

VERIFIED DIRECT TESTIMONY
OF
LAWRENCE WILLICK
On behalf of Republic Transmission, LLC

Q1. Please state your name, business address and title.

A1. My name is Lawrence Willick. My business address is 400 Chesterfield Center, Suite 110, St. Louis, Missouri 63017. I am a Sr. Vice President for LS Power Development, LLC, the general partner and manager of LS Power Associates, L.P. ("LS Power"), which is an indirect owner of Republic Transmission, LLC ("Republic Transmission").

Q2. On whose behalf are you submitting this direct testimony?

A2. I am testifying on behalf of Republic Transmission.

Q3. Please describe your educational and employment background.

A3. I earned a Bachelor of Science in Engineering, summa cum laude, and a Masters in Business Administration, with honors, both from Tulane University. Since 1996, I have been employed within the LS Power organization in various positions. I have over 25 years of experience in the electric power industry, much of which has been dedicated to the green-field development of electric power transmission infrastructure. I had oversight of the proposal and implementation of the Cross Texas Transmission, LLC system within the Electric Reliability Council of Texas ("ERCOT"), and I continue to manage other transmission development efforts of LS Power. My curriculum vitae is attached to my direct testimony as Attachment 1-B.

Q4. What are your responsibilities as Sr. Vice President?

A4. I provide management supervision of all of LS Power's transmission development efforts, which includes oversight of operating transmission facilities and other facilities in various stages of implementation.

I participate in management of two LS Power transmission companies that have facilities in operation, Cross Texas Transmission, LLC ("Cross Texas") and One Nevada Transmission Line ("ON Line"). Cross Texas is a fully operational utility within ERCOT with a primary and back-up control center in Austin, Texas, and rates approved by the Public Utility Commission of Texas. Cross Texas' system consists of 265 miles of 345 kilovolt transmission lines in the panhandle of Texas, including associated substations

and related facilities. Cross Texas also is in the process of constructing an approximately 70-mile double-circuit 345 kilovolt line in central Texas. Great Basin Transmission South, LLC owns 75% of ON Line, a 235-mile 500 kilovolt transmission line in operation in Nevada.

I also have oversight responsibilities within three companies, Northeast Transmission Development, LLC, DesertLink, LLC, and Republic Transmission, which have been designated to develop, construct, operate and maintain high-voltage facilities by various Independent System Operators/Regional Transmission Operators ("RTOs"). In June 2015, Northeast Transmission Development, LLC was selected by PJM Interconnection, L.L.C. ("PJM") for the new 230 kilovolt facilities in the Artificial Island process and has rates approved by the Federal Energy Regulatory Commission ("FERC"). In January 2016, DesertLink, LLC was identified as the approved project sponsor by the California Independent System Operator Corporation ("California ISO") for the approximately 60-mile 500 kilovolt line from Harry Allen to Eldorado. In December 2016, Republic Transmission was identified as the selected developer by the Midcontinent Independent System Operator, Inc. ("MISO") for the Duff-Coleman Project (defined in A14 below).

Finally, I support several other LS Power transmission companies which are pursuing early stage transmission project proposals in other parts of the United States.

Q5. Have you previously testified before this or any other regulatory commission?

A5. Yes. I have filed testimony before state regulatory commissions in Colorado, Georgia, North Carolina, South Carolina, Texas, Utah, and Wisconsin and before FERC. Those proceedings are described in Attachment 1-B.

Q6. Are you sponsoring any Attachments to your testimony in this Cause?

A6. Yes. I am sponsoring Attachment 1-A through Attachment 1-H, all of which were prepared by me or under my direction and supervision. Attachment 1-A is the Verified Petition initiating this cause. Attachment 1-B provides my curriculum vitae and list of proceedings in which I have testified. Attachment 1-C shows the current ownership structure of Republic Transmission. Attachment 1-D shows the facilities developed and currently owned by LS Power. Attachment 1-E shows Attachment FF of the MISO Tariff (defined in A15). Attachment 1-F shows the MISO Selection Report for the Duff-Coleman Project. Attachment 1-G (Confidential) shows the Selected Developer Agreement for the Duff-Coleman Project between MISO and Republic Transmission. Attachment 1-H provides copies of the written notice provided by Republic Transmission of its request for authority under Ind. Code ch. 8-1-38.

Q7. What is the purpose of your testimony?

A7. The purpose of my testimony is to describe and support Republic Transmission's request for relief in this proceeding. I will provide support for Republic Transmission's request

for authority to operate as a public utility under Ind. Code ch. 8-1-38, including evidence to demonstrate Republic Transmission's technical and managerial capabilities to own and operate wholesale electric transmission facilities in Indiana. I will also explain and support Republic Transmission's request for the Commission to decline to exercise a portion of its jurisdiction over the Company.

Q8. Please summarize Republic Transmission's requests for relief in this proceeding.

A8. In this proceeding, Republic Transmission is requesting the Commission to issue an order by August 1, 2017:

1. Authorizing Republic Transmission to operate as a public utility in Indiana and a finding it is a new electric transmission owner under Ind. Code ch. 8-1-38;
2. Finding Republic Transmission is a public utility under Indiana law, including Ind. Code §§ 8-1-2-1 and 8-1-8.5-1 and authorizing Republic Transmission to exercise all rights and privileges of a public utility as accorded by Indiana law, including the right to exercise eminent domain under Ind. Code ch. 32-24-4;
3. Declining, in part, to exercise jurisdiction over Republic Transmission under Ind. Code § 8-1-2.5-5. Specifically, Republic Transmission requests that the Commission decline to exercise jurisdiction over:
 - a. Approval authority over long-term financing (IC 8-1-2-78 -84).
 - b. Approval authority over reorganization and the purchase and sale of ownership interests and of facilities (IC 81-2-83 and -84), including, but not limited to: (i) a purchase or sale related to a reorganization within LS Power and affiliates ("LS Power Group"); (ii) Hoosier Energy Rural Electric Cooperative, Inc.'s ("Hoosier Energy") option to purchase up to 20% ownership interest in either Republic Transmission or its parent, Republic Transmission Holdings, LLC ("RT Holdings"); and (iii) the transfer of the ownership of Duff-Coleman Project assets located in Kentucky to Big Rivers Electric Corporation ("Big Rivers"). To the extent Republic Transmission seeks to transfer all or substantially all of its assets located in Indiana to an entity that is not within the LS Power Group, Republic Transmission proposes the Commission should retain jurisdiction to ensure the entity has the necessary technical, managerial and financial capability to own and operate the facilities.
 - c. Public utility reporting requirements, except for the following specifically enumerated requirements: (i) annual FERC Form 1; (ii) notice within 30 days of being awarded a competitive transmission project in Indiana by MISO or PJM; and (iii) notice to the Commission in a timely manner of the dates on which construction of the new electric transmission facility begins and is completed pursuant to Ind. Code § 8-1-38-8.
 - d. Authority over affiliate contracts and transactions (IC 8-1-2-49 and GAO 2016-5).
 - e. Approval authority over the transmission of electric power generated outside the borders of the Unites States (IC 8-1-2-126).
4. Authorizing Republic Transmission to maintain books and records outside of Indiana under Ind. Code § 8-1-2-15;

5. Authorizing Republic Transmission to transfer functional control of assets to an applicable RTO under Ind. Code § 8-1-2-83;
6. Granting consent to the Boards of County Commissioners of all Indiana counties to grant Republic Transmission such licenses, permits or franchises as may be necessary for Republic Transmission to use and occupy county roads, highways and other public rights-of-way for the provision of its services and facilities pursuant to Ind. Code § 36-2-2-23; and
7. Approving confidential treatment of certain information to be filed in this proceeding.

Q9. Please provide an overview of Republic Transmission.

- A9. Republic Transmission is a transmission only company organized to develop, construct, own, operate and maintain electric transmission infrastructure within the footprint of MISO, including the State of Indiana. The current ownership structure of Republic Transmission is shown in Attachment 1-C. The entity is wholly owned by RT Holdings, which will be owned by LS Power and Hoosier Energy. Hoosier Energy has an option to acquire up to up to 20% of Republic Transmission or RT Holdings. Republic Transmission and Hoosier Energy have a memorandum of understanding and are finalizing an agreement under which Hoosier Energy will acquire up to 10% of RT Holdings and have an option to purchase an additional 10% of RT Holdings at a future date.

As I describe in more detail later, Republic Transmission has been designated by MISO as a Qualified Transmission Developer and was selected in MISO's first competitive transmission process to construct, own, and operate the Duff-Coleman Project. Republic Transmission does not currently have any direct employees. The day-to-day activities of Republic Transmission will be managed by LS Power and its general partner and subsidiary companies.

Q10. Please provide an overview of Republic Transmission's majority parent company, LS Power, and its subsidiaries that develop, own, and operate transmission facilities.

- A10. LS Power is a privately held power generation and transmission company that owns and manages one of the largest and most diverse independent power generation and transmission portfolios in the United States. The facilities developed and currently owned by LS Power are shown on the map in Attachment 1-D. Since its inception in 1990, LS Power, through its subsidiaries and affiliates, has developed, owned, or operated over 32,000 MW of diverse competitive generation facilities across the United States. This included ownership of the Sugar Creek combined cycle power plant located near Terre Haute, IN, which is now owned by Northern Indiana Public Service Company. *See* Amended Petition of Northern Indiana Public Service Company, Cause No. 43396 (IURC 5/28/08).

