

# Stakeholder Meeting

**Indiana Michigan Power Company  
2024 RFPs  
Technical Conference**

**October 4, 2024**

**Hosted by Charles River Associates**



# Welcome

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## Questions will be answered only after the prepared presentation

- Send an email to [IMAllSourceRFP@crai.com](mailto:IMAllSourceRFP@crai.com) or
- Raise your hand in the Microsoft Teams webinar platform and your microphone will be enabled (you must unmute first to be heard)
- **Note:** If you wish to remain anonymous, please send us an e-mail. By speaking on the Teams webinar, your name will be visible to all participants.

## Following the prepared presentation...

- Participants will be directed to raise their hand should they have a question
- Questions received via the e-mail box will be answered after direct questions
- Substantive questions will be posted on the RFP website; questions answered during this presentation are to be considered preliminary. Official responses will be provided on the website.

# Agenda

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- Introduction
- Scope of the 2024 RFPs
- Evaluation Criteria
- Submittal Requirements
- RFP Development Process and Timeline
- Q&A Process
- Submit Questions

# Introduction

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## Meeting Goals

- This meeting is to review the final RFPs' scope, timeline, minimum eligibility requirements, and evaluation factors

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## RFP Status

- RFP has now been released
- Confidential appendices are available upon execution of the form CA

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## Independent Monitor

- Charles River Associates (CRA) is serving as the Independent Monitor for the 2024 RFPs

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## Stakeholder Input

- Comments received were factored into the final RFP

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# 2024 RFPs – Scope

- **Up to 4,000 MW of generation resources to support new load growth between now and 2029**
- **New loads require a diverse portfolio of resources to meet high load factor and environmental requirements. Separate RFPs allow for targeted approach to resource diversity.**
  - RFP 1 – Intermittent Resources (wind, solar, hybrid)
  - RFP 2 – Non-Intermittent Resources (dispatchable baseload and peaking resources)
  - RFP 3 – Storage Resources (BESS)
  - RFP 4 – Supplemental Capacity (capacity products and emerging technologies)
- **Expanded Eligibility/Geography** – Additional states are now eligible to bid into the I&M RFPs (see slide 7)
- **RFPs selection process** - will continue to consider both price and non-price factors, with an enhanced focus on development risks that may impact project timing
- **Contract Types** – Accepting Purchase Sale Agreements (PSA), Power Purchase Agreements (PPA), and Capacity Purchase Agreements (CPA)



# RFP Structure

Changes noted in red

Category	Intermittent RFP		Non-Intermittent RFP	Storage RFP	Supplemental Capacity RFP
	Wind	Solar	Dispatchable	Standalone Battery Energy Storage	Capacity Products and Emerging Technologies
Nameplate Capacity	Initially targeting an overall portfolio of up to <b>4 GW of capacity and energy resources available by 2029</b> . MW targets by resource type will be determined through the selection of a portfolio of resources that will support I&M's energy and capacity needs.				
Ownership Structure	PSA and PPA, from existing facilities, facilities under development, or build-transfer projects			PSA from development stage existing, or build-transfer projects	CPA, <del>PPA</del> , PSA from existing facilities or build-transfer projects
Target COD/ Start Date	Available by 2027/ <del>2028</del> , 2028/ <del>2029</del> , or 2029/ <del>2030</del> planning years				
Location	Interconnection point in IN, MI, OH, IL, WV, or KY with preference for AEP wires				Interconnection point in IN, MI, OH, IL, WV, or KY with preference for AEP wires
Interconnection	1) PJM - Phase 1 Study, <del>GIA or ISA</del> , SIS if in Fast Lane 2) MISO in <del>DPP Phase 3</del> (w/ Firm Trans. to PJM) 3) I&M distribution projects: <del>Dist. Impact Study</del>		PJM Interconnection Agreement Required ( <del>GIA or ISA</del> )	1) PJM - Phase 1 Study, <del>GIA or ISA</del> , SIS if in Fast Lane 2) MISO in <del>DPP Phase 3</del> (w/ Firm Trans. to PJM) 3) I&M distribution projects: <del>Dist. Impact Study</del>	
PPA Term Lengths	≤ 15 year	≤ 15 year	≤ 15 year	N/A	Minimum of 3 years, with timing and duration negotiable
Minimum Size	20 MW	20 MW	100 MW	20 MW	100 MW
Battery Energy Storage Option	≥ 4hours of storage	≥ 4hours of storage	N/A	≥ 4hours of storage, interconnected to AEPs transmission or distribution	≥ 4 hours of storage with preference for longer duration technologies
Carbon Emissions Requirement	N/A	N/A	EPA 111d implications will be considered in economic evaluation of PSAs and must be included in PPA pricing	N/A	Must have a low carbon emissions rate
Affiliate or Self Build	No	No	No	No	No

# Initial RFP Proposal – PSA Option update

Updated Purchase and Sale Agreements (PSA) options as follows:

**Development Stage Project(s):** Purchase of the Project LLC at Closing shall include, but not be limited to, the following requirements:

- 100% Site Control (including easements), with all land title defects cured.

