upon the relative experience of the staffs.

Procurement

The Procurement criterion was assigned 20 points maximum and includes the sub-criteria of Process (maximum 16 points) and Support staff (maximum 4 points).

Process

All proposals provided comprehensive procurement and project management plans. They also described their Quality Assurance / Quality Control processes that include testing and periodic material inspections. Additionally, most of the proposals referenced established strategic sourcing agreements and identified two or three transmission line material storage/staging/laydown sites. Most proposals also stated that all materials ordered for the Project would be shipped directly from the suppliers to the laydown yards with added security around these facilities.

Proposal E was awarded a Best score in the Process sub-criterion because it demonstrated the ability to obtain high-quality materials for the Project, the existence of strong relationships with material suppliers, and evidence of warranties on major material. This Respondent has executed multiple project-specific agreements to secure a place in manufacturing schedules and to ensure timely delivery of major materials and services.

Proposal E also presented schedules that included contingencies that addressed potential timing impacts of the COVID-19 pandemic. All other Proposals were scored Better in this criterion.

Support Staff

All proposals demonstrated plans to use experienced internal staff and contractors and received at least a Better rating. Proposal D's procurement and material management team experience was deemed relatively better than the other proposals with regard to purchasing EHV equipment and experience and received a Best rating.

Project Scope and Development Schedule

The Project Development Schedule/Scope criterion was assigned a maximum of 32 points and includes the sub-criteria of Project Scope / Specifications (maximum 16 points), Potential Risks (maximum 12 points), and Regulatory Approval / Mitigation Plans (maximum 4 points).

Project Scope / Specifications

All proposals provided the required schedules identifying regulatory approvals, environmental permits, ROW acquisition, engineering and design, material procurement, construction, commissioning, energizing in order to meet the required in-service date. Proposal E and G were both awarded a Best score for this sub-criterion. Proposal E provided a list of all major milestones for a best-case in-service date of July 2024, and a worst case of November 2024. Both dates are before the required in-service date of January 1, 2025. Proposal E also identified potential risks using failure analysis and mitigation plans for each risk. From regulatory perspective, Proposal E detailed all regulatory milestones from local, county, state, and federal approvals. Proposal G compiled bid packages and received bids for all transmission line material based on the Project design for the preferred route. It also provided a detailed schedule targeting a July 2024 in-service date with sufficient floats built into all key activities.

Potential Risks

All proposals identified potential schedule risks and planned mitigation measures, including schedule floats. All mitigation plans included a Gantt chart that accounting for possible environmental, regulatory, procurement, construction and commissioning schedules and a risk registry. As a result, all proposals received at least a Better rating.

Proposal E and G were rated Best. Proposal E identified more than 70 items as potential risks for the project and their mitigation strategy with potential impact of over [REDACTED] million. Proposal G's risk register identified more than 75 potential risks related to all the aspects of Project implementation.

Regulatory Approval / Mitigation Plans

All proposals identified several planned regulatory approval steps and their associated mitigation measures and were rated at least Better. The schedules presented in Proposals D, E and G allocated floats for all aspects of the Project, including weather, permitting, engineering and design, construction, and commissioning / energization and were deemed Best. The other proposals included less comprehensive descriptions of their regulatory approval and mitigation plans and were rated as Better.

Construction

The Construction criterion was assigned 32 points maximum and includes the sub-criteria of Process and Plans (maximum 22 points) and Safety Plans and Records (maximum 10 points).

Process and Plans

All proposals presented detailed construction management processes, including deployment of highly qualified contractors and staff, and were rated at least Better.

Proposals D and E were awarded a Best score for the Process and Plans sub-criterion. Proposal D proposes to use an Engineering, Procurement, and Construction contractor that ranks in the top 5 of the top 400 contractors in the United States. This contractor has completed almost 500 projects with a combined value of over \$2 billion.

Proposal E has formed an alliance with another construction company to increase capabilities and reduce project risk. This company has completed more than \$240 million of transmission line construction activity in the last five years. The Respondent will utilize its own internal accounting system to enable detailed tracking of the Project budget and schedule for both internal and third-party activities.

Safety Plans and Records

All proposals included in their construction plans detailed safety protocols, manuals, and five-year historical safety records and therefore were awarded at least a Better score. Proposal D had the best (lowest) rates for EMR, TRIR, and DART safety records and was awarded a Best rating.

Commissioning

The Commissioning criterion was assigned 12 points maximum and includes the sub-criteria of Commissioning Process (maximum 10 points) and Support Staff (maximum 2 points).

Commission Process

All respondents adequately described commissioning activities, including coordination with neighboring utilities and interconnection agreements (if needed) and received at least a Better rating. Proposals A and B scored Best in this criterion because they provided the best evidence and plans of how to commission the Project, including detailed switching procedures (no scoring impact), the timeline for required outages for transmission lines and equipment.

Support Staff

Proposals A, B, C, D, and E provided a list of very experienced internal and external staff responsible for commissioning the Project including commissioning and safety managers. Proposals F and G were assigned a Better rating based upon the relative experience of the staffs.

Time Frame to Construct / Milestones

This criterion was assigned 24 maximum points. All proposals provided detailed descriptions of their proposed construction timeline to construct, including schedule milestone dates and potential risks and were awarded at least a Better rating.

Proposal E was awarded the Best score. This Proposal had the shortest construction schedule with reasonable floats and addressed all the potential contingencies identified in this criterion. This proposal gave a detailed project schedule with various floats for each project major milestone identified during permitting, construction and commissioning activities. The proposed schedule demonstrated an in-service date 182 days ahead of the required in-service date for the Project could be achieved by dividing the Project into four segments that would be constructed at the same time to shorten the overall project schedule.

Experience/Track Record

The criterion Experience/Track Record was assigned a maximum of 24 points. All proposals demonstrated Respondents have experience and good track records in successfully constructing and commissioning major 345 kV transmission projects over the last five years and were awarded at least a Better score.

All proposals provided a good list of completed projects, although some were not similar to the Project because they were at lower voltages and some did not meet their target service date and or budget.

Proposal E was awarded a Best score. Proposal E provided a list of twelve 345 kV transmission projects built [REDACTED] over the last five years that were completed early or on time and on budget. Also, Proposal E presented evidence of experience in constructing more than 1,000 miles of high-voltage transmission lines [REDACTED] similar to the Project.

Other Comments (0 points)

Proposals D, E, and G provided information under this criterion that was addressed in other project management sub-criteria, and some additional information was evaluated in Sections 2A.1 – 2A.8 as appropriate.

The results of the evaluation and point allocations for Project Management are presented in Table 11. Additional information explaining the evaluation and point allocation for this scoring category is in the Appendix.