LS Power is also an experienced and capable electric transmission planner, developer, owner and operator. It is one of the most successful competitive transmission

development companies, having been designated for multiple projects by multiple regional transmission operators. LS Power, through its subsidiaries and affiliates (also affiliates of Republic Transmission), has successfully developed, constructed, financed and energized over 500 miles of extra-high voltage transmission lines and the associated substations and equipment for those projects. Recent transmission experience of LS Power through Republic Transmission affiliates include:

- Texas CREZ: Cross Texas was selected by the Public Utility Commission of Texas through a competitive process to develop, finance, construct, own and operate approximately 235 miles of new double circuit 345 kV transmission and related facilities. Cross Texas was selected as a new entrant in Texas, who built a new transmission utility from the ground up. LS Power manages every element of the transmission utility. The initial facilities were placed in-service in 2013 and Cross Texas has been successfully operating and maintaining them since then.
- One Nevada Transmission Line: Great Basin Transmission South, LLC developed, financed, constructed, and energized 231 miles of 500 kV and 8 miles of 345 kV transmission facilities in Nevada. This project is operated and maintained by the local incumbent transmission owner, NV Energy, as minority owner in partnership with LS Power.
- Gray to Allen Creek: Cross Texas developed, financed, constructed, and energized a new, approximately 25 mile, 345 kV transmission line in Texas. The project was energized in 2016 and is operated and maintained by Cross Texas.
- Limestone to Gibbons Creek: Cross Texas has developed and is currently constructing 67 miles of new double circuit 345 kV transmission north of Houston, Texas. The project is projected to be in service in 2018 and will be jointly owned with the city of Garland, Texas.
- Harry Allen to Eldorado: DesertLink, LLC was selected by the California ISO through a competitive solicitation to deliver approximately 60 miles of new 500 kV transmission facilities. The project is in late stage development and is expected to be placed in-service in 2020.
- Artificial Island: Northeast Transmission Development, LLC was selected by PJM in its first competitive transmission solicitation to develop, own, and operate a new 230 kV transmission line approximately 5 miles in length in New Jersey and Delaware, which includes a 3 mile underground crossing of the Delaware River.

LS Power utilizes LSP Electric Services, LLC as a services company through which LS Power provides management services for its transmission projects. This entity will directly provide the necessary management personnel to Republic Transmission to develop, construct, own, operate, and manage transmission projects.

Q11. Please provide an overview of Republic Transmission's history and future objectives in Indiana.

A11. Republic Transmission was formed in 2008 and has been advocating for competitive transmission in MISO. Republic Transmission's purpose is to develop, own and operate competitive electric transmission projects within the MISO footprint, including Indiana, and within other RTOs in Indiana. In 2014, Republic Transmission joined MISO in the Environmental / Other Sector. On December 17, 2014, MISO approved Republic Transmission as a Qualified Transmission Developer. On December 20, 2016, MISO announced it had selected Republic Transmission as the developer for the Duff-Coleman Extra High Voltage ("EHV") Competitive Transmission Project. The Duff-Coleman Project will be Republic Transmission's first transmission facility.

Republic Transmission's objective is to provide safe, reliable, economic transmission service. While Republic Transmission is currently planning to implement, own and operate the Duff-Coleman Project, it also hopes to own additional transmission projects within Indiana in the future.

Q12. Does Republic Transmission intend to provide retail service in Indiana?

A12. No. Republic Transmission only intends to develop competitive transmission projects approved by an applicable RTO (currently MISO and PJM) and provide wholesale transmission service through a FERC approved tariff. As a result, Republic Transmission is seeking approval to operate as a public utility in Indiana under Ind. Code ch. 8-1-38 and is requesting the Commission partially decline to exercise jurisdiction over Republic Transmission.

Q13. Please describe the process Republic Transmission went through to obtain status as a Qualified Transmission Developer in MISO.

A13. MISO requires entities bidding to develop MISO's competitive transmission projects to "pre-qualify" to provide some assurance on the front end of the process that entities submitting proposals to develop transmission projects have the ability to execute those proposals. See Article VIII of Attachment FF of MISO's Open Access Transmission Tariff, attached hereto as Attachment 1-E.

In determining that Republic Transmission was a Qualified Transmission Developer, MISO examined the resources of Republic Transmission and LS Power by reviewing information including, but not limited to:

1. Project implementation capabilities and competencies through describing the transmission facilities it owns and the resources it has in place to perform project implementation activities including:
 - Project management;
 - Routing and siting;
 - Regulatory permitting;
 - Engineering, design, and surveying;
 - Material bidding and procurement;

- Construction management; and
 - Commissioning and testing.
2. Operations and maintenance capabilities and competencies;
 3. A commitment to provide support from affiliates of the entity that are providing resources and/or capabilities to the entity;
 4. Whether the entity has had any legal and/or regulatory violations or is under investigation;
 5. The entities' capital procurement plans outlining that the entities can procure sufficient funding to develop competitive transmission projects;
 6. The entities' financial information;
 7. A commitment to execute the MISO Transmission Owners Agreement;
 8. A commitment to comply with applicable laws and regulations, codes, and standards;
 9. A commitment to operate competitive facilities within a Local Balancing Authority in MISO; and
 10. A commitment to comply the Interconnection Requirements and Standards.

As stated above, MISO certified Republic Transmission as a Qualified Transmission Developer on December 17, 2014.

Q14. Does Republic Transmission intend to construct, own, operate, and maintain an electric transmission facility in Indiana that is under consideration by an applicable regional transmission organization?

A14. Yes. Republic Transmission has been selected by MISO as the developer for the Duff-Coleman 345 kV competitive transmission project that will connect the Coleman EHV substation (northern Kentucky) with the Duff substation (southern Indiana) (the "Duff-Coleman Project").

Although there are currently no other competitive transmission projects in Indiana identified for development, Republic Transmission will consider submitting proposals for future competitive projects in Indiana as they come up for consideration. In addition, in the future, if MISO identifies necessary upgrades or there is a generation interconnection or other issue that would impact the Duff-Coleman assets, Republic Transmission, as the applicable Transmission Owner, may be required to construct, own, operate and maintain additional infrastructure related to the Duff-Coleman Project.

Q15. Please describe the Duff-Coleman Project.

A15. The Duff-Coleman Project is a new single circuit 345 kV transmission line between the existing Duff substation, located in southern Indiana, and the existing Coleman EHV substation located in northern Kentucky. The project is expected to span between 30 and 35 miles within Dubois County, Indiana, Spencer County Indiana, and Hancock County, Kentucky.

The Duff-Coleman Project was approved by the MISO Board of Directors in December, 2015 as a Market Efficiency Project ("MEP") in its 2015 MISO Transmission Expansion Plan ("MTEP15"). As part of MISO's planning process, MISO performs an extensive congestion study that identifies areas with need for congestion relief and projects that can best provide relief. A project providing congestion relief is approved as a MEP if it: a) has a benefit to cost ratio of at least 1.25; b) has an estimated cost of greater than \$5 million; and c) has a voltage of 345 kV or higher for more than 50% of the estimated project on a cost basis. MISO estimated that the Duff-Coleman Project would have a total cost of \$67 million, consisting of \$59 million for the 345 kV transmission line, \$5 million for upgrades at the Coleman EHV substation, and \$3 million for upgrades at the Duff substation. The analysis completed in MTEP15 found that the project would provide significant economic benefits with a benefit to cost ratio of approximately 16.

Pursuant to the MISO Open Access Transmission, Energy and Operating Reserves Market Tariff (the "MISO Tariff"), an MEP is subject to competition from Qualified Transmission Developers if the project is located in jurisdictions that do not have laws prohibiting non-incumbent transmission developers from owning, operating, and maintaining electric transmission facilities. Upgrades, modifications, and expansions to existing transmission facilities are not subject to competition. After the Duff-Coleman Project was approved by the MISO Board of Directors, MISO determined that the expansion of the existing Duff and Coleman substations necessary to accommodate the new line would be directly assigned to the incumbent owners and that the transmission line would be subject to the region's first competitive solicitation process. On January 8, 2016, MISO issued a request for proposals for the Duff-Coleman EHV Competitive Transmission Project.

Republic Transmission put a significant amount of effort into its proposal for the project, developing detailed implementation plans for every aspect of the project. To better position Republic Transmission in the competitive process, Republic Transmission collaborated with Hoosier Energy and Big Rivers. As noted above, Hoosier Energy intends to be a minority owner of Republic Transmission's parent company, RT Holdings. As I will explain further below, Hoosier Energy will provide technical support to Republic Transmission in the construction and operation of the Duff-Coleman Project.

Big Rivers will provide support for the Kentucky portion of the Duff-Coleman Project. Big Rivers is the incumbent transmission owner in Kentucky and is able to contribute access to existing rights-of-way, assistance in acquiring new rights-of-way, local knowledge, and local operations and maintenance capabilities to Republic Transmission. Once the project is energized and functional control has been turned over to MISO, Big Rivers is expected to acquire the segment of the project located within Kentucky. Big Rivers will not have any involvement in the portion of the Duff-Coleman Project located in Indiana.

On July 6, 2016, MISO received eleven proposals from Qualified Transmission Developers, including one from Republic Transmission. On December 20, 2016, MISO

selected Republic Transmission to develop, construct, own, operate, and maintain the Duff-Coleman Project.

Q16. Please describe the criteria MISO used to evaluate proposals for the Duff-Coleman Project and select Republic Transmission as the winning proposal.