*For participation in the RFP, the Bidder must have substantial site control; however, having 100% Site Control and land title defects cured is required at Closing.*

- Executed PJM Generation Interconnection and Construction Services Agreement; or executed I&M Distribution Interconnection Agreement.

*For participation in the RFP, the Bidder must have a completed PJM System Impact Study which remains active in the PJM queue, or 2) or have received a completed I&M Distribution Impact Study prior to the Proposal Due Date*

- Completed Land, Conditional, or Special Use Permit.
- Completed Preliminary Engineering (10%)
- Completed Permitting and required federal, state, local, and other filings as necessary.
- Phase I Environmental Assessment.
- Regulatory approval as a condition to Closing.

**Build-Transfer Project(s):** Purchase of the Project LLC at Substantial or Mechanical Completion. The Company and bidder will close on the PSA at either Substantial Completion or Mechanical Completion (see RFP).

- Mechanical Completion is defined as the Project being mechanically completed, assembled, erected and installed in accordance with the terms and conditions of the PSA.
- Substantial Completion is achieved once all of the following has been completed: (i) Mechanical Completion has been achieved, (ii) the Project has been interconnected to the PJM or I&M distribution electrical system, and (iii) all startup, commissioning, and satisfaction of all testing as required by all major contracts and interconnection agreements.



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# Eligibility and Threshold Criteria

