

**INDUSTRY EXPERT PANEL
TRANSMISSION PROVIDER
PUBLIC REPORT**

RFP-000006
Crossroads-Hobbs-Roadrunner 345 kV
July 3, 2023

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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.

AFUDC: This term is defined as Allowance for Funds Used During Construction (AFUDC): A generally accepted accounting principle whereby the cost of financing capital construction projects is added to the cost of the asset.

ATRR: Annual Transmission Revenue Requirement

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

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 or Criteria: 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-criterion, and further divided a sub-criterion into factors.

CWIP: This term is defined as Construction work in progress. CWIP, it is a rate base account in which all costs associated with the construction of new utility facilities are recorded until these facilities are placed in service.

DPP: Detailed Project Proposal

DTO: Designated Transmission Owner

Equity: This term is defined as a company's common and preferred stock plus retained earnings. This is considered investor supplied capital and it appears in the capital structure.

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

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

Industry Expert Panel: 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.

MTDS: SPP Minimum Transmission Design Standards

Project: The Crossroads-Hobbs-Roadrunner 345 kV Transmission Line Project, the Crossroads-Hobbs-Roadrunner 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

ROE: This term is defined as Return on Equity or the cost of equity capital, describes the return on the equity portion of the rate base that regulated utilities are allowed to collect in rates.

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 or 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.

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.

WACOC: This term is determined by first calculating the average cost of debt and equity and then weighting the debt and equity by the percentage of total capital. WACOC is the overall return authorized return on rate base.

Industry Expert Panel Internal Report Executive Summary

Disclaimer: This report is meant solely for the use of, and communication between, the Industry Expert Panel (IEP) and Southwest Power Pool (SPP) Staff.

Executive Summary

In July 2022, the Board finalized approval of the 2021 Integrated Transmission Planning (ITP) recommendations that included one Competitive Upgrade (CU), the Crossroads-Hobbs-Roadrunner 345 kV Transmission Line Project (Project), which is the subject of this report. 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 Crossroads-Hobbs-Roadrunner Project pursuant to Attachment Y of the SPP Tariff.¹

Once the CU was approved by the Board, the Oversight Committee approved the selection of five panel members in accordance with Attachment Y of the SPP Tariff. One expert was designated to act as a chairman for the panel and a lead and second for each of the five scoring categories was approved.

The newly formed IEP for the Project held multiple conference calls September through October 2022 in which the group adopted a set of work practices, developed the IEP Direction to Respondents document, and defined a successful project as one that would be built within budget, would operate as intended and in accordance with the requirements set out by SPP and would be constructed in a safe manner. The IEP discussed their structure and a systematic approach in working together across all categories to ensure reasoned review across the proposals.

The IEP discussed the Unacceptable, Acceptable, Good, Better, Best scoring methodology to be used for evaluation of proposals and the process for allocating points within each scoring category. Before seeing RFP responses, the IEP documented their individual scoring matrices for ultimate inclusion and use in preparing the IEP Recommendation Report. The IEP utilized the scoring methodology prescribed in SPP Business Practice 7700 (Table 1) to allocate points to the specific criterion/sub-criterion in each scoring category based upon information provided in the proposals. Sections 2 and 3 of this report describe the scoring weighting and methods for each of the criteria/sub-criteria.

¹ www.spp.org

Table 1: RFP Scoring Methodology

Rating	Points	Requirements
Best	100%	Minimum of one Respondent receives 100% of allocated points Multiple Respondents may receive 100% of allocated points Response substantially exceeds minimum requirements* and is best compared to other RFP Proposals
Better	75-99%	No minimum or maximum number of Respondents Multiple Respondents may receive between 75% and 99% of allocated points Response substantially exceeds minimum requirements*
Good	51-74%	No minimum or maximum number of Respondents Multiple Respondents may receive between 51% and 74% of allocated points Response exceeds minimum requirements*
Acceptable	50%	No minimum or maximum number of Respondents Acceptable responses receive 50% of allocated points Respondents provides the minimum level of supporting information to meet the minimum requirements*
Unacceptable	0%	Respondent does not meet minimum requirements*

*Minimum Requirements - Requirements set out in the RFP, MDS, interconnection, other incumbent TO requirements or other information provided during the TOSP.

At least one Proposal will receive the Best Scoring of 100% of available points for all scoring criteria/sub-criteria.

The Proposals were made available to the IEP on February 23, 2023. The group designated a letter identifier for each Proposal to avoid focus on any Respondent’s identity, as shown in Table 2. At all times, the IEP sought to conduct its work in a non-discriminatory manner and to operate within the structure set by Attachment Y.

Table 2
Letter Designation for Each Proposal

Letter Designation	Respondent
Proposal A	[REDACTED]
Proposal B	[REDACTED]
Proposal C	[REDACTED]

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 their primary and secondary categories, and determined point allocations for the Proposals consistent with the scoring methodologies developed prior to the beginning of the evaluation period. During the entire evaluation period the IEP met weekly by video conference to discuss its evaluations and common issues. The IEP members did not see any cumulative scoring information across subjects during the first half of the evaluation period.

On April 19-20, 2023, the full IEP met in person and the lead for each scoring team presented their analysis and point allocations for each criteria and sub-criteria in their respective categories for review and discussion by the full IEP. As part of this meeting, the IEP examined whether the allocation of points for any criteria or sub-criteria that overlapped across scoring categories accurately represented the allocation of points in each scoring category. In addition, the IEP addressed whether the point allocation spread for any criteria/sub-criteria was consistent across scoring categories and did not result in an inappropriate weighting of the total point allocation. During this discussion, IEP members reviewed the scoring made in each category. Only after these reviews did the IEP see the total scores resulting from the full set of evaluations.

Following these discussions, SPP staff presented a summary tabulation of the point allocations for each scoring category. The results showed that the overall scoring was tightly clustered among the Proposals, as shown in Table 3.

Table 3
Total IEP Point Allocation by Scoring Category and RFP Respondent

Scoring Results Matrix SPP-RFP-000006 Crossroads-Hobbs-Roadrunner 345kV											
RFP Proposal	RRE	PVRR	Engineering Design (200pts)	Project Management (200pts)	Operations (250pts)	Rate Analysis (225pts)	Finance (125pts)	Total Score	Qualified for Incentive Pts?	Incentive Pts	Grand Total Score
B	\$ 291,614,575	\$ 276,234,780	192.00	189.00	222.25	196.13	124.00	923.38	Yes	100.00	1023.38
A	\$ 282,740,742	\$ 268,203,525	178.00	189.00	222.25	198.52	124.00	911.77	Yes	100.00	1011.77
C	\$ 220,000,000	\$ 212,252,524	178.00	192.00	216.75	213.75	101.00	901.50	Yes	100.00	1001.50
Average	\$ 264,785,106	\$252,230,276	182.67	190.00	220.42	202.80	116.33	912.22			1012.22

The IEP unanimously recommends Proposal B as the Recommended RFP Proposal, as further described in Section 4.

Significant factors in the recommendation

The IEP received three high quality Proposals and is responsible for performing a comparative analysis to find differences among them that are meaningful distinctions and to allocate points consistent with the SPP Tariff.

In general, while Proposal C did address the full RFP, Proposals A and B demonstrated greater care to address some subjects identified in Attachment Y and Direction to Respondents. The result of the IEP comparison reflects how attention to every criteria affects the cumulative scoring.

Briefly, the IEP noted meaningful distinctions in the Proposals related to costs to customers and project schedule feasibility which are highlighted below.

Estimated Project Cost

The SPP Tariff has allocated a total of 225 points available for the Rate Analysis category, the most explicit consideration of cost in the 1000 points for the IEP to award to Proposals. SPP stakeholders

have revised the confidentiality treatment of cost guarantees in this cycle of Competitive Upgrades, allowing a more transparent discussion in this report.

Proposal C, the lowest-cost Proposal did not provide any cost guarantees, whereas Proposals A and B provided well-defined cost guarantees on debt and equity amongst other guarantees. The allocation of points related to cost guarantees is found in the Rates Analysis section of this Report. For example, Proposal C described their intent to raise their Annual Transmission Revenue Requirement (the rate they collect) if the costs of capital are eventually higher than the ROE “floor” it used in that Proposal. Proposal C expressed their intention to use a *higher-than-bid* cost of capital and debt over the life of the CU and did not address their current financial conditions or make any projections affecting these costs. These concerns are also reflected in scoring in the Finance category.

It should be noted that the original estimate used in approving this project was significantly higher than the estimates provided by all three Proposals. The original estimate used in the RFP was \$376.3 million and all of the Proposals provided estimates less than \$300 million.

Table 4
Comparison of Study Cost Estimate to Proposal RRE

	RRE
RFP CU Study Cost Estimate	\$ 376,336,142
Proposal B	\$ 291,614,575
Proposal A	\$ 282,740,742
Proposal C	\$ 220,000,000

Conductor and Losses

The conductor size and resulting losses are an important part of the evaluation process, with 56 combined maximum points available as these design elements provide long term economic benefits and value over the 80 plus year life of the project. Proposal B offered a larger conductor and received a Best rating and maximum points for both criteria. Proposals with smaller conductor received a Better rating of 42 combined points.

Time to Construct

Proposal C offered the most aggressive construction schedule, 10 to 12 months to install approximately 142 miles of double circuit 345kV transmission line. This was twice as fast as the other Proposals. To evaluate this portion of the Project Management package, the IEP read for explanations of the aggressive proposed construction time. No explanation, method, or means was provided in the Proposal to support the indicated timeframe to construct.

The IEP unanimously recommends Proposal C as the Recommended Alternate RFP Proposal, as further described in Section 5.

Industry Expert Panel Evaluation Process and Results

Section 1: Industry Expert Panel History

In July 2022, the Board finalized approval of the 2021 Integrated Transmission Planning (ITP) recommendations that included one Competitive Upgrade (CU), the Crossroads-Hobbs-Roadrunner 345 kV Transmission Line Project (Project), which is the subject of this report. 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 Crossroads-Hobbs-Roadrunner Project pursuant to Attachment Y of the SPP Tariff.

In July 2022, the SPP Oversight Committee recommended a pool of experts to the Board that would be available for the creation of an industry expert panel should there be CU projects approved for construction. The Board approved the Oversight Committee recommendation to include these experts in the pool for 2022.

On August 22 & 24, 2022, the members of the expert pool 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 the role and expectations of the expert panel.

Once the CU was approved by the Board, SPP proceeded to identify and gain Oversight Committee approval for 5 members of the expert pool to serve as the Industry Expert Panel (IEP) for the Crossroads-Hobbs-Roadrunner Project, with a primary and secondary in each of the five scoring categories as shown in Table 5 below.

Table 5
SPP Industry Expert Panel for Crossroads–Hobbs-Roadrunner Project

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

* IEP Chairman

On August 25, 2022, SPP published an RFP for the Crossroads-Hobbs-Roadrunner 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 February 21, 2023. 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 their responses.

Each of these additional guidelines was noted in the RFP and included detailed documentation of the requirements.

On September 1, 2022, 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 within 45 days of the issuance of RFP.

In subsequent calls in September through October 2022, 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 (SPP) and the IEP Chairman on each email.
- Chris Cranford will maintain a master archive of all email communications involving the IEP's activities.
- 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 Chairman, Chris Cranford and Ben Bright (SPP) 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 methodology 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.

Also, in September through October of 2022, the group met via conference call and discussed the appropriate way to measure the ultimate success or failure of the Project, which is categorized as needed for economic purposes. The IEP determined that a successful project was one that would be built within budget, would operate as intended and in accordance with the requirements set out by SPP and would be constructed in a safe manner. The IEP discussed its structure and a systematic approach in working together across all categories to ensure reasonability within the proposals. 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.

The IEP discussed its policy on seeking additional information from RFP Respondents. The IEP determined that each response would be evaluated based 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

In addition, the IEP determined that its role was to evaluate the information provided for reasonableness, feasibility, and for comparison, but not to serve as an audit function.

The IEP Direction to Respondents document was published on October 11, 2022.

The SPP Staff made the Proposals available to the IEP on February 23, 2023, 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 6.

Table 6
Letter Designation for Each Proposal

Letter Designation	Respondent
A	[REDACTED]
B	[REDACTED]
C	[REDACTED]

Section 2: IEP Scoring Category Methodologies

The primary and secondary panel expert for each scoring category developed a methodology to allocate a portion of the total points specified in Attachment Y for each scoring category - Engineering Design, Project Management, Operations, Rate Analysis, and Finance – to each of the criteria and sub-criteria that were identified to evaluate the RFP proposals and any additional factors. Each scoring category team presented its methodology to the full IEP for review and comment prior to receiving the proposals and prior to applying it to score the proposals.

To achieve consistency in its scoring approach, the IEP utilized the scoring methodology prescribed in SPP Business Practice 7700 (Table 1 above) to allocate points to the specific criteria/sub-criteria in each scoring category based upon information contained in each proposal, including attachments and appendixes, using this rubric.

An explanation of the maximum point allocations to each criteria and any related sub-criteria and the scoring matrices and point allocations for each scoring category are presented below.

Engineering Design

Attachment Y of the SPP Tariff allocates 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.

A summary of the Criteria and sub-Criteria:

1A.1 Type of Construction (Wood, Steel, Design Loading, etc.)

1A.1.1 Design Loading Criteria, NESC Assumptions, SPP MTDS

1A.1.2 Conductor Type/Name, Ampacity, Number of sub conductors, Line Emergency MVA

1A.1.3 Shield Wire Type/Name, number of Shield Wires, Size of Wire, Number of Fibers

1A.1.4 Structure Configuration, Quantity of Tangent, Deadend/Storm Structures, Foundations

1A.1.5 Insulators, Lightning/BIL

1A.1.6 Dampers

1A.1.7 Markers

1A.2 Losses (Design Efficiency)

1A.3 Estimated Life of Construction

1A.4 Reliability/Quality Metrics, Materials, ISO Cert, Design QA/QC

1A.5 Design Experience

1A.6 Other

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 28 range. Others were judged to have a more moderate impact or more easily accomplished and were assigned points ranging from 4 to 8. The point assignments for each criteria and sub-criteria 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 criteria affecting project success in Engineering Design and was assigned 106 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 a 28 point maximum 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 a 28 point 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 conductor size and associated capacity determine the usefulness/value of the asset. The conductor/capacity significantly determines the benefit of the asset over the 80 plus year life of the asset. The RFP specifies a minimum conductor ampacity of 3,000 amps based on the SPP planning process that led to the project moving forward. Conductor used also is the basis for the Line Losses criteria.

Shield Wire

Shield Wire was assigned an 8 point 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 a 24 point maximum. This sub-criteria is focused on structure type/configuration, self-supporting versus guyed structures, materials utilized, quantity of structures, quantity of dead end/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 an 8 point maximum. This is also an 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 6 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 a 4 point 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 a 28 point maximum. Losses (design efficiency) have significant financial implications and are important to the evaluation of the Project. Losses are a significant part of the overall value/benefits of the asset. Reduced Losses and the resulting financial savings are a benefit through the 80 plus year life of the asset. The RFP 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.

Estimated Life of Construction

Estimated Life of Construction was assigned a 20 point 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

Reliability and quality metrics was assigned a 20 point maximum. 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 a 20 point 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 criteria was assigned a 6 point maximum. This criteria is listed in the RFP Response Form Excel Workbook to recognize additional aspects or features of the proposal not included in other criteria.

Table 7 displays the weights and maximum points for the twelve criteria/sub criteria in the Engineering Design scoring category.

Table 7
Scoring Methodology 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) Design Loading Criteria	14%	28
	1a.2) Conductor Type/Name, Ampacity, Number of sub conductors	14%	28
	1a.3) Shield Wire Type/Name, Number of Shield Wires, Size of Wire	4%	8
	1a.4) Structure Configuration	12%	24
	1a.5) Insulators	4%	8
	1a.6) Dampers	3%	6
	1a.7) Markers	2%	4
	Sub-Total Criteria Pts	53%	106
1A.2 Losses (Design Efficiency)		14%	28
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		3%	6
Scoring Category Total		100%	200

Project Management

Attachment Y of the SPP Tariff assigns Project Management 200 points and designates 9 criteria for review: Environmental, Rights-of-way (ROW) acquisition, Procurement, Project Scope, Project development schedule, Construction, Commissioning, Timeframe to Construct, and Experience/Track Record.

The evaluation of each Proposal and the assignment from the available maximum 200 points was based upon the judgement and the expertise of the IEP. The information provided by each Proposal was reviewed and assigned points in accordance with Attachment Y of the SPP Tariff. The IEP reached its conclusions regarding each Proposals ability to complete the proposed Project within the scope, proposed budget, and on or before the earliest feasible in-service date, based solely on the information provided in each Proposal.

By its nature, the Project Management category and each of its criteria/sub-criteria are mostly qualitative rather than quantitative, leaving it to the judgement of the IEP to allocate an appropriate point level based on each Proposal’s response and referenced attachments.

The IEP allocated the highest points to criteria that were judged to have the most potential impact on the success of the Project.

Environmental, Project Scope and Development Schedule, and Construction were considered essential for the Project to proceed to scheduled completion and were allocated points in the 30 to 32 range. The IEP judged all other criteria to have relatively less impact and were allocated 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 were allocated points in the 24 to 26 range.

Criteria judged to have the least impact on the success of the Project, Procurement and Commissioning, were allocated points in the 10 to 20 range. The process of commissioning typically involves common procedures and therefore was allocated the least points.

The following is a description of all criteria, sub-criteria, and associated point designations.

Environmental

The Environmental Factors criteria was assigned a 32 point maximum and addresses six sub-criteria: Environmental Review and Permitting, Regulatory Approval Experience and Studies, Plans to obtain permits, Land and infrastructure crossings, Critical path milestones for approval, and Environmental personnel experience. These factors were weighted as indicated in the table below. For each of these sub-criteria, the 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. The IEP identified which Proposals were less than the Best, and allocated points at lower levels than the Best in accordance with the SPP Business Practices.

Rights of way acquisition (ROW)

The Rights of way acquisition criteria was assigned a 24 point maximum and addresses three sub-criteria: History of obtaining rights of way, Control of ROW segments, ROW personnel experience. These factors were weighted as indicated in the table below. For each of these sub-criteria, the IEP evaluation identified the Best and then identified which Proposals were less than the Best based on the Proposals and potential impediments to achieving the goals outlined above for the project. 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. If any are identified, the IEP allocated points at lower levels than the Best in accordance with the SPP Business Practices.

Procurement

The Procurement criteria was assigned a 20 point maximum and addresses six sub-criteria: Supply management systems, Quality of material proposed, QA/QC processes, Materials and labor acquisition, Supply chain risk identification, and Material procurement personnel experience. 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.

Project Scope and Development Schedule

The Project Scope and Development Schedule criteria was assigned a 32 point maximum and addresses seven sub-criteria: Project scope and major milestones, Best and worst case scenarios, Process and plans for managing project development scheduling, Gantt or equivalent chart demonstrating project construction schedule, Experience with similar projects, Stations interconnection planning, Project management personnel experience. 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.

Construction Plan

The Construction Plan criteria was assigned a 30 point maximum and addresses four sub-criteria: Construction project management experience, Safety protocols, Safety records, and Safety personnel experience. 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 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 Recordable Incident Rate (RIR), 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.

Testing and Commissioning

The Testing and Commissioning criteria was assigned a 10 point maximum and addresses four sub-criteria: Testing and commissioning activities, Substation interconnection commissioning agreements, Commissioning plans, and Commissioning personnel experience. The evaluation of sub-criteria 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 that were deemed Best provided the best evidence regarding how to commission the Project and coordinate with owners of the Crossroads, Hobbs and Roadrunner substations.

Time Frame to Construct

The Time Frame to Construct criteria was assigned a 26 point maximum and addresses three sub-criteria: Project timeline, milestones, and contingency plans, Addressing unforeseen delays and impact on completion date and projected cost, and Size and experience of construction crews. The Project timelines (best and worst), milestones, and interval times, 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 reasonableness for the time intervals of various milestones based on the experience of the IEP was also considered. The proposed size and experience of construction crews (internal or contractors) also were evaluated.

Experience of Construction Major Projects/Track Record

The Experience of Construction Major Projects/Track Record criteria was assigned a 24 point maximum and addresses four sub-criteria: Construction project management tools, Construction project personnel organization chart, List of prior EHV transmission line construction projects, Construction leadership personnel experience. Proposals rated Best demonstrated experience and strong track records in successfully constructing major EHV projects.

Other

The Other criteria was assigned a 2 point maximum and did not have sub-criteria. This criteria was discretionary to address items which may not have been anticipated in criteria 1-8 above.

Table 8
Scoring Methodology 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 (200)
2A.1) Environmental Factors	2A.1.1) Environmental Review and Permitting	3.0%	6
	2A.1.2) Regulatory Approval Experience & Studies	3.0%	6
	2A.1.3.) Plans to obtain permits	3.0%	6
	2A.1.4) Land and Infrastructure Crossings	3.0%	6
	2A.1.5) Critical path milestones for approval	1.0%	2
	2A.1.6) Environmental personnel experience	3.0%	6
	Sub-Total Criteria Pts	16.0%	32
2A.2) Rights-of-way (ROW) Acquisition	2A.2.1) History of obtaining ROW approvals	4.0%	8
	2A.2.2) Control of ROW segments	4.0%	8
	2A.2.3) ROW personnel experience	4.0%	8
	Sub-Total Criteria Pts	12.0%	24
2A.3) Procurement	2A.3.1) Supply Management System	1.0%	2
	2A.3.2) Quality of material proposed	2.0%	4
	2A.3.3) QA/QC processes	2.0%	4
	2A.3.4) Material and labor acquisition prices/cost assurance	2.0%	4
	2A.3.5) Supply chain risk identification	2.0%	4
	2A.2.6) Material procurement personnel experience	1.0%	2
	Sub-Total Criteria Pts	10.0%	20
2A.4) Project Scope and Development Schedule	2A.4.1) Project Scope and Major Milestones	2.0%	4
	2A.4.2) Best and worst case scenarios	3.0%	6
	2A.4.3) Process and plans for managing project development scheduling.	2.0%	4
	2A.4.4) Gantt or equivalent chart demonstrating project construction schedule	2.0%	4
	2A.4.5) Experience with similar projects	2.0%	4
	2A.4.6) Stations interconnection planning	3.0%	6
	2A.4.7) Project management personnel experience	2.0%	4
	Sub-Total Criteria Pts	16.0%	32
2A.5) Construction Plan	2A.5.1) Construction project management experience	5.0%	10
	2A.5.2) Safety Protocols	3.0%	6
	2A.5.3) Safety Records	3.0%	6
	2A.5.4) Safety personnel experience	4.0%	8
	Sub-Total Criteria Pts	15.0%	30
2A.6) Testing and Commissioning	2A.6.1) Testing and commissioning activities	2.0%	4

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	2A.6.2) Substation interconnection commissioning agreements	1.0%	2
	2A.6.3) Commissioning plans	1.0%	2
	2A.6.4) Commissioning personnel experience	1.0%	2
	Sub-Total Criteria Pts	5.0%	10
2A.7) Timeframe to Construct	2A.7.1) Project timeline, milestones, and contingency plans	6.0%	12
	2A.7.2) Addressing unforeseen delays and impact on completion date and projected cost	4.0%	8
	2A.7.3) Size and experience of construction crews	3.0%	6
	Sub-Total Criteria Pts	13.0%	26
2A.8) Experience of Construction Major Projects/Track Record	2A.8.1) Construction project management tools.	2.0%	4
	2A.8.2) Construction project personnel organization chart.	3.0%	6
	2A.8.3) List of prior EHV transmission line construction projects	4.0%	8
	2A.8.4) Construction leadership personnel experience	3.0%	6
	Sub-Total Criteria Pts	12.0%	24
2A.9) Other Comments		1.0%	2
Scoring Category Total		100.0%	200

Operations

Attachment Y assigns Operations a maximum of 250 points. The success of this Project hinges on successful reliable operations, maintenance, and safety. All Respondents were expected to demonstrate the ability to meet or exceed RFP requirements. Points for each Respondent were allocated based on the defined reliable operations, maintenance, and safety criteria and their underlying sub-criteria.

Since reliability is predicated on proper and timely maintenance, a higher overall weighting was placed on the maintenance focused scoring criteria. The maintenance focused criteria were allocated 90 points. These included Maintenance Plans and Maintenance Performance/Expertise each allocated 25 points followed by Maintenance Staff and Specialized Maintenance Equipment and Spare Parts each with 20 points. Restoration related categories were allocated a total of 42.5 points. These included Restoration Experience/Performance with 22.5 points and Storm/Outage and Emergency Response Plan with 20 points. Reliability Metrics are a reflection of the proactive operation, maintenance and outage response and therefore was allocated 30 points. NERC Compliance Process History is important as dedicating resources to compliance and developing related controls is indicative of a proactive commitment to reliability and was therefore allocated 30 points. The importance of reliable operations associated with the Project was then considered. Control Center Operations was allocated 20 points as it impacts not only real time operations but restoration and maintenance. Each of the safety focused scoring criteria were weighted 12.5 points for a total of 37.5 points. 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 criteria was assigned a 20 point maximum. Points were divided into three sub-criteria: 1) Transmission Operating Experience (10 points), 2) Staffing levels, (8 points) and 3) EMS support and performance (2 points). Transmission Operating Experience and Staffing Levels were deemed the most critical and therefore allocated the highest points.

Transmission Operating Experience

Each Respondent was asked to provide their experience related to operating transmission lines, the number and voltage of the lines they operate as well as their extra high voltage experience. Respondents were also asked to provide experience of Control Center staff, both management and operators. A Best proposal provided evidence of the most extensive Control Center Operations experience. Other proposals were scored based on the differences with the Best proposal.

Staffing Levels

Respondents were asked to provide the Control Center staffing levels by position during both normal and emergency criteria. The staffing levels were reviewed and compared to one another. The Best Proposal was determined considering management oversight for each shift, the number of qualified operators available to cover shifts and providing adequate coverage on nights and weekends. Other proposals were scored based on the differences with the Best Proposal.

EMS Support and Performance

The IEP Direction to Respondents requested each Respondent to provide the number of EMS support staff and their relevant experience, their location and how off hour support is provided. Also requested was EMS performance data based on the number of NERC reportable EMS events in the last 5 years. The proposal demonstrating the most EMS experience and a proactive commitment to providing EMS support, with minimal NERC Reporting EMS events was scored as Best. Other proposals were scored based on the differences with the Best proposal.

Storm/Outage and Emergency Response Plan

The Storm/Outage and Emergency Response Plan criteria was assigned a 20 point maximum. Points were divided into two sub-criteria: Storm, outage and emergency response plans (15 points) and Strategy regarding replacement/rebuilds, specific to the competitive upgrade following a catastrophic, on-site failure or extraordinary event or circumstance (5 points). The Storm, outage and emergency response plans were allocated more points as the occurrence of this scenario is most frequent.

Storm, outage and emergency response plans

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. A Best proposal provided sufficient staff as well as staffing options. Other proposals were scored as Good based on the difference from the proposals with the Best score.

Strategy regarding replacement/rebuilds following a catastrophic, on-site failure or extraordinary event or circumstance.

The IEP Direction to Respondents asked Respondents to describe their strategy regarding infrastructure replacements/rebuilds of the Project following a catastrophic, on-site failure or extraordinary event or circumstance. A Best proposal provided a detailed description of the strategy. Other proposals were scored based on the differences with the Best proposal.

Reliability Metrics

Reliability Metrics was assigned a 30 point maximum. Points were divided into three sub-criteria: Reported Outage-based Metrics by Outage Category (12.5 points), Reported Reliability-based Metrics – Momentary and Permanent Normalized (12.5 points), and Corporate Reliability Metrics (5 points). The Outage-based metrics and Reported Reliability-based Metrics – Momentary and Permanent Normalized sub-criteria were deemed equally important and therefore received the highest number of points. The Corporate Reliability Metrics are a tool for management to monitor and take actions upon negative trends. Though important to maintain or improve reliability it was allocated the lowest number of points as it is not a direct measure of reliability.

Reported Outage-based Metrics-By Category

The IEP Direction to Respondents requested each Respondent to provide NERC TADS metrics of its operational 300-399 kV history as categorized by initiating cause codes (power system condition, lightning, human error, failed AC equipment, vegetation). The metrics for each Respondent were then evaluated and compared to one another. The Respondent with the better metrics was given the Best score. Other proposals were scored based on the differences with the Best proposal.

Reported Reliability-based Metrics-Momentary and Permanent Normalized

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 count of 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 received the Best score. Other proposals were scored based on the differences with the Best proposal.

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. A proposal with the most comprehensive metrics received the Best score. Other proposals were scored based on the differences with the Best proposal.

Restoration Experience/Performance

The Restoration Experience/Performance criteria was assigned a maximum of 22.5 points, which were reassigned to the sub-criteria of Past Restoration Experiences/Performance (17.5 points) and Emergency Resources and Locations (5 points). The RFP limited the data to that of similar size and scope of the Project. Past restoration experience/performance was allocated the most points as this is indicative of the Respondent being proactive and having efficient processes.

Past Restoration Experience/Performance

Point allocations were based upon a proposal's performance data relevant to these experiences, including staff performance, resource utilization, and overall duration of restoration. Proposals whose experience and performance exceeded the other proposals received the Best score. Other proposals were scored based on the differences with the Best proposal. Other proposals were scored based on the differences with the Best proposal.

Emergency Resources

Proposals were evaluated based on the availability of the emergency resources, i.e., owned, leased or provided under prearranged contracts. The proposal whose emergency resources were more readily available received the Best score. Other proposals were scored based on the differences with the Best proposal.

Maintenance Staffing/Training

Maintenance Staffing/Training was assigned a 20 point maximum. Points were divided in to three sub-criteria; Field Personnel Routine Training and Safety Program (5 points), Field Operations Organizational Size who perform Planned Maintenance and Forced Outage Activities grouped together (7.5 points) and the Relevant Experience of Field Personnel (7.5 points). Field Operations Organizational Size and Relevant Experience of Field Personnel were deemed slightly more important as the size of the organization and experience of its field staff are critical in supporting the Competitive Upgrade and therefore allocated the highest points, 7.5 each.

Field Personnel Routine Training and Safety Program

Points were allocated based upon the quality of the Respondent’s field personnel training and safety program including qualifications, certification requirements, the process to track completion of certification requirements and refresher training. The most thorough Respondent training and safety program received the Best score. Other Proposals were scored based on the differences with the Best Proposal.

Field Operations Organizational Structure

Points were allocated based upon the available resources, employees or contractors, available for maintenance and responding to forced outages. The Proposal with the greater available resources, received a Best score. Other Proposals were scored based on the differences with the Best Proposal.

Relevant Experience of Field Personnel

Points were allocated based on the relevant experience of the Respondent’s maintenance staff including contracted services. The Proposal with the most overall relevant experience was given the Best score. Other Proposals were scored based on the differences with the Best proposal.

Maintenance Plans

The Maintenance Plans criteria was assigned a 25 point maximum. Points were divided into three sub-criteria; Planned Maintenance Process and Philosophy (12.5 points), Vegetation Management and Mitigation Strategies (2.5 points) and the ability and expertise to perform 345KV live line maintenance (10 points). Planned Maintenance Process and Philosophy was viewed as the most significant as it directly relates to reliability while also providing opportunities to identify vegetation issues through routine patrols. The ability and expertise of the bidder to perform live 345KV line maintenance is important in keeping the line in-service during maintenance and therefore received the second highest points. Vegetation Management received the remaining points.

Planned Maintenance Process and Philosophy

The description of planned maintenance processes, tools and management metrics in each proposal were evaluated. The evaluation included a review of preventive maintenance criteria, staffing and

resource mobilization philosophies, anticipated composition of staff and resources both internally and external, and anticipated location of a base of operations during maintenance activities. The evaluation also included the scope and frequency of routine inspections and how they will be performed, the plan to gain access to substations, descriptions of their computerized maintenance management system and maintenance metrics of upcoming and completed maintenance. Any unique proactive maintenance processes were also evaluated. Proposals were compared against one another, highlighting differences and best practices. Proposals that include proactive approaches and better metrics received the Best score. Other proposals were scored based on the differences with the Best proposal.

Vegetation Management and Mitigation Strategies

Each proposal’s vegetation management and mitigation strategy, including identification of adapted industry standards, was examined. The Proposal that provided more details compared to their peers received the Best score. Other proposals were scored based on the differences with the Best proposal.