A16. MISO's evaluation process applied its evaluation principles of: a) certainty; b) risk mitigation; c) cost; and d) specificity across four evaluation criteria each with specific weightings. Within each criterion sub-criteria were evaluated. The evaluation criteria, weighting, and sub-criteria were:

- Transmission facility cost and design quality, 30% weighting;
 - Estimated cost
 - Estimated annual transmission revenue requirements
 - Project cost
 - Cost estimate rigor
 - Design quality
 - Design rigor
- Project implementation capabilities, 35% weighting
 - Project management
 - Route and site evaluation
 - Land acquisition
 - Engineering and surveying
 - Material procurement
 - Facility Construction
 - Facility commissioning
 - Previous experience and demonstrated abilities
 - Capital resources
 - Expected cash flows
 - Schedule of significant expenditures
 - Immediately available funds
 - Ability to obtain the required financial security
 - Credit ratings
- Transmission operations and maintenance capabilities, 30% weighting
 - Forced outage response
 - Switching
 - Emergency repair and testing
 - Spare parts
 - Maintenance
 - Operations monitoring and control
 - Major facility replacement
 - Financial strategy to facilitate major facility replacements
- Planning participation, 5% weighting.

After completing an in-depth evaluation, MISO presented the results in a selection report, which is included as Attachment 1-F. MISO found that "Republic Transmission's

performance collectively across MISO's four evaluation criteria was unmatched by any other proposal, scoring 95 out of a possible 100 points. Compared to Republic Transmission's total score of 95, the other proposals scored between 41 and 80 points." See Attachment 1-F at page 7. MISO placed Republic Transmission in the top tier in all four evaluation criteria and found that Republic Transmission ranked the best amongst all eleven proposals in cost and design and project implementation capabilities. In addition, MISO found that Republic Transmission provided the highest degree of certainty and specificity, the lowest risk, a low cost, and had the most complete project implementation plan which demonstrated the highest probability of success.

Q17. Does Republic Transmission intend to transfer functional control of the Duff-Coleman transmission assets to MISO upon completion of construction?

A17. Yes. MISO requires that functional control of any competitive transmission project be transferred to it. The terms of the request for proposal and the requirements to become a Qualified Transmission Developer dictate that the selected developer execute the ISO Agreement to become a MISO Transmission Owner and transfer functional control of the project to MISO. This requirement is also memorialized in Section 4.5 of the Selected Developer Agreement for the Duff-Coleman Project between Republic Transmission and MISO, attached hereto as Attachment 1-G (Confidential), which requires Republic Transmission to turn functional control of the project over to MISO. As a result, Republic Transmission requests authority under Ind. Code § 8-1-2-83 to transfer functional control of its transmission assets relating to the Duff-Coleman Project to MISO. To the extent Republic Transmission is awarded the opportunity to construct, own, operate and maintain other transmission facilities in Indiana, Republic Transmission also requests authority to transfer functional control of those transmission assets to the relevant regional transmission organization.

Q18. Please explain what will happen to the portion of the Duff-Coleman Project located in Kentucky after it is constructed.

A18. As I explained earlier, Republic Transmission collaborated with Big Rivers for the Duff-Coleman Project. During the development and construction phases of the project, Big Rivers will assist Republic Transmission as necessary to obtain permits, land rights, and other approvals that may be required for the segment of the project in Kentucky. After the Duff-Coleman Project has been energized, Republic Transmission intends to sell and Big Rivers intends to acquire the portion of the project that is located within Kentucky. This arrangement does not include the sale of any facilities that will be located in Indiana.

Q19. Please explain why it is important that Republic Transmission have authority to exercise the power of eminent domain in conjunction with its operation as an electric transmission public utility.

A19. Republic Transmission requests the Commission find and conclude that Republic Transmission will have all rights, responsibilities and privileges of a public utility

business in Indiana, including the right to exercise the power of eminent domain pursuant to Ind. Code § 32-24-4. Because it is an extra-high voltage transmission project, the majority of the Duff-Coleman Project will be constructed on private property and not within the public right-of-way. If the rights necessary for the Duff-Coleman Project or any future competitive transmission projects in Indiana that Republic Transmission is awarded cannot be obtained through means of negotiation, the authority to exercise eminent domain could be needed to obtain such rights.

Q20. Please explain Republic Transmission's request for authority to occupy public rights of way in conjunction with its operation as an electric transmission public utility.

A20. Although the majority of the Duff-Coleman Project and future competitive transmission projects will likely be constructed on private property, there may be sections that must be located within public right-of-way. As a result, Republic Transmission may be required to obtain from the Boards of Commissioners of the counties in which facilities are located a license, permit or franchise to occupy and use county roads, highways and other property and public rights-of-way. Ind. Code § 36-2-2-23 provides that such Boards of Commissions may grant such a license, permit or franchise with the consent of this Commission. Republic Transmission requests that the Commission give its consent to the Boards of Commissioners of all Indiana counties to grant Republic Transmission such licenses, permits or franchises as may be necessary for Republic Transmission to occupy and use county roads, highways and other property and public rights-of-way for the provisions of its services and facilities. It is the intent of Republic Transmission only occupy the public rights-of-way to the extent necessary to construct transmission facilities.

Q21. Please explain why Republic Transmission seeks authority to maintain its books and records outside of Indiana.

A21. The accounting, financial and administrative management and staff of LS Power perform and will continue to perform accounting, financial, treasury and other administrative services for Republic Transmission, including maintenance of Republic Transmission's accounting and financial books and records. The management and administrative staff of LS Power performing these functions will be located at the principal offices in East Brunswick, New Jersey. For these reasons, it would be inefficient and unduly expensive and could necessitate duplicative efforts for Republic Transmission to maintain its books and records in Indiana.

Republic Transmission will ensure that the Commission, Commission Staff, and other interested parties have necessary access to its books and records. Republic Transmission commits to produce in Indiana, upon reasonable notice, copies of those portions of its books and records necessary for the Office of Utility Consumer Counselor ("OUCC") and the Commission to perform their statutory duties. In the event it is not possible, for any reason, for Republic Transmission to produce the necessary books and

records in Indiana, Republic Transmission commits to reimburse the OUCC and Commission for all travel expenses, including travel fare, mileage, lodging and meals incurred while inspecting Republic Transmission's books and records outside of Indiana.

Q22. Does Republic Transmission have the ability and intent to comply with all statutes, rules, and regulations enforced by the Commission?

A22. Yes. We recognize that it is incumbent upon a developer of any new project to understand what local, state, and federal laws require, including the rules and regulations enforced by the Commission. The consequences of a failure to do so would be significant. To become a Qualified Transmission Developer in MISO, Republic Transmission provided a commitment to MISO that it will comply with all applicable laws and regulations, codes, standards governing the engineering, design, construction, operation, and maintenance of transmission facilities including, but not limited to, federal laws, state laws, local laws, state and local building codes, federal regulatory requirements, state and local regulatory requirements, state and local licensing authorities, the National Electric Safety Code, the National Electric Code, Applicable Reliability Standards, and Good Utility Practice. In addition, Republic Transmission has entered into a Selected Developer Agreement with MISO that requires Republic Transmission to comply with all applicable laws, regulations and safety standards applicable to the project. See Section 5.2 of Attachment 1-G (Confidential).

Republic Transmission has the ability to comply will all applicable laws, statutes, rules, and regulations enforced by the Commission. Republic Transmission's parent company LS Power has a long history of complying with the laws, statutes, rules and regulations applicable to transmission and energy infrastructure across the United States. Over its history, LS Power has developed generation facilities in ten different states and transmission facilities in six different states. In each case, this required first identifying requirements of all local, state, and federal statutes and regulations, and then ensuring compliance. In each case, the entity first worked with local counsel and local consultants to identify all requirements, and then worked to ensure a design, construction techniques, and best management practices to ensure all local, state, and federal statues, rules and regulations were observed. I am not aware of any circumstance in which LS Power or its subsidiaries have been found by any governmental authority to not be in material compliance with a law, regulation, or statute. Republic Transmission's other anticipated indirect owner, Hoosier Energy, is an existing Indiana public utility that currently complies and has a long history of complying with statutes, rules, and regulations specifically applicable to transmission projects in Indiana.

Q23. Has Republic Transmission provided written notice of its request for authority under this section to each incumbent electric transmission owner that may connect its existing electric transmission facility to the new electric transmission facility of the new electric transmission owner?

A23. Yes. Republic Transmission provided written notice to the following incumbent electric transmission owners prior to filing the Petition in this Cause: 1) Southern Indiana Gas & Electric Company d/b/a Vectren Energy Delivery of Indiana Inc. and 2) Big Rivers. In addition, because there is a possibility that certain facilities owned by an American Electric Power ("AEP") company may, in the future, become interconnected with a portion of the Duff-Coleman Project, Republic Transmission also provided written notice of this filing to Indiana Michigan Power Company and AEP Indiana Michigan Transmission Company, Inc. Copies of the notice are attached hereto as Attachment 1-H. In addition, Republic Transmission served its Petition on these same incumbent electric transmission owners.

Q24. Please summarize why Republic Transmission has the financial, managerial, and technical capability to construct, own, operate, and maintain an electric transmission facility.

A24. Republic Transmission will draw on the extensive managerial, technical, and financial capabilities and experience of LS Power.

LS Power is a developer of large-scale energy projects, including several transmission projects. Since 1990, LS Power has had the technical and engineering capability to develop, own and/or operate over 30,000 MW of power generation facilities and over 570 miles of extra high-voltage (345 kV and 500 kV) transmission facilities. LS Power's Cross Texas affiliate is currently regulated as a public utility in Texas. On January 29, 2009, the Public Utility Commission of Texas designated Cross Texas to construct, operate, and maintain approximately 240 miles of double circuit 345 kV transmission lines and related facilities in the Texas panhandle. The Public Utility Commission of Texas specifically found Cross Texas to be one of the new entrants that "possess the current and expected capabilities to adequately finance, license, construct, operate, and maintain the facilities in the most beneficial and cost-effective manner."