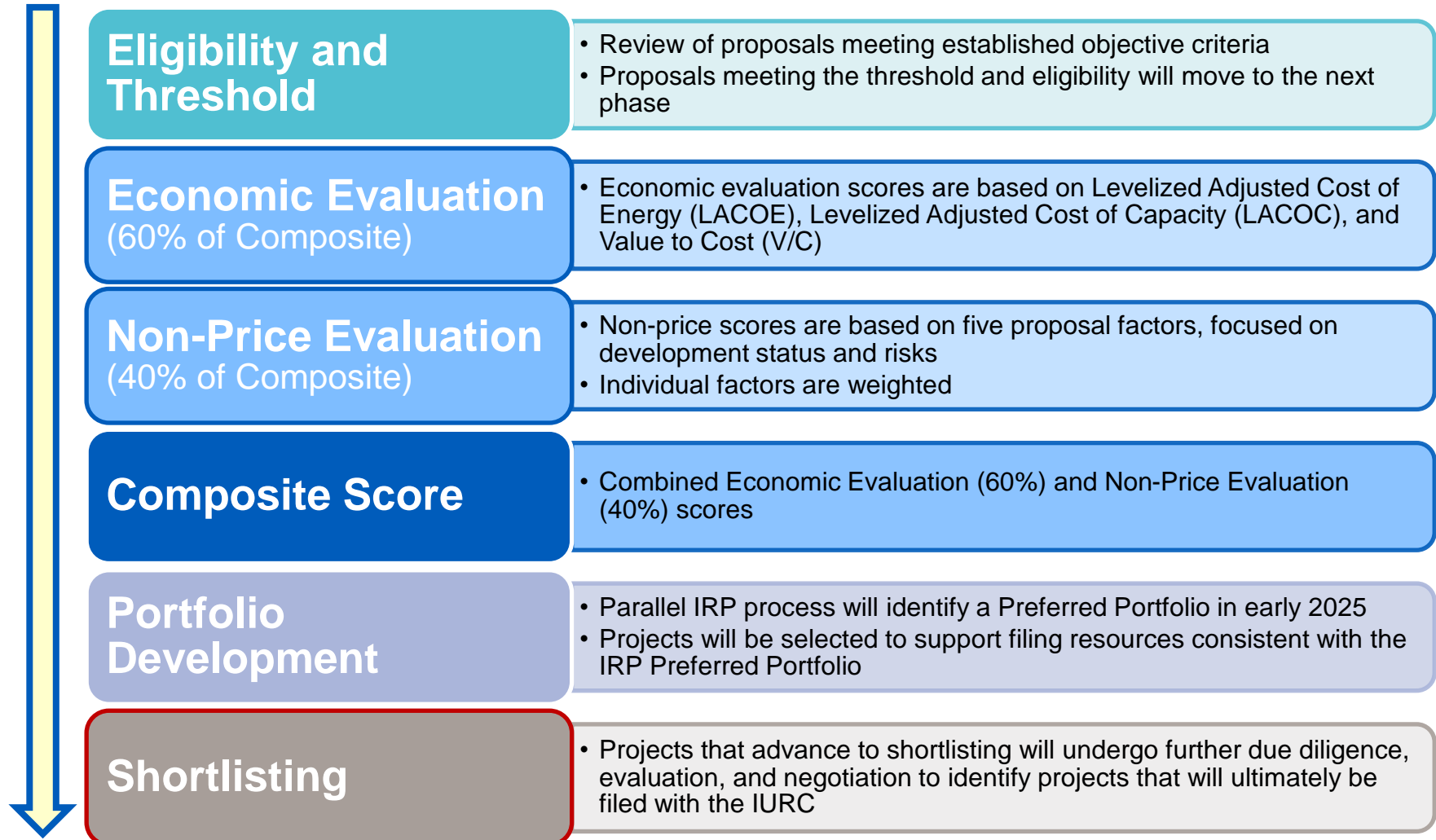
Changes noted in red

1. **Contract Type:** RFP 1&2 – PSA or PPA; RFP3 – PSA only; RFP4 – PSA or CPA.
2. **Expected COD / Start Date:** Available by 2029/2030 planning year
3. **Minimum nameplate rating:** 20 MWac for RFP 1 and 3; 100 MW for RFP 2 & 4
4. **Location:** RFP 1,2, and 4: Interconnection point in IN, MI, OH, IL, WV, or KY with preference for AEP wires.  
RFP 3: IN or MI and connected to AEP wires
5. **Interconnection:** 1) PJM – GIA/ISA, PJM “Fast Lane” with SIS, or Phase 1 Study, 2) MISO - Phase 3 DPP study (w/ Firm Transmission to PJM meeting req. in #1), or 3) I&M - Distribution Impact Study
6. **Site Control:** must be established by Bidder.
7. **Technology specific requirements:**
  1. RFP 1 & 3: must be compliant with AEP approved vendors
  2. RFP 2 & 4: Asset will be, or have been, built using utility grade equipment, components, and materials. Emerging Technology Projects must be for a proven technology and be commercially feasible.
8. **Resource Information:** Bidder must submit all required information by resource type identified in the RFP.
9. **Experience Threshold:** Development and EPC of the same type of project and of comparable size within the United States or Canada.
10. **Credit Information:** Must meet AEP’s minimum credit package requirements guidelines and verify inclusion in price.
11. **Contract Exceptions:** Exceptions to Form PSA and Form PPA must be complete; must verify compliance with AEP’s required contractual terms and conditions
12. **AEP Generation Facility Standard and Scope of Work:** Provide bidder’s design standards for PPAs, comply or identify exceptions with AEP’s standards for PSAs.

# Evaluation Criteria

## Process

The final RFP has been updated to conform to this process.



# Evaluation Criteria

## Economic Criteria – 60%

Proposals will be evaluated using multiple economic metrics to best capture the costs and value streams relevant to different Resource Types

Price Metric	Calculation	RFP
Levelized Adjusted Cost of Energy (LACOE)	$\frac{\text{PV Total Cost}}{\text{PV Expected Lifetime Energy Output (MWh)}}$	RFP 1
Levelized Adjusted Cost of Capacity (LACOC)	$\frac{\text{PV Total Cost}}{\text{PV Accredited Capacity Value (MW)}}$	RFP 2 – 4
Value to Cost (V/C)	$\frac{\text{PV Total Value}}{\text{PV Total Cost}}$	RFP 1 – 4

*\*Correctly presented in the prior stakeholder meeting; the RFP document has been updated to correct this error.*

# Evaluation Criteria

## Further Detail on Total Cost Components

Component of Total Cost	Definition
Proposal Bid Price	<ul style="list-style-type: none"><li>Bid prices are adjusted to include estimated interconnection, network upgrade, contingency, and owner's costs (PM, IT, Telecom, etc.)</li></ul>
O&M Costs	<ul style="list-style-type: none"><li>Operations and maintenance costs for the facility, inclusive of land lease, auxiliary load, insurance, and property taxes</li></ul>
Tax Expenses	<ul style="list-style-type: none"><li>Federal and state taxes</li></ul>
Federal Tax Credit	<ul style="list-style-type: none"><li>Project specific</li></ul>
Fuel Costs	<ul style="list-style-type: none"><li>Any necessary fuel adders associated with bidder's proposal, including current fuel arrangements and pricing mechanisms</li></ul>
Decommissioning Costs	<ul style="list-style-type: none"><li>Retirement costs, expected salvage value, and terminal value</li></ul>
Transmission Congestion Cost <sup>1</sup>	<ul style="list-style-type: none"><li>Marginal cost of congestion at a given node or external node relative to the load-weighted average of the system node prices</li></ul>

<sup>1</sup>: Only calculated for shortlisted projects. Estimated values will be used for initial shortlist selection

- Not all Proposals (ex. PPA/PSA) include all Total Cost components
- All costs are evaluated at present value
- Other costs may be included based on I&M's discretion to appropriately evaluate each Proposal

# Evaluation Criteria

## Non-Price Criteria – 40%

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- A total of five non-price factors will be considered in the evaluation process for each proposal.
- The five non-price factors are further grouped into three categories