Table 11
Project Management Points Allocation by Criterion and Proposal

Section 2: Project Management (Construction Project management) 200 Pts <i>Measures an RFP Respondent's expertise in implementing construction projects similar in scope to the Competitive Upgrade</i>		Sub-criteria	Weight	Total Points	A	B	C	D	E	F	G
2A.1 Environmental	2A.1.1 Route Selection	8.0%	16.0	12.0	12.0	14.8	16.0	16.0	16.0	16.0	16.0
	2A.1.2 Regulatory Approvals	6.0%	12.0	9.0	9.0	9.0	9.0	12.0	9.0	12.0	12.0
	2A.1.3 Support Staff	2.0%	4.0	3.0	3.0	3.7	4.0	4.0	4.0	4.0	4.0
	Sub-Total Criteria Pts	16.0%	32.0	24.0	24.0	27.5	29.0	32.0	29.0	32.0	32.0
2A.2 Rights-of-way acquisition	2A.2.1 Acquisition	7.0%	14.0	10.5	10.5	10.5	10.5	14.0	10.5	10.5	10.5
	2A.2.2 Regulatory Process and Approvals	3.0%	6.0	4.5	4.5	5.5	6.0	6.0	4.5	6.0	6.0
	2A.2.3 Support Staff	2.0%	4.0	3.0	3.0	3.7	4.0	4.0	3.0	4.0	4.0
	Sub-Total Criteria Pts	12.0%	24.0	18.0	18.0	19.7	20.5	24.0	18.0	20.5	20.5
2A.3 Procurement	2A.3.1 Process	8.0%	16.0	12.0	12.0	12.0	12.0	16.0	12.0	12.0	12.0
	2A.3.2 Support Staff	2.0%	4.0	3.0	3.0	3.7	4.0	3.0	3.0	3.0	3.0
	Sub-Total Criteria Pts	10.0%	20.0	15.0	15.0	15.7	16.0	19.0	15.0	15.0	15.0
2A.4 Project Development Schedule/Scope	2A.4.1 Project Scope / Specifications	8.0%	16.0	12.0	12.0	12.0	12.0	16.0	12.0	16.0	16.0
	2A.4.2 Potential Risks	6.0%	12.0	9.0	9.0	9.0	9.0	12.0	9.0	12.0	12.0
	2A.4.3 Regulatory Approval / Mitigation Plans	2.0%	4.0	3.0	3.0	3.7	4.0	4.0	3.0	4.0	4.0
	Sub-Total Criteria Pts	16.0%	32.0	24.0	24.0	24.7	25.0	32.0	24.0	32.0	32.0
2A.5 Construction	2A.5.1 Process and Plans	11.0%	22.0	16.5	16.5	20.3	22.0	22.0	16.5	16.5	16.5
	2A.5.2 Safety plans and records	5.0%	10.0	7.5	7.5	9.2	10.0	7.5	7.5	7.5	7.5
	Sub-Total Criteria Pts	16.0%	32.0	24.0	24.0	29.5	32.0	29.5	24.0	24.0	24.0
2A.6 Commissioning	2A.6.1 Commissioning Process	5.0%	10.0	10.0	10.0	8.3	7.5	7.5	5.0	7.5	7.5
	2A.6.2 Support staff	1.0%	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5
	Sub-Total Criteria Pts	6.0%	12.0	12.0	12.0	10.3	9.5	9.5	6.5	9.0	9.0
2A.7 Timeframe to Construct/Milestones		12.0%	24.0	18.0	18.0	18.0	18.0	24.0	18.0	18.0	18.0
2A.8 Experience of Construction Major Projects/Track Record		12.0%	24.0	18.0	18.0	18.0	18.0	24.0	18.0	18.0	18.0
2A.9 Other Comments		0.0%	-	-	-	-	-	-	-	-	-
Scoring Category Total			100.0%	200.0	153.0	153.0	163.4	168.0	194.0	152.5	168.5

Operations

Attachment Y identifies 12 scoring criteria for evaluation in the Operations scoring category with a maximum possible assignment of 250 points. Each criterion was assessed against specific attributes that evaluated the reasonableness that the Respondent could ensure its success as the Transmission Owner for an asset consisting only of transmission line infrastructure and conductor. When these attributes were used during a head-to-head comparison of the proposals, some proposals received higher ratings than others. The evaluation revealed each Respondent presented an acceptable level of supporting information in its proposal; therefore, each proposal received at least a Good rating.

Control Center Operations

Control Center Operations was assigned 15 maximum points. The key attributes used in the evaluation of this criterion were how well each Respondent described its expected working relationship with the Transmission Operator. The Respondent for Proposals A and B identified their previous work experience with their Transmission Operator, as well as mutual resources that they have used to improve communication and operational efficiencies. The Respondent identified the use of internal meteorologists for the identification of potential weather threats that would be useful in scheduling maintenance activities and system restoration response activities. A checklist was also provided as supporting documentation identifying the detailed coordination that would exist between the Transmission Owner and Transmission Operator. The checklist also required signatures from various responsible area managers, assuring the completion of specific work milestones before the switching order could proceed to energize the Project. Proposal D provided a similar description and provision of supporting documentation. Based on this information, each of these Proposals, including Proposal C, received a Best scoring. Other proposals provided some description of their expected working relationship with the Transmission Operator, but to a lesser detail. They were assigned points in proportion to the level of detail and quality of information.

Storm/Outage and Emergency Response Plan

The Storm/Outage and Emergency Response Plan was assigned a maximum of 20 points. The evaluation focused on the Respondent’s staffing and resource mobilization philosophies as well as identification of acquisition of additional resources and the physical distance between the anticipated base of operations and the Project.

Proposal D provided details in its plan on how to deliver a “rapid and superior emergency response.” The specifics on the number of response personnel anticipated geographically through affiliates and contracted services, as well as the lower response times, contributed to a Best score. Proposal D also provided details regarding how its meteorologists would support emergency response preparation activities through the identification of potentially large customer outages instead of tracking individual weather events that could cause outages in a localized area. Proposal D also provided details on [REDACTED] [REDACTED] would be utilized during the execution of their emergency response plan.

Other proposals rated as Better or Good based upon the level of detail and quality of information provided.

Reliability Metrics

Reliability Metrics was assigned a maximum of 20 points. It was further split into the three sub-criteria of Reported Outage-based Metrics (8 maximum points), Reported Reliability-based Metrics (7 maximum points), and Corporate Reliability Metrics (5 maximum points) that were individually assessed using the historical quantitative summary and metrics provided in each proposal.

Reported Outage-based Metrics

For the Reported Outage-based Metrics sub-criterion, key attributes used during the evaluation included lower average outage durations and normalized momentary and sustained transmission element outages metrics. Proposal D’s metrics were better in comparison to the other proposals, and it was rated Best. Other proposals identified higher (less favorable) metric values. These proposals were rated Good or Better based upon the difference between their reported metric values and those metric values reported by Proposal D.

Reported Reliability-based Metrics

The scoring evaluation compared how outage metrics listed by specific initiating cause codes compared across proposals. Specific cause codes were selected based on their likelihood of occurrence with the Project in the future. Specific codes included fire, failed AC circuit equipment, weather-related events, and vegetation. Proposal D’s metrics were better than the other proposals, and it was rated as Best. Other proposals identified higher metric values, and some did not include a complete set of metrics over a full five-year period as requested by the RFP. These proposals were rated Better or Good based upon the difference between their reported metric values and those metric values reported by Proposal D.

Corporate Reliability Metrics

This scoring evaluation compared any additional corporate metrics identified by a proposal. In almost all cases, each Respondent provided their switching accuracy rates and number of switching steps completed annually as an example of an additional key performance indicator. However, because of its irrelevance to the Project, this information was only evaluated as an additional trackable metric. Proposal E listed key performance indicators based on employee safety, environmental, availability, and reliability factors, including a comparison to other operating entities. Proposal F provided a copy of its Transmission Monthly Report summarizing similar key performance indicators. Based on the details and information provided, Proposals E and F scored a Best rating. Other proposals were rated Good or Better based upon the level of detail furnished and the quality of the metrics identified.

Restoration Experience/Performance

Restoration Experience/Performance was assigned a maximum of 20 points that was split between the two sub-criteria of Past Restoration Experience/Performance (15 points maximum) and Field Personnel Emergency Training Program (5 points maximum).

Past Restoration Experience/Performance

This evaluation reviewed each Respondent’s experiences during system restoration events. Proposals A and B listed their average response time, average crew sizes, and average repair times and had comparably better metrics than any of the other Respondents and therefore were awarded a Best score. The Respondents also identified the number of instances when they were recently awarded by the Edison Electric Institute’s (EEI) for their system restoration efforts and provision of assistance to other entities following extreme weather and other natural disasters. Other proposals provided fewer details in their description or higher metric values, and were rated Better or Good, accordingly.

Field Personnel Emergency Training Program

This evaluation examined how each proposal identified specific details demonstrating how its emergency training program complimented its maintenance and normal operations training program. Several proposals identified continual classroom or computer-based training assigned to field personnel as encompassing their emergency training program. However, Proposals A, B, C, and D provided specific details of their continual reinforcement of knowledge through a dedicated training environment. These proposals provided digital photographs of the training environment where such activities are observed, explained, and then simulated on an energized 345 kV transmission line. These proposals were deemed to be Best. Other proposals provided descriptions and details of their training programs, but to a lesser extent, or identified little to no differences with their maintenance and normal operations training programs. These proposals were then awarded a rating of Better.

Maintenance Staffing/Training

Maintenance Staffing/Training was assigned a maximum of 25 points that was split between the two sub-criteria of Field Personnel Routine Training and Safety Program (12.5 points maximum) and Field Operations Organizational Structure (12.5 points maximum).

Field Personnel Routine Training and Safety Program

This scoring review focused on the description of a Respondent’s field personnel training program for performing daily, routine (i.e., prearranged) transmission switching activities. The number of dedicated training staff and their credentials were also compared in a head-to-head comparison between proposals. Proposals A, B, C, and D provided specific details of their programs, including sample training curriculums and learning plans. Their staffs were also either certified through the American Society of Training & Development (ASTD) or received graduate level degrees focusing on education through academically accredited institutions. Proposal D also described its on-the-job training for student interns through direct job shadowing opportunities with field personnel. Based on all this information provided, Proposals A, B, C, and D each received a Best score.

In other proposals, fewer details were provided in the description of the training programs or staffing credentials. These proposals were rated as Good or Better depending upon the level of details and information provided in the descriptions.