Republic Transmission's affiliate, Cross Texas, is an example of how LS Power has the managerial capabilities to place transmission facilities in service on-time and under budget. All of the Cross Texas facilities had construction completed prior to the date set forth in the overall CREZ schedule. The original project budget was \$459.8 million and the final construction cost was \$428 million. In fact, Cross Texas has the distinction of being the only CREZ transmission service provider with transmission line construction costs less than the original ERCOT planning estimates. While the initial planning estimates were not all inclusive, Cross Texas was still able to deliver its transmission line facilities at a cost less than these initial planning estimates.

Q25. Please describe how Republic Transmission intends to manage the development, construction and operation of competitive electric transmission projects in Indiana.

A25. Republic Transmission will primarily rely on employees of LS Power Development, LLC. The corporate support services arrangement will allow for Republic Transmission

to access specific expertise in a wide variety of technical areas including accounting, project management, environmental permitting, transmission engineering, legal, compliance, human resources, information technology, tax, finance and others. This is the same team of experts who have designed, developed, financed, constructed, and operated the generation and transmission facilities I have previously described. This corporate support services approach, which is widely used in the utility industry, allows expertise to be provided to the utility without the need to hire dozens of dedicated employees. These corporate support services will be provided to Republic Transmission at cost, with no mark-up or allowance for profit.

In addition, for the Duff-Coleman Project, support services will be provided by Hoosier Energy and Big Rivers.

Internal expertise of LS Power, Hoosier Energy, and Big Rivers will also be supplemented with third-party contractors with specialized skills such as surveyors, environmental specialists, permitting, consulting engineers, and construction contractors.

Q26. Will any of the personnel involved in the Texas and Nevada transmission projects be involved in projects in Indiana?

A26. Yes. Many of the LS Power management personnel involved in the Texas and Nevada transmission projects will be directly involved in the Duff-Coleman Project and in future competitive transmission projects. In addition, certain Cross Texas employees located in Austin may provide support services as well. Even though Republic Transmission's facilities are distant from the Texas and Nevada facilities, Republic Transmission can benefit from the accounting, compliance, and operations expertise of these utility industry professionals.

Q27. Will any Hoosier Energy personnel involved in Hoosier Energy's Indiana transmission projects be involved in Republic Transmission's projects in Indiana?

A27. Yes. As I previously described, Republic Transmission will primarily rely on personnel from its LS Power and affiliate companies. In addition, for the Duff-Coleman Project, Hoosier Energy will provide engineering, permitting, real estate, and other necessary personnel to support Republic Transmission on an as-needed basis.

After the Duff-Coleman Project has been placed in-service, Republic Transmission currently plans to utilize the operations and maintenance personnel of Hoosier Energy to operate and maintain the project.

Q28. How will Republic Transmission select contractors to assist in the development, construction and operation of competitive electric transmission projects in Indiana and how will Republic Transmission hold them accountable?

A28. Republic Transmission will typically competitively solicit proposals from qualified contractors. First, contractors are pre-screened based on their experience, qualifications, and availability of resources to complete the work in the time required in order to assure only capable, experienced suppliers and contractors are selected. This may include requirements for specific experience or resources in the specific project area where appropriate, such as for local land surveying. Contract requirements including specifications, schedule, and terms and conditions such as warranties are specified in the initial solicitation, to ensure competitive pressure in the negotiation of such terms. Contracts are specified as fixed-priced or time and materials with a not to exceed as appropriate to the particular circumstances. LS Power has a strong track record of deploying this approach in the successful implementation of its past projects. For example, this approach allowed Cross Texas to complete its CREZ transmission projects on time and under budget, comparing favorably to projects being constructed by other utility companies in Texas during the same time period. In fact, Cross Texas has the distinction of being the only CREZ transmission service provider with transmission line construction costs less than the original ERCOT planning estimates. While the initial planning estimates were not all inclusive, Cross Texas was still able to deliver its transmission line facilities at a cost less than these initial planning estimates.

Q29. What mechanisms will Republic Transmission employ to ensure that its competitive electric transmission projects are completed on-time and on-budget?

A29. LS Power has a strong history of completing projects on-time and on-budget through the use of traditional project management techniques such as budgets and schedules combined with proactive risk management. This disciplined approach is important to the success of a competitive developer, which may not be able to recover cost overruns, even if they are prudently incurred. In the case of the Duff-Coleman Project, Republic Transmission is standing behind its estimated budget and schedule with specific project guarantees, with more of a competitive approach than a traditional utility cost-of-service approach. An example of proactive risk management from LS Power is in the quality assurance procedures it has implemented for its past transmission projects, including inspections of material supplier manufacturing facilities. In many cases, quality issues have been identified at the factory, prior to questionable materials being delivered to the project site, which has prevented quality issues leading to delays in the project in-service date and added costs.

With regard to its budget for the Duff-Coleman Project, Republic Transmission conducted a significant amount of due diligence to establish its estimated cost for the project. Preliminary engineering was completed and experience with recent material procurement and construction contracts was supplemented with bids and quotes from contractors and suppliers. This budget will be revised and updated as the project advances and actual costs are incurred. Significantly, Republic Transmission included a hard cap on its final construction costs in its proposal to MISO, which is included in the Selected Developer Agreement. See Attachment 1-G (Confidential), Appendix A, Section A.3. This cap of \$58.1 million includes all costs to implement the project

including allowance for funds used during construction (“AFUDC”) and is in year of occurrence dollars, so it is inclusive of escalation.

Similarly, Republic Transmission conducted a significant amount of due diligence to establish its proposed schedule for the Duff-Coleman Project. This includes research into regulatory timelines, and the experience of recent projects in obtaining regulatory approvals, input from suppliers on material procurement lead times, input from contractors, and consideration of key schedule constraints such as seasonal restrictions on tree removal due to potential impacts on threatened species habitat. This schedule will be estimated as the project progresses. Republic Transmission is confident enough in its ability to meet MISO’s required in service date that it provided a schedule guarantee. In the event the completion date is later than the Guaranteed Completion Date of January 1, 2021, subject to extension due to events outside of Republic Transmission’s control, Republic Transmission will decrease its Project-specific return on equity on a monthly basis as described in Appendix A, Section 3 of the Selected Developer Agreement. Since the Duff-Coleman Project has been identified as a market efficiency project, providing economic benefits as soon as it enters service, this provision helps provide ratepayers with certainty of receiving the full benefits estimated by MISO. This schedule guarantee is incorporated into the Selected Developer Agreement and will be included in Republic Transmission’s formula rate filing at FERC.

Q30. How does Republic Transmission intend to manage the ongoing operation and maintenance of the Duff-Coleman Project and other electric transmission projects in Indiana?

A30. Republic Transmission plans to utilize the operations and maintenance personnel and resources of LS Power and Hoosier Energy to operate and maintain its transmission projects in Indiana. For the Duff-Coleman Project, Republic Transmission intends to contract with Hoosier Energy to provide ongoing operation and maintenance for the Duff-Coleman Project. Hoosier Energy currently operates and maintains transmission facilities in the same region as the Duff-Coleman Project and has existing operations and maintenance staff, equipment and programs near the project. The ability to leverage existing capabilities and equipment provided cost savings for the Duff-Coleman Project. If Republic Transmission owns projects in addition to Duff-Coleman Project, it will assess the most efficient way to operate and maintain those projects which could include utilizing Hoosier Energy, LS Power personnel, a qualified third party contractor, or directly hiring operations and maintenance staff.

Republic Transmission anticipates that Hoosier Energy will generally perform maintenance activities utilizing existing internal staff while relying on some outside contractors for activities such as vegetation management and major maintenance if required. Hoosier Energy in its capacity as operations and maintenance contractor would report to Republic Transmission.

Once the Duff-Coleman Project goes into service, Republic Transmission must meet operating standards established in the MISO Tariff. In addition, Republic Transmission will need to register with NERC ("North American Electric Reliability Corporation") and comply with all applicable NERC reliability standards.

Q31. Please summarize why Republic Transmission has the managerial capability to construct, own, operate, and maintain an electric transmission facility in Indiana.

A31. Management is the core competency of LS Power – in the form of project management during development, construction management, and asset management during operations. This is evident in LS Power's strong track record. LS Power has managed the development of over 9,000 MW of greenfield generation including multiple natural gas-fired generation, two coal-fired generation, and three utility-scale solar facilities. LS Power has also managed the development of over 570 miles of high-voltage transmission facilities. LS Power has managed construction of generation and transmission facilities and has owned and operated over 30,000 MW of power generation facilities over its history. Republic Transmission will draw upon the deep management experience and capabilities of LS Power personnel.

Additionally, MISO examined Republic Transmission's project implementation capabilities, relative to the Duff-Coleman Project compared with 10 other Qualified Transmission Developers, including several incumbent public utilities in Indiana, and found that Republic Transmission's capabilities were the best.

Q32. Please describe Republic Transmission's technical experience and capability as it relates to the development, construction, and operation of electric transmission facilities.

A32. LS Power will provide corporate support services to Republic Transmission that will include a wide variety of technical subject matter experts:

- A team of engineers with expertise in many areas of transmission line engineering including structure design, foundation design, and electrical design;
- Environmental permitting engineers with extensive experience in siting linear features including transmission lines, and application, receipt, and compliance with multiple local, state, and federal approvals;
- Construction management and safety management with experience in construction oversight including experience in supervising outside construction inspectors;
- Critical infrastructure protection/ cybersecurity analysts with experience in designing and operating facilities securely in compliance with all requirements;
- NERC compliance experts with knowledge of requirements for transmission planning, transmission operations, and transmission owner requirements including documentation;

- Experts in other specialized areas such as transmission planning, accounting, federal income taxes, property taxes, FERC rates, treasury, finance, and regulatory.