Ability and Expertise to Perform 345 kV Live Line Maintenance

The live line training and experience in performing 345 kV live line maintenance was evaluated. The Proposals were compared to one another taking into account training as well as how frequent each Respondent performs 345 kV live line maintenance. Proposals that provided more details regarding the ability to perform live line work received the Best score. Other proposals were scored based on the differences with the Best proposal.

Specialized Maintenance Equipment and Spare Parts

The Specialized Maintenance Equipment and Spare Parts criteria was assigned a 20 point maximum. Points were divided into two sub-criteria; Spare Parts Strategy (15 points) and Specialized Equipment or Services (5 points). The Spare Parts Strategy was deemed critical and therefore allocated the most points.

Spare Parts Strategy

The Respondents were asked to provide description of their spare parts strategy in regard to balancing the procurement, storage, maintenance, management, and sufficiency of parts and equipment; and the acquisition of spare parts and equipment including replacements that may have a long lead time for procurement. Respondents were also asked to describe their supply chain risk management policy for equipment and parts associated with this competitive upgrade, warehouse inventory management system, including how the need to re-order is identified and the process for initiating purchases and to provide any plans to stock emergency towers. The proposal whose strategy was most comprehensive with controls in place to address long lead time items and plans to stock emergency towers received the Best score. Other proposals were scored based on the differences with the Best proposal.

Specialized Equipment or Services

The IEP Direction to Respondents requested Respondents to identify any specialized equipment or services that will be necessary for the completion of the maintenance activities as well as the plans to

house or store such equipment, including geographic location. The Proposal with plans to have specialized equipment on hand or service agreements in place received the Best score. Other proposals were scored based on the differences with the Best proposal.

Planned Maintenance Performance/Expertise

The Maintenance Performance/Expertise criteria was assigned a 25 point maximum. Point allocations were based upon a proposal’s description of past maintenance experiences for facilities of similar size and scope to the Project. The 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. The Proposal with the better percent on time and on budget completion percentages was scored as Best. Other proposals were scored based on the differences with the Best proposal.

NERC Compliance Process History

The NERC Compliance Process History criteria was assigned a 30 point maximum. Points were divided into three sub-criteria; Internal Reliability Compliance and Risk Management Programs (15 points), Current NERC Registrations (10 points), and Organization, Structure and Integration (5 points). Reliability Compliance and Risk Management Programs were deemed the most important as controls are instrumental in achieving compliance. Current NERC Registrations was deemed the second most important as experience with the NERC Standards and past NERC audits aid in compliance.

Internal Reliability Compliance and Risk Management Programs

The IEP Direction to Respondents requested information regarding Respondents’ internal reliability compliance and risk management programs, including measurement and frequency of conducting compliance assessments as well as any associated application or software tools. The Proposal with the most robust controls was scored as Best. Other proposals were scored based on the differences with the Best proposal.

Current NERC Registrations

The IEP Direction to Respondents requested each Respondent to identify their NERC functional registrations and Compliance Registry Identifier along with the date registration initially began. If not registered the Respondent was asked to describe their plans to register with the ERO Enterprise, and if they do not plan to register, how they intend to satisfy the Transmission Owner and Transmission Operator functions. Note that contracting Control Center or Maintenance responsibilities to organizations who are registered was considered acceptable. In those cases, the registration of the contractor would be evaluated and compared to the other Proposals. [REDACTED] Other Proposals were scored based on the differences with the Best Proposal.

Compliance Organization, Structure and Integration

The IEP Direction to Respondents requested each Respondent to describe how the competitive upgrade will be integrated into the Respondent’s reliability compliance program and the Respondent’s reliability compliance organizational structure, including the organizational level of dedicated (i.e., primary responsibility) compliance support and assessment staff. The Proposal with dedicated compliance staff including a manager to oversee and assist with compliance scored higher. Other Proposals were scored based on the differences with the Best Proposal.

Internal Safety Program

The Internal Safety Program criteria was assigned a 12.5 point maximum. Points were divided into three sub-criteria; Internal Safety Protocols and Procedures (5 points); Safety Training, and Current Initiatives (5 points) and Staff Credentials (2.5 points). Internal Protocols and Procedures and Safety Training and Current Initiatives were deemed the most important as they form the foundation of an effective safety program and therefore shared the highest maximum scores.

Internal Safety Protocols

The IEP Direction to Respondents requested each Respondent to describe their internal safety protocols that will be followed during operations and maintenance activities associated with this competitive upgrade, including manuals, training, certifications, awards, and site-specific or hazard-specific environmental, health, and safety documents; Safety Tag, Hot Line Tag, or Lockout-Tagout procedure and grounding and clearance safety procedures. Since the Project does not include breakers and switches, the Respondents were asked to describe the process for how the Respondent will coordinate with the connected station field personnel responsible for switching to provide their field maintenance staff with a clearance or no reclose assurance. The Best score was assigned based on the thoroughness of the procedures documenting the safety protocols and processes. Other proposals were scored based on the differences with the Best proposal.

Safety Training

The IEP Direction to Respondents requested each Respondent to describe the required safety training and current safety initiatives applicable to maintenance staff. The Respondent providing the most comprehensive safety training received the Best score. Other Proposals were scored based on the differences with the Best Proposal.

Staff Credentials

The IEP Direction to Respondents requested each Respondent to provide the resumes or experience and certification descriptions of staff assigned oversight and supervision responsibilities for maintenance site safety. The Proposal identifying the most qualified staff through experience and maintained certifications received the Best score. Other Proposals were scored based on the differences with the Best Proposal.

Contractor Safety Program

The Contractor Safety Program criteria was assigned a 12.5 point maximum. Points were divided into three sub-criteria; Contractor Required Internal Safety Protocols (5 points); Evaluation of Contractor's Past Safety Performance (5 points) and Evaluation of Contractor Staff and Training Credentials (2.5 points). Contractor Internal Safety Protocols and the Evaluation Past Safety Performance were deemed the most important as they are critical in assessing a contractor's safety program and therefore shared the highest maximum scores.

Contractor Required Safety Protocols

The IEP Direction to Respondents requested each Respondent to describe the Respondent's requirements for its contractor(s) to follow involving environmental, health, and safety protocols that will be used during maintenance activities associated with this competitive upgrade. The Proposal with the most thorough requirements was scored Best. Other proposals were scored based on the differences with the Best proposal.

Evaluation of Contractor's Past Safety Performance

The IEP Direction Respondents requested each Respondent to describe the Respondent's evaluation of its contractors' past safety performance. The Proposal with the most robust evaluation process was scored Best. Other proposals were scored based on the differences with the Best proposal.

Contractor Staff Credentials

The IEP Direction Respondents requested each Respondent to describe the Respondent's evaluation of its contractors' safety and training staff credentials, including experience and required certifications. The Proposal identifying the most thorough evaluation of the safety and training staff received the Best score. Other proposals were scored based on the differences with the Best proposal.

Safety Performance Record

The Safety Performance Record criteria was assigned a 12.5 point maximum. Points were divided into five sub-criteria; Experience Modification Rate (EMR), Total Recordable Incident Rate (TRIR), Days Away, Restricted or Transferred (DART), Maintenance Related Injuries and OSHA Enforcement Actions. The OSHA Enforcement Actions were included to be able to detect a positive or negative trend. All five sub-criteria were considered as equally important and therefore waited equally with 2.5 points.

Each proposal's description of safety performance records for 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. For each sub-criteria, the Proposal presenting the best result was scored as Best. Other proposals received a score from Better to Good based on the differences with the Best score. Also considered were the number of Fatalities, Deaths, Dismemberments, and Hospitalizations as well as OSHA Enforcement Actions. Those with no Fatalities, Deaths, Dismemberments, and Hospitalizations as well as OSHA Enforcement Actions were scored Best.

Table 9 displays the weights and maximum points for the criteria and sub-criteria in the Operations scoring category.

Table 9
Scoring Methodology 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.)	Transmission Operating Experience - 3A.1.1, -2, -4 Operating transmission lines Transmission Operating Experience - 3A.1.5 Control Center staff experience	4.0%	10
	3A.1.6,-7 Staffing levels for competitive upgrade	3.0%	8
	3A.1.8 EMS support and performance	1.0%	2
	Sub-Total Criteria Pts	8.0%	20
3A.2) Storm/Outage and Emergency Response Plan	3A.2.1 Storm, outage, and emergency response plans.	6.0%	15
	3A.2.2 Strategy regarding replacement/rebuilds, specific to the competitive upgrade following a catastrophic, on-site failure or extraordinary event or circumstance	2.0%	5
	Sub-Total Criteria Pts	8.0%	20
3A.3) Reliability Metrics	3A.3.1 Reported Outage-based Metrics - By category	5.0%	12.5
	3A.3.2 Reported Reliability-based Metrics - Momentary and Permanent Normalized	5.0%	12.5
	3A.3.3 Corporate Reliability Metrics	2.0%	5
	Sub-Total Criteria Pts	12.0%	30.0
3A.4) Restoration Experience/Performance	3A.4.1 Past Restoration Experience/Performance	7.0%	17.5
	3A.4.2 Emergency resources	2.0%	5
	Sub-Total Criteria Pts	9.0%	22.5
3A.5) Maintenance Staffing/Training	3A.5.1 Field Personnel Routine Training and Safety Program	2.0%	5
	3A.5.2-3 Field Operations Organizational Size who perform; a. Planned maintenance b. Forced outage activities	3.0%	7.5
	3A.5.4 Relevant experience of field personnel	3.0%	7.5
	Sub-Total Criteria Pts	8.0%	20.0
3A.6) Maintenance Plans	Planned Maintenance Process and philosophy - 3A.6.1 Transmission Line Planned Maintenance Processes - 3A.6.2 Preventive and predictive maintenance plans - 3A.6.4 Computerized maintenance management system - 3A.6.5 Maintenance metrics of upcoming and completed maintenance	5.0%	12.5
	3A.6.3 Vegetation Management and Mitigation Strategies	1.0%	2.5
	3A.6.6 Ability and expertise to perform 345KV live line maintenance.	4.0%	10
	Sub-Total Criteria Pts	10.0%	25.0

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3A.7) Specialized Maintenance Equipment and Spare Parts	Spare Parts Strategy - 3A.7.1 Strategy for balancing the procurement, storage, maintenance, management, and sufficiency of parts and equipment - 3A.7.3 Supply chain risk management policy for equipment and parts - 3A.7.7 Warehouse inventory management system, including how the need to re-order is identified and the process for initiating purchases - 3A.7.2 Acquisition of spare parts or equipment that may have a long lead time for procurement - 3A.7.4 Replacement of spare parts or equipment that may have a long lead time for procurement	6.0%	15
	Specialized Equipment or Services - 3A.7.5 Identify specialized equipment or services that are necessary for the completion of the maintenance activities - 3A.7.6 Describe entity’s plans to house or store such equipment, including geographic location	2.0%	5
Sub-Total Criteria Pts		8.0%	20
3A.8) Maintenance Performance/Expertise	Past maintenance experience.	10.0%	25
Sub-Total Criteria Pts		10.0%	25
3A.9) NERC Compliance Process History	3A.9.1 Internal Reliability Compliance and Risk Management Programs	6.0%	15
	3A.9.2 Current NERC registrations	4.0%	10
	Organization, Structure and Integration - 3A.9.3 Integration into the Respondent’s reliability compliance program - 3A.9.4 Organizational Structure & Staffing	2.0%	5
Sub-Total Criteria Pts		12.0%	30.0
3A.10) Internal Safety Program	Internal Protocols and Procedures - 3A.10.1 Safety, environmental and health documents - 3A.10.2 Respondent’s Safety Tag, Hot Line Tag, or Lockout-Tagout procedure - 3A.10.3 Respondent’s grounding and clearance safety procedure	2.0%	5
	3A.10.4 Safety Training and current initiatives	2.0%	5
	3A.10.5 Staff Credentials	1.0%	2.5
	Sub-Total Criteria Pts		5.0%
3A.11) Contractor Safety Program	3A.11.1 Contractor required Internal Safety Protocols	2.0%	5
	3A.11.2 Evaluation of contractors' past safety performance.	2.0%	5
	3A.11.3 Evaluation of contractor's Safety & Training Staff Credentials	1.0%	2.5
Sub-Total Criteria Pts		5.0%	12.5
3A.12) Safety Performance Record	3A.12.1 EMR (lower better)	1.0%	2.5
	3A.12.2 TRIR (1.1)	1.0%	2.5
	3A.12.3 DART (lower better)	1.0%	2.5
	3A.12.4 Maintenance related injuries	1.0%	2.5
	3A.12.5 OSHA enforcement actions	1.0%	2.5
Sub-Total Criteria Pts		5.0%	12.5
3A.13) Other Comments			
Scoring Category Total		100%	250.0

Rate Analysis

The scoring methodology for the Rate Analysis section (Cost to Customer) is based on Attachment Y criteria, which assigns 225 points to this scoring category. As stated in Attachment Y, the Rate Analysis section measures an RFP Respondent’s cost to construct, own, operate, and maintain the Competitive Upgrade over a forty (40) year period.

In the IEP Direction to Respondents document published on October 11, 2022, the scoring of the Rate Analysis category used the criteria as listed in Attachment Y grouped within three primary evaluation sub-categories: Total Cost of the Project - RFP Response Estimate (RRE); Present Value Revenue Requirement (PVRR); and Other Attachment Y factors, which could reduce the cost and risk of the Project.

It was further stated in the IEP Direction to Respondents document for the Rate Analysis category that points for the first two evaluation categories (RRE and PVRR) will be awarded based on the lowest cost numbers (i.e., the lower the cost numbers for RRE and PVRR, the higher the points awarded in each of these categories). The scoring in each of these categories could also be conditioned on the cost proposal meeting the requirements of the other IEP evaluation sections. The third and final evaluation category Other Attachment Y Factors, will have a lesser number of points assigned to it than the other two categories. Points will be awarded based on a detailed, quantitative response that demonstrates a reduction in the cost related risk of the Respondent’s proposed Project.

The IEP determined that the RRE and PVRR are two distinct rating criteria which are equally important in determining the cost to customers. As a result of this determination, the IEP assigned 101.25 points to scoring both the RRE criteria and the PVRR criteria. The IEP made this equal assignment of points to reflect the equal importance of the RRE (cost to construct the Competitive Upgrade) and the PVRR (the cost to own, operate, and maintain) as set forth in Attachment Y. The IEP also assignment 22.5 points to Other Attachment Y Factors.

To reflect further the importance of scoring the RRE and PVRR separately and assigning equal amounts of points to each criteria, the IEP offers the following logic for this rationale.

RRE

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 2 B, while the PVRR is the ongoing cost to operate and maintain the CU over a forty (40) year period.

Another reason it is important to evaluate and score the RRE is outlined in the Request for Proposal, in Section 2.6 RFP Proposal Cost Estimate.

“Respondents must include an RFP Response Estimate (RRE) as further described in [SPP Business Practice 7060](#)”. The RRE was used by the IEP to evaluate the RFP Proposal that will be included in the reports given to the SPP. This panel unanimously agreed additional focus should be put on the RRE and not solely on PVRR. Since the RRE will be used as the established baseline for

reporting all cost estimate changes during the Project Tracking process and will be the basis for determining project cost variance.

PVRR

As stated above the RRE is based on the cost to construct the project including materials, labor, equipment, and other non-material costs. While the PVRR uses some different cost components to calculate its value, it does use as a starting point for its calculations the RRE less AFUDC. Using this adjusted RRE number then the RFP Response Form Excel Workbook calculates the ongoing cost of safely operating and maintaining the project based on using the investment number as a starting point for the PVRR calculation. The costs of operating the project include depreciation, the discount rate, various taxes, operating and maintenance expenses, administration and general expenses, the recovery of the Respondent’s weighted average cost of capital, any adjustments to the rate base such as cash working capital, and other operating costs of the project (see Tab 3 – PVRR for a detailed list of the cost items).

In summary, the reason for scoring RRE and PVRR as two distinct criteria is the difference between a Respondent’s costs to construct the project versus a Respondent’s costs to operate and maintain the project.

The PVRR calculation includes the following Attachment Y criteria:

4A.1: RFP Response Estimate (RRE) total 2(Tab 2B cell C36 of the Excel Workbook)

4A.2: Financing costs

4A.3: FERC incentives

4A.4: Revenue Requirements - Provide an estimated present value revenue requirement (PVRR) for this RFP Proposal by completing Tabs 3-3G of the RFP Response Form Excel Workbook

4A.5: Lifetime cost of the Project to customers

4A.6: Return on Equity

The PVRR is calculated using a formula in the RFP Response Form Excel Workbook that is populated by each Respondent. ³It represents an objective measure of comparing the 40-year rate impact of the

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

³ 7700 Order 1000: Competitive Upgrade Request for Proposal (RFP) Process, page 168 state the following:

“For the purposes of meeting requirements in Attachment Y, Section III of the Tariff, RFP Respondents are required to use the SPP PVRR template (found on tabs 3 of the RFP Excel Response form). If selected, the RFP Respondent is required to file a rate template utilizing the same terms and conditions specified in its RFP Response (i.e., Return on Equity, capital structure, etc.). Upon the selected DTO’s filing of the formula rate to FERC, SPP will verify that the conditions stipulated in the winning bid and associated ATRR are consistent with the formula rate filing submitted. Filings at FERC that differ from what was provided in the RFP Response may be subject to protest.

Project on transmission rates that SPP customers pay.

The third and final evaluation category will have a lesser number of points assigned (22.5 points) to it than the other two categories. Points will be awarded based on a detailed, quantitative response that demonstrates a reduction in the cost related risk of the Respondent’s proposed Project, including the following Attachment Y criteria:

- **4A.7:** The Quantitative Cost Impact of Material on Hand, Assets on Hand, Rights-of-Way Ownership, Control, or Acquisition
- **4A.8** Cost Certainty Guarantee
- **4A.9** Other comments

The IEP reviewed all of the proposal documents submitted by Respondents for the Rate Analysis category. The IEP reviewed the proposal submissions numerous times before scoring the proposals using the evaluation criteria discussed above.

The IEP verified that the information populated in the RFP Response Form Excel Workbook flowed correctly from worksheet to worksheet. The IEP also verified that there were no glaring discrepancies between the numerical information in the RFP Response Form Excel Workbook and the proposal narrative. The IEP not only looked at the calculation of the RRE and PVRR but also the information in the tabs and worksheets that flowed into the calculation of these numbers as part of the ranking and scoring process.

The IEP identified for evaluation purposes where the numbers in a proposal ranked in comparison to other proposals. For evaluating and scoring purposes, the IEP did score proposals based on the criteria and sub-criteria outlined in the scoring section with proposals with a lower value RRE and PVRR being awarded more points than proposals with higher value RREs and PVRRs, as long as those proposals satisfactorily met the criteria in the other IEP scoring categories.

RRE Scoring Methodology

The IEP utilized a two-step process for the RRE scoring methodology. The first step in this process was to determine if a Respondent provided the required RRE information for the Rate Analysis section as outlined in the Crossroads-Hobbs-Roadrunner RFP. If a Respondent did comply with these RFP standards for the RRE criteria, then it was awarded half of the maximum of 101.25 points (i.e., 50.625). If a Respondent failed to comply with the RFP standards, then it was scored at less than 50.625 points based on the information provided in its proposal.

First Step RRE Points – 50.625, if the Respondent complied with the RFP standards for the RRE Criterion.

The second step of the RRE scoring process was to assign to each proposal a percentage of the remaining 50.625 points, with the proposal with the lowest RRE receiving 100% of the remaining 50.625 points and the remaining proposals pro-rata shares of the 50.625 points based on their percentage relationship to the lowest RRE.

Once this two-step process was completed, then the points awarded for the first step of the scoring process were added to the points awarded for the second step for a combined total RRE score for each proposal.

Total RRE Points = Points from the 1st step of the scoring process + Points from the 2nd step of the scoring process

Each Respondent’s Estimated Total Cost of the Project (RRE) was obtained by the IEP from each proposal submission. The IEP listed each Respondent’s RRE and compiled several tables and charts to compare the lowest to the highest dollar value of each Respondents’ RRE to the other proposal’s RREs for evaluation and scoring purposes. The IEP also developed other tables and charts to illustrate key components of the RRE calculation.

PVRR Scoring Methodology

The IEP utilized a two-step process for the PVRR scoring methodology similar to what was done for the RRE scoring. The first step was to determine if a Respondent provided the required PVRR information for the Rate Analysis section as outlined in the Crossroads-Hobbs-Roadrunner RFP. If a Respondent did comply with these PVRR RFP standards, then it was awarded a maximum of 50.625 points out of the 101.25 total points for compliance with these filing standards. If a Respondent failed to comply with the PVRR RFP standards, then it was scored at less than 50.625 points based on the information provided in its proposal.

First Step PVRR Points = 50.625, if the Respondent complied with the RFP standards for the PVRR Criterion

The second step of the PVRR scoring process was to assign to each proposal a percentage of the remaining 50.625 points, with the proposal with the lowest PVRR receiving 100% of the remaining 50.625 points and the remaining proposals pro-rata shares of the 50.625 points based on their percentage relationship to the lowest PVRR.

Once this two-step process was completed, the points awarded for the first step of the scoring process were added to the points awarded for the second step for a combined total PVRR score for each proposal.

Total PVRR Points = Points from the 1st step of the scoring process + Points from the 2nd step

Each Respondent’s response to its PVRR ROE was obtained by the IEP from each proposal submission. In this section of the report the IEP listed each Respondent’s PVRR ROE and compiled tables and charts which compare the lowest to the highest dollar value of each Respondents’ PVRR ROE to the other Respondent’s PVRR ROE for evaluation and scoring purposes. The IEP also analyzed and examined the worksheets which flowed into the PVRR ROE such as Investment, O&M expense, A&G expense, AFUDC, and other additions to Rate Base. To illustrate the dollar difference from the lowest to the highest PVRR dollar value, several tables and charts were compiled showing the dollar differences by each proposal for the PVRR ROE lowest value submitted. The IEP also constructed other tables and charts to illustrate key components of the PVRR calculation.

Other Attachment Y Factors

As stated in the Directions to the Respondents, points will be awarded based on a detailed, quantitative response that demonstrates a reduction in the cost related risk of the Respondent’s proposed Project. With these scoring criteria in mind, the IEP thoroughly reviewed all Respondents’ submissions for Other Attachment Y Factors and concluded, the Cost Certainty Guarantee submissions produced highest level of quantitative responses which demonstrated a reduction in costs related risks to the Respondent’s proposals, compared to Other Attachment Y Factors scoring categories. This was evidenced by those Respondents who submitted the Section 4A.8 Cost Certainty Guarantee table as part of their cost cap/guarantee proposal(s). Based on this analysis the IEP assigned the remaining 22.5 points to the Cost Certainty Guarantee scoring criteria.

The scoring methodology point designation for Rate Analysis section is shown in Table 10.

Table 10
Scoring Methodology 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>	Sub-criteria	Weight	Total Pts (200)
4a) Estimated Total Cost of Project (RFP Response Estimate - RRE)		45%	101.25
4b) Present Value Revenue Requirement (PVRR)	4b.1) Financing Costs		
	4b.2) FERC Incentives		
	4b.3) Revenue requirements		
	4b.4) Lifetime Cost of the Project to Customers		
	4b.5) Return on Equity		
	Sub-Total Criteria Pts		45%
4c) Other Attachment Y Factors	4c.1) The quantitative cost impact of material on hand, assets on hand, rights-of-way ownership, control, or acquisition		
	4c.2) Cost Certainty guarantee		
	4c.3) Other Comments		
	Sub-Total Criteria Pts		10%
Scoring Category Total		100%	225

Finance

The SPP Tariff, Attachment Y provides a maximum of 125 points for scoring the Finance section of RFP responses, characterized and assigned to ten criteria related to financial viability or creditworthiness. The panel sought to evaluate Respondents’ descriptions, documentation and analyses for indications of differences in the plans and preparations of the respective Respondents to meet the demands of financing the Competitive Upgrade in a competitive process. The Direction to Respondents reiterated: “All proposals must provide projections and assumptions for inputs and responses to the criteria described in Attachment Y.” The weights and scoring of the criteria were selected to reveal differences in the proposals’ presentation of their preparations to define a financing strategy, collect meaningful inputs and provide sound support for the assumptions in financial projections of the costs of their proposal.

The scoring in Section 5 Finance employed the two Attachment Y categories of Financial Viability and Creditworthiness. Financial viability is generally the project’s ability to generate sufficient income to meet operating payments and debt commitments. Points allocated for categories in the RFP for Financial Viability include criteria of Evidence of Financing (20 points in 5A.1), Pro Forma Financial Statements (15 points in 5A.4), Expected Financial Leverage (10 points in 5A.5), Projected Liquidity (15 points in 5A.7), Dividend Policy (5 points in 5A.8), and Cash Flow Analysis (15 points in 5A.9). These items represent approximately two-thirds of the points to be awarded in this section.

Creditworthiness is generally a reflection of lenders willingness to trust a borrower to pay their debts. Points allocated for creditworthiness include the Material Conditions (5 points in 5A.2), Financial/Business Plan (15 points in 5A.3), Debt Covenants (10 points in 5A.6), and the additional criteria, Demonstration of Financial Strength (15 points in 5A.10).

The Respondents that support the assumptions for external factors and expectations for inputs to this section were scored higher than the Respondents that did not support the expectations or assumptions. Credit reports are identified in the RFP Response Form for Attachment Y criteria of Evidence of Financing (5A1) and Demonstration of Financial Strength (5A.10). Where bids indicate corporate-level financing, rather than project-specific financing, credit reports are more important in the evaluation of Respondent’s financial viability and creditworthiness.

Table 11
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>	Sub-criteria	Weight	Total Points
5A.1) Evidence of Financing		16%	20.00
5A.2) Material Conditions		4%	5.00
5A.3) Financial/Business Plan		12%	15.00

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5A.4) Pro Forma Financial Statements		12%	15.00
5A.5) Expected Financial Leverage		8%	10.00
5A.6) Debt Covenants		8%	10.00
5A.7) Projected Liquidity		12%	15.00
5A.8) Dividend Policy		4%	5.00
5A.9) Cash Flow Analysis		12%	15.00
5A.10) Demonstration of Financial Strength		12%	15.00
Scoring Category Total		100%	125.00

Section 3: IEP Scoring Category Results

Engineering Design

The scoring methodologies described in Section 2 were used to allocate points to each criteria and sub-criteria based upon information in each proposal.

A total of three Proposals from two entities were submitted - Proposal A and B from one entity and Proposal C from a separate entity.

Point allocations were made to each criteria/sub-criteria for each proposal based on the information submitted in the RFP response documents. 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 criteria/sub-criteria. 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. The attribute information was collected and was organized in a side-by-side manner for each of the 12 criteria and sub-criteria, to assist in a comparison across all proposals and determine an Unacceptable/Acceptable/Good/Better/Best rating. Points were then allocated based on the scoring methodology described in Section 2 above.

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 were based on a single pole (steel or concrete). Two Proposals utilized braced post insulators. One Proposal utilized a davit arm with either V-String or I-String suspension insulators. One Proposal utilized self-supporting angle and dead-end structures (no down guys) and received a higher score in this sub-criteria attribute.
- 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.

- Conductor size ranged from 795 kcmil to 1033 kcmil. Associated line losses also varied.

A more detailed explanation follows for the allocation of points within the 12 criteria and sub-criteria across the three Proposals.

Type of Construction

The Type of Construction criteria was assigned 106 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 106 points assigned to the criteria Type of Construction was made through the evaluation of the seven sub-criteria.

Design Loading

The Design Loading sub-criteria was assigned a maximum of 28 points. The Design Loading Criteria/Design Criteria in each proposal was initially reviewed, with a focus compliance with SPP MTDS, 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 including NESC (three loading cases), ASCE (five loading cases), broken wire case, and if the design allowed for live line maintenance.

This information was compared across all the Proposals and evaluated using the scoring methodology to categorize each Proposal as Unacceptable, Acceptable, 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 where compared and points were assigned accordingly.

Scoring ranged from Better 21 to Best 28. Proposal C was 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 28 points. Multiple attributes were evaluated, including conductor size (kcmil), conductor type, the emergency rating (Amps), 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.

Scores ranged from 21 Better to 28 Best, with Proposal B receiving 28 primarily because it utilized a larger conductor size.

Shield Wire

The Shield Wire sub-criteria was assigned a maximum of 8 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.

Attribute included the proposed size, type, number of shield wires, fiber optic capabilities, the number of fibers, and compliance with MTDS were noted. 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 per 100 miles per year were assigned higher points. Also, all Proposals were evaluated for compliance with the RFP requirement for dual communication paths.

Score ranged from 6 Better to 8 Best, with Proposals A and B receiving 8 points based on the side-by-side comparison of the attributes listed above.

Structure Configuration

The Structure Configuration sub-criteria was assigned a maximum of 24 points. Attributes included 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, if included 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-criteria.

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.

Scoring ranged from Better 22 to Best 24. Proposals A and B were deemed Best because they had the highest number of structures, dead end/storm structures, and better Geotech investigations.

Insulators

The Insulators sub-criteria was assigned a maximum of 8 points. Attributes included configuration (Vee String compared to Braced Post, for example), the material (glass or polymer, for example), and the Basic Insulation Level (BIL) rating and the type and material of the proposed insulators.

The BIL and flashover performance were compared. In general, Proposals with higher/better values were allocated more points.

Proposals C was rated as Best as it had higher BIL insulator ratings.

Dampers

The Dampers sub-criteria was assigned a maximum of 6 points. Attributes included 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-criteria was assigned a maximum of 4 points. Attributes included any FAA studies presented, 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 criteria was assigned a maximum of 28 points. Losses was one of the criteria with the highest maximum points, as Losses reflect the energy efficiency of the design and have significant financial implications. Reduced losses and the resulting financial savings are a benefit through the 80 plus year life of the asset.

Attributes include the estimated Line Losses (MWhr/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. Proposals A and B include a set of very detailed Losses Studies.

Scoring ranged from 21 Better to 28 Best. Proposal B was deemed Best primarily because it utilized a larger conductor, which produced lower projected Losses.

Estimated Life of Construction

The Estimated Life of Construction criteria was assigned a maximum of 20 points. Attributes included 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. Inclusion of a Corrosion Study and the quality of that study was considered a positive factor. The use of ground sleeves on direct imbedded steel poles was considered a positive factor, and those Proposals were allocated more points. Performance over the service life of the assets, attributed to the structural 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.

While Proposals were stronger in some areas and other Proposals were stronger in other areas, all received the maximum 28 points.

Reliability/Quality Metrics

The Reliability/Quality Metrics criteria was assigned a maximum of 20 points. Attributes for 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, life of construction, 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 A and B were deemed Best and received the maximum of 20 points.

Design Experience

The Design Experience criteria was assigned a maximum of 20 points. Attributes included the inclusion of a Project Organization Chart and the quality of that document, the resumes of lead design engineers, completion of similar relevant projects, 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 a Best rating.

Other

The Other criteria included information not addressed in the other criteria and was assigned a maximum of 6 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. Two Proposals included a video of the project route, which included a significant amount of relevant detailed information. Some Proposals revealed the float included in their construction schedules and 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, of the proposed route, and the overall thoroughness and completeness of the RFP Response Form.

Proposals A & B were deemed Best and receive the maximum score.

In general, the Proposals (Engineering Design category) were complete, comprehensive, and of high quality, with only some slight variations, leading to only slight variations in scoring, from 178 to 192 points.

Table 12 displays the point assignments for each of the 12 criteria/sub-criteria for each Proposal for the Engineering Design scoring category:

Table 12
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
1A.1 Type of Construction (Wood, Steel, Design Loading, etc.)	1a.1) Design Loading Criteria	14%	28	21.0	21.0	28.0
	1a.2) Conductor Type/Name, Ampacity, Number of sub conductors	14%	28	21.0	28.0	21.0
	1a.3) Shield Wire Type/Name, Number of Shield Wires, Size of Wire	4%	8	8.0	8.0	6.0
	1a.4) Structure Configuration	12%	24	24.0	24.0	22.0
	1a.5) Insulators	4%	8	7.0	7.0	8.0
	1a.6) Dampers	3%	6	6.0	6.0	6.0
	1a.7) Markers	2%	4	4.0	4.0	4.0
	Sub-Total Criteria Pts	53%	106	91.0	98.0	95.0
1A.2 Losses (Design Efficiency)		14%	28	21.0	28.0	21.0
1A.3 Estimated Life of Construction		10%	20	20.0	20.0	20.0
1A.4 Reliability/Quality Metrics		10%	20	20.0	20.0	18.0
1A.5 Design Experience		10%	20	20.0	20.0	20.0
1A.6 Other - Comments		3%	6	6.0	6.0	4.0
Scoring Category Total		100%	200	178.0	192.0	178.0

Differentiators:

Proposal C using NESC Heavy loading case – gain of 7 points over the other Proposals

Proposal B using a larger conductor – gain of 7 points over the other Proposals

Proposal B having lower losses – gain of 7 over the other Proposals

Four criteria/sub-criteria – max points allocated to all Proposals

Remaining five criteria/sub-criteria – all were within 2 points of each other

Project Management

The evaluation of each Proposal and allocation of the available maximum 200 points in this scoring category was based upon the information provided in each Proposal and the extent to which it demonstrated the ability to complete the Project within the scope, proposed budget, and on or before the earliest feasible in-service date.