Category	Factors
<b>Development Status and Risks</b>	<ul style="list-style-type: none"><li>• Local Approval Status and Risks</li><li>• Interconnection Status and Risks</li></ul>
<b>Asset-Specific Benefits and Risks</b>	<ul style="list-style-type: none"><li>• Resource Optionality and Flexibility</li><li>• Project Timing</li></ul>
<b>Environmental Impact</b>	<ul style="list-style-type: none"><li>• Environmental and Wildlife Impact and Permitting</li></ul>

# Evaluation Criteria

## Non-Price Criteria – Other Considerations

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- The total non-price score for a proposal will be calculated by taking the sum of the weighted scores for all factors.
- The analysis process, evaluations, and scoring results of these assessments will be reviewed by the Independent Monitor.
- In some cases, certain bid specific information may identify a factor of importance that was unanticipated at the time of factors were developed in the RFP or situations may arise where the level of risk is not accurately represented in scoring.
- In such cases, scoring may be adjusted or factors added at I&M's discretion.

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# Submittal Requirements

## Proposal Content

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Bidders must submit the following information with all Proposals:

1. A **cover letter** signed by an authorized representative of the Bidding Company with a statement of **firm pricing for 180 days** after the Proposal Due Date
2. An **executive summary** of the Project's characteristics and timeline, including any unique aspects and benefits
3. **All RFP Appendices** fully completed, including responses to all questions and all requested information/documentation attached
4. Detailed information regarding the **equipment manufacturer's warranty** offering including parts and labor coverage and other key terms
  - E.g., wind turbine, solar module, inverter, energy storage resource, gas turbine, etc.

Review **Section 8** and **Appendix Q** of the RFP Document for checklist of all the materials required.

# Submittal Requirements

## Confidentiality Agreement

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- Bidders are required to sign a **Mutual Confidentiality Agreement** prior to receiving certain documents
  - Download the Form Confidentiality Agreement from the RFP website ([www.IMAllSourceRFP.com/2024-rfp-documents](http://www.IMAllSourceRFP.com/2024-rfp-documents)) or request it by emailing [IMAllSourceRFP@CRAI.com](mailto:IMAllSourceRFP@CRAI.com)
  - Return the signed form to the Independent Monitor ([IMAllSourceRFP@CRAI.com](mailto:IMAllSourceRFP@CRAI.com)) including the following info:
    - Verification of **Site Control** as required by Sections 3.2.12, 3.3.11, 3.4.12, and 3.5.8 of the RFP
    - Completed **interconnection study** as described in Section 3.1.5 of the RFP

# Submittal Requirements

## Appendix Q: Proposal Content Check Sheet

**Proposal Content Check Sheet**

Item	Completed
Cover Letter with statement of firm pricing	
Executive Summary	
Appendix A (Proposal Summary)	
Appendix B (Project Development)	
Appendix C (Wind Resource Information)	
Appendix D (Solar Resource Information)	
Appendix E (Storage Resource Information)	
Appendix F (Thermal Resource Information)	
Appendix G (Emerging Technology Information)	
Appendix H (Project Land Lease Costs / Decommissioning Costs / Property Taxes)	
Appendix I (Interconnection)	
Appendix J (Local Permitting, Community Outreach, Environmental Social Justice)	
Appendix K (Environmental / Wildlife / Site Information)	
Appendix L (Credit Support and Bidder Profile)	
Appendix M (Engineering and Technical Due Diligence)	
Appendix N (Form Agreements)	
Appendix O (Tax Credit Information)	
Appendix P (Operational Projects Additional Proposal Content)	

**All RFP Appendices are required as part of a complete Proposal**

# Submittal Requirements

Due Date: Friday, November 8, 2024 by 3:00 PM EDT

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- Review **Section 6** (RFP Schedule and Proposal Submission) and **Section 7** (Proposal Submittal) of the RFP Document for details
- Bidders should submit their proposals as follows:

Proposals < 30 MB	Submit via email by <b>Nov. 8<sup>th</sup></b> : <a href="mailto:IMailSourceRFP@CRAI.com">IMailSourceRFP@CRAI.com</a>
Proposals > 30 MB	Contact us by <b>Nov. 6<sup>th</sup></b> to request access to CRA's secure <a href="#">ShareFile system</a> + submit via ShareFile by <b>Nov. 8<sup>th</sup></b>
All Proposals	Submit a <a href="#">hardcopy</a> by <b>Nov. 15<sup>th</sup></b> to AEP I&M (see Section 7 of the RFP)

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# RFP Development Process and Timeline

## Accelerated Timeline

- Shortlist selection will coincide with IRP identification of the preferred plan
- RFP Filings – Early Q2 through Q3 2025 (after IRP is filed)
- More than one filing anticipated due to project specific regulatory requirements

## Timeline

Task	Completion Date
Issue Draft RFP	Sept 20, 2024
Issue RFP	Sep 27, 2024
<b>Technical Conference</b>	<b>Oct 4, 2024</b>
Proposals Due	Nov 8, 2024
Selection Process	Q4 2024 – Q2 2025
<i>IRP Preferred Plan Identified</i>	Feb, 2025
Shortlist	Feb, 2025
Regulatory Filings	Q2 2025 – Q3 2025