Field Operations Organizational Structure

The evaluation for this sub-criterion focused on the description of the post-construction field personnel organization that would be responsible for maintaining the Project after construction, through transmission maintenance and vegetation encroachment control. Proposals A and B provided specific details of their dedicated crews, including their compositions, the combined years of experience, and credentials of the crews' supervisors. These proposals received a Best score. The other proposals provided some description and details of their plan, but to a lesser extent, and were rated as Better.

Maintenance Plans

Maintenance Plans was assigned a maximum of 25 points that were split between two sub-criteria, Transmission Line Planned Maintenance Processes (12.5 maximum points) and Vegetation Management and Mitigation Strategies (12.5 maximum points).

Transmission Line Planned Maintenance Processes

This sub-criterion evaluation focused on a comparison of each proposal's description of its preventive maintenance decision-making, staffing and resource mobilization philosophies. Proposals were also scored on their description of computerized maintenance management systems used to ensure accurate scheduling and tracking of maintenance activities. The location identified by each proposal as its base of operations to stage and implement these maintenance activities and ability to perform live 345 kV line maintenance also was considered.

Proposal E was rated Best. Proposal E described an overall maintenance philosophy that included more frequent aerial and comprehensive ground inspections than the other proposals. [REDACTED]

[REDACTED] Proposal E also described use of an industry-accepted computerized maintenance management system to manage its non-vegetation management maintenance activities. Other proposals provided some description and details of their plan, but to a lesser extent, and were rated as Good or Better according to the information provided.

Vegetation Management and Mitigation Strategies

This evaluation focused on a comparison of the vegetation management strategies to control and mitigate vegetation encroachments that could impact the Project in the future. Proposals A, B, F, and G provided extensive details of their programs, with the planned, repetitive activities of their four-year vegetation maintenance planning cycle. These Proposals were graded as Best. Other proposals identified longer frequencies for their planned, repetitive activities, lower dedicated staffing numbers, or lesser credentials and work experience but achieved a Better rating.

Specialized Maintenance Equipment and Spare Parts

The Specialized Maintenance Equipment and Spare Parts criterion was assigned a maximum of 30 points. The evaluation focused on a comparison of each proposal's description of its equipment inventory strategy. Proposal D was awarded a Best score. Proposal D explained how its multi-state inventory and equipment-sharing program allow individual locations to address their availability and

sufficiency needs while ensuring joint equipment usage rates remained high and logistically efficient. Proposal D also elaborated on its supply chain risk management program, a third-party assessment that grades vendors to ensure that those vendors follow strict data security principles that protect the Respondent and its assets from cybersecurity threats and breaches. Other proposals provided similar details, to a lesser extent, and received a Better or Good score accordingly.

Maintenance Performance/Expertise

The Maintenance Performance/Expertise criterion was assigned a maximum of 25 points. The evaluation focused on a comparison of each proposal’s description of maintenance experiences and effectiveness in utilizing its resources. Proposal D described its extensive years of experience and preventive maintenance activities and [REDACTED]

[REDACTED] The majority of these maintenance projects have also been completed prior to deadlines and within estimated costs. Proposal D was awarded a Best score based upon this information. Other proposals received a Better or Good score according to the level of detail in the explanation of their performance and experience and their relative standing to other proposals.

NERC Compliance Process History

NERC Compliance Process History was assigned a maximum of 25 points that were split among three sub-criteria, Internal Reliability Compliance and Risk Management Programs (12.5 maximum points), Reliability Compliance History (6.25 maximum points), and ERO Enterprise Initiatives (6.25 maximum points).

Internal Reliability Compliance and Risk Management Programs

This evaluation focused on each proposal’s description of its internal reliability compliance and risk management programs. Proposal D identified a dedicated team of 45 individuals, spread across its corporate family, who are responsible for managing the enterprise NERC Reliability Compliance and Assurance Programs. [REDACTED]

[REDACTED] Proposal D provided additional details regarding scheduled annual compliance reviews and the recent development of internal controls to provide more precise activity execution and monitoring. Proposal D explained how these controls have even led to more positive program outcomes, including fewer incidents and improved audit performance. Based on this information, Proposal D was awarded a Best score. The other proposals provided some description and details of their plan, but to a lesser extent, and were rated as either Better or Good accordingly.

Reliability Compliance History

This evaluation focused on a comparison of operations and planning reliability compliance histories for each of the registered entities identified within a proposal. These comparisons were limited to specific reliability standards, specifically those that would also apply to the Project for facility maintenance and documentation, over the recent five-year period. These include Reliability Standards such as Facility Ratings (FAC-008-5) and Transmission Vegetation Management (FAC-003-4).

Respondent F presented a solid track record of NERC reliability compliance, which was confirmed on the NERC Enforcement and Mitigation web site. The Respondent also identified its participation in its regional entity's compliance self-logging program, [REDACTED]

Other proposals were then ranked, from Better to Good, based on the number of occurrences of violations and monetary penalties identified. A Good score was awarded to any proposal identifying Transmission Owner registration upon construction of the Project.

ERO Enterprise Initiatives

The evaluation for this sub-criterion examined a Respondent's involvement in industry and ERO Enterprise initiatives as described in each proposal. Proposals A and B were rated Best based on their staffs' active participation [REDACTED]

[REDACTED] . Proposal G was awarded a Better score because its staff [REDACTED]

[REDACTED] Other proposals identified active participation in various NERC Pre-Qualified Organizations and were awarded a Good score accordingly.

Internal Safety Program

The Internal Safety Program criterion was assigned a maximum of 15 points that were split among three sub-criteria, Internal Safety Protocols (7.5 maximum points), Safety Training, Certifications, and Awards (3.75 maximum points), and Staff Credentials (3.75 maximum points).

Internal Safety Protocols

This scoring evaluation was based upon a proposal's description of internal environmental, health, and safety protocols. Each proposal was compared against other proposals to determine which Respondent provided the most information in a well-organized manner. For the Best score, Proposal G provided its entire internal safety program, including appendices, for general safety of personnel and equipment used around electric transmission and substations. Other proposals provided some description and details of their programs, including operating documentation on safety signage and switching procedures, but to a lesser extent. These proposals were rated as Better or Good, accordingly.

Safety Training, Certifications, and Awards

The evaluation for this sub-criterion focused on the description of any recognition received, through awards, certifications, or accreditations, regarding the Respondent's internal environmental, health, and safety program or its supporting staff. Proposals A and B identified their active involvement in the American Society of Safety Professionals. [REDACTED]

[REDACTED] Based on these cited awards, Proposals A and B were awarded a Best score. The other proposals provided some description and details regarding their staffs' credentials and safety awards, but to a lesser extent, and were rated as Better or Good, accordingly.

Staff Credentials

This evaluation focused on the description of the work experience and credentials of the safety training staff. Each proposal was compared against the others and ranked with a Best, Better, and Good score. The Respondent for Proposals A and B identified that their training staffs were Certified Safety Professionals who were certified through the ASTD or received graduate level degrees focusing on education through an academically accredited institution. Based on these credentials, both proposals received a Best score. The other proposals were rated as either Good or Better depending upon the qualifications of their staffs.

Contractor Safety Program

The Contractor Safety Program criterion also was assigned a maximum of 15 points that were split among the same three sub-criteria as for the Internal Safety Program: Contractor Safety Protocols (7.5 maximum points), Contractor Safety Training, Certifications, and Awards (3.75 maximum points), and Contractor Staff Credentials (3.75 maximum points).

Contractor Safety Protocols

This evaluation focused on the description of the proposed contractors' safety programs and the requirements to follow the Respondents' environmental, health, and safety protocols. Respondent D described that its contractors must first meet stringent safety requirements prior to working on-site. These requirements begin with a qualification process to pre-screen candidates for contracting services and ensure they meet a minimum set of safety and insurance requirements. This process is managed using a proprietary data management system and an industry-recognized third-party assessor for contractor safety. Candidates are then further screened by the Respondent's safety and health professionals to ensure prospective contractors could achieve and surpass the Respondent's stringent safety requirements. Other proposals provided some description of their contractors' safety programs or staffing credentials, but to a lesser extent and were scored as Good or Better accordingly.

Contractor Safety Training, Certifications, and Awards

The scoring evaluation for this sub-criterion focused on the description of any recognition received through awards, certifications, or accreditations for contractors' environmental, health, and safety programs or their support staff. Proposal D identified its contractor's long safety history and its leadership in the industry for construction safety. [REDACTED]

Other proposals provided some description of recognition received by a contractor's safety program or staffing credentials, but to a lesser extent. These proposals were then scored Good or Better accordingly.