After the initial review of the three 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.

All Respondents indicated that they have either staff, or retained experienced contractors/consultants with knowledge of the area and with the various regulatory and permitting processes in New Mexico. For each, some of this experience also emanates from projects outside of New Mexico.

In three Project Management categories, the Respondents responses were judged to be equivalent, with Proposals A, B and C each receiving the full allocation of points. This occurred in the following Project Management Categories:

Environmental Factors (2A.1) – 32 points available

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 the sub-criteria and were rated Best.

Procurement Factors (2A.3) – 20 Points available

All Proposals provided comprehensive procurement plans. They also described their Quality Assurance/Quality Control processes that include testing and periodic material inspections. Additionally, all Proposals referenced established strategic sourcing agreements and identified adequate transmission line material storage/staging/laydown sites. All Proposals demonstrated extensive experience for the sub-criteria and were rated Best.

Experience of Construction Track Record (2A.8) – 24 Points available

All Proposals demonstrated Respondents have experience and histories in successfully constructing and commissioning major 345 kV transmission projects. All Proposals demonstrated extensive experience for the sub-criteria and were rated Best.

In the following Project Management categories, small net differences between the Proposals were noted and the conclusions are discussed as follows:

Rights of Way Acquisition (2A.2) – 24 Points available

The Proposals presented differences in experience and strategy in securing land rights, which are reflected in the IEP scoring. An important distinction was found in the approach to using condemnation

authority, which may be required. Higher points were awarded where Right of Way acquisition appears to be more certain, more timely, or both.

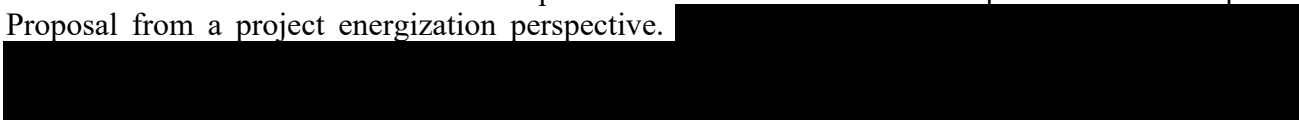


Summary⁴: All 3 Proposals demonstrated extensive experience in ROW acquisition, including the use of condemnation, if needed. Each described a plan for negotiation with landowners and also their strategy to use eminent domain if and when necessary. Based on the differences in the responses provided in the Proposals; Proposal C was awarded the Best score of 24 points and Proposals A and B were awarded 18 points.

Project Scope and Development Schedule (2A.4) – 32 Points available

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 an in-service/energization date.

Proposal C however has a schedule for energization which is nearly a year earlier than that of Proposals A and B. On the basis of the information provided it was concluded that Proposal C was the superior Proposal from a project energization perspective.



Therefore, Proposal C received a score of Best for the Category with 32 of 32 points while Proposals A and B each received 28 points. We call the reader’s attention to the offsetting assessment in the Timeframe to Construct Criteria below.

Construction Plan (2A.5) – 30 Points available

All Proposals provided the required experience and safety related information.

Proposals A and B provided superior safety record statistics and were judged better than Proposal C. Therefore, Proposals A and B received a score of 30 points each as Best for the category. This data is further compared in the Appendix.

⁴ Staff has included summary paragraph to provide an overview of the IEP analysis without disclosing any identifying or confidential information.

Testing and Commissioning (2A.6) – 10 Points available

There are four sub-criteria examining testing and commissioning. All Proposals demonstrated the required experience and provided testing and commissioning information. [REDACTED]

[REDACTED] Proposal C was judged to be Best at 10 points. Proposals A and B were scored Better with 9 points.

Timeframe to Construct (2A.7) – 26 Points available

All Proposals provided the required experience and milestone related information along with assessments of potential unforeseen delays impacting the completion date. All Proposals provided a Best case and a Worst/Late case. In-service dates ranged from May 2025 to May 2026.

The May 2025 in-service date stated by Proposal C was examined carefully [REDACTED] [REDACTED] However, the elapsed time to construct is very compressed and may be infeasible based on the IEP’s opinion.

For example, Proposals A and B have a duration for engineering of 13 months, while Proposal C has a duration of 5 months. The time to construct was in the range of 10-12 months for Proposal C, compared to 18-20 months for Proposals A and B. For a line of this length, it appears to the IEP that the time to construct used by Proposal C may be too optimistic and Proposals A and B received the Best score as a result.

While Proposal C has the earliest energization date, a closer examination of the elapsed construction time seemed unreasonably short and possibly not credible unless there is a stronger performance guarantee for achieving this date than was included in the Proposal. Therefore, Proposals A and B were awarded the Best rating at 26 points each, even though their energization dates are later while Proposal C received 22.

Summary of Results

The result of the IEP reviews and scoring demonstrates a narrow net range of difference in terms of points, with a three point difference in favor of Proposal C. Proposal C received the highest score for Project Management of 192 out of 200. Proposals A and B are a very close second at 189 points. This leads the IEP to conclude that any of the three Respondents are capable of delivering the Project Management attributes in the execution of the project if selected.

One note of caution regarding Proposal C, is that the elapsed timeframe for construction proposed by Proposal C seems to be very unlikely and therefore, Proposal C did not receive Best in one of the Timeframe to Construct sub-criteria although it proposed the shortest time to construct. The IEP did not find any explanation as to the basis for the very short construction time frame for Proposal C.

Table 13
Project Management 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 (200)	A	B	C
2A.1) Environmental Factors	2A.1.1) Environmental Review and Permitting	3.0%	6	6	6	6
	2A.1.2) Regulatory Approval Experience & Studies	3.0%	6	6	6	6
	2A.1.3.) Plans to obtain permits	3.0%	6	6	6	6
	2A.1.4) Land and Infrastructure Crossings	3.0%	6	6	6	6
	2A.1.5) Critical path milestones for approval	1.0%	2	2	2	2
	2A.1.6) Environmental personnel experience	3.0%	6	6	6	6
	Sub-Total Criteria Pts	16.0%	32	32	32	32
2A.2) Rights-of-way (ROW) Acquisition	2A.2.1) History of obtaining ROW approvals	4.0%	8	6	6	8
	2A.2.2) Control of ROW segments	4.0%	8	4	4	8
	2A.2.3) ROW personnel experience	4.0%	8	8	8	8
	Sub-Total Criteria Pts	12.0%	24	18	18	24
2A.3) Procurement	2A.3.1) Supply Management System	1.0%	2	2	2	2
	2A.3.2) Quality of material proposed	2.0%	4	4	4	4
	2A.3.3) QA/QC processes	2.0%	4	4	4	4
	2A.3.4) Material and labor acquisition prices/cost assurance	2.0%	4	4	4	4
	2A.3.5) Supply chain risk identification	2.0%	4	4	4	4
	2A.2.6) Material procurement personnel experience	1.0%	2	2	2	2
	Sub-Total Criteria Pts	10.0%	20	20	20	20
2A.4) Project Scope and Development Schedule	2A.4.1) Project Scope and Major Milestones	2.0%	4	4	4	4
	2A.4.2) Best and worst case scenarios	3.0%	6	4	4	6

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	2A.4.3) Process and plans for managing project development scheduling.	2.0%	4	4	4	4
	2A.4.4) Gantt or equivalent chart demonstrating project construction schedule	2.0%	4	4	4	4
	2A.4.5) Experience with similar projects	2.0%	4	4	4	4
	2A.4.6) Stations interconnection planning	3.0%	6	4	4	6
	2A.4.7) Project management personnel experience	2.0%	4	4	4	4
	Sub-Total Criteria Pts	16.0%	32	28	28	32
2A.5) Construction Plan	2A.5.1) Construction project management experience	5.0%	10	10	10	10
	2A.5.2) Safety Protocols	3.0%	6	6	6	6
	2A.5.3) Safety Records	3.0%	6	6	6	3
	2A.5.4) Safety personnel experience	4.0%	8	8	8	8
	Sub-Total Criteria Pts	15.0%	30	30	30	27
2A.6) Testing and Commissioning	2A.6.1) Testing and commissioning activities	2.0%	4	4	4	4
	2A.6.2) Substation interconnection commissioning agreements	1.0%	2	1	1	2
	2A.6.3) Commissioning plans	1.0%	2	2	2	2
	2A.6.4) Commissioning personnel experience	1.0%	2	2	2	2
	Sub-Total Criteria Pts	5.0%	10	9	9	10
2A.7) Timeframe to Construct	2A.7.1) Project timeline, milestones, and contingency plans	6.0%	12	12	12	8
	2A.7.2) Addressing unforeseen delays and impact on completion date and projected cost	4.0%	8	8	8	8
	2A.7.3) Size and experience of construction crews	3.0%	6	6	6	6
	Sub-Total Criteria Pts	13.0%	26	26	26	22
2A.8) Experience of Construction Major Projects/Track Record	2A.8.1) Construction project management tools.	2.0%	4	4	4	4
	2A.8.2) Construction project personnel organization chart.	3.0%	6	6	6	6
	2A.8.3) List of prior EHV transmission line construction projects	4.0%	8	8	8	8
	2A.8.4) Construction leadership personnel experience	3.0%	6	6	6	6
	Sub-Total Criteria Pts	12.0%	24	24	24	24
2A.9) Other Comments		1.0%	2	2	2	1
Scoring Category Total		100.0%	200	189	189	192

Operations

Control Center Operations

Control Center Operations was assigned 20 maximum points spread across the following sub-criteria.

Transmission Operating Experience (10 points)

The key attributes used in the evaluation of this criteria were transmission operations experience including the operation of 345 kV lines and the experience of operator staff. The number of transmission lines, the number of 345 kV lines, as well as the years of Control Center experience operating transmission and the level of individual operator experience was considered. Proposal C operates considerably more transmission lines and more 345 kV lines than Proposals A and B. Management for all Respondent's Control Centers have extensive experience in operations including a dedicated Trainer. Operators for each Respondent have an average of at least 16 years of experience and are either NERC certified as RC or BA, INT and TOP. Proposal C received a Best scoring due to having more transmission lines including 345 kV line under their control. The other Proposals received a Better score in proportion to the level of transmission operating experience.

Staffing Levels (8 points)

The key attributes were the operator staffing levels on days, nights and weekends and the number of trained and certified operators available if additional operators are necessary. Proposals A and B have █ operator positions and schedules █ operator on shift 24x7. Proposal C has █ operators and schedules █ operators on the day shift and █ operators on the night shift. Proposal C received a Best scoring due to more than █ operator on shift and having more operators available overall who can be called in to provide coverage when there is an operator staffing shortage or additional assistance is required. The other Proposals received a Good score in proportion to the level of operator staffing.

EMS Support and Performance (2 points).

The key attributes used in the evaluation were the EMS Support staffing levels and the experience of the staff, level of 24x7 EMS support, location of EMS Support staff and the number of NERC reportable EMS events. All Respondents have sufficient EMS Support staffing with sufficient years of experience. Proposals A and B have EMS Support staff █ and provide 24x7 coverage. Proposal C has EMS Support staff █ and provides 24x7 coverage via an on-call schedule using a dedicated mobile number. Proposals A and B had fewer NERC reportable EMS events than Proposal C and therefore received a Best score. Proposal C received a Better score.

Storm/Outage and Emergency Response Plan

The Storm/Outage and Emergency Response Plan was assigned a maximum of 20 points spread across the following sub-criteria.

Storm, Outage and Emergency Response Plans (15 points)

The key attributes used in the evaluation were sufficient crews/staff to address emergencies, distance of crew facilities in relation to the project, agreements with contractors/utilities to provide emergency support and the identification of required specialized equipment and/or services. Proposal C has more operations and maintenance personnel [REDACTED] than those that will be provided by Proposals A and B. Proposals A and B rely primarily on contractors. Proposals A and B will have support service agreements in place with their affiliates and vendors to provide 24/7-line maintenance and emergency restoration services. Proposal C has in place service agreements with several contractors in the region as well as mutual aid assistance programs in place with several mutual assistance groups. Proposals A and B have mutual aid assistance programs in place through their parent company. Proposals A and B will have additional resources agreements in place for additional services such as aerial patrols, crane services and fiber optic system repairs. Proposal C and its alliance contractors each have a full complement of tools and equipment necessary to perform all repairs, replacements or rebuilds necessary on the Project. Proposal C received a Best score due to having a large number of employees, [REDACTED], and not having to rely heavily on contractors. The other Proposals received a Good score based on the proportion of staffing levels and [REDACTED].

Strategy regarding Replacement/Rebuilds following a Catastrophic, On-site Failure or Extraordinary Event or Circumstance (5 points)

The key attribute used in the evaluation was a response plan that includes staging vehicles, equipment & material as well as providing lodging and meals. Proposals A and B have a detailed emergency response plan that includes roles and responsibilities, staging areas, a Logistics Section Chief (LSC) and an on-site team of material specialists. The LSC has overall responsibility for coordinating all non-site matters such as ordering, fuel, water, and equipment with prearranged contractors. In addition, the team has a lodging and meal lead. If lodging is not available, mobile sleeper trailers are available from the parent company. The on-site team of material specialists arrange for the delivery, movement, and receipt of spare stock and repair materials from the Project's spare's location. Proposals A and B provided a draft schedule to replace one mile of line and structures and return the Project line to service within seven days. Proposal C has a detailed emergency response plan that includes topics such as Readiness, Event Identification and Response Activation, the Incident Command organization and structure and Incident Response roles. Proposals A and B received a Best scoring due to having a more robust and detailed emergency response plan that included provisions for accommodating multiple crews for a period of time. The other Proposal received a Good score based on the level of detail in the emergency response plan.

Reliability Metrics

Reliability Metrics was assigned a maximum of 30 points spread over the following sub-criteria.

Reported Outage-based Metrics (12.5 maximum points)

The key attribute used in the evaluation was the number of 345 kV outages reported through NERC TADS for selected categories as well as the number of unknown outages. Proposals A and B had

significantly less outages as well as unknown outages than Respondents C. Therefore, Proposals A and B received a Best score. Proposal C received an Acceptable score proportional to the difference in the number of outages.

Reported Reliability-based Metrics (12.5 maximum points)

The key attribute used in the evaluation were the momentary and permanent transmission element outages, normalized to a per 100-mile basis. Proposals A and B have slightly better metrics than Proposal C. Therefore, Proposals A and B received a Best score. The other Proposal received a Better score based on the difference in the metric data.

Corporate Reliability Metrics (5 maximum points)

The key attributes were inclusion of particular metrics in the corporate reliability metrics and action items related to negative trends of any of the metrics tracked to completion. The metrics include the following:

- Number of momentary and permanent outages, broken down by cause category.
- The number of outages compared to past numbers, goals and industry data.
- Human errors tracked monthly and broken down by category.

All Respondents included momentary and sustained outages as well as human errors in their corporate metrics with the causes and compared current year metrics to the previous year. Proposals A and B also compared current year metrics to the goal. Proposal C compared transmission SAIDI data to the goal. None of the Respondents provided evidence that action items to address negative trends are identified and tracked to completion. Since all Respondents included the same key attributes in their metrics each received a Best score.

Restoration Experience/Performance

Restoration Experience/Performance was assigned a maximum of 22.5 points that were spread over the following sub-criteria.

Past Restoration Experience/Performance (17.5 maximum points)

The key attributes used in the evaluation were restoration experience for a wide range of equipment and failures, restoration durations are consistently reasonable for the scope of repair and as circumstances dictate, the Respondent was able to draw from resources outside the area/company/responsible department. All Respondents experienced a wide variety of failures and achieved reasonable restoration times. All Respondents experienced severe weather events. Proposal C has experienced more such events on their system than Proposals A and B. Restoration times appear reasonable for the scope of repair work for all Respondents. All Respondents have been recognized by Edison Electric Institute (EEI) for past restoration efforts. Proposal C received a Best score due to having more experience in responding to events. The other Proposals received a Better score based on the difference in their restoration experience.

Emergency Resources (5 maximum points)

The key attribute used in the evaluation was that most emergency resources were available either owned/leased or under contract. During restoration events all Respondents utilized their own or contracted equipment or services. Therefore, all Proposals received a Best score.

Maintenance Staffing/Training

Maintenance Staffing/Training was assigned a maximum of 20 points spread over the following sub-criteria.

Field Personnel Routine Training and Safety Program (5 points)

The key attributes used in the evaluation were the identification of initial qualifications, certification requirements, a process to track completion of certification requirements and the inclusion of annual refresher training. All Respondents' trainers are certified per American Society of Training & Development (ASTD). Proposals A and B provided a table listing training modules, their frequency (including annual training) and the job positions applicable to each module including new hires. A list of the contractor required training was also provided which similarly identifies the training modules, their frequency, and the applicable job positions. Proposal C provided a high-level description of the training program including the categories and stated that it includes annual training. However, Proposal C did not provide a list of specific training modules and their frequency. All Respondents utilize an electronic tool to track training. Based on the level of detail provided Proposals A and B received the Best score and Proposal C received a Better score.

Field Operations Organizational Size (7.5 points)

The key attribute used in the evaluation was the size of the organization responsible for planned maintenance and forced outages activities. Proposals A and B have a small number of high voltage technicians [REDACTED]. A contractor is relied upon for line work and provides a 10-person minimum crew for maintenance and emergencies who are available in 3 hours. [REDACTED] All Respondents will utilize a contractor for vegetation management. Proposal C received a Best score due to the number of personnel and [REDACTED]. By comparison Proposals A and B received an Acceptable score.

Relevant experience of field personnel (7.5 points)

The key attribute used in the evaluation was the experience of field personnel. Proposals A and B management have significant experience. They also provided the years of experience for various positions. The only information provided by Proposal C was that linemen experience range from Apprentices to 30 years of experience. Proposals A and B received the Best score due to the level of detail provided. By comparison Proposal C received an Acceptable score.

Maintenance Plans

Maintenance Plans was assigned a maximum of 25 points spread over the following sub-criteria.

Planned Maintenance Processes and Philosophy (12.5 points)

The key attribute used in the evaluation was a comparison of the processes highlighting differences and best practices. All Respondents have detailed maintenance plans outlining component inspections and their frequencies. Proposals A and B have a process whereby data from inspections is used to rank the priority level of future maintenance work. Proposal C has a proactive process for determining whether to repair or replace a component. Proposal C also has a program to identify and mitigate component specific issues that can be problematic or prone to failure. Proposals A and B perform aerial patrols twice a year while Proposal C performs annual aerial patrols. Proposals A and B provide management metrics during the first quarter of each year, consisting of an estimate of the planned number of substantial maintenance activities anticipated during the current year and maintenance activities completed in the previous year. Proposal C tracks and monitors the transmission line inspection status on a monthly basis. Metrics include completion of the planned work versus the schedule along with cost-per-unit tracking. Corrective maintenance metrics include reports of open notifications with priority ranking and reports of equipment out of service with duration of the defect. Proposal C received a Best score due to having proactive programs in place to address component issues and more comprehensive metrics for management. In comparison Proposals A and B received a Better score.

Vegetation Management and Mitigation Strategies (2.5)

The key attribute used in the evaluation was a comparison of the processes highlighting differences and best practices. Proposals A and B provided a vegetation management manual which describes the program, communication of emergent conditions, mitigating measures, ROW inspection schedule and the annual work plan. Proposal C has implemented an integrated vegetation management approach which is data driven to plan the work including follow up auditing. All Respondents will have dedicated experienced Vegetation Management staff who are certified arborists. Respondents provided similar inspection frequencies which included LiDar. Proposals A and B provided a comprehensive list of applicable industry standards while Proposal C listed just 2, FAC-003 and ANSI A300, Part 7. Proposals A and B utilize a Work Load Management Dashboard that tracks the project vegetation management. The dashboard includes past due tickets and patrols. Proposals A and B received the Best score due to having documented the program in the vegetation management manual and providing management metrics via the dashboard. In comparison Proposal C received a Better score.

Ability and expertise to perform 345KV live line maintenance (10 points)

All Respondents will have the ability to perform live line work. Proposals A and B will utilize a contractor. Proposal C will utilize employees. All Respondents rely on a contractor for live line training. All Respondents received a Best score since they all have the ability to perform 345 kV live line work.

Specialized Maintenance Equipment and Spare Parts

The Specialized Maintenance Equipment and Spare Parts criteria was assigned a maximum of 20 points spread over the following sub-criteria.

Spare Parts Strategy (15 points)

The key attributes used in the evaluation were the plan to stock structure components, conductor and emergency towers, supply chain risks are identified and controls in place, the inventory management system identifies when inventories are below required minimums and the Respondent participates in an inventory sharing agreements or joint ownership for hard-to-find parts or equipment. Based on analysis Proposals A and B will stock conductor and components to rebuild 2 miles of line. They will stock significant amount of structure types & heights. Proposal C stocks the conductor and hardware with enough stock to replace several miles of line. Wood poles and a few tower structures are stocked which can be used in an emergency. Proposals A and B will have access to temporary tower kits through its affiliates and third-party mutual assistance programs. Proposal C stocks temporary tower kits at the Proposal C warehouse. Proposals A and B have identified supply chain risk and developed controls to mitigate those risks. Proposal C has supplier alliances whereby it is kept informed of the latest manufacturing lead times and monthly is provided the opportunity to reserve manufacturing slots for future needs. In addition, under agreements, Proposal C is provided preferential treatment for the supply of materials due to a system emergency. All Respondents provided information regarding their inventory management system. In an emergency Proposal C's regional trucking group can be used to expedite shipping from the parent company supplier network. Proposal C received a Best score due to its large inventory of parts for the project and having its own regional trucking group to expedite delivery of parts if necessary. In comparison, Proposals A and B received a Good score.

Specialized Equipment or Services (5 points)

The key attribute used in the evaluation were the availability of any specialized equipment or services and any specialized equipment will be stored within 4 hours of the Competitive Upgrade. Most specialized equipment or services for Proposals A and B will be provided by contractors. Proposal C stated that no additional specialize equipment is needed beyond what they currently own. All Respondents will store specialized equipment at a facility approximately 4 hours from the Project. Should additional specialized equipment be necessary, Proposal C has agreements in place with several equipment suppliers, rental companies, and specialty contractors. Proposal C received a Best score due to owning the necessary specialized equipment in addition to having agreements with vendors. In comparison Proposals A and B received a Better score.

Maintenance Performance/Expertise (25 points)

The key attribute used in the evaluation was a comparison of the experience and historical budget and schedule information. All Respondents have extensive experience in maintenance of transmission assets. Proposals A and B completed 100 % of their maintenance on-time during each of the last 5 years. Proposal C work plan execution was 91% in 2022 and met 90% of the maintenance finish early dates. Proposals A and B were under or at budget in each of the last 5 years. Over the last 5 years

Proposal C exceeded budget just once but within 3%. Proposals A and B received the Best score due to their past budget and schedule performance in the last 5 years. In comparison Proposal C received a Better score.

NERC Compliance Process History (12 points)

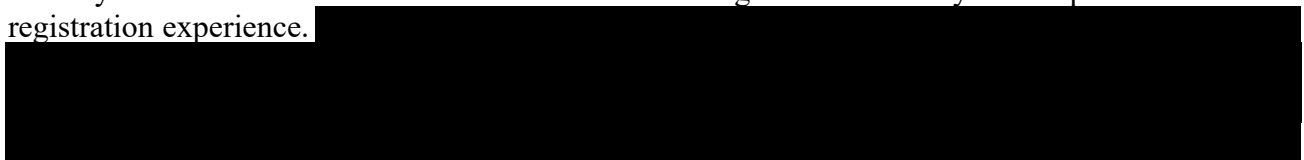
NERC Compliance Process History was assigned a maximum of 25 points spread across the following sub-criteria.

Internal Reliability Compliance and Risk Management Programs (15 points)

The key attributes used in the evaluation were periodic compliance assessments and the tools used to schedule and track compliance assessments. Proposals A and B has a documented NERC Reliability Standards Internal Compliance Program. The document describes the compliance assessments and reviews that consist of performing Sustainability Assessments, Readiness Reviews and Spot Checks. Sustainability Assessments document the processes by which the standards are met and are performed quarterly. The Readiness Review assesses compliance readiness before the enforcement of a new or revised Reliability Standard. Internal Spot Checks may be initiated to verify or confirm compliance with a specific requirement or in response to events or operating problems. Proposal C performs compliance assessments and mock audits however no details were provided including the frequency of compliance assessments. Proposals A and B use a maintenance management system and vegetation management system to manage and record evidence of NERC compliance related tasks. Proposal C utilizes eGRC where NERC and FERC compliance activities are entered, tracked, and signed off as complete. Subject matter experts have personal dashboards that highlight monthly compliance activities to be performed for specific compliance requirements, implementation plan activities, and mitigation plan activities. Proposal C has developed a system of internal controls to prevent non-compliance and cataloged them in eGRC. Proposals A and B received the Best score due to their various compliance assessments and reviews. Proposal C received a Better score getting credit for utilizing a tool that provides a dashboard of upcoming compliance activities; however, they provided less detail regarding compliance assessments and therefore received a Better score.

Current NERC Registrations (10 points)

The key attribute used in the evaluation was the NERC registrations held by the Respondents and their registration experience.



Best score due to [redacted]. Proposal C received the Best score due to [redacted]. Proposals A and B received a Better score due to [redacted].

Organization, Structure and Integration (5 points)

The key attribute used in the evaluation was having a dedicated organization to oversee and assist with compliance activities. All Respondents have a compliance staff consisting of senior level management

and sufficient staff resources dedicated to this function. All Respondents received a Best score as each provides management oversight and have dedicated compliance staff.

Internal Safety Program

The Internal Safety Program criteria was assigned a maximum of 12.5 points spread across the following sub-criteria.

Internal Safety Protocols (5 points)

The key attributes used in the evaluation were safety protocols and procedures are comprehensive, delivers annual refresher training, pre-job briefs are required, and lockout tag out procedures include receiving a clearance and no reclose assurance with connected station field personnel. All Respondents have a safety manual with a comprehensive list of topics. All Respondents require pre-job briefs and have lockout/tag out procedures. The Proposals A and B procedure provides significantly more detail than the procedure provided by Proposal C. The Proposals A and B lockout/tag out procedure includes a section on Utility Holds from a neighboring utility that provides a process for de-energizing equipment. Proposals A and B received the Best score due to having more detail in their lockout/tag procedure. In comparison Proposal C received a Good score.

Safety Training and Current Initiatives (5 points)

The key attribute used in the evaluation was a comprehensive training program. The Proposals A and B training program includes a comprehensive list of safety topics such as Substation Switching, Transmission line clearance holder switching training, grounding, and hot stick. Contractor safety training is required per the Contractor Safety Requirements Policy. The contractor's "Safety, Health, and Environmental Program Manual" defines training requirements for Qualified Employees. It includes a comprehensive list of topics including switching & tagging, grounding and live line work. Proposal C stated it provides employees training but did not provide details. They require all contractors to abide by the Contractor Safety System document which provides safety requirements over a comprehensive list of topics. All Respondents report Near Misses. Proposal C also conducts incident analysis on them providing a learning opportunity. Proposal C Management and supervision make regular documented visits to their employees both at their place of work and in the field. Proposal C is in the process of implementing a significant safety initiative over multiple years to improve upon safety results. Proposals A and B received a Best score due to the safety training details provided. Proposal C provided less details regarding training but got credit for analyzing Near Misses, management field visits and the recent safety initiative and therefore received a Better score.

Staff Credentials (2.5 points)

The key attribute used in the evaluation was experience of the safety staff. For Proposals A and B safety including training is the responsibility of the Training and Safety Manager who has significant experience. He is an active member of the EPRI Power Switching, Safety, and Reliability Program. He also has OSHA VPP certification. Proposal C has safety professionals throughout the company. The manager position requires 8 years of experience. There are Senior Safety Consultants who plan and conduct multiple, medium-to-large, critical projects and programs to ensure compliance with

federal, state, and local safety and health statutes and regulations. These positions require a bachelor's degree in safety, industrial hygiene or related discipline or a combination of education and experience providing equivalent knowledge required. Specific experience in the above positions was not provided. Proposals A and B received the Best score due to providing the specific experience and credentials of those responsible for safety. In comparison Proposal C received a Good score.

Contractor Safety Program

The Contractor Safety Program criteria also was assigned a maximum of 15 points spread across the following sub-criteria.

Contractor Safety Protocols (5 points)

The key attribute used in the evaluation was that protocols are defined and documented covering all applicable activities. All Respondents have documented their contractor safety requirements and include a comprehensive list of topics. All Respondents include a requirement to have an accident investigation and reporting process including corrective measures. All Respondents received a Best score.

Contractor Past Safety Performance (5 points)

The key attribute used in the evaluation was that the Respondent has a defined process for evaluating a contractor's past safety performance. Proposals A and B utilize and provided a questionnaire that includes questions related to environmental, health and safety. The results are then scored. Proposal C uses a third-party administrator to assist with prequalification and evaluation of contractors. The administrator collects historical review information and performs a compliance review of applicable safety programs utilizing a compliance matrix. Neither the matrix nor examples of items included were provided. Proposals A and B received a Best score due to providing a list of topics that are included in the questionnaire. In comparison Proposal C received a Good score.

Contractor Safety and Training Staff Credentials (2.5 points)

The key attribute used in the evaluation was that the contractor evaluation process includes an evaluation of contractor's safety and training staff credentials. Proposals A and B utilize and provided a questionnaire to evaluate contractors that includes safety staff but not training staff. Proposal C utilizes a third-party administrator to perform a review of the contractor's safety program, however no additional details were provided. The Proposal C contractor safety program document includes the Contractor's Safety staff requirements. Proposals A and B received a Best score due specifically listing safety staff on the questionnaire. In comparison Proposal C did not provide details regarding the third-party review of credentials and therefore received a Good score.

Safety Performance Record

The Safety Performance Record criteria was assigned a maximum of 12.5 points spread across the several safety performance metrics as follows.

- Experience Modification Rate (EMR), 2.5 points
- Total Recordable Incident Rate (TRIR), 2.5 points
- Days Away, Restricted or Transferred (DART), 2.5 points
- Maintenance Related Injuries, 2.5 points
- OSHA Enforcement Actions, 2.5 points

The key attributes used in the evaluation was a comparison of 5 years of safety records as measured by the EMR, TRIR, and DART statistics as well as the number of fatalities, deaths, dismemberments, and hospitalizations that occurred during maintenance activities. Another attribute was the OSHA enforcement actions for the Respondent’s field operations and maintenance activities with both closed in the last ten years and currently open. Proposal A and B statistics were better than Proposal C for EMR while Proposal C statistics were better for TRIR and DART. Comparing the provided statistics resulted in the following scores.

Safety Statistic	Proposals A and B	Proposal C
EMR	Best	Better
TRIR	Better	Best
DART	Good	Best

Regarding the Maintenance Related Injuries and OSHA Enforcement Actions subcategories, all Respondents had zero fatalities, dismemberments and hospitalizations and no open or closed OSHA enforcement actions. Therefore, they each received a Best score for these subcategories.