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# Q&As/Comments Received to Date

No.	Question	Response
1	To request access to the NDA, what will be accepted as verification of site control and interconnection?	Acceptable forms of site control include the underlying form of lease agreements or evidence of such agreements. With respect to the interconnection status, please provide the most recent completed study.
2	Is AEP allowed to bid into the RFP?	Affiliates of AEP or I&M are not allowed to submit proposals into the RFP.
3	When does Kentucky Power plan to make a decision in the thermal RFP that was issued last fall? Resources that participated in that process are also eligible to participate here.	I&M cannot comment on the timing of decisions that will result from RFPs issued by affiliated operating companies. Projects that participated in the Kentucky Power RFP are eligible to participate in the 2024 I&M RFPs.
4	Thank you for hosting the Pre-RFP Stakeholder Meeting earlier today. I understand the definitions you provided for Development Stage Projects and Completed Projects in regard to PSAs, but could you please clarify the definition of Completed Projects in regards to a PPA where there is no sale contemplated?	PPA proposals will be considered for projects that are either Existing Projects or are currently in development and will reach commercial operation in time to be integrated into the Company's generation portfolio for the 2029 Planning Year or earlier. The referenced language has been revised in the draft RFP for clarity.
5	It seems to me that the 2024 RFP is a bit geared towards those that already have projects in the works already, is that fair to say?	At this time, the key requirement is that projects must be at the interconnection status specified. To the extent you believe that a project could be integrated in time into the Company's generation portfolio for the 2029 Planning Year or earlier absent this interconnection status requirement, please provide such comments regarding how this might be possible for potential consideration in the final RFP design.
6	Also, could you please assist me with the names of the local gas distribution companies that serve the territory?	To avoid potentially providing inaccurate information required for the development of your project, we request that you perform your own due diligence in this regard.



# Q&As/Comments Received to Date

No.	Question	Response
7	Would a [X] MW generator be considered if it is distribution-connected? I'm not sure if there is a maximum interconnect limit for the distribution system.	The RFP does not identify a maximum limit for distribution system interconnected projects. However, per the tariff, projects above 10 MW and 20 kVA are subject to additional study requirements. Please consult (Updated Link): <a href="https://qa.indianamichiganpower.com/lib/docs/business/builders/IMPCustomerGuideForInterconnection_20200202.pdf">https://qa.indianamichiganpower.com/lib/docs/business/builders/IMPCustomerGuideForInterconnection_20200202.pdf</a> for further information.
8	What would the bid fee structure look like for this opportunity?	There is no bid fee proposed for the 2024 I&M RFPs.
9	Will I&M be looking for bids specific to the Rockport site? If so, can you shed some insight into that?	Use of the Rockport site for new generation is not under consideration in this RFP.
10	Does I&M have a PPA/BOT mix they are looking for?	There is no predetermined PPA/BOT mix for the RFP.
11	How do you measure total value and total cost? Maybe you will discuss later.	Total value will be measured by the equivalent projected market value of the products expected from the resource, which will include capacity, energy, RECs and ancillary services. The cost will be measured based on either the proposed cost if PPA, or, in the case of a PSA, both the proposed and expected costs for the operation and ownership of the facility.
12	When will I&M finalize their IRP?	The Company is targeting identification of the Preferred Portfolio in first quarter 2025. The IRP is targeted for submittal to the IURC in the first half in 2025.
13	Will this slide deck be provided?	The proposer's conference slide presentation has been posted to <a href="http://www.IMAllSourceRFP.com">www.IMAllSourceRFP.com</a>
14	Will variations between this version and the final version after comments be clearly delineated?	To the extent possible, we will identify major changes to the RFP scope as presented in the proposer's conference slide presentation in the final RFP documentation.

# Q&As/Comments Received to Date

No.	Question	Response
15	Is there a preferred distribution of the 4GW across the 4 RFPs?	No. The final distribution of resources selected from each of the RFPs will be informed by the Preferred Portfolio in the IRP and finalized by selection of applicable resources in the RFP.
16	Would you consider non-conforming bids without a Phase 1 study completed? Or is that a non-starter?	<b>At this time, the Company requires projects that are able to be available by the 2029 Planning Year or earlier. In order to meet this timeline, I&amp;M has determined that projects must be existing/in-service, have executed a GIA, be in the PJM fast lane, or have completed PJM's Phase 1 study as of the date of submission. The Company is open to receiving comments regarding whether it is feasible to consider projects not meeting the above requirements to the extent they are able to be available by the 2029 Planning Year.</b>
17	if you have executed an NDA for I&M's previous RFP, is that still valid?	No. A new NDA is required for this RFP.
18	Would a PJM connected project in PA be considered?	No, PA is not within the geographic region considered under this RFP.
19	Can you please expand on the definition of Completed Projects for PPA Category? Does it mean that projects under development are not accepted?	We have clarified this further. Projects for the PPA category that are either Existing Projects or are currently in development and will reach commercial operation in time to be integrated into the Company's generation portfolio for the 2029 Planning Year or earlier. The referenced language has been revised in the draft RFP for clarity.
20	Is the Supplemental capacity RFP open only for existing/completed resources or will new resources currently in the queue qualify as well?	We have clarified this further. Projects for RFP4-Supplemental Capacity are either Existing Projects or are currently in development and will reach commercial operation in time to be integrated into the Company's generation portfolio for the 2029 Planning Year or earlier. The referenced language has been revised in the draft RFP for clarity.