Contractor Staff Credentials

This scoring evaluation focused on a direct comparison of the experience and credentials of contractors' training staffs presented in the proposals. Proposal D identified its contractor's long safety history and its leadership in the industry for construction safety. Proposal D also described [REDACTED], which consists of the Respondent's staff and representatives from each of the Respondent's transmission contractors. This forum was created

to discuss safety best practices and disseminate information across the entire contractor base. Other proposals provided some description of their contractor’s staff, but to a lesser extent. These proposals were scored as Good or Better accordingly.

Safety Performance Record

The Safety Performance Record criterion was assigned a maximum of 15 points. The evaluation assessed how each proposal presented the best combination of its safety record as measured by the EMR, TRIR, and DART statistics. Other considerations included an evaluation of the number of fatalities, deaths, dismemberments, and hospitalizations that occurred during the completion of maintenance activities within the last five years, as reported in each proposal. In a comparison among proposals, Proposal G presented the best safety record statistics than any other proposal. Other proposals identified higher (less favorable) values and were then scored as Good or Better accordingly.

The total points allocated for each proposal by scoring criteria for Operations is shown in Table 12. The Appendix contains additional information on how points were allocated.

Table 12
Operations Points Allocation by Criterion and Proposal

Operations (Operations/Maintenance/Safety) 250 Points <i>Measures safety and capability of an RFP Respondent to operate, maintain, and restore a transmission facility</i>	Sub-criteria	Weight	Total Points (250)	A	B	C	D	E	F	G
3A.1 Control Center Operations (staffing, etc.)		6.0%	15	15.0	15.0	15.0	15.0	11.3	11.3	7.5
3A.2 Storm/Outage and Emergency Response Plan		8.0%	20	15.0	15.0	18.5	20.0	10.0	15.0	15.0
3A.3 Reliability Metrics	3A.3.1 Reported Outage-based Metrics	3.2%	8	4.0	4.0	6.8	8.0	6.0	6.0	6.0
	3A.3.2 Reported Reliability-based Metrics	2.8%	7	3.5	3.5	5.9	7.0	5.3	5.3	5.3
	3A.3.3 Corporate Reliability Metrics	2.0%	5	3.8	3.8	3.8	3.8	5.0	5.0	2.5
	Sub-Total Criteria Pts	8.0%	20.0	11.3	11.3	16.4	18.8	16.3	16.3	13.8
3A.4 Restoration Experience/Performance	3A.4.1 Past Restoration Experience/Performance	6.0%	15	15.0	15.0	9.8	7.5	7.5	11.3	11.3
	3A.4.2 Field Personnel Emergency Training Program	2.0%	5	5.0	5.0	5.0	5.0	3.8	3.8	3.8
	Sub-Total Criteria Pts	8.0%	20.0	20.0	20.0	14.8	12.5	11.3	15.0	15.0
3A.5 Maintenance Staffing/Training	3A.5.1 Field Personnel Routine Training and Safety Program	7.5%	18.75	18.8	18.8	18.8	18.8	14.1	14.1	9.4
	3A.5.2 Field Operations Organizational Structure	2.5%	6.25	6.3	6.3	5.2	4.7	4.7	4.7	4.7
	Sub-Total Criteria Pts	10.0%	25.0	25.0	25.0	23.9	23.4	18.8	18.8	14.1
3A.6 Maintenance Plans	3A.6.1 Transmission Line Planned Maintenance Processes	5.0%	12.5	9.4	9.4	7.2	6.3	12.5	9.4	9.4
	3A.6.2 Vegetation Management and Mitigation Strategies	5.0%	12.5	12.5	12.5	10.3	9.4	9.4	12.5	12.5
	Sub-Total Criteria Pts	10.0%	25.0	21.9	21.9	17.6	15.6	21.9	21.9	21.9
3A.7 Specialized Maintenance Equipment and Spare Parts		12.0%	30	22.5	22.5	27.7	30.0	22.5	22.5	15.0
3A.8 Maintenance Performance/Expertise		10.0%	25	18.8	18.8	23.1	25.0	18.8	18.8	12.5
3A.9 NERC Compliance Process History	3A.9.1 Internal Reliability Compliance and Risk Management Programs	5.0%	12.5	9.4	9.4	11.5	12.5	6.3	9.4	9.4
	3A.9.2 Reliability Compliance History	2.5%	6.25	4.7	4.7	3.6	3.1	3.1	6.3	3.1
	3A.9.3 ERO Enterprise Initiatives	2.5%	6.25	6.3	6.3	4.1	3.1	3.1	3.1	4.7
	Sub-Total Criteria Pts	10.0%	25.0	20.3	20.3	19.2	18.8	12.5	18.8	17.2
3A.10 Internal Safety Program	3A.10.1 Internal Safety Protocols	3.0%	7.5	5.6	5.6	5.6	5.6	3.8	3.8	7.5
	3A.10.2 Safety Training, Certifications, and Awards	1.5%	3.75	3.8	3.8	3.1	2.8	1.9	2.8	2.8
	3A.10.3 Staff Credentials	1.5%	3.75	3.8	3.8	3.1	2.8	1.9	2.8	2.8
	Sub-Total Criteria Pts	6.0%	15.0	13.1	13.1	11.8	11.3	7.5	9.4	13.1
3A.11 Contractor Safety Program	3A.11.1 Contractor Safety Protocols	3.0%	7.5	5.6	5.6	6.9	7.5	5.6	5.6	3.8
	3A.11.2 Contractor Safety Training, Certifications, and Awards	1.5%	3.75	2.8	2.8	3.5	3.8	2.8	2.8	1.9
	3A.11.3 Contractor Staff Credentials	1.5%	3.75	2.8	2.8	3.5	3.8	2.8	2.8	1.9
	Sub-Total Criteria Pts	6.0%	15.0	11.3	11.3	13.8	15.0	11.3	11.3	7.5
3A.12 Safety Performance Record		6.0%	15	11.3	11.3	11.3	11.3	7.5	7.5	15.0
Scoring Category Total		100%	250.0	205.3	205.3	213.1	216.6	169.4	186.3	167.5

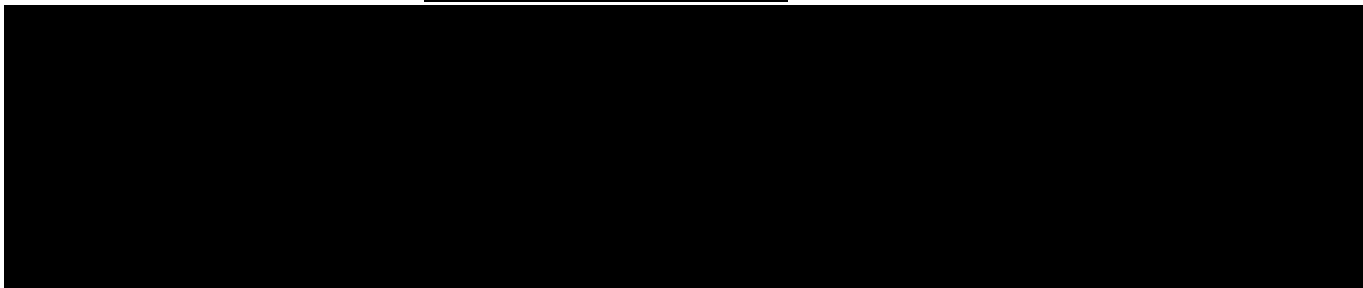
Rate Analysis

Attachment Y designates 225 points for the Rate Analysis evaluation, of which 198 maximum points were assigned to the PVRR calculation, 20 maximum points related to Project cost guarantees, 5 maximum points related to in-service date guarantees, and 2 maximum points to the Other criterion. The criterion related to the quantitative cost impact of material and assets on hand and ROW under control was assigned 0 points for reasons described in Section 2.

Present Value Revenue Requirement

The allocation of 198 points assigned to the PVRR calculation was through a linear model. The PVRR represents the 40-year total cost of the transmission line to SPP’s customers discounted to the initial year of operation. Each proposal's AFUDC, ROE, interest rate, capital ratio, and any limits or caps on those, is an input to the PVRR calculation. A summary of some key inputs is shown in Table 13.

Table 13
Summary of PVRR Inputs



Summary of PVRR Inputs and Limits	PROPOSALS							
	A	B	C		D	E	F	G
			C1	C2				
Forego AFUDC						x		x
ROE and Incentives (%)	x	x	x	x	x	x	x	x
Average Debt Rate	x	x	x	x	x	x	x	x
Capital Structure Debt/Equity Ratio	x	x	x	x	x	x	x	x

Proposal E presented the lowest PVRR and was allocated the maximum points of 198 because it represented the lowest cost to SPP customers. Proposal A had the highest PVRR and was allocated 50% of the maximum points, 99, in keeping with the overall scoring philosophy of the IEP. Each other proposal was allocated points in proportion to where its PVRR lay between the lowest and highest PVRR.