Other Comments

None

Table 14
Operations 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
3A.1) Control Center Operations (staffing, etc.)	Transmission Operating Experience - 3A.1.1, -2, -4 Operating transmission lines - 3A.1.5 Control Center staff experience	4.0%	10	8.00	8.00	10.00
	3A.1.6,-7 Staffing levels for competitive upgrade	3.0%	8	5.00	5.00	8.00
	3A.1.8 EMS support and performance	1.0%	2	2.00	2.00	1.50
	Sub-Total Criteria Pts	8.0%	20.0	15.00	15.00	19.50
3A.2) Storm/Outage and Emergency Response Plan	3A.2.1 Storm, outage, and emergency response plans.	6.0%	15	10.00	10.00	15.00

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	3A2.2 Strategy regarding replacement/rebuilds, specific to the competitive upgrade following a catastrophic, on-site failure or extraordinary event or circumstance	2.0%	5	5.00	5.00	3.00
	Sub-Total Criteria Pts	8.0%	20	15.00	15.00	18.00
3A.3) Reliability Metrics	3A.3.1 Reported Outage-based Metrics - By category	5.0%	12.5	12.50	12.50	6.00
	3A.3.2 Reported Reliability-based Metrics - Momentary and Permanent Normalized	5.0%	12.5	12.50	12.50	10.00
	3A.3.3 Corporate Reliability Metrics	2.0%	5	5.00	5.00	5.00
	Sub-Total Criteria Pts	12.0%	30.0	30.00	30.00	21.00
3A.4) Restoration Experience/Performance	3A.4.1 Past Restoration Experience/Performance	7.0%	17.5	16.00	16.00	17.50
	3A.4.2 Emergency resources	2.0%	5	5.00	5.00	5.00
	Sub-Total Criteria Pts	9.0%	22.5	21.00	21.00	22.50
3A.5) Maintenance Staffing/Training	3A.5.1 Field Personnel Routine Training and Safety Program	2.0%	5	5.00	5.00	3.00
	3A.5.2-3 Field Operations Organizational Size who perform; a. Planned maintenance b. Forced outage activities	3.0%	7.5	3.75	3.75	7.50
	3A.5.4 Relevant experience of field personnel	3.0%	7.5	7.50	7.50	3.75
	Sub-Total Criteria Pts	8.0%	20.0	16.25	16.25	14.25
3A.6) Maintenance Plans	Planned Maintenance Process and philosophy - 3A.6.1 Transmission Line Planned Maintenance Processes - 3A.6.2 Preventive and predictive maintenance plans - 3A.6.4 Computerized maintenance management system - 3A.6.5 Maintenance metrics of upcoming and completed maintenance	5.0%	12.5	10.00	10.00	12.50
	3A.6.3 Vegetation Management and Mitigation Strategies	1.0%	2.5	2.50	2.50	2.00
	3A.6.6 Ability and expertise to perform 345KV live line maintenance.	4.0%	10	10.00	10.00	10.00
	Sub-Total Criteria Pts	10.0%	25.0	22.50	22.50	24.50

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3A.7) Specialized Maintenance Equipment and Spare Parts	Spare Parts Strategy - 3A.7.1 Strategy for balancing the procurement, storage, maintenance, management, and sufficiency of parts and equipment - 3A.7.3 Supply chain risk management policy for equipment and parts - 3A.7.7 Warehouse inventory management system, including how the need to re-order is identified and the process for initiating purchases	6.0%	15	10.00	10.00	15.00
	- 3A.7.2 Acquisition of spare parts or equipment that may have a long lead time for procurement - 3A.7.4 Replacement of spare parts or equipment that may have a long lead time for procurement					
	Specialized Equipment or Services - 3A.7.5 Identify specialized equipment or services that are necessary for the completion of the maintenance activities - 3A.7.6 Describe entity’s plans to house or store such equipment, including geographic location	2.0%	5	4.00	4.00	5.00
	Sub-Total Criteria Pts	8.0%	20	14.00	14.00	20.00
3A.8) Maintenance Performance/Expertise	Past maintenance experience.	10.0%	25	25.00	25.00	20.00
	Sub-Total Criteria Pts	10.0%	25	25.00	25.00	20.00
3A.9) NERC Compliance Process History	3A.9.1 Internal Reliability Compliance and Risk Management Programs	6.0%	15	15.00	15.00	12.00
	3A.9.2 Current NERC registrations	4.0%	10	7.50	7.50	10.00
	Organization, Structure and Integration - 3A.9.3 Integration into the Respondent’s reliability compliance program - 3A.9.4 Organizational Structure & Staffing	2.0%	5	5.00	5.00	5.00
	Sub-Total Criteria Pts	12.0%	30.0	27.50	27.50	27.00
3A.10) Internal Safety Program	Internal Protocols and Procedures - 3A.10.1 Safety, environmental and health documents - 3A.10.2 Respondent’s Safety Tag, Hot Line Tag, or Lockout-Tagout procedure - 3A.10.3 Respondent’s grounding and clearance safety procedure	2.0%	5	5.00	5.00	3.00

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	3A.10.4 Safety Training and current initiatives	2.0%	5	5.00	5.00	4.00
	3A.10.5 Staff Credentials	1.0%	2.5	2.50	2.50	1.50
	Sub-Total Criteria Pts	5.0%	12.5	12.50	12.50	8.50
3A.11) Contractor Safety Program	3A.11.1 Contractor required Internal Safety Protocols	2.0%	5	5.00	5.00	5.00
	3A.11.2 Evaluation of contractors' past safety performance.	2.0%	5	5.00	5.00	3.00
	3A.11.3 Evaluation of contractor's Safety & Training Staff Credentials	1.0%	2.5	2.50	2.50	1.50
	Sub-Total Criteria Pts	5.0%	12.5	12.50	12.50	9.50
3A.12) Safety Performance Record	3A.12.1 EMR (lower better)	1.0%	2.5	2.50	2.50	2.00
	3A.12.2 TRIR (1.1)	1.0%	2.5	2.00	2.00	2.50
	3A.12.3 DART (lower better)	1.0%	2.5	1.50	1.50	2.50
	3A.12.4 Maintenance related injuries	1.0%	2.5	2.50	2.50	2.50
	3A.12.5 OSHA enforcement actions	1.0%	2.5	2.50	2.50	2.50
	Sub-Total Criteria Pts	5.0%	12.5	11.00	11.00	12.00
3A.13) Other Comments						
Scoring Category Total		100%	250.0	222.25	222.25	216.75

Rate Analysis

Attachment Y allocates 225 points for this scoring category. Of these total points 101.25 were assigned to the RRE scoring criteria, 101.25 points were assigned to the PVRR scoring criteria and 22.5 were assigned to the Other Attachment Y scoring criteria as illustrated in Table 19.

The scoring methodology was based on the criteria listed in the IEP Direction to Respondents document. The scoring process was further defined in the scoring methodology section, as a two-step process for the RRE and PVRR scoring criteria. The first step of this scoring process was the determination of whether a Proposal complied with the RRE and PVRR filing requirements as outlined in the RFP. Those Proposals who did comply with the RRE and PVRR RFP standards were awarded a maximum of 50.625 points out of the 101.25 points for compliance with these filing requirements.

The IEP reviewed each Proposal's filing for the RRE and PVRR filing requirements and determined that each Proposal did meet the filing requirements for both the RRE and PVRR criteria as outlined in the RFP. Therefore, as part of step one of the scoring process, each Proposal received 50.625 points for the RRE and 50.625 points for the PVRR scoring criteria,

In the second step of the RRE and PVRR scoring methodology process, each Proposal was assigned a percentage of the remaining 50.625 points based on the formula described in Section 2 - Scoring Methodology.

Scoring Summary for RRE Criteria

The table below displays the RRE for each Proposal from the lowest to highest dollar value.

Table 15

4A.1-1 - Response Form Excel Workbook - Tab 2B - RRE Cost Summary				
Dollar Difference From Lowest to Highest RRE				
Line No.	Proposal	Total RRE Cost Estimate	Dollar Difference From Lowest to Highest RRE	Percentage Difference
1	C	\$220,000,000	\$0	0.00%
2	A	\$282,740,742	\$62,740,742	22.19%
3	B	\$291,614,575	\$71,614,575	24.56%

The ranking and scoring of RRE Proposal costs reflects the dollar distribution of the Proposals as displayed in the following table:

Table 16

4A.1-1 - Response Form Excel Workbook - Tab 2B - RRE Cost Summary						
Scoring Methodology for RRE Criterion						
Line No.	Proposal	Lowest to Highest Proposal's RRE	Percent of Lowest RRE	50.625 pts Times Percent of Lowest RRE	Minimum RRE Score of 50.625 pts	Total RRE Point Score
1	C	\$220,000,000	100.00%	50.625	50.625	101.25

2	A	\$282,740,742	77.81%	39.39	50.625	90.02
3	B	\$291,614,575	75.44%	38.19	50.625	88.82

Proposal C offered the lowest dollar RRE and was allocated the maximum points of 101.25 because it represented the lowest cost to SPP customers. Proposal A based on the RRE scoring formula discussed above received 90.02 points with Proposal B, the highest dollar RRE received 88.82 points.

Scoring Summary for PVRR Criteria

The table below displays the PVRR for each Proposal from the lowest to highest dollar value.

Table 17

4A.1-1 - Response Form Excel Workbook - Tab 3 - ROE PVRR Summary				
Comparison of Each Proposal's PVRR From Lowest to Highest				
Line No.	Proposal	Present Value Revenue Requirement	Dollar Difference From Lowest to Highest PVRR	Percentage Difference
1	C	\$212,252,524	\$0	
2	A	\$268,203,525	\$55,951,001	20.86%
3	B	\$276,234,780	\$63,982,256	23.16%

The ranking and scoring of PVRR Proposal costs reflects the dollar distribution of the Proposals as displayed in the following table:

Table 18

Response Form Excel Workbook - Tab 3 - ROE PVRR Cost Summary						
Scoring Methodology For PVRR Calculation						
Line No.	Proposal	Lowest to Highest Proposal's PVRR	Percent of Lowest PVRR	50.625 pts Times Percent of Lowest PVRR	Minimum PVRR Score of 50.625 pts	Total PVRR Point Score
1	C	\$212,252,524	100.00%	50.625	50.625	101.25
2	A	\$268,203,525	69.88%	35.38	50.625	86.00
3	B	\$276,234,780	67.52%	34.18	50.625	84.81

Proposal C offered the lowest dollar RRE and was allocated the maximum points of 101.25 because it represented the lowest cost to SPP customers. Proposal A based on the RRE scoring formula discussed above received 90.02 points with Proposal B, the highest dollar RRE received 88.82 points.

Scoring Summary for Other Attachment Y Criteria

As stated in the Directions to the Respondents, points will be awarded based on a detailed, quantitative response that demonstrates a reduction in the cost related risk of the Respondent’s proposed Project.

The IEP in their review of Other Attachment Y Criteria concluded that the Cost Certainty Guarantee submissions produced the highest level of quantitative responses which demonstrated a reduction in costs related risks to the Proposals, which was captured in the newly created Section 4A.8 Cost Certainty Guarantee table.

The IEP examined all the information submitted by Proposal A, Proposal B and Proposal C for the other Attachment Y factors and concluded the category for Cost Certainty Guarantee produced the most tangible information which showed quantitative responses that demonstrated a reduction in costs related risks to the Proposal. This conclusion by the IEP was reinforced by the quantitative numbers filed by those Respondents who submitted the Section 4A.8 Cost Certainty Guarantee table as part of their cost cap/guarantee proposal(s). Based on this analysis the IEP assigned 22.5 points to the Cost Certainty Guarantee category.

Turning to the Cost Certainty Guarantee table submissions, Proposal A and Proposal B offered six cost certainty guarantees which included dollar amounts for the following categories: ATRR Cap Duration; RRE Cap; Equity Cap; ROE Cap; Forego AFUDC; and Forego CWIP. Proposal C stated in the submission that they were unable to offer any cost certainty guarantees due to regulatory requirements and did not submit a cost certainty guarantee table.

Based on the analysis performed by the IEP of the six cost cap categories offered by Proposal A and B, each of these six cost categories were assigned a maximum of 3.75 points. The IEP then closely evaluated these six cost cap categories for their detailed, quantitative response which demonstrated a reduction in the cost risk of the Project. Based on their analysis the IEP awarded a total of 22.5 points to Proposal A and Proposal B.

Proposal C stated they were unable to offer cost certainty guarantees due to regulatory requirements. The IEP awarded Proposal C 11.25 points for an Acceptable response. However, without any cost cap/guarantee offerings the IEP had no basis to award any additional points to Proposal C.

The table below summarizes the scoring for Other Attachment Y Factors.

Table 19

A Summary of Scoring for Other Attachment Y Factors		
4A.8: Cost Certainty Guarantee		
Line No.	Proposal	Score
1	A	22.5
2	B	22.5
3	C	11.25

Based on the analysis performed by the IEP of the six cost cap categories offered by Proposal A and B, each of these six cost categories were assigned a maximum of 3.75 points. The IEP then closely evaluated these six cost cap categories for their detailed, quantitative response which demonstrated a reduction in the cost risk of the Project and awarded points according to the scoring criteria.

Proposal A and Proposal B are offering the same cost certainty guarantees but for different dollar amounts to reflect the dollar differences in RRE and PVRR between Proposal A and Proposal B.

- The IEP scored Proposal A and Proposal as a Best (100.00%) at 22.50 points for this criteria. The basis for awarding 22.5 points is discussed in the bullet points below.
- As outlined in the Directions to the Respondents, Proposal A and Proposal B have both provided the highest level of level of supporting documentation regarding the terms and conditions in its cost caps.
- Proposal A and Proposal B did describe in detail the benchmark against which all the cost cap/guarantee(s) are made, the circumstances and conditions under which that cost cap/guarantee would be realized, and the methodology in which the value of the cost cap/guarantee would be made available to SPP customers. Proposal A and Proposal B did describe the potential value of the cost cap/guarantee(s) in absolute dollars, as well as Proposal A and Proposal B also explained the timing of when that value would be assumed to occur.
- Proposal A and Proposal B did discuss and quantify in dollars its cost cap/guarantee(s) proposal(s) as well as the impacts the cost cap/guarantee(s) will have on the RRE or PVR number which were not already reflected in their numeric calculations.
- Proposal A and Proposal B did provide in a clear and concise manner any exclusion and exceptions to any parameter of a cap or guarantee.
- Proposal A and Proposal B did provide in a clear and concise manner the duration for any cost cap/guarantee.
- Proposal A and Proposal B in their cost cap/guarantee proposal(s), did provided the applicable information in the attached Section 4A.8 Cost Certainty Guarantee table as part of their cost cap/guarantee proposal(s). Which is summarized in the table below:

In addition, besides the cost guarantees, all three Proposals offered schedule guarantees. However, a schedule guarantee is not protective of rate payers, unless the ROE is capped, as shown in Table 20. Proposal A and Proposal B both offered a schedule guarantee that if the date for completion was not met then there would be a 1.5 ROE basis point reduction per month up to a max of 30 points. Proposal C's schedule guarantee was structured so that if the date of completion was not met then Proposal C would take a reduction in ROE starting with 2 points in the first month growing by 2 points each month with a max of 20 points. Further discussion of Proposal C's ROE strategy is found below in the Finance section.

Table 20
Comparison of Respondent’s’ 4A.8 Cost Certainty Guarantee

OFFERED COST CAPS/GUARANTEES	PROPOSALS		
	A	B	C
ATRR CAP	15 yrs 6%*	15 yrs 6%*	
RRE	\$282.7M	\$291.6M	
Schedule Guarantee	5/15/2026	5/15/2026	9/30/2025
Forego AFUDC	X	X	
Forego CWIP	X	X	
ROE and Incentives (%)	9.8%	9.8%	
Capital Structure (Equity %)	45% first 15 yrs	45% first 15 yrs	
Exclusions			
Scope change or re-route due to federal, state, or local government agency, or SPP requirements	X	X	
Change in requirements caused by [REDACTED]	X	X	
Costs incurred as a result of any delay in constructing [REDACTED]	X	X	
Change in law	X	X	
Force majeure as defined in the SPP tariff	X	X	
[REDACTED]	X	X	
Foregoing CWIP - Delay to Project In-Service Date caused by [REDACTED]	X	X	

* 6% cap above the SPP model ATRR values

Schedule Guaranty:

A - 1.5 ROE basis point reduction per month up to a max of 30 points

B - 1.5 ROE basis point reduction per month up to a max of 30 points

C - Reduction in ROE starting with 2 point in first month growing by 2 points each month with a max of 20 points.

Table 21
Summary of Scoring for All Rate Analysis' Criteria

Section 4: Rate Analysis (Cost to Customer) 225 Pts Measures an RFP Respondents and, if applicable, a CU Participant's cost to construct, own, operate, and maintain the Competitive Upgrade over a forty year period. Criteria considered in this evaluation category shall include, but not be limited to:	Weight	Total Points	A	B	C
4A.1) Estimated Total Cost of Project					
Estimated Total Cost of Project (RFP Response Estimate - RRE)	45%	101.25	90.02	88.82	101.25
4A.2) Financing Costs					
4A.3) FERC Incentives					
4A.4) Revenue Requirements					
4A.5) Lifetime Cost of the Project to Customers					
4A.6) Return on Equity					
Present Value Revenue Requirements (PVRR)	45%	101.25	86.00	84.81	101.25
4A.7) The Quantitative Cost Impact of Material on Hand, or, Rights-of-Way Approval, Assets on Hand					
4A.8) Cost Certainty Guarantee					
4A.9) Other - Comments					
Other Attachment Y Factors	10%	22.5	22.50	22.50	11.25
Scoring Category Total	100%	225	198.52	196.13	213.75

A more detailed explanation of the IEP's analysis and point allocation can be found in the Rate Analysis section of the Appendix.

Finance

The RFP requested each Respondent to provide detailed financial information specific to the Competitive Upgrade Project. All Respondents demonstrated the ability to finance the Project. The panel therefore evaluated the responses for documentation to validate their statements of financial viability. The Finance evaluation focused on meaningful differences in how each Proposal addressed the scoring criteria. A key difference between the bids was the commitment of the Respondent to adhere to the bids' indicated costs of financing described in their respective Proposals.

In order for the IEP to evaluate the competitive process and deliver to SPP an evaluation, the terms of the competing Proposals must be compared. In the Finance section, Proposal C described strategies to enable them to raise the cost of equity (ROE) above what was used in their bid. That action would increase cost to customers in excess of the analysis provided. Proposal C also declined to offer a cap on financing costs or even make a projection of their future cost of debt, while providing a credit agency report that noted this risk. These elements of Proposal C were captured in scoring several of the criteria, as the other bids had distinctly different responses.

Evidence of ability to finance

The Evidence of Ability to Finance criteria was assigned 20 points. The bids sponsored by Respondents with the highest credit ratings were rated Best. The differences in credit ratings are recognized in the financial markets with lower costs to finance. Information from the credit rating reports provided was used to evaluate the expectations of the costs to finance used in the Proposals.

The Respondent submitting Proposals A and B had the higher credit ratings.

Respondent for Proposal C provided credit reports that described risks of higher financing costs in the future and needs for added cash flow. This information impacted scoring in several criteria. Proposal C was rated Good, which allows for 51% to 74% of points for this criteria. Proposal C received 14 points, or 70% of possible score.

Material conditions

The Material Conditions criteria was assigned 5 points. Proposals with narrative and documentation specific to this project are Best and would receive the highest score. Respondents that have some form of documentation are rated Good.

Proposals A and B included a narrative regarding material conditions and documentation, receiving a Best rating. Proposal C did not address this subject in its narration but provided a 2022 lender agreement document with numerous banks. This was rated Good and received 3 points.

Financial/business plan.

The Financial Business Plan criteria was assigned 15 points. A Proposal was rated Best if it provided an informative narration of the Respondent's preparation and strategy for unregulated projects including how the Proposal's ROE and debt costs are estimated. A rating of Better was given if the Proposal described project-level efforts.

Proposals A and B described financing this project with examples of previous unregulated projects, and assurance through cost caps that financing input assumptions will apply. This was scored Best. Proposal C provided descriptions of corporate financing and costs for debt and equity that were backward-looking. Proposal C offered no explanation of the contrast with Proposal C's credit rating reports indicating that debt costs were likely to rise above what was assumed in their bid. Proposal C explained elsewhere in the bid a strategy to raise the ROE to be used in rates higher than was included in the calculations made for this RFP. This was rated in the Better category which allows for 75% to 99% of points for this criterion. Proposal C received 13 points, or 86% of possible points.

These likely contingencies described in financing in Proposal C and the contrast with the guarantees made in Proposals A and B are noted in scoring other Finance criteria established in Attachment Y.

Pro forma financial statements

The Pro Forma Financial Statements criteria was assigned 15 points, and sample forms provided in RFP Response Form Excel Workbook set a minimum expectation for response. Scoring method was established in anticipation that respondents could exceed the minimum expectation or offer additional comments or documents in the space provided. A Best score was expected for Proposals that included support for contingencies on balance sheet and income statement, for example.

Proposals A and B were rated Best due to added narration and reference to commitments documented in the bid that reduce the risk of contingencies or deviation from the projections. Proposal C was given a score Better and 12 points reflecting the bidder's minimum possible information for this response and omission of stated expectations of future actions raising the cost of capital applicable to the Competitive Upgrade and credit agencies' expectation of higher costs of financing.

Expected financial leverage

The Expected Financial Leverage criteria was assigned 10 points. The perspective embedded in the scoring methodology reflected a project-financing framework where a higher equity-to-debt ratio would be a stronger project. The Best rating was awarded to the project with the higher equity-to-debt ratio.

Proposal C used the highest equity-to-debt ratio among the Proposals and was given a Best rating and 10 points. Proposals A and B included a lower equity-to-debt ratio and was given a Better rating and 9 points.

Debt Covenants

The Debt Covenants criteria was assigned 10 points. Proposals providing documentation that specifically reflects project will be scored Best. All Proposals provided similar levels of documentation. All Proposals were scored Best and received 10 points.

Projected liquidity

The Projected Liquidity criteria was assigned 15 points. The scoring methodology reflected a project-financing framework. The project with the highest liquidity ratios amongst bids was to be scored Best. Proposals with a narration of liquidity measure was to be scored Better.

All Proposals demonstrated substantial levels of liquidity in narratives and with attachments. All Proposals were scored Best and received 15 points.

Dividend policy

Dividend Policy criteria was assigned 5 points. Proposals that described how dividend policy reflects contingencies or liquidity requirements were scored Best. Proposals that tied the dividend policy response to other aspects of the project were scored Better. Proposals with a narration that reflects the project were scored Good. Responses with a minimal dividend policy was scored Acceptable.

Proposals A and B described a dividend policy in relation to the Crossroads-Hobbs-Roadrunner project and the company's goals and needs. These were rated Best and received 5 points.

The response in Proposal C did not describe a dividend policy that reflected company needs, strategies or project circumstances. This was rated Good and received 3 points.

Cash flow analysis

Cash Flow Analysis criteria was assigned 15 points and a sample form was provided in RFP Response Form Excel Workbook to set a minimum expectation for response. A Best score was given for responses that supported possible contingencies. The Better score was available for responses that exceed the minimum. A score of Good was defined as making statements tied to other tables and spreadsheets.

Proposals A and B provided details well above the minimum set out in the RFP Response Form Excel Workbook, and also described plans for contingencies with supporting documents. These were scored Best and received 15 points.

Proposal C provided a minimum amount of information in its response. This along with indications of cash flow concerns from several credit rating reports led to this Proposal to be rated Good. Using the range allowed, 51% to 74% of points, Proposal C was allocated 9 points, or 60% of possible points for this criteria.

Demonstration of Financial Strength

Demonstration of Financial Strength criteria was assigned 15 points. Proposals are required to demonstrate financial strength through one or more means. Providing documentation was required for a Best score, while meeting only one of the criteria would earn a lower score.

Proposals A and B provided documentation to meet all three of the tariff-defined means of demonstrating financial strength for the RFP. This earned a Best score and 15 points for Proposals A and B.

Proposal C provided documentation demonstrating satisfaction of one means for meeting this requirement. That was scored as Better and received 12 points.

Summary:

The sum of Finance points for Proposal A: 124 points, 99% of available points; Proposal B: 124 points, 99% of available points; Proposal C: 101 points, 81% of available points.

Table 22
Summary of Scoring for All Rate Analysis' Criteria

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>	Sub-criteria	Weight	Total Points	A	B	C
5A.1) Evidence of Financing		16%	20.00	20.0	20.0	14.0
5A.2) Material Conditions		4%	5.00	5.0	5.0	3.0
5A.3) Financial/Business Plan		12%	15.00	15.0	15.0	13.0
5A.4) Pro Forma Financial Statements		12%	15.00	15.0	15.0	12.0
5A.5) Expected Financial Leverage		8%	10.00	9.0	9.0	10.0
5A.6) Debt Covenants		8%	10.00	10.0	10.0	10.0
5A.7) Projected Liquidity		12%	15.00	15.0	15.0	15.0
5A.8) Dividend Policy		4%	5.00	5.0	5.0	3.0
5A.9) Cash Flow Analysis		12%	15.00	15.0	15.0	9.0
5A.10) Demonstration of Financial Strength		12%	15.00	15.0	15.0	12.0
Scoring Category Total		100%	125.00	124.00	124.00	101.00

Total IEP Point Allocation

Scoring Results Matrix SPP-RFP-000006 Crossroads-Hobbs-Roadrunner 345kV											
RFP Proposal	RRE	PVRR	Engineering Design (200pts)	Project Management (200pts)	Operations (250pts)	Rate Analysis (225pts)	Finance (125pts)	Total Score	Qualified for Incentive Pts?	Incentive Pts	Grand Total Score
B	\$ 291,614,575	\$ 276,234,780	192.00	189.00	222.25	196.13	124.00	923.38	Yes	100.00	1023.38
A	\$ 282,740,742	\$ 268,203,525	178.00	189.00	222.25	198.52	124.00	911.77	Yes	100.00	1011.77
C	\$ 220,000,000	\$ 212,252,524	178.00	192.00	216.75	213.75	101.00	901.50	Yes	100.00	1001.50
Average	\$ 264,785,106	\$252,230,276	182.67	190.00	220.42	202.80	116.33	912.22			1012.22

Section 4: Recommended RFP Proposal

The IEP unanimously recommends Proposal B as the recommended RFP Proposal for the Crossroads-Hobbs-Roadrunner 345 kV Transmission Line Project. Proposal B was awarded the highest point total based on the individual scoring of the five scoring categories. Proposal B was rated highest in three of the five scoring categories. The IEP’s judgment is that Proposal B presents the best evidence that it can produce a successful project, one that is constructed safely, and within budget, and would operate safely and according to its design parameters.

Scoring differences between Proposal A and Proposal B reflected the meaningful difference in the conductor selected for Proposal B. A larger conductor size provides greater efficiency in moving energy, reducing energy losses and lowering operating costs to consumers. Because the CU is meant to carry very substantial amounts of energy as a 345 kV double circuit expansion of the SPP system, the cost savings over time are expected to be significant. The IEP scoring awarded Proposal B greater points than Proposal A on these engineering considerations. This was only partly offset by the lower points awarded to Proposal B reflecting the larger conductor requiring higher capital costs compared to Proposal A.

Summary of Proposal B significant factors:

- Proposal B was awarded the highest overall point total.
- Proposal B was rated highest in three of the five scoring categories.
- Proposal B presents the best evidence that it can produce a successful project, one that is constructed safely, and within budget, and would operate safely and according to its design parameters.
- Proposal B presents the Best/largest Conductor, and associated Losses were also Best. This was somewhat offset in Cost, as Proposal C presented the Best/lowest Cost
- Proposal B had the Best Cost Guarantee
- Proposal B had the Best/most firm ATRR
- Proposal B had the Best/most firm Cost of Capital

Section 5: Recommended Alternate RFP Proposal

The IEP is tasked with developing “a single recommendation for the SPP Board of Directors consisting of its recommended RFP Proposal and an alternate RFP Proposal for each Competitive Upgrade.”⁵ Further, Attachment Y recognizes that “[t]he RFP Proposal with the highest score may not always be recommended.”⁶ As explained in Section 4 of this report, the IEP unanimously recommended Proposal B, which was allocated the highest number of points, as well as other positive attributes as detailed in the previous sections. However, the IEP recommends Proposal C as the alternate for the following reasons.

Proposal A received a higher point allocation than Proposal C, however Proposal A was submitted by the same RFP Respondent as Proposal B. Proposals A and B differ only in the size of the conductors and their related costs. The IEP concluded that whatever circumstances may arise that could force the Respondent for Proposal B to be unable to carry out its responsibility as the DTO would almost certainly apply to its Proposal A. By default, Proposal C is recommended as the Alternate RFP Proposal.

As shown in Table 2 above, Proposal C was within 22 points of the highest point allocation. Proposal C received the highest points in the Rate Analysis and Project Management scoring areas. In addition, the Respondent submitting Proposal C is viewed as having the capability and experience to construct the Project successfully.

⁵ Southwest Power Pool – Open Access Transmission Tariff, Sixth-Revised Volume No. 1 – Attachment Y Transmission Owner Designation Process – Attachment Y, Section III at 20.

⁶ *Id.* at 39.

INDUSTRY EXPERT PANEL
TRANSMISSION PROVIDER
PUBLIC REPORT

APPENDIX

RFP-000006
Crossroads-Hobbs-Roadrunner 345 kV
July 3, 2023

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Section 1: IEP Direction to Respondents

IEP Direction to Respondents - Published to spp.org October 11, 2022 and updated October 20, 2022



IEP DIRECTION TO RESPONDENTS

RFP# SPP-RFP-000006

Crossroads-Hobbs-Roadrunner 345KV

Published on October 10, 2022
Updated October 20, 2022

This document was produced by a team of the Independent Expert Panel for the Crossroads-Hobbs-Roadrunner 345 kV Project.

The Southwest Power Pool has empaneled an Independent Expert Panel (IEP) team to work through the Transmission Owner Selection Process for the Crossroads-Hobbs-Roadrunner 345 kV Transmission Line (the Project). The IEP team has met to plan its work effort and develop how it plans to score the proposals it receives from Respondents for the Project. This document explains the scoring criteria and areas of emphasis in accordance with Section III.2(d) of Attachment Y of the SPP Tariff and SPP Business Practice 7700, especially as the scoring criteria and areas of emphasis may differ from those used for previous Competitive Upgrade projects.

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

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

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

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

1A.1 Type of Construction

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

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

1A.2 Losses

Scoring for Losses will be based on the conductor type and size proposed, the line-rating capacity impedance/ resistivity, ampacity, and reactance. The summer Emergency MVA rating should be listed in the Response Form Workbook. Loss calculation methods are discussed in the RFP in a footnote on page 11. The Calculation Method should be provided as an attachment and summarized in the Response Form Workbook 1A.2, including the Losses reported in MWh/Yr. based on a loading of 50% of the emergency rating. A conductor selection study, if provided as an engineering attachment, will be evaluated for scoring.

1A.3 Life of Construction

Performance of the upgrade over the service life also will have significant impact on the scoring because it addresses the safety, reliability, availability, and quality of the transmission line. Respondents should include estimated life in years for Structures, Foundations, Conductor, and Insulators in the Response Form Workbook.

1A.4 Reliability/Quality

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

1A.5 Design Experience

Design staff experience should be addressed by identifying the specific resources in the Organization Chart, by experience, capabilities, and availability that will be applied on the Project's different phases. Resumes of key personnel should be included. The Design Independent QA/QC program will be evaluated, and any ISO certification will be considered. In addition to the design itself, Respondents should describe how Engineering will be engaged in procurement, including approval of materials, as well as in on-site presence/design changes during construction. Experience on similar recent relevant projects will be important in scoring Respondents' proposals because they impact all phases: Type of Construction, Losses, Life, and Reliability/Quality.

1A.6 Other

Other data the Respondent believes relevant to the Project not previously covered should be summarized in the Response Form Workbook and supported with attachments in the Engineering section.

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

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

Measures a Respondent's expertise and prior success, in licensing, implementing construction and commissioning of the competitive proposed transmission line project upgrade.

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

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

2A.1 Environmental Factors

1. Describe the environmental review and permitting processes applicable to this project including applicable state and local (including Tribal entities land claims) authorities, conservation districts, regulations.
2. Identify the experience of the Respondent in evaluating all relevant environmental factors outlined in the environmental review and permitting response (2A.1.1). Describe all environmental approval-oriented studies needing to be completed by the Respondent to achieve construction permit approvals in the applicable local, state, and federal authorities having jurisdiction over a transmission line project. This should include discussion of environmental factors expected to be encountered on the proposed route selection (for examples, endangered species, cultural areas, tribal land claims, archeological sites, EMF limits at the edge of the controlled right of way) and any applicable regulations or restrictions potentially applicable to the proposed project.
3. Describe the Respondent's specific plans for addressing possible federal, state, or municipality, tribal, agency regulations and securing the necessary regulatory permits and approvals outlined in 2A.1.1 and 2A.1.2.

4. Describe land and infrastructure crossings (for example, federal and state highways, railroads, electric transmission lines, pipelines, telecommunications facilities) with emphasis on those infrastructure crossings that may require regulatory and/or infrastructure facility owner approval. Provide regulation and approval driven timelines and regulatory approval delay risk(s) potentially impacting overall project completion according to Respondent's base line schedule.
5. Identify the critical path (longest lead time) environmental regulatory agency approval milestones.
6. Provide environmental personnel resumes and applicable experience descriptions.