# Q&As/Comments Received to Date

No.	Question	Response
21	Why are the PPAs limited to 15 years?	<p>I&amp;M is targeting resource options that will support a weighted average term length for I&amp;M's generation portfolio that reasonably reflects the proposed 20 year contract term length for new large load customers. By combining PPAs from a diversity of term lengths (from 3 years for capacity-only agreements, to 5 years for thermal resources, and 15 years or less for renewables) with owned project opportunities, the Company can support an overall portfolio that reaches that goal. In this way, the Company can: 1) better align new generation resources with the timing and scale of new customer load requirements, 2) reduce the risk of excess generation in the future, and 3) continue to provide long term resources that provide both operational flexibility and reduce exposure to future market pricing risks.</p> <p>The Company considers ownership as the best strategy for providing long term generation resources for its customers. Ownership provides the Company with the greatest operating flexibility in response to changes in market conditions that can and will likely occur over the life of an asset. Ownership allows the Company to update the operational strategy for the facility, enhance the facility with new technologies, or even repower the facility as opportunities arise that would benefit its customers. With ownership, the Company also controls, and the commission has oversight over, the ongoing maintenance and capital investments of the facility. This provides opportunities to enhance the Company's compliance with Indiana's Five Pillars of energy policy. These same benefits are not provided with a long term PPA obligation whereunder any change in facility operational strategy, enhancement, or repower of the facility comes with reopening the PPA and exposing the Company's customers to future market conditions and pricing.</p>

# Q&As/Comments Received to Date

No.	Question	Response
22	Why are only PSAs entertained for battery storage?	Battery energy storage systems are a highly versatile resources that can serve a range of different functions. Many of these functions provide value to the Company in ways that may not be fully realized at this time under the current market conditions or using current modeling strategies. With this in mind, the Company has determined that ownership provides the most flexibility to operate, enhance, or augment the battery in the future as market conditions and I&M's system needs change and new use cases for battery energy storage materialize.
23	In addition to the message below, could you please confirm the discrepancy between the stakeholder feedback period of September 13th – 25th, listed on slide 16 of the Pre-RFP Meeting, and the note on the informational website for the 2024 RFP indicating “stakeholder comments are requested by Friday, September 20th”? Will you be accepting feedback until the September 25th date?	Yes, I&M will accept feedback until the September 25th date.
24	What discount rate does I&M use for the present value calculations under the economic evaluation process?	I&M uses the Regulatory Weighted Average Cost of Capital. Currently, the rate is 6.12%.
25	In reviewing the Pre-RFP Stakeholder Meeting slides, I just wanted to confirm the term length for the intermittent resource RFP. In years past, I&M was looking for 20 and 30-year fully bundled pricing and now they want a maximum term length of 15 years?  Can you please confirm?	Confirmed. See response for 21 for further details.

# Q&As/Comments Received to Date

No.	Question	Response
26	Can you confirm the threshold requirements for distribution level bids? Specifically, do we need to include the IX impact study results with the bid, or can these be completed and provided later if shortlisted? What are the other eligibility requirements for D-level bids?	Distribution interconnection projects require a Distribution Impact Study. Aside from this interconnection status, other threshold requirements are still required regardless of whether the project is proposed to connect to distribution v. transmission. See section 9.1 for threshold requirements.
27	What is the definition of “emerging technology” (ET) in the RFP, and can you confirm that the cap for ETs at the D-level is 5 MW?	Emerging technologies are those that haven’t reached widescale use and distribution and for which the construction, operation, and maintenance is generally understood industry wide. See <a href="#">this document</a> for the latest requirements and any distribution system limitations.
28	If we already operate a multi-MW fleet, would we still be considered an [Emerging Technology]? If not, can we bid on projects larger than 5 MW?	Please see answer to Question #27. As an emerging technology, you may bid under RFP 4 at quantities greater than 5 MW.
29	The draft RFP indicates on page 10 that PJM resources must have 1) An executed GIA or 2) A PJM interconnection queue position in the “Fast Lane” with a completed SIS, or 3) a PJM interconnection queue position with a completed phase 1 study. Could you please confirm if a PJM interconnection which has received an ISA and CSA will be eligible for the RFP?	Yes. Having an ISA and CSA would be equivalent to having a GIA in this context.
30	Can you please confirm what the preferred PPA term length is for solar, wind, and storage?	I&M does not have a preference. As noted in question 21, PPA term lengths are limited to a maximum of 15 years. Providing options up to the maximum term limit is encouraged. Please note that standalone Storage resources are not eligible to bid PPAs in this RFP; only PSAs for standalone storage will be evaluated.