The PVRR calculation may not capture the full benefit of the fixed and capped ROEs in Proposals C1, D, E, F, and G. If the ROEs allowed by FERC rise above the level reflected in Proposals A, B, and C2, then the spread in point allocation for this criterion would increase between those proposals with uncapped ROEs and those that include capped ROEs. There could also be an increased spread in point allocation between those proposals with a fixed ROE for [REDACTED] -- Proposals E, F, and G -- and those for a limited term – a portion of Proposal C (Proposal C1 -- [REDACTED]) and Proposal D [REDACTED] as the terms expired and the effect of higher ROEs is reflected in transmission rates. The level of, and timing of any change in, future ROEs is highly uncertain, however, and the magnitude of impact difficult to determine. The effect of any benefit that might occur, and its effect on the current

point allocation, would not be expected to change the rank order of proposals in the Rate Analysis scoring category or in total for all scoring categories.

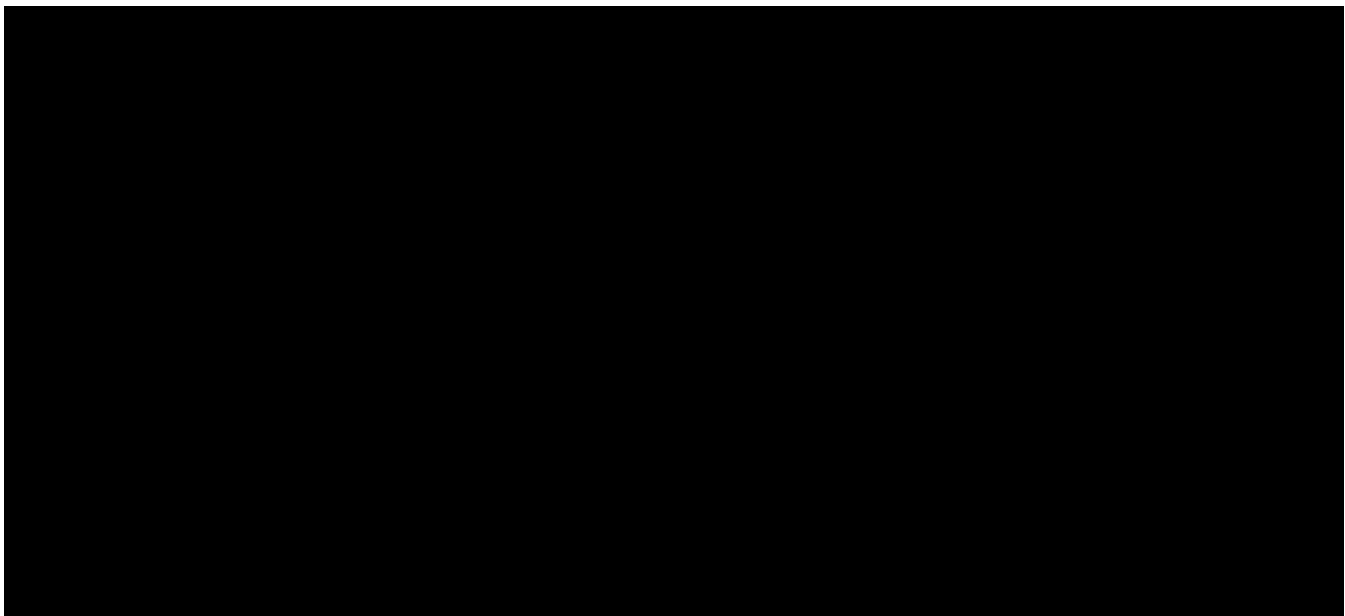
Project Cost Guarantees

The allocation of the maximum 20 points available for project cost guarantees involved evaluating the likelihood that an overrun would occur compared to the significance of that overrun after applying the revenue protection mechanisms in the proposal. The likelihood of occurrence included an evaluation of the exclusions the proposals claimed that would prevent invoking the cost protection mechanisms.

The significance of the protection depended upon the type of protection method proposed and the related projected total construction cost or RRE. Proposals including a Project cost guarantee proposed to limit SPP customers’ exposure to overruns through a cap a fixed percentage above the RRE, and some proposals also included a cap on the Annual Transmission Revenue Requirement, or through an exclusion from rates of a fixed increment above the RRE. A guarantee to protect customers from a cost overrun by a cap that was a high percentage above a high RRE was not viewed as providing much protection.

The proposals offering project cost guarantees generally invoked force majeure exclusions from SPP OATT Section 10.1, which significantly limits SPP customers’ protection from major cost increases because the catastrophic events subject to the force majeure exclusions would be likely causes of those cost increases. Some proposals included other exclusions that would decrease the likelihood a cost-protection measure would be invoked and provide benefit. Table 14 presents a summary of each proposal’s Project cost guarantee.

Table 14
Summary of Project Cost Guarantees



	PROPOSALS							
	A	B	C		D	E	F	G
			C1	C2				
Proposal included guarantee	x	x	x	x	x	x		x
Project Cost Cap - nominal (\$M)	x	x	x	x	x	x		x
RRE (\$M)	x	x	x	x	x	x		x
ATRR			x		x	x		
Exclusions								
- OATT 10.1 force majeure	x	x	x	x	x	x		x
- SPP scope/schedule change			x		x	x		x
- costs related to TO interconnection			x		x	x		x
- O&M, spare parts						x		x
- price relief			x		x			
- interest rate relief			x		x			

Proposal E provided the most valuable guarantee related to the Project cost protection and was rated Best. It included a [REDACTED] cap on the annual transmission revenue requirement (ATRR), which includes all cost elements in the revenue requirement calculation, for the [REDACTED] of the Project and a [REDACTED] cap on the projected construction cost. Significantly, the cap on the Project cost was on the lowest projected Project cost of all the proposals, and Proposal E’s [REDACTED]. Proposal E was allocated the maximum 20 points.

Proposals G and D were deemed to provide a Better level of Project cost protection and were allocated 15 points. Proposal G offered a Project cost cap [REDACTED] its projected construction cost, which was the second lowest of all projected RREs. However, the Project G projected RRE, although second lowest, is almost \$19 million more than that of Proposal E, significantly reducing the relative value of Proposal G’s Project cost guarantee. Proposal D offered [REDACTED] ATRR cap applied on an annual basis, with a banking provision if costs for any given year were under the cap for its portion of the Project. The annual caps are [REDACTED] the annual revenue requirement, depending upon the year, and [REDACTED] on a cumulative basis. In addition, Proposal D pledged a rate base cost cap of [REDACTED], which is [REDACTED] its RRE, the third lowest of the seven proposals. As a reference point, the SPP OATT Business Practices document states, “The RRE is expected to be within -20% to +20% variance from the final project cost.”² Therefore, most of the RRE caps would come into play only if the RRE overrun was greater than the high variance limit imposed by SPP.

Proposals A and B offered project cost guarantees that excluded from rate recovery [REDACTED], respectively, of cost overrun above their respective RRE projections. Proposal A’s guarantee would be applied against its RRE, the highest of all proposals, and would provide protection only against the [REDACTED] above its RRE. Proposal B’s guarantee would be applied against the second highest RRE of all proposals and would provide protection only against the [REDACTED] in its projected Project construction cost. [REDACTED] These guarantees provided a modest level of security from overruns and were rated Good. They were allocated 10 points each.

Proposal C presented a unique challenge in the Project cost guarantee evaluation because it represents two distinct proposals combined into one. One Respondent’s proposal (C1) addressed a larger portion of the project, [REDACTED] of the Project ownership. Proposal C1 provided a similar guarantee as that of

² Open Access Transmission Tariff Business Practices, pub. Feb. 2, 2001, rev. Mar. 19, 2021, Sect. 2.7 at 196.

Proposal D. Proposal C1 offered [REDACTED] applied on an annual basis, with a banking provision, if costs for any given year were under the cap for its portion of the Project. The annual caps are [REDACTED] greater than the annual revenue requirement, depending upon the year, and [REDACTED] greater on a cumulative basis. In addition, Proposal C1 pledged a rate base cost cap of [REDACTED], which is [REDACTED] above the first-year average rate base [REDACTED] for its portion of the Project. Proposal C2 pledged not to seek rate recovery of the [REDACTED] if its smaller portion of the Project cost exceeded its projected RRE of [REDACTED]. That increment of protection is [REDACTED] above the RRE. The total RRE for Proposal C is the fourth highest of all the projected RREs.