This is the same team of experts who provide technical support for the generation and transmission projects I discussed above and includes the staff with the technical experience and capability as it relates to development, construction, and operation of over 570 miles of high-voltage (345 kilovolt and 500 kilovolt) transmission facilities in Texas and Nevada.

The technical expertise of these internal experts will also be leveraged through qualified outside consultants and contractors as appropriate.

Q33. How will Republic Transmission benefit from the technical experience of Hoosier Energy?

A33. Hoosier Energy, an indirect minority owner of Republic Transmission, is an existing Indiana public utility. Hoosier Energy owns approximately 1,700 miles of transmission lines, most of which are located in Indiana. It has retained local technical knowledge gained by significant experiences in implementing, operating and maintaining transmission projects in Indiana. While LS Power will lead the implementation of new transmission projects, Hoosier Energy will provide technical support to Republic Transmission in the construction and operation of the Duff-Coleman Project so that it benefits from Hoosier Energy's experience and capabilities. For the Duff-Coleman Project, Republic Transmission plans to leverage the technical operations and maintenance experience of Hoosier Energy.

Q34. Please summarize why Republic Transmission has the technical capability to construct, own, operate, and maintain an electric transmission facility.

A34. Republic Transmission will draw on technical subject matter experts within LS Power, such as transmission line engineers, environmental permitting engineers, and NERC compliance experts for its facilities in Indiana. This is the same team of experts who provide technical support for the generation and transmission projects I discussed above, and includes the staff with the technical experience and capability as it relates to development, construction, and operation of over 570 miles of high-voltage (345 kilovolt and 500 kilovolt) transmission facilities in Texas and Nevada. When needed, Republic Transmission will engage highly qualified consultants and contractors that will be managed by Republic Transmission.

Q35. Please summarize Republic Transmission's request for the Commission to decline to exercise part of its jurisdiction over Republic Transmission.

A35. Pursuant to Ind. Code § 8-1-2.5-5, Petitioner requests that the Commission partially decline to exercise jurisdiction over Petitioner, specifically:

(1) Approval authority over long-term financing (IC 8-1-2-78 -81).

Republic Transmission's Witness Mr. Joseph Esteves will explain Petitioner's request for the Commission to decline to exercise jurisdiction over the company's long-term financing activities.

(2) Approval authority over reorganization and the purchase and sale of ownership interests and facilities (IC 8-1-2-83, 84), including, but not limited to: (a) a purchase or sale related to a reorganization within the LS Power group; (b) Hoosier Energy's option to purchase up to 20% ownership interest in Republic Transmission or RT Holdings; and (c) the transfer of the ownership of Duff-Coleman Project assets located in Kentucky to Big Rivers. To the extent Republic Transmission seeks to transfer all or substantially all of its assets located in Indiana to an entity that is not within the LS Power group, Republic Transmission proposes the Commission should retain jurisdiction to ensure the entity has the necessary technical, managerial and financial capability to own and operate the facilities.

(3) Public utility reporting requirements, except for the following specifically enumerated requirements: (a) annual FERC Form 1; (b) notice within 30 days of being awarded a competitive transmission project in Indiana by MISO or PJM; and (c) notice to the commission in a timely manner of the dates on which construction of the new electric transmission facility begins and is completed pursuant to Ind. Code § 8-1-38-8.

(4) Approval authority over the transmission of electric power generated outside the borders of the United States (IC 8-1-2-126).

(5) Authority over affiliate contracts and transactions (IC 8-1-2-49 and GAO 2016-5)

Q36. Why is Republic Transmission making such requests for partial declination?

A36. Republic Transmission is a wholesale transmission service provider that intends to construct, own, operate and maintain competitive transmission facilities within the State of Indiana for the transmission of electricity at wholesale prices under rates, terms and conditions regulated by FERC.

A traditional area of Commission concern is the reliability of service. Because Republic Transmission will only own and operate wholesale transmission facilities, reliability will be comprehensively monitored and regulated by MISO, FERC and NERC. Republic Transmission will be accountable to these entities in the operation of its facilities.

Q37. What reports does Republic Transmission propose to file with the Commission?

A37. Republic Transmission proposes to file annually with the Commission Republic Transmission's FERC Form 1 once the facilities go into service, which will cover all of Republic Transmission's assets and revenues. Republic Transmission would also commit to providing notice to the Commission within 30 days of being awarded a competitive transmission project in Indiana by MISO or an applicable RTO, and providing notice to the Commission in a timely manner of the dates on which construction of the new electric transmission facility begins and is completed pursuant to Ind. Code § 8-1-38-8.

Q38. Please explain how Republic Transmission will be accountable to MISO in the construction, ownership, and operation of the Duff-Coleman Project?

A38. Republic Transmission made specific commitments regarding project delivery, quality, project costs, and cost recovery in its proposal for the Duff-Coleman Project, and Republic Transmission has executed a Selected Developer Agreement with MISO to codify those commitments. See Attachment 1-G (Confidential). Republic Transmission is contractually obligated to meet its commitments.

Specifically, Republic Transmission made commitments to provide certainty on project costs and cost recovery, including:

1. a binding rate base cap of \$58.1 million (year of occurrence) for the entire project inclusive of all project implementation costs including changes in route, design, subsurface conditions, environmental mitigation, permitting requirements, AFUDC, escalation, and overhead expenses
2. a cap on its return on equity of 9.80% inclusive of all adders and incentives;
3. a capital structure with no more than 45% equity for rate purposes for the project; and
4. no recovery of construction work in progress in rates, but Republic Transmission will account for the cost of AFUDC.

Republic Transmission also made commitments regarding the project schedule and technical specifications of the project, including:

1. a schedule commitment that reduces Republic Transmission's return on equity if the project is delayed beyond January 1, 2021;
2. the use of 1,590 kcmil Lapwing 45/7 ACSS (aluminum conductor steel supported) conductors;
3. The conductor design emergency summer rating will be 3,896 amps;
4. the structures will be manufactured from galvanized steel; and
5. the majority of the rights-of-way will have a width of 175 feet.

Republic Transmission is required to provide quarterly reports to MISO so that MISO can ensure that Republic Transmission is meeting its commitments and to monitor project's progress and costs. The MISO Tariff requires that Republic Transmission

report the following information to MISO quarterly: 1) the status of the project, 2) milestones achieved to date, 3) the estimated in-service date, 4) estimated detailed project costs, 5) project expenditures to date, 6) project schedule, 7) design and engineering status, 8) status of land rights, 9) status of interconnection agreements, 10) construction status, 11) status of necessary financing, 12) percentage of total expenditures versus the total projected cost schedule in the proposal, 13) whether any rate filings were made in the previous quarter or are expended in the upcoming quarter, 14) disclosure of any changes in the continuing ability to meet the obligations of the Selected Developer Agreement, and 15) an explanation of any changes from the specifications in Republic Transmission's proposal.

Q39. Please describe MISO's options if Republic Transmission fails to deliver on the commitments Republic Transmission made in the Selected Developer Agreement or if MISO believes Republic Transmission will not be able to meet its commitments.

A39. First, before changes can be made to the scope of the Duff-Coleman Project or any of the commitments that Republic Transmission made in the Selected Developer Agreement or its proposal, Republic Transmission must submit a change request to MISO. MISO will evaluate whether the change request is necessary and either issue a change order or deny the request. Republic Transmission has provided MISO with financial security in the form of a \$1.6 million cash deposit, representing 3% of the estimated project cost, to secure its commitments under the Selected Developer Agreement. If Republic Transmission does not meet the requirements of the Selected Developer Agreement, it risks losing its security and, if a breach is not cured, termination of the agreement.

Additionally, Attachment FF, Section IX of the MISO Tariff, attached hereto as part of Attachment 1-E, prescribes the process that MISO utilizes to analyze circumstances that significantly affect the cost, schedule or the ability of Republic Transmission to complete and place into service the project. Pursuant to the terms of the MISO Tariff, MISO will perform a variance analysis if:

- 1) the project has or is expected to exceed the cost estimate in the proposal by 25% or more (Republic Transmission has capped its costs below this level);
- 2) MISO determines that the in-service date for the project has been or is projected to be delayed beyond 1/1/2021;
- 3) there is a default under the Selected Developer Agreement; or
- 4) MISO determines that Republic Transmission is unable to complete the facilities.

After completing a variance analysis, MISO will inform Republic Transmission of the outcome and post a description of its determination on the MISO website. Potential outcomes of a variance analysis include:

- 1) MISO determines that no action is needed;
- 2) MISO requires Republic Transmission to develop and implement a mitigation plan;
- 3) reassignment of the project to the incumbent transmission owner(s); or

4) cancellation of the project.

Q40. Please explain why the technological and operating conditions and competitive forces surrounding Republic Transmission's prospective wholesale transmission facilities make full jurisdiction by the Commission unnecessary.

A40. Republic Transmission does not intend to build wholesale transmission facilities in Indiana that are not in accordance with the tariff of a RTO. Moreover, Republic Transmission expects that it will turn over functional control of its wholesale transmission facilities to MISO or an applicable RTO upon completion. As noted above, MISO requires a project developer to make contractual commitments regarding the construction and operation of competitive transmission projects. Finally, FERC, NERC, MISO, PJM all have technical and operating regulations and standards that Republic Transmission must meet.

Q41. Please explain why partial declination of jurisdiction as proposed by Republic Transmission will be beneficial for Republic Transmission, Republic Transmission's wholesale customers, and the state and why it will promote efficiency.