2A.2 Rights of Way (ROW) Acquisition

1. Provide instances in the last five years where the necessary ROW acquisition for EHV line was obtained including how regulatory challenges were overcome. Identify whether Respondent's past ROW acquisition occurred through the exercise of eminent domain authority, acquisition of needed ROW property in fee, acquisition of needed ROW property via easement, or other means.
2. Provide documents that demonstrate whether Respondent has existing control of ROW segments that would support this Project. If the Respondent has no eminent domain rights, then provide plans and experience for obtaining the necessary ROW.
3. Provide ROW personnel resumes and applicable experience descriptions.

2A.3 Procurement

1. Describe supply management and tracking systems, if any. Provide any current contractual agreements with suppliers indicating how and where equipment will be manufactured, transported, and temporarily stored. Also provide current and projected lead time of major equipment.
2. Describe the quality of the material proposed for selection, and material warranties.
3. Describe Quality Assurance / Quality Control processes used for material and equipment procurement, including review of each manufacturer's quality processes and anticipated factory inspections.
4. Explain any steps that will be taken to ensure that the materials and labor required for the Project will be available and at the costs included in the estimates in light of current anomalies in labor and materials markets due to the coronavirus pandemic.
5. Identify Supply chain risks and mitigation plans to address those risks.
6. Provide material procurement personnel resumes and applicable experience descriptions.

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

1. Provide the overall scope of the project and major milestones including a high-level summary.
2. Provide best and worst-case scenario schedule to meet desired service date. Include a project management risk registry that outlines the key risks to the permitting, design and construction activities that may impact project completion, (on time or earlier) and (at or below) budget

- expenditure, along with potential mitigation steps which may be taken to mitigate those risks.
3. Describe detailed processes and plans for managing all aspects of project development and scheduling, including key milestones for construction, regulatory approvals.
 4. Provide proposed Gantt or other project management tool-based chart, describing proposed baseline schedule.
 5. Describe experience and track record with respect to prior similar projects in identifying and developing a critical path baseline schedule for the proposed Project. Include how unforeseen obstacles encountered in the past projects of similar scope and magnitude were addressed.
 6. Describe project interconnection schedule for access to and performance of work on the Crossroads, Hobbs, and Road runner substations to connect the two new 345 kV transmission lines and associated fiber optic communications circuits to the designated dead-end structures. Address infrastructure crossing(s) that the new 345 kV transmission line will have on existing Substations infrastructure.
 7. Provide project management personnel resumes and applicable experience descriptions.

2A.5 Construction Plan

1. Provide evidence of prior experience in managing the construction of projects similar in cost, complexity, and geographical extent. Explain how Respondent plans to deploy the necessary support personnel, field crews, and material handling lay down areas and other needed resources (e.g., heavy machinery and materials) to remote locations and potentially difficult off-road terrain.
2. Describe all proposed safety protocols that will be followed during the materials handling, storage, and construction process. Include safety manuals, policies, and procedures. Provide plans for personnel training events and tracking of participation, training materials, job brief plan, tracking of safety violations (government and internal), awards, and site-specific safety / health documents.
3. Provide safety records for the past 5 years of the construction crews that are planned to be used by Respondent for previous major EHV transmission line projects, preferably in the following terms:
 - Experience Modification Rate (EMR)
 - Total Recordable Incident Rate (TRIR)
 - Days Away [from work], Restrictions, and Transfers (DART)
4. OSHA enforcement actions both closed in the last ten years and currently open at the time of the Respondent's submittal.
5. Provide project construction personnel resumes and applicable experience descriptions including anticipated key field personnel and contractor(s) leads that will be constructing the 345KV transmission project.

2A.6 Testing and Commissioning

1. Provide detailed plan of testing and commissioning activities, including coordination with

neighboring and interconnecting utilities.

2. Provide plans for development of commissioning and testing agreements with the entity that owns the terminals at Crossroads, Hobbs, and Roadrunner stations.
3. Describe plans for coordinating commissioning, with the Hobbs, Crossroads and Roadrunner substations (Substations) owner,
4. Provide resumes and applicable experience descriptions of anticipated personnel that will be coordinating the commissioning the 345KV transmission project.

2A.7 Time to Construct Plan and past performance

1. Describe, in detail, the base-line timeline / milestones / contingency plans necessary to meet the desired in-service date.
2. Describe how the respondent plans to address potential unforeseen delays with respect to project milestone completion date(s) and project cost(s).
3. Describe the size number and experience of construction crews (internal or contractors) that are expected to work on this project. Describe temporary housing plans for field crews.

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

1. Identify the project management tools (e.g., software, or techniques) the Respondent proposes to use to manage the project.
2. Provide a Construction Project personnel Organization Chart.
3. Provide a list of major transmission line construction projects that were completed by the Respondent's organization within budget in the last five years. Identify which projects met or bettered the timeline and budget requirements and which did not meet the budget and timeline requirements.
4. Provide resumes demonstrating the relevant experience of construction leadership personnel managing major aspects of construction.

2A.9 Other Comments

Other data the Respondent believes relevant to the Project not previously covered should be summarized in the Response Form Workbook and supported with attachments in the Project Management section.

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

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

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

Respondents should describe their plans for monitoring and controlling the competitive upgrade via a Control Center. If these functions will be performed by others, Respondents should describe their plans for fulfilling these responsibilities.

Respondents should describe their plans for gaining physical access to such infrastructure, including the Crossroads, Hobbs, and Roadrunner Substations, to perform routine maintenance or emergency repairs. If such maintenance or emergency repairs are to be performed by others, Respondents should describe their plans to arrange such activities.

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

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

- Describe the Respondent's experience with operating transmission lines. If the Respondent does not have their own Control Center, describe how the Respondent plans to fulfill the Control Center Operations function and responsibilities, including the identification of contracted services if applicable, that will be operating the facilities specific to this competitive upgrade.
- Describe the number of transmission lines by voltage under the current operational control of

the Control Center that will be responsible for the operation of the competitive upgrade.

- Provide the location of the primary and backup Control Center(s) that will be responsible for the operation of the competitive upgrade.
- Describe the Extra High Voltage experience of the Control Center that will be responsible for the real time monitoring and control of the competitive upgrade.
- Describe the relevant experience of the Respondent's staff, including contracted services, with Control Center management and operations. Include years of applicable experience for each position.
- Identify the number of staff by position, typically located within the Control Center(s) that will be responsible for management and operations of the competitive upgrade during normal system conditions.
- Identify the number of staff by position, anticipated to be within the Control Center(s) that will be responsible for management and operations of the competitive upgrade during emergencies.
- Describe the number of EMS support staff and their relevant experience including the average years of experience, which will be responsible for the EMS used to monitor and operate the competitive upgrade including their location and how off hours EMS support is provided. Identify the number of NERC reportable EMS events experienced in the past five years per NERC Electric Reliability Organization Event Analysis Version 4.0.

3A.2 Storm/Outage and Emergency Response Plan

1. Describe the Respondent's storm, outage, and emergency response plans specific to this competitive upgrade, including the following:
 - Staffing and resource mobilization philosophies.
 - Ability to acquire contracted staff and resources quickly.
 - Anticipated composition of staff, by percentage comprising of internal, augmented, or contracted services for initiating engineering services and supplying technical expertise.
 - Identification of specialized equipment or services that are outside the Respondent's organization but are necessary for execution of the Respondent's emergency response plans.
 - Anticipated location of a base of operations and largest distance away from the competitive upgrade during restoration activities.
2. Describe the Respondent's strategy, regarding replacement/rebuilds, specific to the competitive upgrade following a catastrophic, on-site failure or extraordinary event or circumstance. Include any prearranged plans or agreements that are typical for these circumstances such as the setup of staging areas and accommodating multiple crews for a period of time including contractors.

3A.3 Reliability Metrics

1. Identify the number of outages, average outage duration, and frequency of occurrences involving the Respondent's 300-399 kV transmission elements, categorized by an initiating

cause code (ICC) associated with such events, that the Respondent experienced in the past five years. If such data is not available for the 345 kV voltage class, the Respondent should attempt to identify a different voltage class and provide similar information. The following ICCs should be provided by the Respondent:

- Power System Condition
- Lightning
- Human Error
- Failed AC Circuit Equipment
- Vegetation
- Unknown

Note: See NERC "Transmission Availability Data System Data Reporting Instructions", Effective January 2022, for definitions of the above ICCs.

2. Identify the count of momentary and permanent transmission element outages, normalized to a per 100-mile basis.
3. Identify any corporate reliability metrics that the Respondent tracks to provide management oversight related to reliability specific to and associated with the competitive upgrade.

3A.4 Restoration Experience/Performance

1. Describe past restoration experiences of overhead 300-399 kV transmission lines in the last five years. The Respondent should include performance data that is relevant to these experiences, including scope of repair, resource utilization (i.e., Respondent's field staff, contractors, neighboring assistance), and overall duration of restoration activities.
2. Describe emergency resources utilized for the above restoration examples including helicopters, drones, specialized equipment and how these resources were obtained.

3A.5 Maintenance Staffing/Training

1. Describe the Respondent's field personnel training and safety program associated with the performance of daily routine (i.e., prearranged) maintenance activities, including initial qualifications, the certification process and continual certification or training.
2. Identify the Respondent's organizational size regarding field operations, both internally and through contracted services, which could perform planned maintenance activities associated with the competitive upgrade.
3. Identify the Respondent's organizational size regarding field operations, both internally and through contracted services that could perform forced outage activities associated with the competitive upgrade.
4. Describe the relevant experience of the Respondent's maintenance staff including contracted services that will be responsible for the maintenance of the competitive upgrade. Include years of applicable experience for each position.

3A.6 Maintenance Plans

1. Describe the process the Respondent will use when developing a planned transmission line outage plan specific to this competitive upgrade, including the following:
 - Criteria for preventive maintenance decisions (e.g., time-based, condition-based, risk-based, predictive, etc.)
 - Staffing and resource mobilization philosophies.
 - Anticipated composition of staff and resources, both internally and through contracted services, by percentage, to complete necessary maintenance activities, engineering services, and provision of technical expertise.
 - Anticipated location of a base of operations during maintenance activities.
2. Describe the Respondent's preventive and predictive maintenance plans or philosophies specific to the competitive upgrade, including identification of the following:
 - Scope and frequency of each type of routine inspection and how they are performed, i.e., helicopter, foot patrol, etc.
 - Description of efforts to gain physical access to substations.
3. Describe the Respondent's vegetation management and mitigation strategies, including identification of adapted industry standards.
4. Describe the Respondent's computerized maintenance management system including how maintenance items are scheduled and tracked to completion.
5. Describe metrics used by management to track upcoming and completed maintenance against the planned maintenance frequency and schedule.
6. Describe the ability and experience of the Respondent to perform live 345KV line maintenance.

3A.7 Specialized Maintenance Equipment and Spare Parts

1. Describe the Respondent's strategy for balancing the procurement, storage, maintenance, management, and sufficiency of parts and equipment necessary for this competitive upgrade. Include the strategy for the structure components and conductor included in the entities proposed design as well as any plans to stock emergency towers.
2. Describe the Respondent's strategy for the acquisition of spare parts or equipment that may have a long lead time for procurement.
3. Describe the Respondent's supply chain risk management policy for equipment and parts associated with this competitive upgrade.
4. Describe the Respondent's strategy for replacement of spare parts or equipment that may have a long lead time for procurement.
5. Identify the specialized equipment or services that are necessary for the completion of the maintenance activities associated with this competitive upgrade.
6. Describe how the Respondent's plans to house or store such equipment, including geographic location.
7. Describe the Respondent's warehouse inventory management system, including how the need to re-order is identified and the process for initiating purchases.

3A.8 Maintenance Performance/Expertise

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

3A.9 NERC Compliance Process History

1. Describe the Respondent's internal reliability compliance and risk management programs, including measurement and frequency of conducting compliance assessments as well as any associated application or software tools.
2. Identify the Respondent's NERC functional registrations and Compliance Registry Identifier along with the date registration initially began. If not registered describe the Respondent's plans to register with the ERO Enterprise. If the Respondent is not going to register describe how the Transmission Owner and Transmission Operator functions will be satisfied.
3. Describe how this competitive upgrade will be integrated into the Respondent's reliability compliance program.
4. Describe the Respondent's reliability compliance organizational structure, including the organizational level of dedicated (i.e., primary responsibility) compliance support and assessment staff.

3A.10 Internal Safety Program

1. Describe the internal safety protocols that will be followed during operations and maintenance activities associated with this competitive upgrade, including manuals, training, certifications, awards, and site-specific or hazard-specific environmental, health, and safety documents.
2. Describe the Respondent's Safety Tag, Hot Line Tag, or Lockout-Tagout procedure, including the process for how the Respondent will coordinate with the connected station field personnel responsible for switching to provide their field maintenance staff with a clearance or no reclose assurance.
3. Describe the Respondent's grounding and clearance safety procedure.
4. Describe the required safety training and current safety initiatives applicable to maintenance staff.
5. Provide resumes or experience and certification descriptions of staff assigned oversight and supervision responsibilities for maintenance site safety.

3A.11 Contractor safety program

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

3A.12 Safety performance record

1. Describe the Respondent's safety performance records of its field operations and maintenance personnel for the last five years, preferably in the following terms:
 - Experience Modification Rate (EMR)
 - Total Recordable Incident Rate (TRIR)
 - Days Away [from work], Restrictions, and Transfers (DART)
2. Identify the number of fatalities, deaths, dismemberments, and hospitalizations that occurred during the completion of maintenance activities, for facilities of similar size and scope of this competitive upgrade, in the last five years.
3. Provide OSHA enforcement actions for the Respondent's field operations and maintenance activities with both closed in the last ten years and currently open at the time of the Respondent's submittal.

3A.13 Other comments

Other data the Respondent believes relevant to the Project not previously covered should be summarized in the Response Form Workbook and supported with attachments in the Operations section.

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

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

4A.1: Estimated Total Cost of the Project

1. The scoring in the Rate Analysis section will use the criteria in Attachment Y grouped within three primary evaluation categories: Total Cost of The Project - RFP Response Estimate (RRE); Present Value Revenue Requirement (PVRR); and Other Attachment Y factors which could reduce the cost and risk of the Project.
2. Points for the first two evaluation categories (RRE and PVRR) will be awarded based on the lowest cost numbers (i.e., the lower the cost numbers for RRE and PVRR, the higher the points awarded in each of these categories). The scoring in each of these categories could also be conditioned on the cost proposal meeting the requirements of the other IEP evaluation sections.

The PVRR calculation includes the following Attachment Y criteria:

- RFP Response Estimate (RRE) total¹(Tab 2B cell C36 of the Excel Workbook)
 - **4A.2:** Financing costs
 - **4A.3:** FERC incentives
 - **4A.4:** Revenue Requirements - Provide an estimated present value revenue requirement (PVRR) for this RFP Proposal by completing Tabs 3-3G of the RFP Response Form Excel Workbook
 - **4A.5:** Lifetime cost of the Project to customers
 - **4A.6:** Return on Equity
- The third and final evaluation category will have a lesser number of points assigned to it than the other two categories. Points will be awarded based on a detailed, quantitative response that demonstrates a reduction in the cost related risk of the Respondent's proposed Project, including the following Attachment Y criteria:

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

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

1. If a Respondent states it has material or assets on hand that will be used in the Project, the proposal should include a complete description of the assets and material and an explanation of any benefits to the Project that are not already captured in the total project cost RRE as well as the PVRR.
2. In addition, if a Respondent has access or control to rights-of-way (ROW) (controlled vis in fee ownership, via land related option agreements, or via land use easement agreement) that it plans to use for the Project, the proposal should attach documents that demonstrate the ownership, control, or acquisition of the ROWs and any description of benefits derived from the ROW controls that are not already reflected in cost inputs to the PVRR calculation.

4A.8 Cost Certainty Guarantee

1. Any cost cap/guarantee(s) offered by a Respondent should describe in detail the benchmark against which the cost cap/guarantee(s) is made, the circumstances and conditions under which that cost cap/guarantee would be realized, and the methodology in which the value of the cost cap/guarantee would be made available to SPP customers. The potential value of the cost cap/guarantee(s) in absolute dollars should also be explained as well as the timing of when that value would be assumed to occur.
2. Any cost cap/guarantee(s) proposal should discuss and quantify in dollars, if possible, any impacts the cost cap/guarantee(s) will have on the RRE or PVR number which has not already reflected in their numeric calculations.
3. Any exclusion and exceptions to any parameter of a cap or guarantee must be made clear and concise.
4. The duration for any cap of guarantee must be made clear and concise.
5. The Respondent's cost cap/guarantee proposal(s), should also provide the applicable information in the attached Section 4A.8 Cost Certainty Guarantee table as part of their cost cap/guarantee proposal(s).

4A.9 Other comments

Other data the Respondent believes relevant to the Project not previously covered should be summarized in the Response Form Workbook and supported with attachments in the Rate Analysis section.

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

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

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

The scoring in the Section 5 Finance section will employ the two Attachment Y categories of Financial Viability and Creditworthiness. Financial viability is generally the project's ability to generate sufficient income to meet operating payments, debt commitments. Categories in the RFP for Financial Viability include the Attachment Y criteria of evidence of financing (**5A.1** of RFP), pro forma financial statements (**5A.4** of RFP), and expected financial leverage (**5A.5** of RFP), projected liquidity (**5A.7** of RFP), dividend policy (**5A.8** of RFP), and cash flow analysis (**5A.9** of RFP). These items represent approximately two-thirds of the points to be awarded in this section.

Creditworthiness is generally a reflection of lenders willingness to trust a borrower to pay their debts. A borrower deemed creditworthy is one a lender considers willing, able, and responsible enough to make loan payments as agreed until a loan is repaid. Creditworthiness includes the material conditions (**5A.2** of RFP), financial/business plan (**5A.3** of RFP), debt covenants (**5A.6** of RFP), and the additional criterion, Financial Strength (**5A.10** of RFP), which is described further, below.

Financial Viability and Creditworthiness are based on Respondent or parent entity's recent history and accurate future projections. All proposals must provide projections and assumptions for inputs and responses to the criteria described in Attachment Y, and the RFP# SPP-RFP-000006. All of the criteria listed in Attachment Y and the actual documents provided will be evaluated and scored, recognizing that the assumptions provided by the Respondents can alter the point allocation.

The evaluation process will focus on the degree to which a Respondent meets the financial

qualifications required by Attachment Y that demonstrate its capacity to obtain financing and construct the Project. A Respondent should show through its proposal and any supporting documents how the Project would be financed by demonstrating the financial strength of the Respondent. Conclusive evidence of financial strength is required by means of a letter from a bonding agent or bank indicating approval of or willingness to provide the required performance bond or letter of credit to the Respondent consistent with 5A.10 of the Response Form for RFP# SPP-RFP-000006.

Other data the Respondent believes relevant to the Project not previously covered should be summarized in the Response Form Workbook and supported with attachments in the Finance section.

Section 2: Requests for Information

Requests for Information Issued During IEP Evaluations

No RFIs were issued for the Crossroads-Hobbs-Roadrunner 345kV RFP.

Section 3: Documentation of Points Allocation by Scoring Category

I: Engineering Design

For the Engineering Design evaluation process, all three Proposals were carefully reviewed, looking at all Engineering related documents and the overall Proposals.

Note, Proposals A and B were from one entity and Proposal C was from a different entity.

The review and analysis included the RFP Response Form (Proposal Word document), the RFP Response Form Excel Workbook, all associated engineering attachments, and other Proposal information. For those Proposals that included a Design Criteria document, those were printed hard copy as an aid in reviewing and comparing across the Proposals. Notes were taken during the review of each Proposal, leading up to capturing significant relevant data/features/attributes of all 3 Proposals, organized to compare each Proposal in a side-by-side manner. This Side-by-Side comparison included information from the RFP Response Form, the RFP Response Form Excel Workbook (16 of 23 engineering related line items), and the associated engineering attachment (26 to 31 plus attachments per Proposal). During the development of scoring, the full breadth of the provided Proposal engineering documents was used and referred to frequently.

The Side-by-Side comparison tool including all six criterion, and all seven sub-criterion:

- 1A.1 Type of Construction (Wood, Steel, Design Loading, etc.)
 - 1A.1.1 Design Loading Criteria, NESC Assumptions, SPP MTDS
 - 1A.1.2 Conductor Type/Name, Ampacity, Number of sub conductors, Line Emergency MVA
 - 1A.1.3 Shield Wire Type/Name, number of Shield Wires, Size of Wire, Number of Fibers
 - 1A.1.4 Structure Configuration, Quantity of Tangent, Dead end/Storm Structures, Foundations
 - 1A.1.5 Insulators, Lightning/BIL
 - 1A.1.6 Dampers
 - 1A.1.7 Markers
- 1A.2 Losses (Design Efficiency)
- 1A.3 Estimated Life of Construction
- 1A.4 Reliability/Quality Metrics, Materials, ISO Cert, Design QA/QC
- 1A.5 Design Experience
- 1A.6 Other

Multiple attributes were also established for each of the 12 criterion/sub-criterion. For example, for the sub criterion for Conductor, attributes included the size of the conductor, the type of conductor (ACSR, ACSS, ACSS TW, etc.), the amp rating, the MVA rating, and the depth and quality of the Conductor Evaluation Study, etc. Each of the 12 criterion/sub-criterion had between 4 and 10 attributes listed. To assist in the evaluation, a spread sheet was created for each criterion/sub-criterion (total of 12) listing multiple attributes that were deemed significant. This allowed for a side-by-side comparison of each attribute and led to the evaluation for each criterion/sub-criterion and determining an Unacceptable, Acceptable, Good, Better, or Best rating.

Evaluation of these attributes was often quantitative. For example, the size of the conductor proposed was a direct comparison, or the number of fibers in the shield wire was a direct comparison. Evaluation of some attributes was more qualitative assessments. For example, the breadth and depth of the Losses Study(s) or the extent of information provided for quality checks and balances (QA/QC Processes and Guidelines)

Another tool used in the evaluation was the scoring matrices. This was developed earlier by the full IEP Panel and working in tandem with the side-by-side comparisons Excel sheet. This was used to develop scores for each Proposal in each criteria/sub-criteria.

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) Design Loading Criteria	14%	28
	1a.2) Conductor Type/Name, Ampacity, Number of sub conductors	14%	28
	1a.3) Shield Wire Type/Name, Number of Shield Wires, Size of Wire	4%	8
	1a.4) Structure Configuration	12%	24
	1a.5) Insulators	4%	8
	1a.6) Dampers	3%	6
	1a.7) Markers	2%	4
	Sub-Total Criteria Pts	53%	106
1A.2 Losses (Design Efficiency)		14%	28
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		3%	6

The IEP used the Scoring Methodology prescribed in SPP Business Practice 7700 for assigning scores to the Proposals:

- Unacceptable – 0%
- Acceptable – 50%
- Good – 51% to 74%
- Better – 75 to 99%
- Best – 100%

At least one Proposal would receive “Best” in each criterion/sub criterion

Scoring was the result of utilizing a combination of the notes taken during the review of each Proposal, the Excel individual side-by-side comparison for each of the 12 criteria/sub-criteria and attributes, the scoring matrices, the Scoring Methodology, and frequent reference back to the full Proposal. The overall Engineering Design scores are summarized here, followed by more in-depth discussion of how these scores were derived.

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
1A.1 Type of Construction (Wood, Steel, Design Loading, etc.)	1a.1) Design Loading Criteria	14%	28	21.0	21.0	28.0
	1a.2) Conductor Type/Name, Ampacity, Number of sub conductors	14%	28	21.0	28.0	21.0
	1a.3) Shield Wire Type/Name, Number of Shield Wires, Size of Wire	4%	8	8.0	8.0	6.0
	1a.4) Structure Configuration	12%	24	24.0	24.0	22.0
	1a.5) Insulators	4%	8	7.0	7.0	8.0
	1a.6) Dampers	3%	6	6.0	6.0	6.0
	1a.7) Markers	2%	4	4.0	4.0	4.0
	Sub-Total Criteria Pts	53%	106	91.0	98.0	95.0
1A.2 Losses (Design Efficiency)		14%	28	21.0	28.0	21.0
1A.3 Estimated Life of Construction		10%	20	20.0	20.0	20.0
1A.4 Reliability/Quality Metrics		10%	20	20.0	20.0	18.0
1A.5 Design Experience		10%	20	20.0	20.0	20.0
1A.6 Other - Comments		3%	6	6.0	6.0	4.0
Scoring Category Total		100%	200	178.0	192.0	178.0

General Observations

- 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 screening 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, Proposal B presented a larger conductor. Proposals A and B contained more comprehensive Geotech investigations compared to others, while some included more detailed studies, and some used slightly different assumptions for detailed studies.
- 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. Proposal C 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 795 kcmil to 1033 kcmil. Associated line losses also varied.

1A.1.1 Design Loading Criteria

Design Loading Criteria, NESC Assumptions, SPP MTDS (max 28 points) – all Proposals met or exceeded in this area. Attributes included eight loading cases, plus a broken wire case, and the ability to perform live line maintenance. All met NESC Codes, and all met or exceeded SPP Minimum Transmission Design Standards. All of the Proposals included a Design Criteria document as requested in the Direction to Respondents. The Design Criteria document was printed hard copy to assist in comparing them across all Proposals. In the area of Design Loading Criteria, Proposals A and B used NESC Medium while Proposal C used NESC Heavy, and the point evaluation reflected this difference. Proposals A and B include ASCE 300 Yr Mean Reoccurrence Intervals (MRI).

	NESC H/M Grd B	NESC Extrm Wind	NESC Extrm Ice&Wind	ASCE 74 - 300 Yr Wind	ASCE 74 - 300 Yr Ice & Wind	ASCE 74 - 100 Yr Wind	ASCE 74 - 100 Yr Ice & Wind	ASCE 74 - Extrm Ice	Brk Wire	Live Maint
A	■	■	■	■	■	■	■	■	■	■
B	■	■	■	■	■	■	■	■	■	■
C	■	■	■	■	■	■	■	■	■	■

Proposals with more robust Design Criteria were considered Better. Other design assumptions and features were also considered.

Scoring ranged from 21 to 28. Proposal C was considered best and received the max score of 28, primarily due to utilizing NESC Heavy Loading criteria.

For Type of Construction and the RFP requirement to meet or exceed the SPP Minimum Transmission Design Standards, all 3 Proposals were compared for compliance. All 3 Proposals met these standards previously published by SPP and pasted here for reference:

SPP Minimum Transmission Design Standards, Rev 3, 10/12/2021

2.1 GENERAL Transmission lines shall be designed to meet all applicable federal, state, and local environmental and regulatory requirements.

2.2 ELECTRICAL CLEARANCES Design clearances shall meet the requirements of the NESC. To account for survey and construction tolerances, a minimum design margin of 2 feet shall be applied to ensure the NESC clearances are maintained after construction. This margin shall be applied to conductor-to-ground and conductor- to-underlying or –adjacent object clearances, but need not be applied to conductor-to-transmission structure clearances. These clearances shall be maintained for all NESC requirements and during the ice with concurrent wind event as defined in the Structure Design Loads Section. In regions susceptible to conductor galloping, phase-to-phase and phase-to-shield wire clearances during these conditions shall be considered.

Sufficient space to maintain OSHA minimum approach distances in place at the date of project approval, either with or without tools, shall be provided. When live-line maintenance is anticipated, designs shall be suitable to support the type of work that will be performed (e.g., insulator assembly replacement) and the methods employed (i.e., hot stick, bucket truck, or helicopter work, etc.).

2.3 STRUCTURAL DESIGN LOADS All transmission line components shall be designed to resist the effects of all load cases described in Sections 2.3.1 through 2.3.4. Transmission line components include structures, insulators, hardware, and foundations.

2.3.1 NESC AND OTHER LEGISLATED LOADS The design strength of all transmission line components shall fully comply with all appropriate provisions of the NESC, and any other legislated code or rule required by the authority having jurisdiction.

The SPP territory is located in both the NESC Heavy and Medium Loading Districts. The Rules for the Loading District in which the line is located shall apply. For lines located in both the Medium and Heavy Loading Districts, the Rules for the Heavy Loading District shall apply. All lines shall be designed using Grade B Construction. Southwest Power Pool, Inc. Minimum Design Standard Version 3.0 6

2.3.2 EXTREME WEATHER EVENTS Transmission line components shall be capable of resisting the following extreme weather events. Overload factors shall be a minimum of 1.0. Note these load requirements are in addition to the NESC or any other legislated load requirements.

- Extreme wind applied in the direction causing the most unfavorable effect, but at a minimum at an angle of 90° and 45° to the wires and structure.*

- Ice with concurrent wind, with the wind applied in the direction causing the most unfavorable effect, but at a minimum at an angle of 90° and 45° to the wires and structure. The magnitude of the extreme wind load, and the ice with concurrent wind load shall be selected based on a 100-year mean return interval. The corresponding loads shall be determined using the ASCE Manual of Practice (MOP) 74,*

Guidelines for Electrical Transmission Line Structural Loading. A minimum of Exposure Category C is required.

2.3.3 UNBALANCED LOADS *The following two unbalanced load cases shall be applied to all tangent structures and associated components.*

- *Longitudinal loads due to unbalanced ice conditions, considering 1/2" radial ice, no wind in one span, no ice on adjacent span, with all wires intact at 32° Fahrenheit final tension. This load case does not apply to insulators; however, insulators shall be designed such that they do not detach from the supporting structure.*

- *Longitudinal loads due to one broken ground wire or one phase position (the phase may consist of multiple sub-conductors). For single conductor phases, use 0" ice, 70 mph wind, 0° F and for multi-bundled phases use no wind, 60° F. Alternatively, for lines rated below 200 kV, provide stop structures at appropriate intervals to minimize the risk of cascading failures. This load case does not apply to insulators; however, insulators shall be designed such that they do not detach from the supporting structure.*

2.3.4 CONSTRUCTION AND MAINTENANCE LOADS *Construction and maintenance loads shall be applied based on the recommendations of ASCE MOP 74. Overload factors shall be a minimum of 1.0.*

1A.1.2 Conductor Type/Name, Ampacity, Number of sub conductors, Line Emergency MVA rating (max 28 points) – Conductor ranged from 795 ACSR up to 1033 ACSR. Attributes included conductor type, size, emergency rating in Amps, MVA rating, and the Conductor Evaluation Study. Proposals A and B included very extensive Conductor Evaluation Study, demonstrating a significant level of effort to bring forward conductors best suited for the project requirements. All Proposals met/exceeded the MTDS 3000 Amps Emergency Rating requirement. Proposals ranged from 3,850 amps to 4,418 amps. All Proposals met/exceeded the RFP 1,792 MVA rating requirement. Proposals ranged from 2,309 to 2,640 MVA. From an engineering perspective, the large conductor was seen as a positive.

Scores ranged from 21 to 28. Proposal B was considered best and received the max score of 28 primarily due to utilizing a larger conductor.

	Conductor	kcmil	Type	Emergency Rate Amps	MVA	Conductor Evaluation Study
A	Drake 26/7	795	ACSS 26/7	3864	2309	Very Strong
B	Curlew 54/7	1033	ACSS 54/7	4418	2640	Very Strong

C	Drake 26/7	795	ACSS 26/7	3850	2309	Strong
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For Conductor and the RFP requirement to meet or exceed the SPP Minimum Transmission Design Standards, a comparison was made for all Proposals for compliance. All Proposals met these standards previously published by SPP and pasted here for reference:

SPP Minimum Transmission Design Standards, Rev 3, 10/12/2021

2.6 RATING OF PHASE CONDUCTOR

The minimum ampacity of phase conductors shall meet or exceed the values shown below, unless otherwise specified by SPP. If otherwise specified by SPP, the SPP value will govern. The ampacity shown in the table shall be considered to be associated with emergency operating conditions.

The emergency rating is the ampacity the circuit can carry for the time sufficient for adjustment of transfer schedules, generation dispatch, or line switching in an orderly manner with acceptable loss of life to the circuit involved. Conductors shall be selected such that they will lose no more than 10 percent of their original strength due to anticipated periodic operation above the normal rating.

Phase Conductors Emergency Ratings

Voltage (kV)	Emergency Rating (Amps)
100 - 200	1200
230	1200
345	3000
500	3000
765	4000

The conversion from conductor ampacity to conductor temperature shall be based on IEEE 738, Standard for Calculating the Current-Temperature Relationship of Bare Overhead Conductors. The RFP will specify the design wind speed, wind direction, ambient air temperature, absorptivity, emissivity, and time of day. The Respondent is responsible for determining the value of the remaining parameters.