# Q&As/Comments Received to Date

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No.	Question	Response
31	I have a question in regards to the Stand Alone Storage portion of the RFP. Can you confirm the contract structure is only for PSA and not PPA?	Confirmed. See our response to question 22 above for further detail.
32	Section 2.7.1 says “Affiliates of AEP and I&M (Affiliate) are not permitted to participate in the RFPs.” As we’ve raised before, we continue to urge I&M to evaluate self-build proposals alongside third party proposals. We’ve heard no indication that I&M will not separately seek to construct self-build projects and as such those projects should be evaluated under the same criteria including with regard to project readiness and firm pricing.	AEP / I&M affiliates are not permitted to participate in this RFP. However, the RFP is open to Development Stage Projects which, if selected, are projects the Company would ultimately be responsible for building. The Development Stage Projects are evaluated under the same criteria as all other projects.
33	In addition, in order to achieve a fulsome consideration of resource types, all technology types should receive fair and equal consideration (when I&M makes a future decision as to which resources to acquire) for use of I&M’s existing interconnection rights regardless of whether renewable or storage projects utilizing I&M’s existing interconnection rights respond to this RFP.	I&M is not considering reuse of I&M’s existing interconnection rights under this RFP.

# Q&As/Comments Received to Date

No.	Question	Response
34	In Section 3.3.8, what is the preference for black start capable resources based on? Doesn't the value of black start from a resource depend on that resource's location?	Blackstart capability is an important capability for maintaining the reliability and resilience of the electric power system and is central to system restoration and recovery plans in the event of emergency. The overall value of a blackstart capable asset includes consideration for its location on the grid. However, upon further consideration, the language of the RFP requiring pricing for adding this capability to an asset has been removed. Instead, the value of blackstart or dual-fuel capability will be considered as part of the non-price evaluation and scoring.
35	In Section 9.4 on resource selection says that "I&M will select the Proposals from the ranking to create a diverse portfolio that meets the Company's energy and capacity needs." While this was alluded to in the RFP meeting, the RFP itself does not explicitly mention the IRP's role in determining what I&M's energy and capacity needs are and which resources go into that portfolio. Those steps should be made clear so the Commission and intervenors can evaluate how I&M proceeded through the process.	<b>As noted in Section 2.4 of the RFP, I&amp;M anticipates selecting resources from each of the RFPs in amounts that will be informed by the Company's ongoing 2024 Integrated Resource Planning (IRP) process. This parallel process will identify a Preferred Portfolio outlining the Company's generation needs by early 2025. The Preferred Portfolio and ranking of proposals submitted into the RFPs will inform the final selection of resources.</b>

# Q&As/Comments Received to Date

No.	Question	Response
36	I&M should require PSA proposals to include scope and pricing information associated with “future hydrogen and/or carbon capture” capabilities. I&M’s draft does not require that, other than a vague request for “information” (see PDF p. 15, § 3.3.8; PDF p. 20, §4.1.3). Because conversion to and/or installation of hydrogen or carbon capture technologies could have significant costs, I&M should include that information in its resource planning.	In the event proposals are received with more than just cursory assessments of either future hydrogen fuel capability or carbon capture implementation, I&M will request additional information concerning specific plans, designs, and pricing. However, given the lack of widespread commercial implementation and inherent variability that would come with such a request, we have chosen not to make this a requirement for all bidders.
37	<b>I&amp;M should make clear its intent to acquire significantly more intermittent resources and battery energy storage than the stated “Minimum Acceptable Project Size” of 20MWac (see PDF p. 11, § 3.2.4; PDF p. 17, § 3.4.4). It is important not just for bidders but for the Commissions and stakeholders to see intent reflected in the wording of this RFP.</b>	<b>The minimum size identified for a given RFP is not indicative of the Company’s expectations for total procured MW under that RFP, but rather, a stated threshold intended to avoid projects that are not typically constructed to standard utility scale operational specifications. As referenced in the stakeholder meeting, the Company anticipates selecting resources from each of the RFPs, the MW totals of which will be well above the minimum project sizes in order to reach an overall 4,000 MW target.</b>