A41. Under Republic Transmission's proposal, Republic Transmission would benefit from the ability to devote its efforts and resources to complying fully with the requirements of the federal, local, and other state regulatory agencies with jurisdiction over its operations, as well as the requirements of the RTOs, which would promote the efficiency of Republic Transmission's operations. The exercise of full jurisdiction by the Commission would encumber Republic Transmission with duplicative requirements that are unnecessary in view of other regulatory requirements. Republic Transmission will have ongoing reporting requirements and will still be required to provide information requested by the Commission. However, limiting the scope of jurisdiction will free up both Republic Transmission's and the Commission's resources to focus on other matters, including for Republic Transmission, focus on its wholesale customers, improving efficiency and reducing regulatory cost for both entities. From a state perspective, Indiana stands to benefit from the development of transmission infrastructure and the Duff-Coleman Project specifically because the project will lower consumer costs by reducing system congestion, spur investment within the state, and provide construction and project development-related jobs. Competitive forces in the wholesale power market and FERC's regulatory oversight of Republic Transmission render the exercise of the Commission's full jurisdiction of Republic Transmission unnecessary, burdensome, and wasteful of the Commission's time and resources.

Q42. Please explain whether the exercise of jurisdiction by the Commission could inhibit Republic Transmission from competing with other wholesale transmission providers of functionally similar energy services or equipment.

A42. Partial declination of jurisdiction over Republic Transmission, who will be subject to FERC regulation, is consistent with the Commission's treatment of other competitive

wholesale public utilities in Indiana. See *Grain Belt Express Clean Line LLC*, Cause No. 44264; *NextEra Energy Bluff Point, LLC*, Cause No. 44299; *St. Joseph Energy Center, LLC and St. Joseph Energy Center Phase II, LLC*, Cause No. 44745; *St. Joseph Energy Center, LLC*, Cause No. 44246; and *Crawfordsville Energy, LLC*, Cause No. 44101; *Bioenergy, LLC*, Cause No. 43882. The aforementioned cases are distinguishable from cases wherein declination of jurisdiction was not sought or granted for entities that are affiliates of fully regulated Indiana IURC-jurisdictional utilities. See *Pioneer Transmission*, Cause No. 44135 and *AEP Indiana Michigan Transmission Company, Inc. and Indiana Michigan Power Company*, Cause No. 44000. Partial declination of jurisdiction by the Commission will put Republic Transmission on even footing with similarly situated wholesale providers.

Q43. Will the public interest be served if the Commission approves Republic Transmission's request for partial declination of jurisdiction?

A43. Yes. Republic Transmission believes the public interest will be served if the Commission partially declines jurisdiction. As stated above, FERC regulation of Republic Transmission's wholesale transmission rates and transmission assets, all of which are FERC-jurisdictional, together with the rules and regulations of FERC, NERC and RTOs, will adequately address the concerns the Commission might otherwise have and will protect the public interest.

I would again highlight that Republic Transmission plans to transfer functional control of the transmission assets to MISO or an applicable RTO. MISO is responsible for the safe and reliable operation and planning, including interconnection planning, of the electric transmission systems under its functional control. Republic Transmission will also be subject to rules, tariffs, and stakeholder processes of RTOs such as MISO and PJM. In addition, Republic Transmission will be accountable to MISO and the commitments Republic Transmission made in its winning proposal for the Duff-Coleman Project (as well as any future projects that Republic Transmission may be awarded).

As such, further regulation of these matters by the Commission would be unnecessary, wasteful of the Commission's resources, and burdensome for Republic Transmission, and approving partial declination of jurisdiction would serve the public interest.

A44. Does this conclude your direct testimony?

A44. Yes.

VERIFICATION

I, Lawrence Willick, Senior Vice President of LS Power Development, LLC, state that I affirm, under the penalties of perjury, that the representations contained in the Verified Direct Testimony and Attachments filed in this Cause are true and correct to the best of my knowledge, information and belief.



Lawrence Willick

Attachment 1-A

[Verified Petition – Not Duplicated Herein]

LAWRENCE J. WILLICK
Senior Vice President

Employment

LS Power Development
and LS Power, LLC

August 1996 to Present

Senior Vice President
Vice President
Assistant Vice President
Director, Development
Project Manager
Analyst

Leads transmission development efforts throughout the United States:

- Cross Texas Transmission, an operating transmission utility in ERCOT
- ON Line, a 500 kV transmission project operating in Nevada
- Salem to Silver Run, a 230 kV transmission project approved by PJM
- Harry Allen to Eldorado, a 500 kV transmission project approved by CAISO
- Other transmission development projects and proposals, including participation in competitive transmission solicitations.

Oversight of business development, siting, routing, stakeholder engagement, engineering, permitting, regulatory matters, financing, construction, compliance and operations and maintenance of high-voltage transmission projects.

Participated in the management of 28 independent power projects in operations or under construction representing approximately 20,000 MW in all markets within the U.S.

Conducted due diligence review of over 200 generators representing over 100,000 MW of generation with respect to electrical interconnection and transmission arrangements and deliverability.

Oversight of regulatory efforts including monitoring of regulatory proceedings at the state and federal level, preparation of regulatory filings, and participation in contested cases.

Participated in the financing of five large generating projects representing a capital investment over \$2.5 billion.

Assisted in the preparation and submittal of applications for permits and approvals in nine states.

Performed specific project level siting for new generation taking into account land availability, infrastructure considerations, and other factors.

The UNIMAR Group,
Ltd.
1992 to August 1996
Project Manager
Market Research Analyst

Coordinated development of commercial and industrial marketing consulting projects for investor-owned electricity and natural gas utility clients in 25 states.

LAWRENCE J. WILLICK

Education

<i>Masters in Business Administration</i> A.B. Freeman School of Business Tulane University May 1992	Masters program included emphasis in finance and strategic management. Beta Gamma Sigma Business Honor Society. Graduate Fellowship. 5-year MBA.
<i>Bachelors of Science in Engineering</i> Tulane University May 1991	Summa Cum Laude. Minor in Mathematics. Deans' Honor Scholarship. National Merit Scholarship. Dean's List.
<i>Engineering</i> Cambridge University Fall 1989-Spring 1990	Studied one year of engineering curriculum during Junior Year Abroad Program. Completed Engineering Tripos IB.

Testimony

Public Utilities Commission of Texas Docket No. 45980 Application of Cross Texas Transmission, LLC for a Limited Code of Conduct Waiver, May 26, 2016

Federal Energy Regulatory Commission, Docket No. ER16-453, PJM Interconnection, L.L.C. and Northeast Transmission Development, LLC, December 2015

Public Utilities Commission of Texas Docket No. 44547 Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity For a Proposed 345-KV Transmission Line Within Grimes, Harris, and Waller Counties and Docket No. 44649 Application of Cross Texas Transmission, LLC to Amend Its Certificate of Convenience and Necessity for the Proposed Limestone to Gibbons Creek 345 KV Transmission Line in Brazos, Freestone, Grimes, Leon, Limestone, Madison and Robertson Counties, Texas. August 21, 2015

State Of New York Public Service Commission Case No. 13-T-0454 Application of North America Transmission, LLC and North America Transmission Corporation for a Certificate Of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for an Alternating Current Transmission Upgrade Project Consisting of an Edic to Fraser 345 KV Transmission Line and a New Scotland to Leeds to Pleasant Valley 345 KV Transmission Line, Case No. 12-R-0502 Proceeding on Motion to Examine Alternating Current Transmission Upgrades and Case No. 13-E-0488 Alternating Current Transmission Upgrades Comparative Proceeding, September 30, 2013 and January 20, 2015

Public Utilities Commission of Texas Docket No. 43950: Application of Cross Texas Transmission, LLC for Authority to Change Rates and Tariffs. December 2014

Public Utilities Commission of Texas Docket No. 40604: Application of Cross Texas Transmission, LLC to Establish Initial Rates and Tariffs. August 2012, November 2012

LAWRENCE J. WILLICK

Federal Energy Regulatory Commission, Docket No. AD09-8-000, Transmission Planning Processes Under Order No. 890, Regional Technical Conferences Assessing the Order No. 890 Planning Processes, September 2009

Public Utilities Commission of Texas Docket No. 35665: Commission Staffs Petition for the Selection of Entities Responsible for Transmission Improvements Necessary to Deliver Renewable Energy from Competitive Renewable Energy Zones. September 2008, October 2008, November 2008

North Carolina Utilities Commission, Docket No. E-7, Sub 791: Application of Duke Energy Carolinas, LLC for Approval of an Electric Generation Certificate of Public Convenience and Necessity to Construct 620 MW Buck Combined Cycle Project and Docket No. E-7, Sub 832: Application of Duke Energy Carolinas, LLC for Approval of an Electric Generation Certificate of Public Convenience and Necessity to Construct 620 MW Dan River Combined Cycle Project, February 2008

Georgia Public Service Commission, Docket No. 24505-U: Georgia Power Company's Application for Approval of Its 2007 Integrated Resource Plan, May 2007

Utah Public Service Commission, Docket No. 05-035-47: In The Matter Of The Application Of PacifiCorp For Approval Of A 2009 Request For Proposals For Flexible Resource, November 2006

Public Utilities Commission of the State of Colorado: Docket No. 05A-543E: In The Matter Of The Application Of Public Service Company Of Colorado To Amend Its 2003 Resource Plan To Shorten Resource Acquisition Period, April 2006, May 2006