1A.1.3 Shield Wire Type/Name, number of Shield Wires, Size of Wire, Number of Fibers (max 8 points) – all Proposals utilized two shield wires, with 48 fibers each. The RFP requirement of dual communication paths was evaluated in this category and was accomplished by all Proposals. All Proposals included a Lightning Study. Proposals A and B provided project specific lightning studies and the best forecasted flashover per 100 miles per year. Scores ranged from 6 to 8, with Proposals A and B considered as Best.

SPP Minimum Transmission Design Standards, Rev 3, 10/12/2021

2.8 SHIELD WIRE AND FIBER REQUIREMENTS

Transmission lines shall be adequately shielded for lightning protection. The shield wire shall be sized based on the anticipated fault currents generating from the terminal substations. When transmission line projects tie into existing substations, the anticipated fault currents will be provided in the RFP.

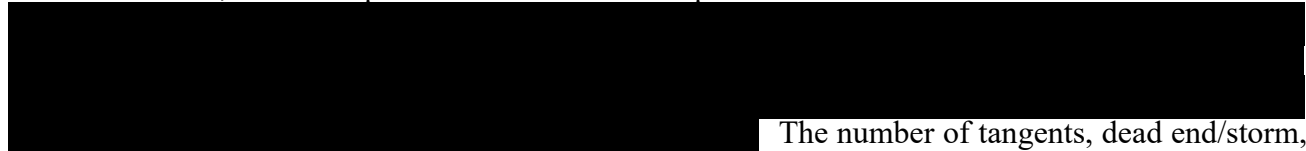
Where a fiber communication path is required, the minimum number of fiber strands shall be 36 in each cable. Fiber may be either OPGW, underground fiber cable, or ADSS fiber cable.

Where redundant fiber communication paths are required for protection systems, the use of multiple fibers within a single OPGW, underground fiber cable, or ADSS fiber cable is not an acceptable redundant path. A separate OPGW, underground fiber cable, or ADSS fiber path, is required to establish a redundant path.

Adequate provisions shall be made for fiber repeater redundancy as well as power supply redundancy at each repeater.

When the incumbent TO standards exceeds the requirements of this document, those requirements will be provided in the RFP.

1A.1.4 Structure Configuration, Quantity of Tangent, Dead End, and Storm Structures (max 24 points) – all Proposals were based on a single pole structure, either steel or spun concrete. There were some variations, for example some utilized multi pole structures for dead end/storm structures.



The number of tangents, dead end/storm, and transposition structures varied across the Proposals. Total structure count ranged from 742 to 907 and dead end/storm structure count ranged from 64 to 68. In general, from an engineering perspective, more structures and dead end/storm structures were considered better. Proposal C had a design utilizing self-supporting structures/no down guys which was seen as a positive. All Proposals were clear that their design supported live line maintenance. Conductor Blow Out calculations and the resulting ROW width were reviewed. Other structural features that could differentiate Proposals were identified and factored into the overall point allocations for this sub-criterion.

Foundations utilized were included in this sub criterion. Proposal C utilized a direct imbedded type of foundation for tangent structures and drilled pier with anchor bolt/self-supporting foundations allowing for the elimination of down guys, which was seen as a positive. Proposals A and B utilized down guys. All included a separate Geotech Study, with Proposal A and B actually going to the field and taking soil borings along the route of the line.

Proposals A and B were considered Best and received 24 points. Proposal C was considered Better and received 22 points.

	Total	DE / Storm	Notes	Notes	Geotech Report
A	907	64	Guys	22 borings taken	Very Good
B	907	64	Guys	22 borings taken	Very Good
C	742	68	No Guys	no field borings	Very Good

SPP Minimum Transmission Design Standards, Rev 3, 10/12/2021

Structure and Foundation Design

Structures and foundations shall be designed to the requirements of the applicable publications:

- *ASCE Standard No. 10, Design of Latticed Steel Transmission Structures*
- *ASCE Standard No. 48, Design of Steel Transmission Pole Structures*
- *ASCE Manual No. 91, Design of Guyed Electrical Transmission Structures*
- *ASCE Manual No. 104, Recommended Practice for Fiber-Reinforced Polymer Products for Overhead Utility Line Structures*
- *ASCE Manual No. 123, Prestressed Concrete Transmission Pole Structures*
- *ANSI 05-1, Specifications and Dimensions for Wood Poles*
- *IEEE Std. 751, Trial-Use Design Guide for Wood Transmission Structures*
- *ACI 318 Building Code Requirements for Structural Concrete and Commentary*

Proper clearances with design margins shall be maintained under deflected structure conditions.

A geotechnical study shall be the basis of the final foundation design parameters.

1A.1.5 Insulators, Lightning/BIL (max 8 points) – All Proposals utilized polymer type insulators. Configuration varied from braced post to davit arm with suspension Vee strings. BIL ranged from 1,576 kV to 1705 kV, with some differences between dead ends and tangent structures.

Proposals C was considered Best and received 8 points. Proposals A and B were considered Better and received 7 points.

	Config	Material	BIL
A			
B			
C			

SPP Minimum Transmission Design Standards, Rev 3, 10/12/2021

Insulation Coordination, Shielding, and Grounding

Insulation, grounding, and shielding of the transmission system (line and station) shall be coordinated between the Designated Transmission Owner and the Transmission Owner(s) to which the project interconnects to ensure acceptable facility performance.

All metal transmission line structures, and all metal parts on wood and concrete structures shall be grounded. Overhead shield wires shall also be grounded, or a low impulse flashover path to ground shall be provided. Grounding requirements shall be in accordance with the NESC.

1A.1.6 Dampers (max 6 points) – Attributes included 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 6 points.

1A.1.7 Markers (max 4 points) – Attributes included if a FAA study was provided and the results of that study, evaluation of endangered/threatened bird species and mitigation proposed, and structure numbering for ongoing inspection and maintenance. All Proposals were deemed a Best rating and the maximum 4 points.

1A.2 Losses (Design Efficiency) (max 28 points) – Proposals and supporting attachments varied across all the Proposals. Attributes included losses in MWhr/Yr, inclusion of a Losses Study and the quality of that study, conductor size and type, rating in Amps, and MVA rating. The IEP Direction to Respondents clearly asked for losses to be estimated in MWhr/Yr at 50% line loading. Proposals A and B did this, while Proposal C listed a number based on a different calculation. Some clearly stated they utilized the RFP stated requirement to use the criteria listed in the SPP MTDS.

All Proposals included a Conductor Evaluation Study, demonstrating a significant level of effort to bring forward conductors best suited for the project requirements. Some were more complete/of a higher quality than others.

All Proposals include a Losses Study, with Proposal A and B providing four studies utilizing various approaches. For this RFP, sufficient information was provided to allow for a fair comparison across all the Proposals. In addition to the provided data on Losses, the size of the conductor was considered.

Scoring ranged from 21 - Better to 28 – Best. Proposal B was deemed best primarily due to lower Losses by utilizing a larger conductor.

SPP Minimum Transmission Design Standards, Rev 3, 10/12/2021

2.7 LINE LOSSES Line losses shall be calculated using 50 percent of the emergency rating. The emergency rating shall be the value stated in the table shown in the “Phase Conductor” section (above). When determining the line impedance, the ambient air temperature shall be 25°C

Planning Criteria Rev 2.4, 2/4/2021, Section 7.2.1.3

In ANSI/IEEE C57.91, a 65°C rise transformer can operate at 120% for an 8 hour peak load cycle and will experience a 0.25% loss of life. If a 65°C rise transformer experiences 4 incidents where it operates at or below 120% for an 8 hour peak load cycle, it will still be within the target of 1% loss of life per year. In ANSI/IEEE C57.91, a 55°C rise transformer can operate at 123% for an 8 hour peak load cycle and will experience a 0.25% loss of life. Likewise, if a 55°C rise transformer experiences 4 incidents where it operates at or below 123% for an 8 hour peak load cycle, it will still be within the target of 1% loss of life per year

RFP Footnote under Tab 1A.2

Losses in MWhr/year at 50% capacity

1A.3 Estimated Life of Construction (max 20 points) – all designs were in alignment with industry best practices and provided a robust and durable asset. All Proposals were in agreement of an estimated life of 80 plus years for the structures, and 50 plus years for the polymer insulators. All Proposals included a corrosion study for the foundations. All Proposals included storm / dead end structures with some variation in quantities. Engineering QA process, engagement in procurement, and engagement in construction varied across the Proposals. In general, engagement throughout the project was seen as a positive. Also, the robustness of the loading cases evaluated in 1A.1.1 were considered in the evaluation of Good, Better, Best.

All Proposals received a Best rating of 20 points

1A.4 Reliability/Quality Metrics, Materials, ISO Cert, Design QA/QC (max 20 points) – Attributes included lightning performance, number of structures, strength of the Design Criteria, ISO certification, estimated life of construction, QA/QC processes, engineering engagement in procurement and construction, and engineers field change management processes. While all Proposals included some discussion of their engineering QA/QC process and guidelines, Proposals A and B provided the best documented QA/QC and independent check process for the engineering deliverables. Two Proposals stated ISO 9001 certification (Proposal A and B). Proposals A and B used NESC Medium while Proposal C used NESC Heavy. Proposals A and B included a higher than minimum Mean Return Interval of 300 years for wind or wind & ice loading cases. All Proposals included a Lightning Study and flashover rates. All Proposals include storm structure approximately every 5 miles or less. Proposals with higher numbers of structures rated higher. From the Rates Section, the amount of maintenance expenditure per year was considered and had some influence on this category.

Materials selected and presented in the Proposals were the outcome of the Engineering Design. All materials were industry typical and standard and similar to materials used on countless similar transmission line projects across the industry for many years. That is, all the Proposals were based on tried-and-true materials in use and proven over many years of successful service in the US Grid. Proposals A and B provided the Best discussion of their factory quality inspection and monitoring process which was a positive.

From a Project Reliability / Quality point of view, Engineering and Design were the primary evaluation focus, but engagement by the Engineer of Record throughout the Engineering, Procurement, and Construction of the project was considered and contributed to higher scoring. The Engineer of Record process for managing field Design Change Notices was considered as contributing to a high-quality project.

Scoring ranged from 18 - Better to 20 – Best. Proposals A and B were rated Best in this category.

1A.5 Design Experience (max 20 points) – Attributes included the experience of the design entity on recent relevant projects, engineering QA/QC programs, completeness of case studies, engineering engagement in procurement and construction, and engineering field change management program. A

total of two different design entities were engaged in the three Proposals. All have completed thousands of miles of successful projects, have been doing transmission line design for decades and have access to a robust pool of resources. Resumes were provided. Once detailed design actually starts, there is always some potential for the design leads assigned to vary from the proposed design leads. The overall Proposal – Engineering related documents – were complete, with some providing a more complete set of attachments, and some exceeding what might normally be expected. Examples include the areas of a well-organized Design Criteria, obtaining actual soil borings, comprehensive Geotech Study, Lightning Study, Conductor Selection Study, Losses Study(s), with some Proposals including other studies above and beyond the norm.

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 received a Best rating of 20.

1A.6 Other (max 6 points) – In general, all Respondents invested significant effort into their submissions. For example, all brought their design to a 30% design level for developing their full Proposal. Proposals A and B stood out in the area of providing a thoughtful presentation of tangible information directly relevant to this specific project, and directly responding to the Direction to Respondents. All Proposals provided a kmz file or P&L of the route and structures which was helpful in understanding their design. Proposal A and B provided a video that efficiently conveyed a large amount of relevant information in a concise manner.

Scores ranged from 4 to 6, with Proposals A and B receiving the Best rating of 6.

In summary, all Proposals were of high quality and completeness, and provided the information to evaluate across all Proposals. There was very little variation across the Proposals, thus the spread from high to low score was small (from 178 to 192).

Differentiators:

Proposal C using NESC Heavy loading case – gain of 7 points over the other Proposals

Proposal B using a larger conductor – gain of 7 points over the other Proposals

Proposal B having lower losses – gain of 7 over the other Proposals

Four criteria/sub criteria – max points allocated to all Proposals

Remaining five criteria/sub criteria – all were within 2 points of each other

II: 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 and proposed budget.

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 to assign appropriate points based on each Respondent's response and their referenced attachments.

After the initial review of the three 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.

All Respondents indicated that they have on staff or retained experienced contractors/consultants with knowledge of the area and with various regulatory and permitting processes in New Mexico.

In the three Project Management categories of Environmental Factors, Procurement, and Experience of Construction of Major Projects/Track Record, the Proposals were judged to be equivalent, with Respondents A, B and C each receiving the full allocation of points Best of 32, 24 and 20 respectively as explained in each section below

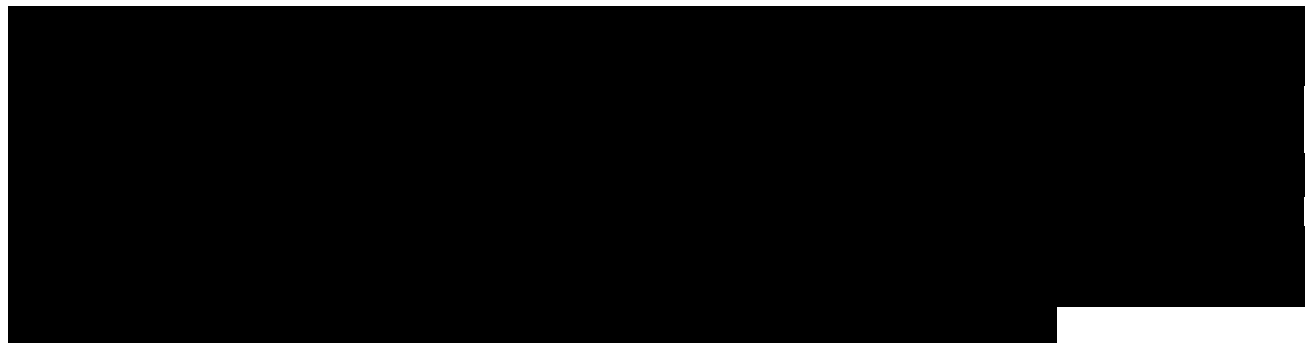
Environmental Factors (2A.1) – 32 points available

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 or route segments, 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 the applicable sub-criteria and were rated Best at 32 points.

Rights of Way Acquisition (2A.2) – 24 Points available

[REDACTED]

[REDACTED]



Summary: All 3 Proposals demonstrated extensive experience in ROW acquisition, including the use of condemnation, if needed. Each described a plan for negotiation with landowners and also their strategy to use eminent domain if and when necessary. Based on the differences in the responses provided in the Proposals; Proposal C was awarded the Best score of 24 points and Proposals A and B were awarded 18 points.

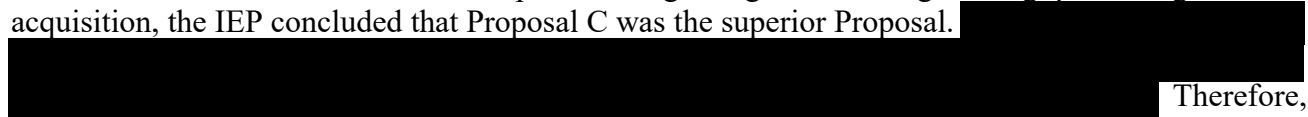
Procurement Factors (2A.3) – 20 Points available

All Proposals provided comprehensive procurement plans. They also described their Quality Assurance/Quality Control processes that include testing and periodic material inspections. Additionally, all Proposals referenced established strategic sourcing agreements and identified appropriate transmission line material storage/staging/laydown sites. All Proposals demonstrated extensive experience for the sub-criteria and were rated Best at 20 points.

Project Scope and Development Schedule (2A.4) – 32 Points available

All Respondent 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 proposed in-service date.

Proposal C presented a schedule for energization which is nearly a year earlier than that Proposals A and B. On the basis of the information provided regarding status of engineering, permitting and land acquisition, the IEP concluded that Proposal C was the superior Proposal.



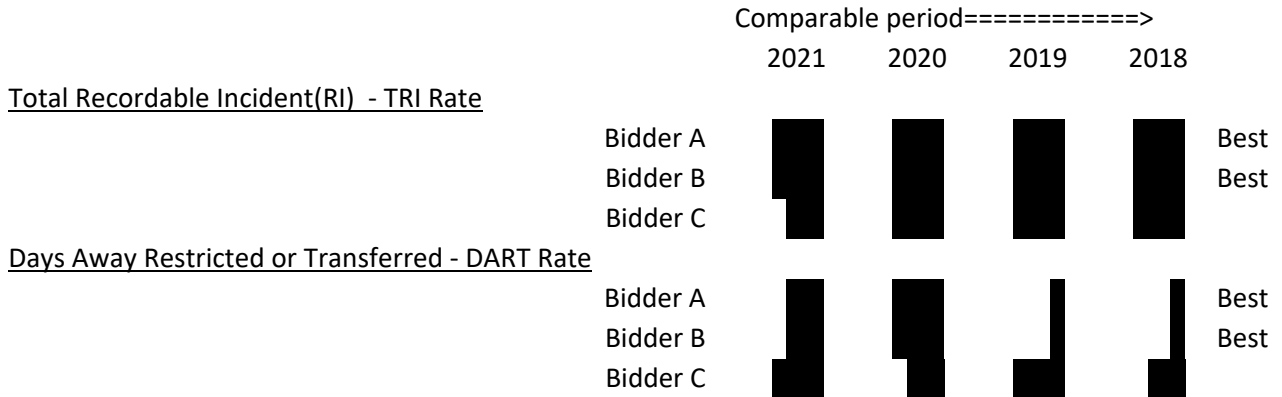
Therefore, Proposal C received a score of Best for the Category with 32 points while Respondents A and B received 28 points each. We call the reader's attention to the offsetting assessment in the Timeframe to Construct Criteria below.

Construction Plan (2A.5) – 30 Points available

All Respondent Proposals provided the experience and safety related information although for different years. Where the years matched, the TRIR and, DART are compared in the table below.

On the basis of the data provided, for comparable years. Proposals A and B provided superior safety record statistics and were judged better than Proposal C. Therefore, Proposals A and B received a score of 30 points each as Best for the category.

Safety Comparison - for those years where direct comparison can be made on an annual basis



Testing and Commissioning (2A.6) – 10 Points available

All Respondent Proposals provided the required experience and testing and commissioning information. The single point reduced reflects that [Redacted]. Therefore, Proposal C was judged to be Best at 10 points and Proposals A and B were awarded 9 points.

Timeframe to construct (2A.7) – 26 Points available

All Respondent Proposals provided the required experience and milestone related information along with assessments of unforeseen delay impacts on completion date. All Respondents also provided a Best case, a Worst/Late case analysis and a milestone presentation. In-service dates ranged from May 2025 to May 2026. [Redacted]

While Proposal C has the earliest energization date, a closer examination of the elapsed engineering and construction times seemed unreasonably short. The IEP concluded that the short construction window for Proposal C is not credible, based on the level of supporting information provided as part of its Proposal. A detailed analysis with side by side assessment is demonstrated below. Therefore, for the reasons as noted below, Proposals A and B were awarded the Best rating at 26 points each, even though their energization dates are later. Proposal C was awarded 22 points.

For example, Proposals A and B have a duration for engineering of 13 to 15 months, while Proposal C completes engineering within five months of the notice to proceed. Proposals A and B have a duration for construction of 18-20 months which is considered by the IEP team as closer to the most likely experience. Proposal C has a construction duration of 10-12 months which was not considered likely given the magnitude of the project at approximately 140 miles. Proposal C did not provide information to support how they may accomplish this proposed schedule.

Note that if Proposal C achieves its worst (late case) stated energization date of May 2025, and Proposals A and B achieve their best energization date of May 2026, Proposal C completes its proposed project a year ahead of Proposals A and B.

Crossroads Schedule Summary													Rev 5-1-2023
	A and B-Best Case (1-2A.4 Attach 1, 2-2A.4 Attach 1)			A and B Worst (1-2A.4 Attach 1, 2-2A.4 Attach 1)			C Base Case (Attach 2A.4.1)			C-Late Case (Attach 2A.4.1)			Notes
	Start	Complete	Elapsed Months	Start	Complete	Elapsed Months	Start	Complete	Elapsed Months	Start	Complete	Elapsed Months	
Award	Aug. 23	Aug. 23	1	Aug. 23	Aug. 23	1	Aug. 23	Aug. 23	1	Aug. 23	Aug. 23	1	
Permits	Aug. 23	March. 24	7	Aug. 23	June. 24	10	Aug. 23	April. 24	8	Aug. 23	April. 24	8	
R/W	Aug. 23	June. 24	10	Aug. 23	Aug. 24	12	Aug. 23	May. 24	9	Aug. 23	May. 24	9	typical 12 months
Engineering	Aug. 23	Sept. 24	13	Aug. 23	Nov. 24	15	Aug. 23	Jan. 24	5	Aug. 23	Jan. 24	5	typical 10 months
Procurement	Aug. 23	June. 25	10	Aug. 23	June. 25	10	Aug. 23	March. 24	7	Aug. 23	March. 24	7	typical 9 months
Construction	Sept. 24	May. 26	20	Nov. 24	May. 26	18	May. 24	March. 25	10	May. 24	May. 25	12	typical 18 months
In Service		May. 26			May. 26			May. 25			May. 25		

Comments: IEP Team conclusion is that proposal C durations in general seem extremely optimistic

Experience of Construction Track Record (2A.8) – 24 Points available

All Proposals demonstrated Respondents have experience and histories in successfully constructing and commissioning major 345 kV transmission projects. All Proposals demonstrated extensive experience for the sub-criteria, and all were rated Best and awarded 24 points.

Other Comments (2A,9) – 2 Points Available

Proposals A and B both had an environmental justice/disadvantaged communities consideration within their Proposals. Proposal C did not have an explicit environmental justice program. Respondents A and B were judged Best on that basis and awarded 2 points. Proposal C was awarded 1 point.

Summary of Results

The result of the IEP reviews and scoring demonstrates a narrow net range of difference in terms of points, with a three point difference in favor of Proposal C. Proposal C received the highest score for Project Management of 192 out of 200. Proposals A and B are a very close second at 189 points. This leads the IEP to conclude that any of the three Respondents are capable of delivering the Project Management attributes in the execution of the project if selected.

One note of caution regarding Proposal C, is that given the lack of supporting information on how the respondent would successfully achieve the proposed schedule, the elapsed timeframe for construction proposed by Proposal C seems to be very unlikely, and therefore Proposal C received Better (not Best), in the Project Timelines, Milestones and Contingency plans sub category.

III: Operations

Proposals A and B (scored 222.3 points out of 250.0):

These two Proposals were submitted by the same bidder and provided identical description of the Operations component of the Project. Therefore, their score was identical. Some of the highlights captured from the two Proposals include:

Control Center Operations (staffing, etc.) (scored 15.0 points out of 20.0):

- Responsible for the operation of 25 lines, between 161 kV – 345 kV, totaling 1,294 miles as follows.



- Recent line additions include 10 @ 345 kV, 5 @ 230 kV in the last ~10 years.
- Control Center Management has extensive experience in operations.
- There is a dedicated Trainer with extensive experience. The Trainer is also the Safety Coordinator.
- Operators have an average of 16 years of experience and are either NERC certified as RC or BA, INT and TOP.
- The Operations Training Plan procedure is robust. Training includes self-study, in-house developed training, Regional RC Training, and vendor provided training. Training is delivered over a 3-year cycle.
- There are █ System Operators, with █ System Operator on shift 24x7. The schedule includes a training week. The System Operator on training and other NERC certified day staff are available 24x7 for support.
- The Primary Control Center and Backup Control Center are at a distance from each other such that a nearby event at one will not affect the other, while being close enough to allow Control Center staff to arrive at the BCC in a short period of time.
- Operators have access to in-house senior meteorologists who provide short, medium, and long-range forecasts.
- Utilizes a 3rd party simulator for operator training.
- Primary & Backup Data Centers are located in █.
- EMS Support staff are in █. The staff consist of █ individuals, █ managers and █ engineers. The average years of EMS experience is 13 years.
- Off hours EMS Support coverage is provided by the parent company at their 24x7x365 Infrastructure Operations Center.
- In the past 5 years there was just 1 NERC Reportable EMS event.

Storm/Outage and Emergency Response Plan (scored 15.0 points out of 20.0):

- Plan to utilize a contractor who will mobilize a minimum of one heavy 10-person crew to respond within one hour and be on-site in 3 hours. Contractor also has 500 line personnel available at various locations in NM & TX.
- A second contractor can also provide 24/7 line maintenance and emergency restoration services as a backup.

- Respondent has █ Field O&M Technicians located within █ minutes of the project. Another █ are █ hours away.
- Respondent has contracts in place for services that includes aerial patrols, cranes, fiber optic repair.
- Respondent has support agreements in place with affiliates and vendors for O&M support. They include provisions for acquiring additional field maintenance personnel and specialized equipment.
- Respondent has received multiple nationally recognized emergency response awards.
- Respondent has degreed meteorologists on staff monitoring for threats and impacts to the system.
- Respondent has mutual aid assistance through the parent company.
- Respondent has a detailed emergency response plan that also includes,
 - A Logistics Section Chief (LSC) who has overall responsibility for coordinating all non-site matters such as ordering, fuel, water, and equipment with prearranged contractors.
 - A lodging and meal lead. If lodging is not available, mobile sleeper trailers are available from the parent company.
 - An on-site team of material specialist who arranges with the contractor delivery, movement, and receipt of spare stock and repair materials from the Project's spare's location.
- Respondent has identified 6 staging areas along the ROW.
- Respondent developed a draft schedule to replace one-mile of line and structures and return the Project line to service within seven days. The plan includes a list of equipment and material at the staging area and includes such items as dispatching trucks with equipment, restoration toolboxes, mats and ordering large cranes if necessary.

Reliability Metrics (scored 30.0 points out of 30.0):

- Over the last 5 years there was █ 345 kV outage due to lightning.
- Over the last 5 years reported █ switching errors.
- Provided momentary and permanent transmission element outages, normalized to a per 100-mile basis as follows.

	2018	2019	2020	2021	2022
Momentary	█	█	█	█	█
Sustained	█	█	█	█	█

- Corporate metrics include,
 - OSHA recordables, availability percentage, environmental significant violations, wildfire prevention, compliance penalties and Six Sigma employees with belts deployed by percentage.
 - Momentary and sustained outages are tracked with a cause category.
 - Current year includes actual and goal, month, YTD and year end forecast. Actuals are compared to previous year actual.
 - Switching errors are tracked monthly, reported with year to date and year end forecast along with the previous year actual. The goal is 0.

Restoration Experience/Performance (scored 21.0 points out of 22.5):

- Respondent has experience with restoration and maintenance events on the 345kV systems over the past five years.
- They have also assisted parent company and others by providing mutual assistance following major weather events.
- Outage durations are reasonable.
- Demonstrated by restoration example that they were able to call upon additional contractors, fabricate polls and acquire specialized equipment.

Maintenance Staffing/Training (scored 16.25 points out of 20.0):

- Training is delivered by a combination of formal course classes, computer-based training, exercises, drills, and hands-on instruction.
- The refresher courses, training, and re-certifications are recorded, monitored, and planned in the Learning Management System. However, there was no discussion of the process used to ensure training and qualifications are achieved or maintained.
- Project safety and individual training is linked to the employee's performance related compensation.
- O&M staff training consists of the following general categories: Core Training, NERC Compliance and System Operator Training, Safety Switching & Maintenance and Environmental.
- The contractor's "Safety, Health, and Environmental Manual" identifies the guidelines related to policies and procedures for safety, health, and environmental processes. It includes sections for overhead distribution and transmission, Equal Potential Grounding and Bonding Work Zone Safety and Lockout and Tagout among other applicable topics.
- One person with 30+ years of experience, is responsible for all system and field operator training, developing the training plan and implementing the training curriculum.
- Provided a table listing training modules and their frequency identifying which applied to HV Techs, System Operators, Protection & Control Engineers and "Entry Level" staff.
- Provided a table outlining the contractor's Safety Training Modules with their frequency and the positions each module applies to which include Transmission Line, Substation, Mechanic, and new hires.
- A specific list of required qualifications was not provided.
- There are a total of ■ HV technicians, ■ locally and an additional ■ in the project regions.
- The contractor provides a 10-person minimum crew for maintenance and emergencies. This crew is available in 3 hours. The contractor also can provide additional transmission line personnel who are located at various locations in the region.
- Vegetation Management project team leader has 25+ years of experience, supported by multiple senior vegetation specialists, all are certified arborists.
- The Vegetation Management contractor staff are based across New Mexico and the western Texas region. It has a team of approximately 40 personnel divided across two yards in the region of the project, one in Clovis, NM, and the other in Carlsbad, NM.
- Other contractors include a contractor for performing fiber optic repairs, helicopter aerial inspections and maintenance services.

- Management has experience ranging from 5 to 43 years. All but 2 have at least 15 years of experience.
- The Field Operations experience as follows,
 - HV Technicians: 5-10 years
 - Technical Services: 20-43 years
 - Project Engineers (outage coordinators): 5-7 years
 - Field O&M Manager: 15 years
- Contractor employees have 4-20 years of experience.

Maintenance Plans (scored 22.5 points out of 25.0):

- Inspections are conducted annually. This includes ROW, foundations, structures, bonding & grounding, guys & anchors, porcelain and polymer insulators, conductors and shield wires and fiber optic cable. Results are recorded in the AMP database work management system, including the scheduling of any corrective maintenance.
- Ariel patrols are performed twice a year.
- Entire line section inspection frequencies are based on the structure type. The 345 kV inspection frequency is 6 months except foundations (1 year).
- Two employees with 3-5 years of experience will perform 95% of ground patrols. A line contractor will perform the other 5%.
- Ariel patrols will be performed by a contractor with lineman having 10 years of experience and a vegetation person with a minimum of three years of experience.
- Drones will also be used 2 miles from takeoff.
- Climbing and bucket truck access will be performed by local maintenance staff for 15% of the inspections, a line contractor will perform the other 85%.
- Vegetation management inspection will be performed by VM team [REDACTED].
- Any maintenance action items are categorized using 4 categories ranging from immediate to no action needed prior to next scheduled inspection.
- The Respondent utilizes the Asset Management Program' (AMP) to track line maintenance. Vegetation maintenance is tracked by the Transmission VM System (TVMS).
- Maintenance data collected is transferred to decision support tools to provide information regarding an asset's condition, health number, which will be used to rank the priority level of any future maintenance work order execution, and to determine 'next steps' strategy. This can affect the schedule or task frequency as well as produce a new work order.
- During the first quarter of each year, the field operation lead creates and delivers an estimate of the planned number of substantial maintenance activities anticipated for completion on facilities during the current year and maintenance activities completed in the previous year.
- The Senior Director of operations performs a physical facility visit, including:
 - Confirmation of the validity of facility maintenance records.
 - Undertaking a visual inspection of the transmission facilities.
 - Carrying out a firsthand observation of ongoing maintenance.
- There was no mention of a process whereby the actual completion dates are compared to the planned frequency and schedule.
- Routine vegetation management (VM) inspections will occur via ground patrols, aerial patrols or LiDAR. VM patrols will occur annually with no more than 18 months between inspections.
- VM program complies with,

- ANSI Z133.1 - 2017 Safety Requirements for Arboricultural Operations
- OSHA 1910.269 Electric Power Generation, Transmission, and Distribution
- ANSI A300 (Part 1) - 2017 Pruning
- ANSI A300 (Part 7) - 2018 Integrated VM
- ANSI A300 (Part 9) - 2017 Tree Risk Assessment - a Tree Failure
- ISA BMP that are components to ANSI parts 1, 7, and 9
- NERC FAC-003-4
- Respondent has a QAQC process to confirm open, scheduled and completed vegetation data on 200 kV and above.
- Respondent has a comprehensive VM Program Manual
- Respondent has a Work Load Management Dashboard that tracks project VM, including past due items tickets and patrols.
- All vegetation-related outages are investigated and documented in internal SharePoint sites.
- The Respondent monitors reports to ensure that the Work Plan is complete and that past due exceptions are documented, the vegetation condition is re-evaluated, and the action plan is noted in the weekly exception report.
- Live line services will be provided by the contractor who is trained and certified in energized barehand techniques and procedures.
- No information was provided as to how often live line maintenance is performed.