Proposal C1's guarantees were similar in structure to those of Proposal D but applied to its portion of that proposal's total RRE projection, the fourth highest of all proposals. Proposal C2's guarantees on the smaller portion of the Project were similar to those of Proposals A and B. On balance, Proposal C's Project cost Guarantee was rated Good and allocated 10 points.

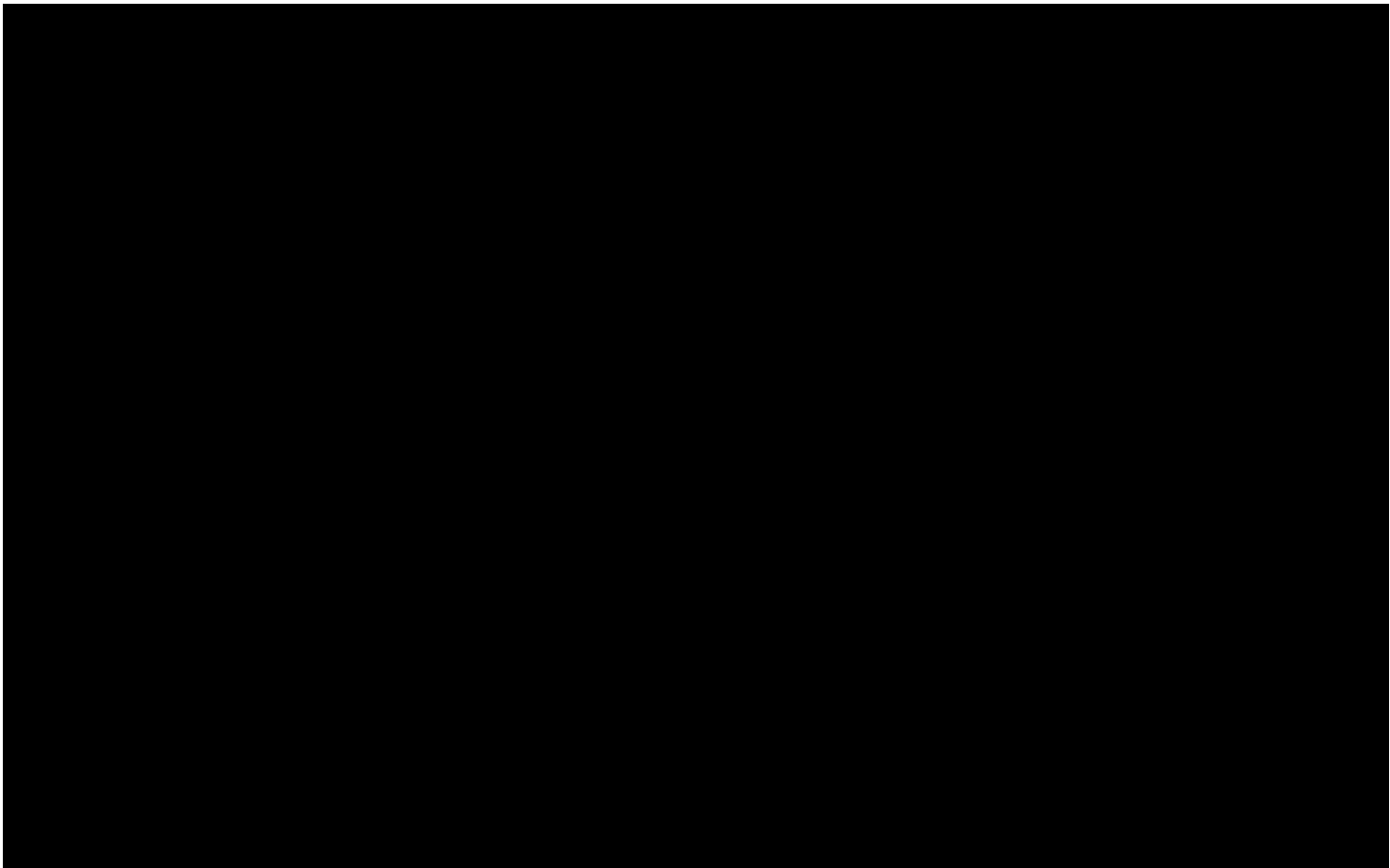
Proposal F included no Project cost guarantees and was allocated 0 points.

In-Service Date Guarantees

SPP set a target date for operation of the Project at January 1, 2025. If SPP issues a notice to construct in June 2022, the construction period would be 30 months. The IEP viewed this time period as sufficient for construction unless a catastrophic event occurred. As explained more fully in Section III, Engineering Design, the July 1, 2024, target date in Proposal E is considered reasonably achievable given that proposal's phased construction plan.

Failure to meet the target in-service date could arise from numerous causes: bad weather, delivery delays, defects in delivered material, limits on qualified construction labor, construction defects, previously unidentified environmental issue, or delays in securing necessary permits. Proposals C, D, E, and F included guarantees related to a target in-service date. Proposals A, B, and F did not include a target in-service date guarantee backed by financial penalties. For the split Proposal C, Proposal C1 included an in-service date guarantee backed by a financial penalty, and Proposal C2 did not. The penalties for not meeting the in-service date took the form of liquidated damages that would reduce rate base or a deduction in the allowed ROE, both of which would reduce transmission rates. The proposed In-Service Date Guarantees are summarized in Table 15.

Table 15
Summary of In-Service Date Guarantees



	PROPOSALS							
	A	B	C		D	E	F	G
			C1	C2				
Inc Project Cost Guarantee			x		x	x		x
Guaranteed target date			x		x	x		x
Form of financial penalty								
- Fixed daily penalty			x		x			
- ROE reduction						x		x
Accrues AFUDC			x		x			x
Exclusions								
- OATT 10.1 force majeure			x		x	x		x
- SPP scope/schedule change			x		x	x		x
- costs related to TO interconnection			x		x	x		x
- Change in law			x		x	x		x
- price relief			x		x			
- interest rate relief			x		x			

The risk factors considered most likely to cause a delay in the construction schedule were extended inclement weather, supply chain disruptions, material defects in delivered material, and available of construction labor. The overall construction period, assuming the SPP issues a notice to construct in June 2022, would be 30 months given the target January 1, 2025. The IEP viewed this period as having significant durations for construction of the Project under normal conditions.

Proposals E and G were rated Best and awarded 5 points. Proposal E presented the most robust guarantee for in-service date and most narrow exclusions. This proposal provided [REDACTED] the Project was delayed from July 1, 2024, six months before the target finish date, up to a maximum of [REDACTED] and offered the narrowest exclusions. Significantly, Proposal E did not accrue AFUDC, which means the rate base of the project would not increase due to a delay in the late stage of construction when most of the investment would have been incurred. Proposal G offered [REDACTED] but based on the SPP target completion date of January 1, 2025. While Proposal G did accrue AFUDC, although foregoing an equity return on the AFUDC, its higher ROE reduction resulted in a roughly equivalent, net revenue benefit to customers as that provided by Proposal E.

Proposal C1 in the combined Proposal C included [REDACTED] that would serve as an offset to rate base in the event of a late project delay. Proposal D offered a similar guarantee for the in-service date. If construction was delayed toward the end, increased AFUDC would more than offset any significant delay. The in-service guarantees for these proposals were rated Good and allocated 2.5 points.

The three proposals with no in-service date guarantees were allocated 0 points.

Cost Impact of Material on Hand, Assets on Hand and Rights-of-Way Ownership, Control, or Acquisition

This criterion was assigned 0 points. Some proposals included descriptions of ROW segments under the control of the bidder. The cost of acquiring ROW segments is part of the Project cost and therefore should have been reflected in the bidder's PVRR calculation and already addressed in the point allocation for this criterion. The qualitative value associated with these agreements in providing greater certainty that the ROW for a proposed route could be acquired and at a pre-determined cost was captured in the Project Management scoring category. In addition, one bidder explained it had access to a spare parts inventory through its service company. In the Rate Analysis evaluation, the cost to the Project of access to the spare parts (service company allocation expense) should have been reflected in the bidder's PVRR calculation and reflected in the point allocation for this criterion. The qualitative value associated with the impact of the spare parts inventory for transmission operations and maintenance was evaluated in the Operations scoring category.

Other

Proposal E included a target in-service date of July 1, 2024, six months before the target set in the RFP. The Engineering and Project Management assessment was that Proposal E could achieve this target because of the parallel construction plan it proposed. In addition, the prospect of achieving this early target is bolstered by the schedule guarantees that Proposal E included, which are described above. If the transmission line is in service before the SPP target date, the energy benefits that the Project was designed to capture would be available sooner. These savings are not captured in another criteria. Proposal E was allocated 2 points to capture this benefit.