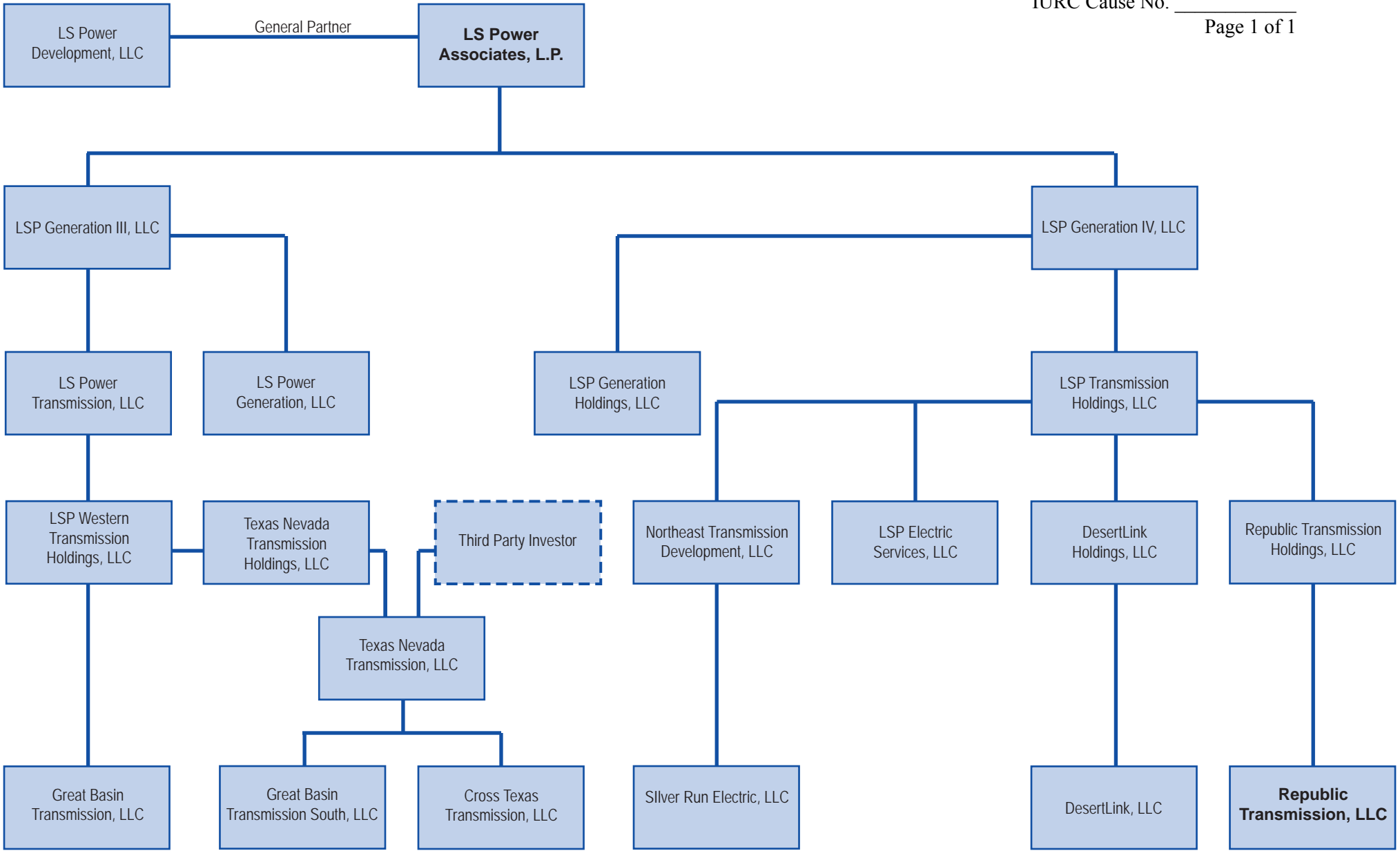
Public Service Commission of South Carolina, Docket No. 2005-191-E: Generic Proceeding to Explore a Formal Request for Proposal for Utilities that are Considering Alternatives for Adding Generating Capacity, September, 2005

Georgia Public Service Commission, Docket No. 19225-U Georgia Public Service Commission Notice of Proposed Rulemaking to Amend Integrated Resource Plan Rule 515-3-4-.04(3), Request for Proposals Procedure For Long-Term New Supply-Side Options and Georgia Power Company and Savannah Electric and Power Company Request for a Waiver of Commission Rule 515-3-4-.04(3)(h)(1) And Commission Rule 515-3-.04(3)(c)(6), July 2005

Public Utilities Commission Of The State Of Colorado Docket No. 04a-214e In The Matter Of The Application Of Public Service Company Of Colorado For Approval Of Its 2000 Least-Cost Resource Plan Docket No. 04a-215e In The Matter Of The Application Of Public Service Company Of Colorado For An Order Approving A Regulatory Plan To Support The Company's 2003 Least-Cost Resource Plan Docket No. 04a-216e In The Matter Of The Application Of Public Service Company Of Colorado For A Certificate Of Public Convenience And Necessity For The Comanche Unit 3 Generation Facility, September 2004, October 2004

LAWRENCE J. WILLICK

Public Service Commission of Wisconsin, Docket No. 05-CE-130: Application Of Wisconsin Electric Power Company; Wisconsin Energy Corporation And W.E. Power, LLC; For A Certificate Of Public Convenience And Necessity For Construction Of Three Large Electric Generation Facilities, The Elm Road Generating Station, And Associated High Voltage Transmission Interconnection Facilities To Be Located In Milwaukee And Racine Counties and Docket No. 05-AE-118: Application For Approval Of Affiliated Interest Agreements Between Wisconsin Electric Power Company And Elm Road Generating Station, September 2003



Note: Simplified organizational chart to show key relationships

LS Power Project Portfolio Map Transmission and Generation Assets



Midcontinent Independent System Operator, Inc., FERC Electric Tariff			
Filing Category:	Compliance	Filing Date:	06/20/2016
FERC Docket:	ER16-01969-001	FERC Action:	Accept
FERC Order:	158 FERC ¶ 61,049	Order Date:	
	01/19/2017		
Effective Date:	08/22/2016	Status:	Effective
ATTACHMENT FF, Transmission Expansion Planning Protocol, 52.0.0			

ATTACHMENT FF

TRANSMISSION EXPANSION PLANNING PROTOCOL

I. Transmission Expansion Plan - Purpose and Scope, Definition and Role of OMS

Committee: This Attachment FF describes the process to be used by the Transmission Provider to develop the MISO Transmission Expansion Plan (“MTEP”), subject to review and approval by the Transmission Provider Board. The provisions of this Attachment FF are consistent with the applicable provisions of Appendix B of the ISO Agreement and this Tariff. For purposes of this Attachment FF, all references to Transmission Owner(s) will include ITC(s). The costs incurred by the Transmission Provider in the performance of data collection, analyses and review, and in the development of the MTEP report, costs incurred under Section I.C of this Attachment FF, and costs incurred under Section I.D of this Attachment FF shall be recovered from all Transmission Customers under Schedule 10 of the Tariff.

A. Enrollment Process: The MTEP is developed to facilitate the timely and orderly expansion of and/or modification to the Transmission System to maintain reliability, promote efficiency in bulk power markets and facilitate compliance with applicable Federal and state laws, regulatory mandates and regulatory obligations. Any transmission provider that wishes to enroll in the Transmission Provider planning process for purposes of Order No. 1000 compliance must become a Transmission Owner, by signing the ISO Agreement, and by, within a reasonable period of time: (1) turning over functional control of its transmission facilities to the Transmission Provider; and (2) taking service under this Tariff for all its load that is physically

located within the geographic area comprising the Transmission System. All Transmission Owners enrolled in the Transmission Provider's transmission planning region are listed in either (1) Attachment FF-4 of this Tariff, for Transmission Owners without a separately filed local planning process or (2) Attachment FF-5 of this Tariff, for Transmission Owners with a separately filed local planning process.

B. OMS Committee Input to MTEP Process: To the extent not otherwise specifically addressed in other portions of this Attachment FF, with respect to the MTEP process, the OMS Committee may provide input to the Transmission Provider planning staff and the System Planning Committee of the Transmission Provider Board, as appropriate, regarding the following:

1. At the start of a planning cycle, the OMS Committee may suggest to the Transmission Provider Board modifications to the Transmission Provider's planning principles and planning objectives for that planning cycle;
2. At the start of a planning cycle, the OMS Committee may suggest additional scope elements in the MTEP;
3. Modeling inputs or assumptions used in the development of the MTEP and related appropriate cost/benefit analyses with respect to certain projects that are not proposed strictly for reliability; and
4. Concerns about general or specific issues with the MTEP process as they arise during the planning year.

Furthermore, at the end of the MTEP development process, but before the MTEP is submitted to the Transmission Provider Board for its review, the OMS Committee may submit a

reconsideration request to the Transmission Provider planning staff, which shall respond prior to submitting the final MTEP report to the Transmission Provider Board. This reconsideration request can be made only with respect to Network Upgrades eligible to receive regional cost allocation under Attachment FF if such projects: (1) will be recommended to the Transmission Provider Board for MTEP Appendix A approval, but have not been considered through the complete MTEP process or (2) will have a change in project cost of twenty-five percent (25%) or greater between the final Subregional Planning Meeting in the current planning year and the project being submitted to the Transmission Provider Board for approval. The Transmission Provider shall consider such a reconsideration request only if it is endorsed by the OMS acting by a vote of sixty-six percent (66%) or more of the OMS members.

At the end of each MTEP cycle, the OMS Committee may submit its assessment of the MTEP process to the Planning Advisory Committee, Transmission Provider, and the System Planning Committee of the Transmission Provider Board. Upon receipt of any such assessment from the OMS Committee, the Transmission Provider planning staff shall provide an appropriate response in a reasonably timely manner.