# Q&As/Comments Received to Date

No.	Question	Response
38	Sections 4.2.8 and 5.1.18 covering PPAs and PSAs (respectively) state that “prices must be firm.” We are concerned about the potential implications of requesting firm pricing for both PPAs and PSAs. If I&M were to self-build new capacity, we do not envision that it would ask for approval of a lump-sum turnkey contract, either. Potential respondents should not be treated differently merely because the origin of the potential project is from a different entity than AEP/I&M.	I&M seeks firm pricing to allow for reasonable and reliable price comparisons to support the selection process. I&M works with the Independent Monitor to assess the firmness of each bid in order to ensure a fair and reasonable comparison across bid types.
39	Regarding the procurement of environmental attributes from renewable generating facilities as suggested in section 3.2.5: would I&M allocate the RECs between Indiana and Michigan based on load share? How would I&M use the RECs allocated to Indiana?	This is an Indiana-only solicitation. RECs from Indiana resources will either be used for I&M customer programs or liquidated in the market with the proceeds being credited back to I&M’s customers to partially offset the cost of the new generation resources.
40	Section 3.2.6(b) says: “Under RFP 1, the Company and bidder will close on the PSA at either Substantial Completion or Mechanical Completion, depending on the Company’s Federal Tax Credit election.” Section 3.5.6(a) makes a similar statement. It is unclear to Commenters which federal tax credit election (presumably PTC or ITC) would go with which closing condition, or why the tax credit election matters in this way.	The Company evaluates each project individually with respect to which tax strategy would provide the most value to its customers. Election of the ITC requires the Company to take possession of the project before the project is placed in service to ensure tax credits flow to the Company, whereas election of the PTC allows the Company to take possession of the asset just before commercial operation begins.

# Q&As/Comments Received to Date

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No.	Question	Response
41	Under RFP 4 described in section 3.5, it is unclear how an emerging technology is defined, or how the project sponsor can reliably estimate its accredited capacity value or projected energy output if it is indeed “emerging.” (We did not receive the “Emerging Tech Data Review Form.xls” contemplated in Appendix G, in case that might shed more light.)	Please see answer to Question #27.
42	In section 4.2.7, if the heading “Wind Projects, Gas Projects, and Other Non-ITC Qualifying Projects” is meant to encompass a category of projects not electing the ITC (in contrast to the projects under § 4.2.6), that should be stated more clearly. Also, a solar project could, in theory, elect the PTC under Section 45Y(b)(1)(A)(iii) of the Internal Revenue Code.	Headings in Section 4.2.7 have been updated to clarify that this applies to projects that are not electing the ITC. We recognize that a Solar project could theoretically elect the PTC, therefore, we have made it clear that this decision is within the purview of the developer.
43	Appendix O should allow the applicant project to state whether it has been given pre-approval by the IRS for the Low-Income Communities tax credit bonus (in relation to the ITC only) under I.R.C. § 48E(h).	If bidders have obtained such pre-approval they may provide this information in their main proposal response.

# Q&As/Comments Received to Date

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No.	Question	Response
44	Section 2.2 of the RFP states that all RFPs seek projects "with planned or existing interconnections in PJM;" however Section 3.1.5.ii indicates that resources may interconnect to MISO. Is I&M considering projects interconnected in MISO or only PJM? If in MISO, would the point of delivery be the project's point of interconnection (in MISO)?	<p>I&amp;M is considering projects in MISO that have a firm transmission pathway to PJM. The interconnection status of both the project in MISO and firm transmission pathway to PJM must meet the criteria noted for MISO and PJM respectively:</p> <ol style="list-style-type: none"><li>1) PJM – GIA/ISA, PJM “Fast Lane” with SIS, or Phase 1 Study,</li><li>2) MISO - Phase 3 DPP study (w/ Firm Transmission to PJM meeting req. in #1)</li></ol> <p>The POI, however, would be the point of delivery in PJM.</p>

# Q&A Process

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- Stakeholders should direct any questions, concerns, suggestions, or comments on the RFP directly to CRA via this e-mail address.
- To the extent you have any questions regarding the qualification of your project in this RFP process, we encourage you to reach out early.

Website	<a href="https://www.IMAllSourceRFP.com">https://www.IMAllSourceRFP.com</a>
Email	<a href="mailto:IMAllSourceRFP@CRAI.com">IMAllSourceRFP@CRAI.com</a>

# Confidentiality Agreement

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- To receive the form PPA, PSA, and technical standards, bidders will need to execute a Confidentiality Agreement (CA).
- The form CA is available for download on the RFP website: [www.IMAllSourceRFP.com](http://www.IMAllSourceRFP.com)
- When returning the form CA, please include the following documentation to receive data room access:
  - Verification of Site Control
  - Verification of Interconnection

# Agenda

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- Introduction
- Scope of the 2024 RFPs
- Evaluation Criteria
- Submittal Requirements
- RFP Development Process and Timeline
- Q&A Process
- Submit Questions

# Questions

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## At this time, if you have a question, please:

- Send an email to [IMAllSourceRFP@crai.com](mailto:IMAllSourceRFP@crai.com) or
- Raise your hand in the Microsoft Teams webinar platform and your microphone will be enabled (you must unmute first to be heard)
- **Note:** If you wish to remain anonymous, please send us an e-mail. By speaking on the Teams webinar, your name will be visible to all participants.

**To ensure all participants have an equal opportunity to submit their question, participants will be limited to one question and a follow up question if there are other questions in the queue.**

- If time permits, you may pose additional questions.