Proposal E included a depreciation study that concluded the Project's life was [REDACTED] and that its depreciation rates on which its transmission rates would be calculated would reflect that result. In contrast, the RFP Response Form Excel Workbook embeds a 40-year asset life for depreciation rates

in its standardized PVRR calculation. The evaluation of this criteria was to determine whether Proposal E’s proposed [REDACTED] presented a unique savings to SPP customers that should be reflected in the point allocation. Other Respondents who have a formula rate on file at FERC currently have depreciation rates with asset lives greater than the 40-year assumption in the PVRR calculation. IEP members also noted the trend toward FERC approval of longer transmission asset lives for depreciation rates. As a result, no additional points were allocated for [REDACTED].

The total points allocated for each proposal by scoring criteria for Rate Analysis is shown in Table 16. The Appendix contains additional information on how points were allocated.

Table 16
Rate Analysis Point Allocation by Criterion and Proposal

Section 4: Rates (Cost to Customer) 225 Pts <i>Measures an RFP Respondent's and, if applicable, a CU Participant's cost to construct, own, operate, and maintain the Competitive Upgrade over a 40-year period</i>	Weight	Total Points	A	B	C	D	E	F	G
1. 40-Year Project NPV - includes such factors as estimated total project cost, financing costs, FERC incentives, revenue requirements, and return on equity	88%	198	99.0	119.0	140.0	162.0	198.0	125.0	154.0
2. Project Cost Cap Guarantee	9%	20	10.0	10.0	10.0	15.0	20.0	0.0	15.0
3. In-service Date Guarantee	2%	5	0.0	0.0	2.5	2.5	5.0	0.0	5.0
4. Material on Hand, Rights-of-Way Approval, Assets on Hand, to the extent the risk reduction impact of these criteria was not reflected in the NPV calculation.	0%	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Other - Energy savings due to early in-service date	1%	2	0.0	0.0	0.0	0.0	2.0	0.0	0.0
Scoring Category Total	100%	225.0	109.0	129.0	152.5	179.5	225.0	125.0	174.0

Finance

Each Respondent was requested in the RFP to provide detailed financial information specific to the Project. All Respondents demonstrated the ability to finance the Project. Therefore, the Finance evaluation focused on how each proposal addressed the scoring criteria.

The Finance evaluation was a qualitative and a quantitative analysis. The evaluator identified the commonalities and differences in each proposal’s explanation of its financial plans for the Project, noting the quality, depth, and relevance of each response. Proposals that provided the highest quality explanations and documentation that supported their assumptions for their financing plans scored better than those that did not fully support their explanations and/or provide adequate documentation to support their financing plan. The evaluator relied on professional judgment to allocate points to each proposal for each criterion based on the evidence provided in each proposal. A higher score was awarded to proposals that provided, in the opinion of the reviewer, the best overall information, the highest quality evidence, and the largest volume of superior overall quality evidence. Lower scores resulted from the lack of evidence to support the proposal.

Evidence of Financing

The Evidence of Financing criterion was assigned 12.5 points. A proposal rated Best for this criterion if it exhibited extremely strong ratings (AAA through BBB+) from Standard & Poor's long-term (or equivalent, Dun & Bradstreet for example for some public power systems) credit ratings and high-quality supporting financial reports and financial statements. Proposals deemed Better exhibited BBB through BBB- credit ratings, and Good proposals exhibited BB credit ratings, with commensurate quality documentation of their Project-specific financial statements. Respondents with a credit rating of BB- or lower were allocated 0 points.

Proposals A, B, C, E, F, and G received the full point allocation for Evidence of Financing because each Respondent demonstrated extremely strong ratings from Standard & Poor's or the equivalent from Dun & Bradstreet. Proposal D’s credit ratings were in the Better range, and it was allocated 9.38 points.

Material Conditions

The Material Conditions criterion was assigned 10 points. Consistent with generally accepted accounting principles, material conditions are any red flags included in documentation disclosed in a proposal. A proposal rated Best included three or more informative and clean or unmodified quality documents listing the financial requirements associated with the financing of the Project, identification of any combination of cash from operations, long-term debt, and equity to finance the Project, and verification of any corporate approvals required for the Project. Proposals that provided superior quality information relative to other proposals scored higher.

Respondents D, E, and G met the standards for the full allocation of 10 points. Proposals C met the standards for a Better rating, and Proposals A, B, and F met the standards to achieve a Good rating.

Financial Business Plan

The Financial Business Plan criterion was assigned 25 points. A proposal was rated Best if it provided quality and informative evidence of the Respondent's superior core capabilities relating to the Project, a financing strategy for the Project including ROE, a schedule of significant expenditures for Project implementation, reserves for unexpected costs, explanation of how the Respondent would measure its objectives, management team qualifications matching the Project's needs, and a description of the ability of the business plan to achieve Project goals. Proposals that provided superior quality information relative to other proposals scored higher.

All of the proposals except Proposal G met the standard for Best and received the full point allocation. Proposal G was rated in the Good category and allocated 12.5 points.

Pro Forma Financial Statements

The Pro Forma Financial Statements criterion was assigned 18.75 points. A proposal rated Best for informative and quality pro forma financial statements included a Project-specific balance sheet/rate base, Project-specific income statement, and a Project-specific capital structure. Proposals that provided superior quality information relative to other proposals scored higher.

All of the proposals met the standard to achieve a Best rating and received the full allocation of 18.75 points.

Expected Financial Leverage

The Expected Financial Leverage criterion was assigned 10 points. Because of the many different ways to calculate financial leverage, the number of verifiable documents and the quality, clarity, and conciseness of each, was used for correlation of the financial leverage risk as provided in each proposal. High quality documents are those that banks, rating agencies, and other institutions may have reviewed to determine that the risk of the Project is low to the Respondent. Proposals that provided superior quality information relative to other proposals scored higher.

Respondent E received the full allocation of 10 points for the Expected Financial Leverage criterion. Proposals C and G were rated Better and were allocated 7.5 points, while Proposals A, B, D, and F were rated Good and allocated 5 points.

Debt Covenants

The Debt Covenants criterion was assigned 7.5 points. A debt covenant is a promise in an indenture or other formal debt agreement that certain activities will or will not be conducted or that certain thresholds will be met. A proposal providing such quality documented evidence was allocated more points, while fewer points were allocated for lesser documentation. Proposals that provided superior quality information relative to other proposals scored higher.

Proposals A, B, and C met the standards for a Best rating and were allocated 7.5 points. Proposals E and G met the standards for a Better rating and were awarded 5.63 points. Proposals D and F met the standards for a Good rating and were awarded 3.5 points.

Projected Liquidity

The Projected Liquidity criterion was assigned 16.25 points. Liquidity refers to the amount of cash an organization has to cover its immediate and short-term obligations. Proposals received higher point allocations by presenting quality documentation of a Respondent’s ability to meet its current liabilities using a bank revolving line-of-credit and cash equivalents. Proposals that provided superior quality information relative to other proposals scored higher.

Proposals A, B, C and E were rated best and allocated 16.25 points. Proposal D met the requirements for a Better rating and was allocated 12.19 points, while Proposals F and G were rated Good and allocated 8.13 points.

Dividend Policy

The Dividend Policy sub-criterion was assigned 7.5 points. Proposals that provided superior quality information relative to other proposals scored higher.

Proposals C and D met the standard for a Best rating and were allocated 7.5 points. Proposals F met the Better standard and was allocated 5.63 points, while Proposals A, B, E, and G were rated as Good and allocated 3.75 points.

Cash Flow Analysis

The Cash Flow Analysis criterion was assigned 17.5 points. Proposals that provided superior quality information relative to other proposals scored higher.

Proposals C, D, F, and G met the requirements for a Best rating and were allocated 17.5 points. Proposals A, B, and E met the standards for a Better proposal and were allocated 13.13 points.

While not scored, conclusive evidence of financial strength was required in the RFP and RFP Response Form 5A.10 (Demonstration of Financial Strength) as evidenced by a letter from a bonding agent or bank indicating approval of or willingness to provide the required performance bond or a letter of credit to the Respondent indicating that the Respondent possesses the necessary financial strength to finance the Project. The principal areas of financial strength are liquidity, solvency, and operating efficiency. The level of profitability is considered the most important. These documents indicate the Respondent has the necessary financial strength to finance the Project. All proposals met this requirement, either through following the explicit instructions and checking the appropriate box, or through a comparable narrative explanation in the Proposal.