Specialized Maintenance Equipment and Spare Parts (scored 14.0 points out of 20.0):

- The Respondent had analysis performed to determine structure and material stocking levels. The result was that 86% of structure types & heights will be stocked. Other material will be stocked to replace 2 miles of line.
- Respondent will have access to affiliate's stock of temporary tower kits.
- Respondent has identified supply chain risks and developed controls to mitigate those risks. They have a supply chain risk management policy that ensures processes are in place to,
 - Conduct supplier validations and pre-qualifications.
 - Document all sources of supply for Project equipment and services.
 - Establish critical control points and key performance indicators for supplier performance.
 - Outlines a list of approved suppliers and how to ensure their compliance with relevant health, safety, and environment standards.
 - Establishes an emergency protocol in the event of a supply chain disruption.
 - Specifies measures for the traceability of parts and components.
 - Includes a comprehensive audit process and corrective actions for non-compliant suppliers.
- Respondent will utilize the parent company computerized spares asset management program that manages the spares stock, restocking, oversight of the spares holding location, and dispatching of spare parts for delivery within hours. Spare holdings are reviewed once a year and their condition assessed as part of annual maintenance process based on the OEM's recommendations and experience.
- Spare parts used during the completion of a Work Task will be marked for replenishment or reordered through inventory management processes.
- Each quarter the field operations lead updates the inventory counts. Before stock levels get too low the field operations lead alerts the Engineers allowing them to determine when

reorders need to be initiated. To initiate a purchase, the Engineers use inventory software to generate a purchase order and then submit it to the supplier for fulfillment.

- Respondent has the ability to secure access to a large inventory of company spares held by its affiliates, as well as pre-agreed support, by formal agreement, with various suppliers.
- Specialized equipment is provided by the line contractor.
- Project specific spares, specialized equipment, line structures, conductor and tower hardware will be held at [REDACTED] spares yard, near [REDACTED], a four (4) hour drive to the Project.
- Respondent provided a list of equipment used for transmission operations and maintenance.

Maintenance Performance/Expertise (scored 25.0 points out of 25.0):

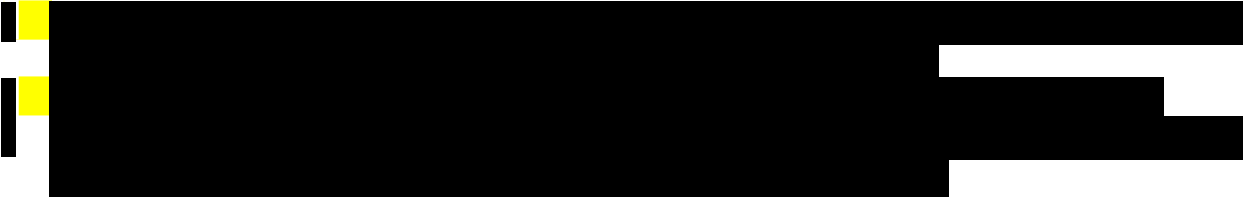
- 100 % of planned maintenance was completed on-time during each of the last 5 years.
- Actual spend was [REDACTED] of budget over the last 5 years. Trend over the last 5 years started within [REDACTED] of budget in 2018 and increased to [REDACTED] in 2022.
- Availability was 99.99% in each of last 5 years.

NERC Compliance Process History (scored 27.5 points out of 30.0):

- A Compliance Steering Committee is responsible for providing oversight of NERC obligations.
- CRO-NERC compliance team develops forward looking indicators that focus on processes and associated controls to achieve and sustain compliance.
- Compliance staff includes,
 - A Senior Director NERC Compliance & Senior Director CIP COE.
 - Multiple NERC Compliance Analysts responsible for the project's overall NERC Program.
- Respondent has a Readiness Review process to assess compliance readiness before any of the following events,
 - Enforcement of a new or revised Reliability Standard, including associated compliance implementation plans.
 - Operation of a newly constructed transmission asset.
- The Sustainability Assessments document the processes by which the standards are met. They are performed every quarter by Policy Owners, Process/Procedure Owners, and SMEs and the CRO-NERC team's support. The purpose is to ensure ongoing compliance with all applicable Reliability Standards, as well as to address any internal process changes or revisions to the Reliability Standards that may affect sustaining compliance.
- The Respondent prioritizes more frequent assessments to focus on those Reliability Standards that are identified in the yearly NERC Compliance Monitoring and Enforcement Program that are considered a higher risk due to their violation history across NERC entities.
- The CRO-NERC team may initiate an internal spot check at any time:
 - To verify or confirm compliance with a specific requirement, or,
 - In response to events as described in the Reliability Standards or due to operating problems or system events.
- The Respondent compliance tracking tool is a computerized maintenance management system to manage its NERC compliance tasks and record evidence. This tool will flag, track, and

record NERC requirement obligations to ensure the proper notification of each requirement task is flagged ahead of its due date, assigned and adequately executed.

- VM compliance tasks are scheduled, monitored, and recorded by the VM team in the VM System (TVMS).



Internal Safety Program (scored 12.5 points out of 12.5):

- The Safety Rule Book contains a comprehensive list of topics including medical services, hazardous material, chemicals, and compressed gases; switching & tagging; clearances, grounding, and Transmission barehand rules.
- The Safety Operating Plans and Requirements (SOPR) Field Manual, contains a comprehensive list of topics including First Aid & CPR, Hazards, switching & tagging sections, clearances, grounding, and hot phasing. There is also a section on "Transmission Line-Issuing/Obtaining Permit on Line owned By Other Utility Switching".
- The HPE Booklet includes a comprehensive description of human factor tools to prevent errors. The tools include among others,
 - Pre-job briefs & tailboards
 - 3-way communication with phonetic alphabet & numerals.
 - Independent verification
 - Self-checking via STAR
 - Place keeping
- There is a Tailboard form for documenting the tailboard for each job.
- The Switching Manual contains detailed instructions on a wide variety of topics. These include a requirement that switching orders must be reviewed. The review can be the preparer if there is no other operator is available.
- Respondent has a Contractor Near Miss Program
- Internal training includes a comprehensive list of safety topics including, Substation Switching, Transmission line clearance holder switching training, grounding, and hot sticks.
- Internal refresher training includes a comprehensive list of topics including the following,
 - Annual Safety Rule Book and Field Manual
 - Annual Substation Switching,
 - 3 years Transmission line clearance holder
 - Annual grounding
 - Annual hot sticks.
- The Switching Manual includes "[REDACTED] Transmission Utility Holds" used when a neighboring utility must ensure that its equipment is de-energized/disabled or must remain in a requested configuration.
- Contractor safety training is required per the "Contractor Safety Requirements Policy". The policy defines the types of required training.

- The contractor "Safety, Health, and Environmental Program Manual" defines training requirements for Qualified Employees. Topics include switching & tagging, grounding, and live line work.
- Operations Training and Safety Coordinator will be responsible for safety. The Coordinator has 30+ years of experience in the role of a transmission and distribution operator. He is an active member of the EPRI Power Switching, Safety, and Reliability Program. He has OSHA VPP certification for the control center proposed for the Project.
- Oversight and audit of the Safety Program will be undertaken by a dedicated team of 10+ safety experts from the parent company's Safety Group. This team will assist in implementing the safety expectations for all employees. Half of them are Certified Utility Safety Professionals, Certified OSHA Inspectors.

Contractor Safety Program (scored 12.5 points out of 12.5):

- The "Engineering and Construction Business Unit Contractor Safety Requirements Policy" includes sections on Environmental and Health policies and requires contractors to have,
 - A safety program that defines corrective measures for minor safety violations and major safety violations.
 - Defines the Accident Investigation & Reporting Process.
 - Requires active participation in the Project Safety Committee.
- The policy requires that the contractor safety program include a comprehensive list of items (i.e. personal protective equipment, lockout/tagout, rigging equipment, etc.).
- Responses to a Contractor Questionnaire are used to evaluate a contractor's past safety performance, specifically the contractor's quality, environmental, health and safety, and training. The responses are then scored utilizing numbers from 1 – 3 defined below.
 - 1 - Significant Weakness
 - 2 - Some Improvement is Needed
 - 3 - Satisfactory Performance

Safety Performance Record (scored 11.0 points out of 15.0):

- The Respondent provided 5-year statistical data for EMR, TRIR and DART for the applicable affiliates. The majority of the work will be done by the contractor. Therefore, their statistics were used for comparison purposes and are provided below.

	2018	2019	2020	2021	2022
EMR					
TRIR					
DART					

- The Respondent stated they had no fatalities, dismemberments, and hospitalizations over the last 5 years.
- The Respondent stated there are no open or closed OSHA enforcement actions over the last 10 years.

Proposal C (scored 216.75 points out of 250.0):

Some of the highlights captured from this Proposal include:

Control Center Operations (staffing, etc.) (scored 19.5 points out of 20.0):

- Responsible for the operation of 8,000 miles of transmission lines rated 69 - 345 kV. [REDACTED]
- The Primary Control Center and Backup Control Center are at a distance from each other such that a nearby event at one will not affect the other, while being close enough to allow Control Center staff to arrive at the BCC in a short period of time. A new Backup Control Center in roughly the same area is currently under construction and is expected to be completed at the end of 2023. The new, backup control center will be equipped with modern workstations and lighting much like the primary control center.
- Servers are in tornado protected basement structures.
- [REDACTED]
- Control Center Management has extensive experience in operations.
- There is a dedicated Trainer with extensive experience.
- Transmission Operations has a Dispatch Training Simulator (DTS) system, which is an identical and complete replication of the real-time EMS system. The DTS system replicates the EMS model and power flows as seen in EMS.
- Operators have an average of 20+ years of experience, several in operations and are certified as RC or BA, INT, TOP.
- Outage coordination done by a Senior Engineer with 30 years of industry experience and 4 years of Transmission Operations experience. The Network Reliability Leads (combined 60 industry experience and 34 years of Transmission Operations experience) develop planned and emergency clearances.
- There are a total of [REDACTED] NERC Certified operators. There are [REDACTED] Control Center Management staff who are NERC certified and available 24x7.
- Operator schedule has [REDACTED] operators on the day shift and [REDACTED] operators on the night shift.
- Certified management staff are certified as either Reliability Coordinators (RC) or Balancing, Interchange and Transmission Operators.
- The Real Time Planning group, located at the Control Center, is responsible for the state estimator and real-time power flow. It consists of a manager (15 of industry experience and 9 years of Transmission Operations experience), Principal Engineer (25 of industry experience and 4 years of Transmission Operations) and a Staff Engineer (4 industry experience and 2 years of Transmission Operations experience)
- EMS staff consist of 10+ individuals divided into two groups, Database/Display, and IT Analyst/Engineers. The average years of IT specific experience of the staff is 20 years which includes, on average, 10 years dedicated to EMS/SCADA.
- EMS support for affiliates is organized regionally.
- In addition to the EMS/SCADA team, there are teams located in other regions that add to the experience that can be utilized as needed for major projects or complex issues.
- The EMS/SCADA team has an on-call schedule to provide 24x7 support for emergency and urgent needs. The EMS/SCADA team uses a dedicated mobile number for immediate response.

- Proposal C had ~20 NERC reportable events over the last 5 years. Three of them appear to be related to EMS.

Storm/Outage and Emergency Response Plan (scored 18.0 points out of 20.0):

- The Control Center has direct access to full-time parent company meteorologists that provide customized weather forecasting and weather-related support.
- [REDACTED] is the primary communication tool for notifications requiring immediate action or immediate receipt of information as compared to e-mail. [REDACTED] has the capability to send messages to multiple e-mail accounts (company, personal, etc.), multiple phone lines (work, cell, home, etc.) and text messaging to every [REDACTED] account holder.
- Transmission Field Operations has [REDACTED] employees located at a service center located in [REDACTED].
- There are over [REDACTED] employees located outside the region. Consultants, contractors, and part-time retirees are also available which more than doubles the size of the work force. There are also Distribution Field Operations employees that can assist [REDACTED].
- The [REDACTED] service center is located approximately [REDACTED] from the furthest terminating station, Roadrunner.
- Proposal C has a Master Service Agreements (MSA) in place with [REDACTED] and other contractors in the region. The MSAs provide the Respondent with the ability to call on its alliance contractors to respond to emergency outages.
- Proposal C has mutual aid assistance programs through [REDACTED] Mutual Assistance program and is a member of the [REDACTED].
- Transmission and its alliance contractors each have a full complement of tools and equipment necessary to perform any and all repairs, replacements or rebuilds necessary on the Project. Therefore, no additional specialized equipment is required.
- If necessary the parent company has alliance contracts with 5 rental companies.
- Multiple agreements are in place to obtain aerial damage assessments by helicopter. The closest location to the Project would be Clovis, New Mexico which is about 30 miles north of the Crossroads Substation. Unmanned aerial vehicles can also be used for aerial inspections of the line.
- Proposal C has a detailed Transmission Emergency Response Plan that includes topics such as Readiness, Event Identification and Response Activation, Incident Command organization and structure and Incident Response roles.
- Transmission Field Operations has access to staging areas to support repairs [REDACTED].
- Respondent has received multiple nationally recognized emergency response awards.
- Respondent has a detailed emergency response plan that also includes,
 - Incident Command Organization and responsibilities
 - Readiness actions
 - Event identification
 - Response activation
 - Various checklist

Reliability Metrics (scored 21 points out of 30.0):

- Respondent System Average Interruption Duration Index (SAIDI) numbers consistently rank 1st or 2nd quartile.
- Respondent provided outage data over the last 5 years as follows.
 - █ 345 kV outages. Note 2020 had 10+ outages and was impacted by █
 - █ human errors with an improving trend.
 - █ unknown outages, █ momentary and █ sustained outages.
- Respondent provided momentary and permanent transmission element outages, normalized to a per 100-mile basis as follows.

	2018	2019	2020	2021	2022
Momentary	█	█	█	█	█
Sustained	█	█	█	█	█

- Corporate metrics also include Safety metrics, wildfire prevention, NERC non-compliance, Preventative Work Plan Execution, Relay Correct Operation, unplanned outage % against the target, and SAIDI.
- The Transmission Weekly Report includes momentary and sustained outages affecting BES or Customers. A detailed description is provided for each outage along with the cause. The previous year actual is provided for comparison.
- Human errors are tracked.

Restoration Experience/Performance (scored 22.5 points out of 22.5):

- Respondent has experience with restoration or maintenance events on the 345kV systems over the past five years.
- There were █ 345 kV sustained outages due to weather, failed equipment, fire, and foreign interference. The result was pole/structure/tower damage and static wire. There were █ instances of "other".
- Durations of the above were 1 to over 40 days with the longest attributed to █ and are reasonable.
- Proposal C utilized internal crews. Contractors were utilized for major storm events.
- Proposal C utilized alliance material suppliers. Due to its size specialized equipment was not needed except for helicopters from the alliance aviation contractors.
- Alliance partners performed line inspections with drones. Proposal C is in the process of acquiring its own drones.

Maintenance Staffing/Training (scored 14.25 points out of 20.0):

- Proposal C utilizes a systematic approach to training process, training requirements are identified, solutions are developed. The Transmission training program is governed by two advisory committees. Each Operating Company has a regional training advisory committee that is responsible for monitoring the specific training request status, current and future programs, and training schedules. There is also an overall advisory committee, which reviews program-level training activities, training programs for harmonization, sharing of resources, status, and updates of initiatives between all regional training programs.

- The training facility is located within the service center and includes de-energized overhead and energized overhead training yards. The overhead yard includes transmission and distribution poles, multiple types of construction, single switches, gang switches, all types of apparatus that apprentices encounter daily. Classroom labs include theory, transformers, switching, rubber gloving, and hot sticking.
- The Transmission Field Operations linemen are provided access to an off-site live 345 kV line training facility through one of Transmission's alliance contractors which provides trainees the opportunity to safely acquire live line and barehand experience on 345 kV transmission lines.
- Proposal C training programs include on-time, annual and bi-annual training. However, the training applicable to these categories was not identified. Within each of these categories are a multiple number of training programs. Training is either automatically assigned to employees based on their position and organization or assigned by their supervisor/manager.
- Training consists of on-the-job site training, job training at the training facilities, classroom training and on-line training.
- The training center has █ Senior Technical Instructors, █ Principle Technical Instructor, and █ apprentice coordinators. Instructors are trained and certified trainers (e.g. American Society of Training & Development (ASTD)).
- Completed training is tracked by the electronic █.
- Transmission Field Operations has █ employees located at the █ service center.
- A specific list of required qualifications was not provided.
- The Vegetation Management (VM) team is comprised of professionals holding credentials such as ISA Certified Arborists and certified pesticide applicators.
- The VM team is part of the companies Vegetation Management and Pole Integrity group, which is made up of █ staff members. This includes the █ key staff making up the VM team and █ staff covering wood pole inspection/treatment and three in support roles.
- The VM team's staff members have an average of 20 years of experience in the utility vegetation management field.
- Linemen have experience ranging from Apprentices to 30 years.

Maintenance Plans (scored 24.5 points out of 25.0):

- Transmission line patrols annually to inspect structures, conductor, insulators, and hardware for damage. In addition, the ROW corridor is monitored for encroachments and the growth rate of vegetation that may need to be maintained.
- Helicopter patrols are performed annually. In addition, transmission lines identified as having greater risk to reliability issues (using proprietary internal tools), are also included in the helicopter patrol.
- Drones are used for inspections through a contractor.
- Foot patrols perform thorough inspections on 1/4th of the transmission system annually which equates to each transmission line being inspected at least once every four years.
- Issues found are prioritized based on 5 types of severity. Actions range from immediate to schedule for capital refurbishment.
- Structures are tested every 10 years starting at year 20.
- Transmission has a staff of fulltime experienced Transmission Patrolmen/Inspectors dedicated to patrolling the transmission line system and is supplemented with journeyman and lineman

from Transmission Field Operations as needed to help support the inspection of the transmission line system.

- All inspectors receive specialized training to ensure the accurate and consistent reporting of data. Training includes,
 - Specific requirements on what information needs to be gathered during inspections.
 - How to use specialized equipment and devices that are unique to the Proposal C Company.
 - How to classify and document issues.
 - Specific vegetation compliance training that complies with Proposal C's Company vegetation management program.
- The Respondent has a proactive process for determining whether to repair or replace a component. The process includes a review of inspection data and compares it with the impacts of failure to the transmission system and customers to determine the optimal approach to take.
- The Respondent has a Vulnerability Assessment & Mitigation program to mitigate exposures to various types of transmission assets that have been identified as being problematic or prone to failure. Transmission Field and System Engineers have been trained to identify and communicate situations, conditions or events that have reliability or safety consequences. Issues are brought to a central investigation team within Transmission and if the vulnerability is confirmed, a mitigation plan is developed.
- Transmission has maintenance plan templates for each type of equipment. Some equipment is maintained on a time-based interval while other equipment is maintained on a reliability-centered basis. Based on the maintenance plans, work orders (WO) are automatically created at the appropriate time and the work is dispatched and executed.
- Substation access is electronic and requires employees to text in and out with the information being sent to the Control Center.
- The Respondent utilizes SAP Work Management, an automated maintenance planning and management system. This system, which includes all transmission master equipment data, maintenance plans, and work orders, is housed and managed in SAP. Every substation and transmission asset is entered into the master equipment database, and all maintenance performed on each asset is tracked throughout its lifecycle.
- WO are automatically created at the appropriate time and the work is dispatched and executed.
- The Transmission Asset Management System (TAMS) is a custom computer software package that was developed in order to effectively collect and track asset-specific transmission information from the transmission line inspection programs and then to communicate the information to various business units. During routine inspections, the transmission inspection patrolman electronically records identified maintenance needs for specific structures and associated assets which are incorporated into a maintenance planning program. Also, during the inspections, electronic records that record date, time, and location of the inspector are recorded. This geo-spatial date/time stamp is then used for tracking and for regulatory reporting purposes.
- TAMS has led to significant cost and time savings through efficiency gains and avoided costs, which include:
 - Back-office data entry
 - Reporting and data quality control
 - On-ground and aerial survey efficiencies
 - Recording, sorting, and prioritizing corrective action work assignments

- Compliance reporting
- The Respondent utilized a 4-week timeframe for detailed scheduling of maintenance. Transmission tracks and monitors the transmission line inspection status (annual and 4-year) on a monthly basis.
- Reports and metrics are used to track the preventative and corrective maintenance work process. For preventative maintenance, completion of the planned work portfolio versus the schedule along with cost-per-unit tracking are key metrics. For corrective maintenance, reports of open notifications with priority ranking and reports of equipment out of service with duration of the defect are included.
- The Vegetation Management corporate team has implemented and integrated vegetation management plan (IVM). The IVM Plan for the Project will include:
 - Long term goals
 - Identify vegetation to be controlled.
 - Type of crews necessary
 - Type of herbicides to be applied.
 - Timing of work
 - When inspections are required
 - Results measured and plans adjusted as needed
- During the construction phase and thereafter, herbicide applications will be made every two years on incompatible vegetation, including tree stumps, in order to help establish compatible vegetation in the ROW. After compatible vegetation has been established, follow-up maintenance will be performed on a cyclical basis.
- Two strategies, which will be used on this Project will be the implementation of the IVM strategy to control vegetation on the right-of-way, and the use of LiDAR. Once the Project is placed into service, a LiDAR survey will be conducted within six months in order to ensure the transmission line was built as designed and to ensure there are no clearance or encroachment issues. After the initial LiDAR survey, the Vegetation Management team will have future LiDAR surveys performed every four years to identify any vegetation conflicts to be addressed in the next ROW clearing.
- VM Inspections include,
 - Helicopter or UAV annually
 - Ground patrol every 4 years
 - Helicopter LiDAR every 4 years
 - VM Ground patrol semi-annual
 - Pruning performed every 4 years
 - Herbicide treatments every 2 years
- The Respondent will utilize 2 Vegetation Management contractors.
- Vegetation Management complies with FAC-003 and ANSI A300, Part 7.
- Transmission Field Operations linemen are provided access to an off-site live 345 kV line training facility through one of Transmission's alliance contractors which provides trainees the opportunity to safely acquire live line and barehand experience on 345 kV transmission lines.
- No information was provided as to how often live line maintenance is performed.

Specialized Maintenance Equipment and Spare Parts (scored 20.0 points out of 20.0):

- [REDACTED] is the main spare parts storage location and is located less than [REDACTED] away from the furthest point of the project, Hobbs. There are [REDACTED] service center material warehouses [REDACTED].
- Within the [REDACTED] facility is one of the major alliance partners, [REDACTED] a supplier with the ability to ship materials directly to the Project.
- The Material Operations Team consists of [REDACTED] manager with [REDACTED] direct supervisors with an average of 25 years of experience each. These [REDACTED] individuals manage a team of [REDACTED] employees across the Respondent's system. The [REDACTED] employees have on average 15 years of experience.
- The 795 ACSS Drake conductor and 48 fiber count OPGW are commonly used on 345 kV system as well as the insulators and conductor assemblies identified for this Project. Over 8 miles of 795 ACSS Drake conductor and miles of 48 count OPGW are in storage.
- The Respondent maintains a complete inventory of spare parts to repair and/or replace several miles of the Project's double circuit 345 kV transmission line conductor, OPGW, insulators and other materials at the main warehouse.
- The Respondent does not stock structures used on the project because in their experience structure damage is rare thus it does not warrant the cost to purchase, warehouse and maintain spare structures. Material Operations stocks a few full tower structures as critical spares as well as stocking parts and pieces for towers. There is a large inventory of wood poles maintained in stock of varying sizes and lengths. The wood poles can be used as temporary structures until new structures are obtained.
- [REDACTED] the steel structure supplier for the Project, has indicated that they are able to deliver replacement structures in six weeks for emergency replacements.
- There are several steel pole vendors who maintain a surplus of poles for use in emergency situations. One such vendor, [REDACTED], is able to deliver steel poles in less than two weeks to the Project and maintains a large inventory of over 1,300 steel poles of various types and sizes at eight storage yards across the U.S.
- Transmission maintains 5 sets of temporary tower kits. These kits are readily available from the main warehouse.
- Through supplier alliances supply chain is kept abreast of the latest manufacturing lead times and on a monthly basis is provided the opportunity to reserve manufacturing slots for future needs.
- The Material Operations Team utilizes the Enterprise Resource Planning module (ERP) to maintain the stocking levels, identify reorder points, reorder materials, and identify storage locations for each material item. Material Operations transfers the materials to the various project sites within the region to support the ongoing capital, maintenance, repair and rebuild projects.
- ERP system will automatically generate purchase orders for any inventory material that falls below the set minimum order threshold.
- The Respondent maintains memberships in alliances with other utilities, cooperatives and transmission and substations owners for extreme long-lead parts. In addition, the [REDACTED] Operating Companies can share parts with each other for emergency repairs.
- Under contractor agreements, the Respondent is provided preferential treatment for the supply of materials due to a system emergency. The alliance suppliers will make the necessary

adjustments to their manufacturing slots and schedules to provide the emergency materials in a shorter time frame than the standard lead times.

- In the event of a forced outage or emergency response associated with the Project's transmission line, the Respondent's regional trucking group, with its fleet of tractor trailers, has the ability to perform trucking operations and also coordinates direct shipping from Transmission's supplier network. The trucking group supporting this Project is headquartered at the [REDACTED].
- No specialized equipment is need beyond what is owned by the Respondent.
- Transmission's alliance contractors maintain a complete set of all necessary tools and equipment to perform any required task.
- Most equipment is located at the [REDACTED] facility which is located less than [REDACTED] away from the furthest point of the project, Hobbs.
- If any other specialty equipment would become necessary or additional equipment is needed, Transmission Field Operations and its alliance contractors have agreements in place with equipment suppliers, rental companies, and specialty contractors throughout the region.
- Helicopters are provided by agreements. The closest location to the Project is Clovis, New Mexico just north of the Crossroads Substation.

Maintenance Performance/Expertise (scored 20.0 points out of 25.0):

- The Respondent maintains,
 - [REDACTED] 345 kV lines for a total of [REDACTED] miles.
 - [REDACTED] miles of transmission lines and [REDACTED] substations (69-345 kV).
- In 2022, 90% of WOs met the finish early date.
- The Respondent stated that all planned and compliance required inspections were performed on time over the last five years. However, referenced Attachment 3A.8.1 which provides line inspection data was not provided.
- Over the last 5 years, Transmission has met within [REDACTED] or come in under its annual O&M budget while reducing the annual O&M costs over this 5-year period. The Respondent was only over budget in 2021. Data includes all transmission assets.
- In 2022 unplanned out of service returned to service was [REDACTED] compared to the goal of [REDACTED].

NERC Compliance Process History (scored 27.0 points out of 30.0):

- Federal Regulatory Affairs oversees activities describing how compliance with specific NERC and FERC requirements is achieved and applicable controls. Transmission is responsible for ensuring compliance. Affairs also performs compliance assessments on a risk-prioritized basis, with results reported up to the appropriate leadership.
- Federal Regulatory Affairs are also engaged in the development of new NERC and FERC standards and requirements, as well as the implementation of processes and controls to comply with approved standards and requirements.
- Transmission Senior Transmission Policy and Compliance Consultants perform mock audits and performs compliance risk assessments.
- Compliance staff includes,
 - Director Reliability Assurance with oversight from the Senior Director Federal Regulatory Affairs. And the FERC Compliance Officer (Sr VP of Strategy Planning and External Affairs).

- Transmission has a Manager Reliability Assurance responsible for monitoring compliance as well as perform compliance related tasks such as assessments, etc.
- The Manager Reliability Assurance oversees 10+ Transmission Business Operations consultants, Coordinators and Analyst. This group performs monitoring of compliance with the NERC Reliability Standards. The group also works with Transmission personnel to ensure that current practices meet these requirements and obligations. They perform the following,
 - Delivers compliance training to subject matter experts.
 - Oversees the development and tracks the completion of compliance implementation plans for new or revised standards.
 - Directs the development of standards “roadmaps.”
 - Reviews and directs the updating of evidence of compliance.
 - Performs mock audits.
 - Performs compliance assessments.
 - Performs compliance risk assessments.
 - Assists in preparing for and coordinating activities associated with audits.
- The Respondent utilizes eGRC, NERC and FERC compliance activities are entered, tracked, and signed off as complete. Subject matter experts have personal dashboards that highlight monthly compliance activities to be performed for specific compliance requirements, implementation plan activities, and mitigation plan activities. eGRC has also provided Transmission with reporting visibility on all compliance activities. Transmission compliance has also furthered its efforts to ensure compliance by developing a system of internal controls to prevent errors from occurring. These internal controls are also cataloged in the eGRC system.
- The Respondent has been NERC registered since 2007.
- The Respondent is registered as [REDACTED].

Internal Safety Program (scored 8.5 points out of 12.5):

- The monthly report includes Near Misses, identifying the % that could have led to an injury. Also included are identified and completed Event Learning.
- The Respondent issues a weekly Safety News e-newsletter to all transmission employees and upper management and leadership. The newsletter is a compilation of safety-related messaging from inside and outside of the company (articles, incident notifications, campaign materials, e-Bulletins, etc.).
- The company Safety Handbook includes a comprehensive list of safety topics including Live-Line operations, live-Line Bare-Hand Work, grounding, and First Aid.
- The Respondent has a Transmission Personal Protective Grounding Standard which covers grounding concepts, grounding procedures and Transmission Line Grounding Principles and Scenarios.
- The Respondent has a Transmission Arc Flash Field Manual and Personal Protective Equipment (PPE) Program procedure.
- The parent company has a Lockout/Tagout program document that applies to all operating companies.
- The parent company is in the process of implementing an internal safety program over 5 years which moves away from traditional safety programs that have focused on injury counts to a more targeted approach looking at removing risk and preventing serious injuries. The strategic principals are,

- Enhance Our Culture
- Human and Organizational Performance Principles
- Critical Risk Management
- Visible Safety Leadership
- Data Analytics
- Management and supervision make regular documented visits to their employees both at their place of work and in the field.
- Near Misses are reported and incident analysis conducted providing a learning opportunity.
- No mention of annual refresher training.
- Pre-job briefs are required using the "Energy Wheel" that lists several topics to consider. There is a form to document the job brief.
- The Respondent provides training on the Safety Intervention and Stop Work Responsibility Program.
- The corporate Safety Department is made up of 70 safety professionals. There is a manager for Transmission. Job requires 8 years of utility experience or related experience in an industrial environment. Five years demonstrated management experience.
- There are Senior Safety Consultants who plan and conduct multiple, medium-to-large, critical projects and programs to ensure compliance with federal, state, and local safety and health statutes and regulations. The job requires a Bachelor's Degree in Safety, Industrial Hygiene or related discipline or a combination of education and experience.
- There are [REDACTED] Lineman Journeyman Serviceman, line foreman with additional safety training and experience, who serve as safety advocates in the field. These workers conduct weekly safety meetings, provide PPE and tools as needed for the crews, set up training as well as new employee orientation to ensure that protocols are followed. To be considered as a [REDACTED] [REDACTED] 5 or more years of experience as a Journeyman Lineman are preferred.
- The Respondent uses alliance contractors to augment safety staff for managing contractor work.

Contractor Safety Program (scored 9.5 points out of 12.5):

- The Contractor Safety System manual sets forth the basic rules and regulations for all personnel involved in construction and/or maintenance service work. It includes environmental and health. It includes requirements for Regular Safety meetings, pre-job briefs, Incident reporting and investigation, including corrective measures to prevent future occurrence. It covers a comprehensive list of topics.
- The Respondent uses a third-party administrator, to assist with prequalification and evaluation of contractors. The third-party administrator collects historical review information and performs a compliance review of applicable safety programs necessary for contractors to perform work for the Respondent. The review uses a compliance matrix to verify that contractor's safety programs meet specific regulatory requirements. If any programs are deficient or missing, third-party administrator provides a specific list of items that need to be addressed. Details of what is included in the review were not provided.
- There is an executive level review of all contractor fatalities that have occurred within the last 3-year period. Executive management makes the final decision to use a contractor based on Safety's recommendation.

Safety Performance Record (scored 12.0 points out of 12.5):

- The Respondent provided 5-year statistical data for EMR, TRIR and DART transmission and substation affiliates. The statistics are provided below.

	2018	2019	2020	2021	2022
EMR	█	█	█	█	█
TRIR	█	█	█	█	█
DART	█	█	█	█	█

- The Respondent stated they had no fatalities, dismemberments, and hospitalizations over the last 5 years.
- The Respondent stated there are no open or closed OSHA enforcement actions over the last 10 years.

Respondent Reliability Metrics Comparisons

The tables below are extracted from information provided in each Proposal. Note that not all entities provided data in the requested format. These inconsistencies have been identified below as NP (Not Provided).

Number of outages, average outage duration, and frequency of occurrences of 345 kV transmission elements:

		A & B	C
Power System Condition	Total Number	█	█
	Average Duration (hrs.)	█	█
	Frequency	█	█
Lightning	Total Number	█	█
	Average Duration (hrs.)	█	█
	Frequency	█	█
Human Error	Total Number	█	█
	Average Duration (hrs.)	█	█
	Frequency	█	█
Failed AC Circuit Equipment	Total Number	█	█
	Average Duration (hrs.)	█	█
	Frequency	█	█
Vegetation	Total Number	█	█
	Average Duration (hrs.)	█	█
	Frequency	█	█
Unknown	Total Number	█	█
	Average Duration (hrs.)	█	█
	Frequency	█	█

Outages normalized to a per 100-mile basis:

Proposal	Outage	2018	2019	2020	2021	2022
A & B	Momentary	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
C	Momentary	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
A & B	Sustained	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
C	Sustained	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Respondent Safety History Comparisons

The table below is extracted from information provided in each Proposal. Note that Proposals A and B provided statistics for all their applicable affiliates. The majority of the work will be done by the contractor. Therefore, the contractor statistics were used for comparison to Proposal C and are provided in the below table.

		2018	2019	2020	2021	2022
A & B	EMR	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
C	EMR	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
A & B	TRIR	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
C	TRIR	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
A & B	DART	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
C	DART	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

IV: Rate Analysis

Scoring Methodologies and Results for the RRE Criteria

The scoring and awarding of points for the RRE category was based on a two-step process.

First Step RRE Points 50.625, if the Respondent complied with the RFP standards for the RRE criteria.

The second step of the RRE scoring process was to assign to each Proposal a percentage of the remaining 50.625 points, with the Proposal with the lowest RRE receiving 100% of the remaining 50.625 points and the remaining Proposals pro-rata shares of the 50.625 points based on their percentage relationship to the lowest RRE.

The table below illustrates this two-step process for scoring each Proposal for the RRE criteria.

4A.1-1- Response Form Excel Workbook -Tab 2B - RRE Cost Summary						
Scoring Methodology for RRE Criterion						
Line No.	Proposal	Lowest to Highest Proposal's RRE	Percent of Lowest RRE	50.625 pts Times Percent of Lowest RRE	Minimum RRE Score of 50.625 pts	Total RRE Point Score
1	C	\$220,000,000	100.00%	50.625	50.625	101.25
2	A	\$282,740,742	77.81%	39.39	50.625	90.02
3	B	\$291,614,575	75.44%	38.19	50.625	88.82

Supporting IEP Analysis for Scoring the RRE Criteria

Each Proposal's response to its Estimated Total Cost of the Project (RRE) was compiled by the IEP from their submission contained in tab 2B cell C36 of the Response Form Excel Workbook. In this section of the report the IEP listed each Proposal's RRE in various tables which compare the dollar value of each Proposal's RRE to the other Proposals' RRE for evaluation and scoring purposes.

To illustrate the dollar difference from the lowest to the highest RRE, the IEP compiled the table below to illustrate the dollar and percentage differences between the bid Proposals.

In addition, the IEP determined that each Respondent did meet the filing requirements for the RRE criteria as outlined in the RFP and therefore would receive 50.625 points for meeting these criteria

4A.1-1- Response Form Excel Workbook -Tab 2B - RRE Cost Summary				
Dollar Difference From Lowest to Highest RRE				
Line No.	Proposal	Total RRE Cost Estimate	Dollar Difference From Lowest to Highest RRE	Percentage Difference
1	C	\$220,000,000	\$0	0.00%
2	A	\$282,740,742	\$62,740,742	22.19%

3	B	\$291,614,575	\$71,614,575	24.56%
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The IEP also analyzed the relationships between Proposals for the dollar amount of materials compared to the other RRE costs in relation to the Total Estimated RRE. Various comparative spreadsheets were developed for analyzing and comparing the details of the various Proposals. The following table provides a high level summary of those dollar and percentage relationships.

Response Form Excel Workbook - Tab 2B - RRE Cost Summary				
Comparison of all Proposal's Individual Total Estimated RRE Costs Including individual Material and Other RRE Costs Contained in Tab 2B				
Line No.	Description	Proposal C	Proposal A	Proposal B
1	Total Transmission Line Materials			
2	Other RRE Costs less Materials			
3	Total Estimated RRE	\$220,000,000	\$282,740,742	\$291,614,575
4	% of Materials to RRE			
5	% of Other Non-Material Costs TO RRE			

Scoring Methodologies and Scoring Results for the PVRR Criteria

As stated in the scoring narrative of this section, the scoring and awarding of points for the PVRR category was based on a two-step process.

First Step PVRR Points 50.625, if the Respondent complied with the RFP standards for the PVRR Criterion.

The second step of the PVRR scoring process was to assign to each Proposal a percentage of the remaining 50.625 points, with the Proposal with the lowest PVRR receiving 100% of the remaining 50.625 points and the remaining Proposals pro-rata shares of the 50.625 points based on their percentage relationship to the lowest PVRR.

The table below illustrates this two-step process for each scoring for awarding points to each Proposal under the PVRR criterion.

The IEP determined that each Proposal did meet the filing requirements for the PVRR criteria as outlined in the RFP and therefore would receive 50.625 points for meeting this criteria

Response Form Excel Workbook - Tab 3- ROE PVRR Cost Summary						
Scoring Methodology For PVRR Calculation						
Line No.	Proposal	Lowest to Highest Proposal's PVRR	Percent of Lowest PVRR	50.625 pts Times Percent of Lowest PVRR	Minimum PVRR Score of 50.625 pts	Total PVRR Point Score
1	C	\$212,252,524	100.00%	50.625	50.625	101.25

2	A	\$268,203,525	69.88%	35.38	50.625	86.00
3	B	\$276,234,780	67.52%	34.18	50.625	84.81

Supporting IEP Analysis for Scoring the PVRR Criteria

For ease of comparison, the IEP has placed all the Proposal's PVRR's in the table below

4A.1-1- Response Form Excel Workbook - Tab 3 - ROE PVRR Summary				
Comparison of Each Proposal's PVRR From Lowest to Highest				
Line No.	Proposal	Present Value Revenue Requirement	Dollar Difference From Lowest to Highest PVRR	Percentage Difference
1	C	\$212,252,524	\$0	
2	A	\$268,203,525	\$55,951,001	20.86%
3	B	\$276,234,780	\$63,982,256	23.16%

Supporting IEP Analysis for Evaluating Inputs to PVRR Criteria

As part of the inputs into the overall PVRR calculation are several components such as total RRE, investment, rate base adjustment, O&M expense for year 1, A&G expense for year 1, AFUDC and weighted average cost of capital. The table below categorizes these various cost input items by lowest to highest dollar/value among the three Proposals.

Comparison of Each Proposal's Category Ranking From Lowest (1) to Highest (3) Dollar/Value				
Line No.	Description	Proposal A	Proposal B	Proposal C
1	Total RRE Cost Estimate:	2	3	1
2	Transmission Line Material Total (Tab 2A)	1	2	3
3	Other RRE Costs less Materials (Tab 2B)	2	3	1
4	PVRR ROE (Tab 3)	2	3	1
5	Investment (cell E8) in PVRR (Tab3)	2	3	1
6	Rate Base Adjustment (cell14E) in PVRR Tab 3	2	3	1
7	O&M (cell 15E) in PVRR Tab 3	2 (Same as Proposal B)	2 (Same as Proposal A)	1
8	A&G (cell 16E) in PVRR Tab 3	1 (Same as Proposal B)	1 (Same as Proposal A)	3
9	AFUDC (cell 18E) in PVRR Tab 3	1 (no AFUDC)	1 (no AFUDC)	3 (includes AFUDC)
10	Weighted Average Cost of Capital (WACOC)	2 (Same as Proposal B)	2 (Same as Proposal A)	1
11	Return On Equity	2 (Same as Proposal B)	2 (Same as Proposal A)	1

The IEP also performed additional analysis of the various PVRR inputs as demonstrated by the following input descriptions and tables.

Analysis of PVRR Investment

- One of the first line items in the PVRR spreadsheet is Investment (cost to construct the project). The dollar amount of Investment comes from the Total Estimate RRE Cost, Tab 2B, cell C36 less AFUDC cell C29. If the Proposal is going to take AFUDC it will be added back in later. The table below illustrate the Investment line item from the lowest to highest dollar amount by Proposal.

Response Form Excel Workbook - Tab 3 – PVRR ROE				
Lowest to Highest Dollar Investment by Proposal				
Line No.	Proposal	Investment (Cell 8E)	Dollar Difference From Lowest to Highest Investment Amount	Percentage Difference
1	C		\$0	0.00%
2	A		\$71,669,060	25.35%
3	B		\$80,542,893	27.62%

Analysis of the Rate Base Adjustment

One of the next major PVRR calculations is Rate Base Adjustment – annual, year 1. The Rate Base is the original cost of the investment plus additions to that investment, cash working capital, materials and supplies and other long-term assets. The source of information for this adjustment is calculated in Worksheet 3C, the table below illustrates the Rate Base Adjustment line item from the lowest to highest dollar value by Proposal.

Rate Base Adjustments (See Worksheet 3C)			
Lowest to Highest Dollar Amount by Proposal			
Line No.	Proposal	Rate Base Adjustment (Cell 14 E)	Dollar Difference From Lowest to Highest Rate Base Adjustment Amount
1	C		\$0.00
2	A		\$133,545
3	B		\$134,463

Analysis of the O&M Expense – Annual Year 1

One of the next major PVRR calculations is Operations and Maintenance (O&M) Expense – annual, year 1. The source of information for this adjustment is calculated in Worksheet 3D. The table below illustrates the O&M expense line item from the lowest to highest dollar value by Proposal.²

O&M - Annual Year 1 (See Worksheet 3 D)				
Lowest to Highest Dollar Amount by Proposal				
Line No.	Proposal	O&M (cell 15E)	Dollar Difference From Lowest to Highest Rate O&M Amount	Percentage Difference
1	C		\$0	0.00%
2	A		\$323,318	79.74%
3	B		\$323,318	79.74%

Analysis of the A&G Expense – Annual Year 1

One of the next major PVRR calculations is Administrative and General (A&G) Expense – annual, year 1. The source of information for this adjustment is calculated in Worksheet 3E. The table below illustrates the A&G expense line item from the lowest to highest dollar value by Proposal.

A&G Expense - Annual Year 1 (See Worksheet 3E)				
Lowest to Highest Dollar Amount by Proposal				
Line No.	Proposal	A&G (cell 16E)	Dollar Difference From Lowest to Highest Rate A&G Amount	Percentage Difference
1	A		\$0	0.00%
2	B		\$0	0.00%
3	C		\$388,913	34.88%

Analysis of the AFUDC

Another major PVRR calculation is Allowance for Funds Used During Construction (AFUDC). AFUDC are the carrying cost that occur during the construction of the project. The AFUDC calculation is based on a FERC formula. This FERC formula includes a debt and equity cost components. Proposals A and B have forgone asking for AFUDC while Proposal C has asked for only the cost recovery for the debt component. The table below illustrates the AFUDC line item in the PVRR calculation from the lowest to highest dollar amount by Proposal.

² Proposal C's O&M expense was considerably lower than Proposal A and B's O&M expense of is \$405,455. The IEP for a reality check substituted Proposal A and B's O&M expense into Proposal C's PVRR formula and the difference was 0.15% increase in the PVRR value for Proposal C.

Response Form Excel Workbook - Tab 3 - PVRR ROE			
Allowance For Funds Used During Construction (AFUDC)			
Lowest to Highest Dollar Amount by Proposal			
Line No.	Proposal	AFUDC (cell 18E)	Dollar Difference From Lowest to Highest AFUDC Amount
1	A	█	█
2	B	█	█
3	C	█	█

Analysis of the WACOC

Another major PVRR calculation is Weighted Average Cost of Capital (WACOC). The WACOC is composed of debt and equity components. The calculation of the WACOC is impact not only by the cost of debt and equity but also the percentage of debt-to-equity funding, i.e. capitalization. One of the reasons that the capital structure ratio is important is equity has a higher cost because it is a riskier form of investment than debt which is guaranteed being paid before equity dividends to shareholders. The table below illustrates the WACOC line item in the PVRR calculation from the lowest to highest dollar amount by Proposal.

Comparison of Proposal Responses to Tab 3 – WACOC				
Line No.	Description	Proposal A	Proposal B	Proposal C
1	Percentage of Debt	55.00%	55.00%	45.36%
2	Percentage of Equity	45.00%	45.00%	54.64%
3	Debt – Rate	█	█	█
4	Equity – Rate	9.80%	9.80%	9.45%
5	Weighted Debt	█	█	█
6	Weighted Equity	█	█	█
7	Weighted Cost of Capital (WACOC) - ROR	█	█	█
8	Adjusted Rate (Tax Rate)	█	█	█

Scoring Methodologies and Scoring Results for Other Attachment Y Factors

The third and final evaluation category, Other Attachment Factors was assigned 22.5 points. Points for this criterion will be awarded based on a detailed, quantitative response that demonstrates a reduction in the cost related risk of the Respondent’s proposed Project.

The IEP examined all the information submitted by Proposal A, B and C for the other Attachment Y factors and concluded the category for Cost Certainty Guarantee produced the most tangible information which showed quantitative responses that demonstrated a reduction in costs related risks to the Respondent’s Proposal. This conclusion by the IEP was reinforced by the quantitative numbers

filed by those Respondents who submitted the Section 4A.8 Cost Certainty Guarantee table as part of their cost cap/guarantee Proposal(s). Based on this analysis the IEP will assign the 22.5 points to the Cost Certainty Guarantee category.

Turning to the Cost Certainty Guarantee table submissions, Proposal A and B offered six cost certainty guarantees which included dollar amounts for the following categories: ATRR Cap Duration; RRE Cap; Equity Cap; ROE Cap; Forego AFUDC; and Forego CWIP. Proposal C stated in the submission that they were unable to offer any cost certainty guarantees due to regulatory requirements and did not submit a cost certainty guarantee table.

Based on the analysis performed by the IEP of the six cost cap categories offered by Proposal A and B, each of these six cost categories will be assigned a maximum of 3.75 points. The IEP then closely evaluated these six cost cap categories for their detailed, quantitative response which demonstrated a reduction in the cost risk of the Project. Based on their analysis the IEP awarded a total of 22.5 points to Proposal A and B.

Proposal C stated they were unable to offer cost certainty guarantees because regulatory requirements. The IEP awarded Proposal C 11.25 points for an acceptable response. However, without any cost cap/guarantee offerings, the IEP had no basis to award any additional points to Proposal C.

The table below summarizes the scoring for Other Attachment Y Factors.

A Summary of Scoring For Other Attachment Y Factors		
4A.8: Cost Certainty Guarantee		
Line No.	Proposal	Score
1	A	22.5
2	B	22.5
3	C	11.25

IEP Analysis for Evaluating Other Attachment Y Factors

Based on the analysis performed by the IEP of the six cost cap categories offered by Proposal A and B, each of these six cost categories will be assigned a maximum of 3.75 points. The IEP then closely evaluated these six cost cap categories for their detailed, quantitative response which demonstrated a reduction in the cost risk of the Project and awarded points according to the scoring criteria.

- Proposal A and Proposal B are offering the same cost certainty guarantees but for different dollar amounts to reflect the dollar differences in RRE and PVRR between Proposal A and Proposal B.
- The IEP scored Proposal A and Proposal B as a Best (100.00%) at 22.50 points for this criterion. The basis for awarding 22.5 points is discussed in the bullet points below.
- As outlined in the Directions to the Respondents, Proposal A and Proposal B have both provided the highest level of level of supporting documentation regarding the terms and conditions in its cost caps.

- Proposal A and Proposal B did describe in detail the benchmark against which all the cost cap/guarantee(s) are made, the circumstances and conditions under which that cost cap/guarantee would be realized, and the methodology in which the value of the cost cap/guarantee would be made available to SPP customers. Proposal A and Proposal B did describe the potential value of the cost cap/guarantee(s) in absolute dollars, as well as Proposal A and Proposal B also explained the timing of when that value would be assumed to occur.
- Proposal A and Proposal B did discuss and quantify in dollars its cost cap/guarantee(s) Proposal(s) as well as the impacts the cost cap/guarantee(s) will have on the RRE or PVR number which were not already reflected in their numeric calculations.
- Proposal A and Proposal B did provide in a clear and concise manner any exclusion and exceptions to any parameter of a cap or guarantee.
- Proposal A and Proposal B did provide in a clear and concise manner the duration for any cost cap/guarantee.
- Proposal A and Proposal B in their cost cap/guarantee Proposal(s), did provided the applicable information in the attached Section 4A.8 Cost Certainty Guarantee table as part of their cost cap/guarantee Proposal(s). Which is summarized in the table below:

Comparison of Respondent’s’ 4A.8 Cost Certainty Guarantee Table

Line No.	Proposal	The Title of Each Cost Cap/Guarantee Proposal	The Purpose of Each Cost Cap/Guarantee Proposal	Terms and Conditions of Each Cost Cap/Guarantee Proposal	Value of Each Cost Cap/Guarantee Over The Life Of The Project	How Each Cost Cap/Guarantee Will Be Implemented
1	A	ATRR Cap Duration	Proposal A will be capping the ATRR for the first full 15 years of operation at 6% above the ATRR values as calculated per SPP’s model. The cap provides 15 years of protection on ATRR and is valuable because of the amount of imbedded cost protections provided. Factors such as RRE, O&M, G&A, equity ratio, ROE, and debt cost are all protected through this cap. Additionally, warranties on materials beyond the initial manufacturers’ warranty period are indirectly and partially protected through this cap for the first 15 years, which is significantly better than 3-5 years of manufacturers’ warranty.	6% cap above SPP model ATRR values	See Table 4A.8-1 and Table 4A.8-5 Respondent estimated \$80.5 million of PVRR savings*	After the formula rate is calculated each year, to the extent the formula rate is higher, the cap will be applied and only the cap will be collected in rates. To the extent the formula rate is lower than the ATRR cap, customers will receive the benefit of the lower formula rate.
2	B	ATRR Cap Duration	Proposal B will be capping the ATRR for the first full 15 years of operation at 6% above the ATRR values as calculated per SPP’s model. The cap provides 15 years of protection on ATRR and is valuable because of the amount of imbedded cost protections provided. Factors such as RRE, O&M, G&A, equity ratio, ROE, and debt cost are all protected through this cap. Additionally, warranties on materials beyond the initial manufacturers’ warranty period are indirectly and partially protected through this cap for the first 15 years, which is significantly better than 3-5 years of manufacturers’ warranty.	6% cap above SPP model ATRR values	See Table 4A.8-1 and Table 4A.8-5 Respondent estimated \$82.9 million of PVRR savings*	After the formula rate is calculated each year, to the extent the formula rate is higher, the cap will be applied and only the cap will be collected in rates. To the extent the formula rate is lower than the ATRR cap, customers will receive the benefit of the lower formula rate.
3	C	ATRR Cap Duration	Not Provided			

Line No.	Proposal	The Title of Each Cost Cap/Guarantee Proposal	The Purpose of Each Cost Cap/Guarantee Proposal	Terms and Conditions of Each Cost Cap/Guarantee Proposal	Value of Each Cost Cap/Guarantee Over The Life Of The Project	How Each Cost Cap/Guarantee Will Be Implemented
4	A	RRE Cap	Proposal A is offering an RRE binding cost cap for this Proposal in real and nominal dollars. Effectively, this caps inflation and transfers inflation risk to Proposal A. The primary benefit of the project cost cap structure provided by Proposal A is guaranteeing the project cost and PVRR certainty for customers.	RRE binding cost cap of \$282.7 million in 2023 dollars and \$295.2 million in nominal dollars	See Table 4A.8-1 Respondent estimated \$50.7 million of PVRR savings*	In the balance beginning with the first-year revenue requirement, the lesser of actual costs or the RRE cap will be used to calculate the ATRR.
5	B	RRE Cap	Proposal B is offering an RRE binding cost cap for this Proposal in real and nominal dollars. Effectively, this caps inflation and transfers inflation risk to Proposal B. The primary benefit of the project cost cap structure provided by Proposal B is guaranteeing the project cost and PVRR certainty for customers.	RRE binding cost cap of \$291.6 million in 2023 dollars and \$304.4 million in nominal dollars	See Table 4A.8-1 Respondent estimated \$52.2 million of PVRR savings*	In the balance beginning with the first year revenue requirement, the lesser of actual costs or the RRE cap will be used to calculate the ATRR.
6	C	RRE Cap	Not Provided			
7	A	Equity Cap	Proposal A agrees to limit equity as a percentage of the overall capital structure to 45% for the first full 15 years of operation. If a competing proposal does not offer the same equity percentage cap, SPP customers could be exposed to actual equity percentages of up to 54.27%.	45% equity percentage fixed for 15 years	See Table 4A.8-2 Respondent estimated \$15.3 million of PVRR savings*	Lower of 45% equity or the actual capitalization will be used for the first 15 years in the formula rate
8	B	Equity Cap	Proposal B agrees to limit equity as a percentage of the overall capital structure to 45% for the first full 15 years of operation. If a competing proposal does not offer the same equity percentage cap, SPP customers could be exposed to actual equity percentages of up to 54.27%.	45% equity percentage fixed for 15 years	See Table 4A.8-2 Respondent estimated \$15.8 million of PVRR savings*	Lower of 45% equity or the actual capitalization will be used for the first 15 years in the formula rate
9	C	Equity Cap	Not Provided			
10	A	ROE Cap	Proposal A agrees to an ROE cap of 9.8%, including incentives, for the life of the Project. If a competing proposal does not offer the same ROE cap for the life of the project, SPP customers could be exposed to volatility in project ROEs. Since the financial parameters that drive the calculation of ROEs can be volatile and change through time, the guarantee for the life of the project is extremely valuable.	9.8% ROE for the life of the Project	See Table 4A.8-3 Respondent estimated \$8.6 million of PVRR savings*	Lower of 9.8% or the FERC authorized ROE will be used for the life of the project in the formula rate
11	B	ROE Cap	Proposal B agrees to an ROE cap of 9.8%, including incentives, for the life of the Project. If a competing proposal does not offer the same ROE cap for the life of the project, SPP customers could be exposed to volatility in project ROEs. Since the financial parameters that drive the calculation of ROEs can be volatile and change through time, the guarantee for the life of the project is extremely valuable.	9.8% ROE for the life of the Project	See Table 4A.8-3 Respondent estimated \$8.8 million of PVRR savings*	Lower of 9.8% or the FERC authorized ROE will be used for the life of the project in the formula rate
12	C	ROE Cap	Not Provided			
13	A	Forego AFUDC	Proposal A will forego Allowance for Funds Used During Construction (AFUDC) during the construction of this Project.	Proposal A will forego Allowance for Funds Used During Construction (AFUDC) during	Respondent estimated \$16.1 million of PVRR savings and \$17.9 million lower RRE	AFUDC will not be accrued to the Project construction cost.

Line No.	Proposal	The Title of Each Cost Cap/Guarantee Proposal	The Purpose of Each Cost Cap/Guarantee Proposal	Terms and Conditions of Each Cost Cap/Guarantee Proposal	Value of Each Cost Cap/Guarantee Over The Life Of The Project	How Each Cost Cap/Guarantee Will Be Implemented
				the construction of this Project.	compared to competing proposal accruing AFUDC*	
14	B	Forego AFUDC	Proposal B will forego Allowance for Funds Used During Construction (AFUDC) during the construction of this Project.	Proposal B will forego Allowance for Funds Used During Construction (AFUDC) during the construction of this Project.	Respondent estimated \$16.8 million of PVRR savings and \$18.7 million lower RRE compared to competing proposal accruing AFUDC*	AFUDC will not be accrued to the Project construction cost.
15	C	Forego AFUDC	Not Provided			
16	A	Forego CWIP	Proposal A will forego Construction Work in Progress (CWIP) in rate base during the construction of this Project.	Proposal A will forego Construction Work in Progress (CWIP) in rate base during the construction of this Project.	Respondent estimated \$14.5 million of PVRR savings compared to competing proposal collect CWIP*	CWIP will not be collected during Project construction.
17	B	Forego CWIP	Proposal B will forego Construction Work in Progress (CWIP) in rate base during the construction of this Project.	Proposal B will forego Construction Work in Progress (CWIP) in rate base during the construction of this Project.	Respondent estimated \$14.9 million of PVRR savings compared to competing proposal collect CWIP*	CWIP will not be collected during Project construction.
18	C	Forego CWIP	Not Provided			

* Proposal A and B have calculated the value of each of their Cost Cap/Guarantees by taking the dollar value of their cost cap dollar less what Proposal A and B calculate what a potential competing proposal would be without a cost cap in order to calculate the dollar amount of SPP customer savings for each of Proposal A and B's cost cap/guarantee(s). Proposal A and B did not offer any detail on how they calculated the competitive cost proposal numbers for the IEP to validate the accuracy of these numbers.

Schedule Guarantee.

Proposal A and Proposal B's project schedule provides for a reliability need date of June 1, 2026. Proposal A and Proposal B both offer a 1.5 basis-point reduction in the Project-specific ROE for each month the Project is delayed beyond the proposed in-service guaranteed date of May 15, 2026, up to a maximum of 30 basis points.

Proposal C confirms that it can meet an in-service date of October 1, 2025. Proposal C offers a 2.00 basis-point reduction in the Project's ROE for each month the Project is delayed beyond the in-service day, up to a maximum reduction in ROE of twenty (20) basis points. It is important to note as discussed in the Rate Analysis Section as well as in the Finance Section, Proposal C has stated their ROE is not capped.

V: Finance

Evidence of Ability to Finance

The information that could be provided to meet this criterion may include credit rating agencies reports, letters of credit, bank statements, etc.

Proposals provided several credit reports. Proposals A and B showed a credit profile with current ratings of [REDACTED] from Moody's, S&P, and Fitch, respectively.

Proposal C provided credit ratings from same major agencies for two or three years. These include ratings of [REDACTED] in Tab 4A.

Material Conditions

Description of the relevant material conditions of any financing specific to this project and supporting documentation.

Proposals A and B provided a description of conditions that are found in an attached debt agreement. Narrative in Proposal C refers to an attached September 2022 lender agreement document with numerous banks that includes sundry conditions.

Financial/Business Plan

Description of anticipated financial/business plan(s) specific to this project and provide any relevant documentation. Proposal may provide the following project specific information for its financial/business plan:

- Financing Strategy for the Project
- Anticipated Return on Equity (ROE)
- Estimated Cost of Debt
- ATRR Financing Cost Inputs during construction and operation.
- Timing of the anticipated capital expenditures of the Project during implementation and construction until project becomes operational.

Debt: Proposal C explained that it used [REDACTED] as the cost of debt, calculated from a blend of the results of recent state rate cases for retail rates. Proposal C also provided various credit reports and a list of issuances of debt that are at higher rate of interest than what the costs it assumed for this bid. The portfolio of long-term debt issued shows interest rates in a range of [REDACTED] in 2021 to a high from the most recent borrowing at [REDACTED] in 2022.

[REDACTED] S&P Rating report for Proposal C: “We expect the rising interest rate environment to increase the cost of financing.”

Financial reports included by the company show the cost of the company’s issued debt recently obtained is higher than the interest rate the company assumed. The Proposal C narrative provides an

explanation for the assumption that makes no reference to the market conditions for loans or the FERC-authorized cost of debt in the current applicable SPP transmission rate.

Equity: Proposal C is not saying that it has an obligation to adhere to the ROE used in the bid and the state ratemaking assumptions set in past when it refers to this cost. Proposal C mixed descriptions of its indicated ROE and justifications for changing the ROE to be used over the financing period with references to rates set by both federal and state regulators. Proposal C describes ROE authorized by the Federal Energy Regulatory Commission (FERC) and references bid Section 4A.6 Return on Equity. In that section, Proposal C introduces an alternative narrative regarding how it may change the ROE on the project with actions at state regulatory agencies.

“In this Proposal, [Proposal C] proposes to initially set the total effective ROE for the Project at 9.45% (Base ROE), which will also serve as the ROE floor rate (Floor).

The ROE will adjust over time to the greater of the Base ROE or the Matched ROE, should the Matched ROE exceed the Base ROE of 9.45%. As state authorized ROEs move/change in the future, the Matched ROE will change as well.

“As long as the average retail authorized ROE remains at or below the Base ROE, then the ROE for the Project will be 9.45%. If the Matched ROE increases above the Base ROE, then the Project ROE will be increased to the Matched ROE. Should the Matched ROE drop below the Base ROE, the Project ROE shall be adjusted to the Base ROE.

“The Matched ROE is the blended transmission allocation (weighted average) of the [Proposal C] authorized ROEs.” [REDACTED]

Pro Forma Financial Statements

Provision of pro forma financial statements specific to this project and provide any relevant documentation. Using Tab 4C of the RFP Response Form Excel Workbook provide project specific pro forma financial statements for at least the first 10 years of the project for the following areas: Balance Sheet/Rate Base; Income Statement; Capital Structure

Proposal C was scored lower because tables and response in this section 5A.4 do not allow or indicate the bidder’s intentions for seeking higher than indicated ROE that are narrated in 4A.6: Return on Equity. Proposal C provided the minimum possible information for this response to comply with the RFP workbook.

Proposal C provided credit agencies reports that signal a higher cost of debt is expected going forward yet bid response financial statements relied on past events to determine cost of debt going forward.

Expected Financial Leverage

Description of any expected financial leverage specific to this project and provide any relevant documentation.

Proposal C proposes using less leverage, with 45.36% debt, 54.64% equity. Proposals A and B proposed 55% debt, 45% equity.

Debt Covenants

Description of any debt covenants specific to this project and provide any relevant documentation.

The Proposals scored equally, with similar documentation.

Proposals A and B provided documentation and narrative.

Proposal C documentation included a “negative covenant” Ratio of Funded Debt to Total Capital. [REDACTED]

Projected Liquidity

Description of projected liquidity and provide any relevant documentation.

Proposals A and B described five categories of cash and credits facilities and documented examples of the sponsors’ liquidity.

Proposal C also described sources of liquidity, credit arrangements and provided documentation.

All Proposals documented ample depth of liquidity.

Dividend Policy

Description of any dividend policy and provide any relevant documentation.

Proposals A and B described a dividend policy, and how dividends associated with the CU were to be fixed.

Proposal C offered justification of dividends “subject to the FERC’s jurisdiction” and also intentions and ability to change the dividends from the Project through modifications at state regulatory agencies (Section 4A.6 and Section 4 p 19).

“4A.6: Return on Equity

[Proposal C] is proposing modified caps on the Project’s effective ROE as outlined below for FERC jurisdictional cost recovery only.

In this Proposal, [Proposal C] proposes to initially set the total effective ROE for the Project at 9.45% (Base ROE), which will also serve as the ROE floor rate (Floor).

The ROE will adjust over time to the greater of the Base ROE or the Matched ROE, should the Matched ROE exceed the Base ROE of 9.45%. As state authorized ROEs move/change in the future, the Matched ROE will change as well.

“As long as the average retail authorized ROE remains at or below the Base ROE, then the ROE for the Project will be 9.45%. If the Matched ROE increases above the Base ROE, then the Project ROE will be increased to the Matched ROE. Should the Matched ROE drop below the Base ROE, the Project ROE shall be adjusted to the Base ROE.

“The Matched ROE is the blended transmission allocation (weighted average) of the [Proposal C] authorized ROEs.” (Section 4 p 19)

Cash Flow Analysis

If project financing for this project is dependent on cash flow for this project, describe cash flow analysis specific to this project and provide any relevant documentation.

Proposal C scored lower based on the following:

Proposal C *parent company* reports: [REDACTED] S&P Credit report “We expect [Proposal C’s] operating cash flow after capital spending and dividends, or discretionary cash flow (“DCF”), to remain negative through 2024, which will require external funding that we believe will include incremental debt issuances.” This appeared in credit report dated [REDACTED]. “We expect continued capital spending, when combined with the company's dividends, will result in negative DCF. To offset this, [Proposal C] will require external funding that we believe will include debt issuances.” [REDACTED]

Proposal C *subsidiary company* reports: [REDACTED] S&P Credit report “We expect [Proposal C’s] discretionary cash flow to remain negative through 2024, and therefore the utility will require external funding through incremental debt issuances or equity infusions from [Proposal C].” [REDACTED]

[REDACTED] S&P Credit report: “Negative discretionary cash flow, leading to external funding needs.” [REDACTED]

Demonstration of Financial Strength

Demonstration by each RFP Respondent possesses the necessary financial strength by selecting one of three methods.

Proposals A and B demonstrated all three.

Proposal C indicated it meets the Demonstration of conclusive evidence of the ability to obtain a letter from a bonding agent or bank indicating approval of or willingness to provide the required performance bond or letter of credit to the RFP Respondent.

Proposal C parent credit rating is reported [REDACTED] and subsidiary is [REDACTED].