The results of the evaluation and point allocations for Finance are presented in Table 17. Additional information explaining the evaluation and point allocation for this scoring category is in the Appendix.

Table 17
Finance Point Allocation by Criterion and Proposal

Section 5: Finance (Financial Viability and Creditworthiness) 125 Points <i>Measures an RFP Respondents and, if applicable, a CU Participant's ability to obtain financing for the Competitive Upgrade.</i>	Weight	Total Points	A	B	C	D	E	F	G
5A.1 Evidence of Financing	10%	12.5	12.5	12.5	12.5	9.4	12.5	12.5	12.5
5A.2 Material Conditions	8%	10.0	5.0	5.0	7.5	10.0	10.0	5.0	10.0
5A.3 Financial/Business Plan	20%	25.0	25.0	25.0	25.0	25.0	25.0	25.0	12.5
5A.4 Pro Forma Financial Statements	15%	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8
5A.5 Expected Financial Leverage	8%	10.0	5.0	5.0	7.5	5.0	10.0	5.0	7.5
5A.6 Debt Covenants	6%	7.5	7.5	7.5	7.5	3.8	5.6	3.8	5.6
5A.7 Projected Liquidity	13%	16.3	16.3	16.3	16.3	12.2	16.3	8.1	8.1
5A.8 Dividend Policy	6%	7.5	3.8	3.8	7.5	7.5	3.8	5.6	3.8
5A.9 Cash Flow Analysis	14%	17.5	13.1	13.1	17.5	17.5	13.1	17.5	17.5
Scoring Category Total	100%	125.0	106.9	106.9	120.0	109.1	115.0	101.3	96.3

Total IEP Point Allocation

In addition to 1,000 maximum base points that the IEP may award to a proposal, the SPP Tariff, Attachment Y provides that an opportunity for Respondents to be awarded incentive points. An RFP Respondent that submitted a Detailed Project Proposal (DPP), as defined in Attachment O Section III.8(b), is eligible to receive 100 incentive points as part of the selection process for a Competitive Upgrade. The process for determining eligible DPPs was set by SPP staff in accordance with Attachment O of the SPP Tariff and Business Practice 7650. RFP Respondents that were notified of their eligibility for these incentive points were required to document their eligibility as part of their RFP Response in Section B1.2 of the RFP Response Form. Staff was then required to confirm eligibility and inform the IEP. For this Competitive Upgrade project, SPP staff determined that all Respondents qualified for 100 incentive points, and therefore incentive points had no effect on the relative ranking of the Respondents. Table 18 presents the results of the total IEP point allocation by scoring category and the incentive points.

Table 18

Total IEP Point Allocation Including Incentive Points by Scoring Category and Proposal

Scoring Results Matrix SPP-RFP-00005 Minco-Pleasant Valley-Draper 345kV										
RFP Proposal	RRE	PVRR	Engineering Design (200pts)	Project Management (200pts)	Operations (250pts)	Rate Analysis (225pts)	Finance (125pts)	Total Score	Incentive Pts	Grand Total Score
E	\$ 55,053,470	\$ 50,712,417	197.00	194.00	169.38	225.00	115.00	900.38	100.00	1000.38
D	\$ 77,558,459	\$ 67,239,991	157.00	168.00	216.56	179.50	109.06	830.13	100.00	930.13
C	\$ 85,631,534	\$ 77,444,363	153.10	163.35	213.08	152.50	120.00	802.03	100.00	902.03
G	\$ 74,030,113	\$ 70,946,775	187.50	168.50	167.50	174.00	96.25	793.75	100.00	893.75
B	\$ 87,661,315	\$ 87,268,023	158.50	153.00	205.31	129.00	106.88	752.69	100.00	852.69
A	\$ 96,992,028	\$ 96,351,168	174.00	153.00	205.31	109.00	106.88	748.19	100.00	848.19
F	\$ 87,005,124	\$ 84,178,479	178.00	152.50	186.25	125.00	101.25	743.00	100.00	843.00
Average	\$ 80,561,720	\$ 76,305,888	172.16	164.62	194.77	156.29	107.90	795.74	N/A	895.74

Section 4: Recommended RFP Proposal

The IEP unanimously recommends Proposal E as the recommended RFP Proposal for the Minco-Pleasant Valley-Draper 345 kV Transmission Line Project. Proposal E was awarded the highest point total based on the individual scoring of the five scoring categories, more than 70 points more than the second scoring proposal. Proposal E was rated highest in three of the five scoring categories and second in a fourth. The IEP’s judgment is that Proposal E presents the best evidence that it can produce a successful project, one that is constructed safely, on time, and within budget, and would operate safely and according to its design parameters.

A primary objective of FERC’s Order 1000 that implemented the competitive upgrade process was to produce a transmission plan that would address transmission needs more efficiently and cost effectively. Proposal E’s projected construction cost is \$41.9 million less than that of the highest proposal and \$25.9 million less than the SPP reference estimate in the RFP Project Specifications. Proposal E backs up its low construction cost estimate with the best cost cap guarantees of any proposal, including relatively tight caps on both the annual transmission rate revenue requirement and the projected construction cost.

From an engineering standpoint, Proposal E presents one of the most robust design criteria and line loading cases. It proposes to use the second largest conductor, only one other proposal utilized a larger conductor, which was outweighed by financial and other considerations. Proposal E includes one of the largest number of structures and dead end/storm structures. In addition, Proposal E ranked as one of the best in the Reliability/Quality criterion.

The proposed route recommended by Proposal E would avoid all tribal-owned land and avoid significant ROW acquisition risk to [REDACTED]

[REDACTED]. Proposal E indicates it already has secured about [REDACTED] of the required ROW and has existing landowner relationships through other easement agreements for an additional [REDACTED] of the Project ROW, representing almost [REDACTED] of the entire route. Proposal E states that all major material [REDACTED]

[REDACTED]. And significantly, Proposal E proposes an in-service date of July 1, 2024, six months before the target date specified in the RFP. In addition, Proposal E includes a construction plan that explains how it would achieve this early date and proposes meaningful cost guarantees in the event the target date is not met. The early in-service date would allow lower-cost energy to flow across the Project’s transmission lines, to the benefit of SPP’s customers, sooner than targeted by SPP.

While all other proposals were graded higher in the Operations scoring category, Proposal E provided sufficient information to demonstrate its capability to perform effectively as the Project’s Transmission Owner. Proposal E described a maintenance philosophy with more frequent aerial and comprehensive ground inspections than the other proposals and proposed locating a maintenance operations center near the Project. Proposal E also demonstrated its ability to draw upon its internal range of resources and expertise within its corporate family, combining its familiarity in maintaining Bulk Electric System assets while applying its successful business practices previously established by its existing transmission-owning affiliates.

Proposal E demonstrated that it has the necessary financial strength to finance the project, and could draw on the financial strength of its parent company, which has a high S&P rating of A- for utility grade investments. Proposal E presented a favorable capitalization ratio of less than [REDACTED].

Section 5: Recommended Alternate RFP Proposal

The IEP unanimously recommends Proposal D as the recommended alternate RFP Proposal for the Project. The IEP recommends Proposal D as the alternate RFP Proposal based upon the overall strength of its proposal. Proposal D received the second highest total points. It scored highest in Operations, second highest in Rate Analysis, and finished third in Finance.

Proposal D’s engineering design presented one of the largest number of structures and dead end/storm structures. It ranked Better in all Engineering criteria. The preferred route for Proposal D is about [REDACTED] mile, which is the shortest route of all proposed routes. Proposal D stated it has completed [REDACTED] of engineering for the preferred route. Proposal D demonstrated it has conducted extensive research to identify socio-political issues in the Project area that are ongoing or could arise during construction. Proposal D presented the best safety records for the last five years of all Respondents.

Proposal D demonstrated its Respondent’s many years of experience [REDACTED]. Its multi-state inventory and equipment-sharing program, along with its elaborate supply chain risk management program, demonstrated a capability to provide sufficient equipment and spare parts for the Project when necessary. Proposal D also identified lower response times during previous system restoration events than those in other proposals. Its use of meteorologists during emergency response preparation activities and use of the [REDACTED] during system restoration events are significant tools in reducing outage durations. The Respondent for Proposal D also reported better outage-based and reliability-based metrics than its peers.

Proposal D is a multi-owner proposal that reflects the strengths necessary to finance the Project supported from the affiliated companies. Its owners could draw on the financial strength of the subsidiaries and the parent company, which have a high Moody’s rating of A2. The investment to capitalization ratio is favorable at less than [REDACTED].