The manner in which the OMS Committee shall provide its assessment shall be set forth in the Transmission Planning Business Practices Manual procedures. The general procedures adopted with respect to the OMS Committee input into the MTEP shall remain unchanged until June 1, 2015, unless otherwise mutually agreed to by the Transmission Provider and the OMS Committee. Changes to the Transmission Planning Business Practices Manual procedures which describe OMS Committee input into the MTEP process may not be adopted with less than

sixty (60) days' notice to the OMS Committee unless the OMS Committee consents to such earlier adoption. At the end of the two year period the Transmission Provider, the OMS, and other stakeholders will assess the success of the input procedures and provide suggestions for improvement.

C. Development of the MTEP: The Transmission Provider, working in collaboration with representatives of the Transmission Owners, OMS, and the Planning Advisory Committee, shall develop the MTEP, consistent with Good Utility Practice and taking into consideration long-range planning horizons, as appropriate. The Transmission Provider shall develop the MTEP for expected use patterns and analyze the performance of the Transmission System in meeting both reliability needs and the needs of the competitive bulk power market, under a wide variety of contingency conditions. The MTEP will give full consideration to the needs of all Market Participants, will include consideration of demand-side options, and will identify expansions or enhancements needed to i) support competition and efficiency in bulk power markets; ii) comply with Applicable Laws and Regulations; and iii) maintain reliability. This analysis and planning process shall integrate into the development of the MTEP among other things:

(i) the Transmission Issues identified from Facilities Studies carried out in connection with specific transmission service requests; (ii) Transmission Issues associated with generator interconnection service; (iii) the Transmission Issues, including proposed transmission projects, identified by the Transmission Owners in connection with their planning analyses in accordance with local planning process described in Section I.D.1.a to this Attachment FF and the coordination processes of Section I.D.1.b., or developed by Transmission Owners utilizing their own FERC-approved local transmission planning

process described in Section I.D.2, as applicable, to provide reliable power supply to their connected load customers and to expand trading opportunities, better integrate the grid and alleviate congestion; (iv) the transmission planning obligations of a Transmission Owner, imposed by federal or state law(s) or regulatory authorities, which can no longer be performed solely by the Transmission Owner following transfer of functional control of its transmission facilities to the Transmission Provider; (v) plans and analyses developed by the Transmission Provider to provide for a reliable Transmission System and to expand trading opportunities, better integrate the grid and alleviate congestion; (vi) the identification, evaluation, and analysis of expansions to enable the Transmission System to fully support the simultaneous feasibility of all Stage 1A ARR; (vii) the inputs provided by the Planning Advisory Committee; (viii) the inputs, if any, provided by the state and local regulatory authorities having jurisdiction over any of the Transmission Owners; (ix) the inputs of the OMS Committee; and (x) the transmission needs driven by public policy requirements selected to be included as Transmission Issues pursuant to Section I.C.1.b.ii in accordance with Applicable Laws and Regulations.

1. Planning Cycle and Milestones: The ISO Agreement requires that a regional transmission plan be developed biennially or more frequently. An MTEP planning cycle is established for each calendar year. The development of the MTEP for a planning cycle with a given calendar year designation begins on June 1 of the year prior to the MTEP calendar year designation and ends with the approval of the final MTEP report by the Transmission Provider Board. This approval typically occurs at the Transmission Provider Board Meeting in December of the MTEP designated year. For example, the development of the MTEP14 transmission plan will commence on June 1 of

2013 and typically end with approval in December 2014. The development of the MTEP will follow specified process steps that are detailed, including process diagrams, in the Transmission Provider's Transmission Planning Business Practices Manual ("TPBPM"). The TPBPM shall be posted on the website of the Transmission Provider.

a. Planning Functions: The planning process includes the following functions which are described in detail in the TPBPM:

- i. Model Development;
- ii. Generator Interconnection Planning;
- iii. Transmission Service Planning;
- iv. Cyclical Regional Expansion Planning activities;
- v. Interregional coordination with neighboring transmission planning regions;
- vi. System Support Resource ("SSR") Studies for unit de-commissioning;
- vii. Transmission-to-Transmission Interconnections;
- viii. Load Interconnections; and
- ix. Focus Studies. These are studies initiated during the cyclical baseline planning process that cannot be delayed until the next planning cycle (for example, NERC/FERC directives, or near-term critical operational issues).

Each of these planning functions may develop system expansions that are taken into consideration in developing the entirety of the MTEP.

b. Planning Cycle: The regional planning process is performed through a

continuous series of planning cycles, with each cycle typically addressing Transmission Issues through a rolling planning horizon. Each cycle commences with regional model development, identification of potential expansions from the local planning processes of the Transmission Owners, identification and selection of transmission needs driven by public policy requirements pursuant to Section I.C.1.b.ii to be included as Transmission Issues, and identification by stakeholders or the Transmission Provider of potential expansions that address the Transmission Issues. Each cycle concludes with recommendations to the Transmission Provider Board of recommended solutions to the Transmission Issues evaluated. Transmission Owner plans developed through local planning processes described in Section I.D.1.a are included in the beginning of each regional planning cycle as potential alternatives to local Transmission Issues identified by the Transmission Owners.

- i. Key Planning Cycle Milestones: The regional planning process evaluates, with stakeholder input throughout the cycle, the local plans of the Transmission Owners, as one input to the development of the regional plan. Key milestones in the typical MTEP development process are listed below and requirements and timelines for data submittal, review, and comment at each of these milestone points are described in the TPBPM:
 - (a). Model development;
 - (b). Identification and selection of transmission needs driven by public policy requirements pursuant to Section I.C.1.b.ii to be included as Transmission Issues;
 - (c). Testing models against applicable planning criteria;

- (d). Development of possible solutions to identified Transmission Issues;
 - (e). Selection of preferred solution;
 - (f). Determination of funding and cost responsibility; and
 - (g). Monitoring progress on solution implementation.
- ii. Transmission needs driven by public policy requirements: The process for selecting transmission needs driven by public policy requirements, out of the larger set of transmission needs driven by public policy requirements that stakeholders may propose, to be included in the Transmission Issue(s) for which transmission solutions will be evaluated shall be as follows:
- a. At the beginning of the MTEP cycle, stakeholders submit to the Transmission Provider, proposals to consider transmission needs driven by public policy requirements, as part of the Transmission Issues they may raise, in accordance with Section I.C.2.b, through Sub-Regional Planning Meetings, the Planning Subcommittee and/or the Planning Advisory Committee. The Transmission Provider may also identify transmission needs driven by public policy requirements to be evaluated.
 - b. The Transmission Provider will then consolidate all such identified transmission needs driven by public policy requirements that it receives into a list that will be distributed to stakeholders through the Planning

Subcommittee and/or the Planning Advisory Committee and to other stakeholder forums as the Transmission Provider deems necessary.

c. Transmission needs driven by public policy requirements will be discussed in the Sub-Regional Planning Meetings, Planning Subcommittee and/or the Planning Advisory Committee in accordance with Section I.C.2.b.

d. The Transmission Provider will assess such identified transmission needs driven by public policy requirements that it receives, considering the feedback received from stakeholders and the Sub-Regional Planning Meetings, Planning Subcommittee and/or the Planning Advisory Committee, and select the public policy requirements that will be further studied in the MTEP process. This selection will be based on:

1. the effective dates, nature and magnitude of the public policy requirements in the Applicable Laws and Regulations;
2. the immediacy or other estimated timing, and extent, of the potential impact on the identified transmission needs;
3. the availability of the resources, and any limitations thereto, that would be required by consideration of

such transmission needs driven by public policy requirements;

4. the relative significance of other Transmission Issues that have been raised for consideration; and
5. other appropriate factors that can aid the prioritization of Transmission Issues to be considered by the regional transmission planning process.

iii. The Transmission Provider shall address each of these milestones throughout the planning cycle through Sub-regional Planning Meetings, Planning Subcommittee and Planning Advisory Committee meetings.

2. Stakeholders Input in Planning Process: The Transmission Provider shall facilitate discussions with its Transmission Customers, Transmission Owners, OMS Committee, and other stakeholders about the Transmission Issues and solutions involving both transferred and non-transferred facilities, as described in Section I.D.1 of this Attachment FF.

These discussions will take place at Sub-regional Planning Meetings and at regularly scheduled meetings of the Transmission Provider's Planning Subcommittee, at locations provided by the Transmission Provider and with communication capabilities for those participants unable to have in person representation at these meetings. Once the MTEP report for a specific planning cycle has been completed but prior to recommendation to the Transmission Provider Board for approval, the Transmission Provider shall seek feedback on the proposed MTEP, including Network Upgrades

recommended for approval, from the Transmission Provider's stakeholders and the OMS Committee.

- a. Planning Advisory Committee ("PAC"): The Planning Advisory Committee is a standing committee reporting to the Transmission Provider's Advisory Committee, and functions subject to the Stakeholder Governance Guide developed by the Stakeholder Governance Working Group, as approved by the Advisory Committee. The PAC is responsible for addressing planning policy issues of importance to stakeholders and within the responsibilities of the Transmission Provider. The PAC charter is maintained on the Transmission Provider's website.
- b. Planning Subcommittee ("PS"): The Planning Subcommittee is a standing stakeholder-chaired subcommittee of the Planning Advisory Committee, and functions subject to the Stakeholder Governance Guide developed by the Stakeholder Governance Working Group, as approved by the Advisory Committee. Planning Subcommittee membership is open to interested parties, including, but not limited to: transmission delivery service and interconnection service customers, marketers, developers, Transmission Owners, state and local regulatory authorities, federal regulatory staff, other Market Participants, and all interested parties. The charter for the committee is developed by stakeholders and is maintained on the Transmission Provider's website. The Transmission Provider will seek guidance from Transmission Owners, state and local regulatory authorities, and other stakeholders through the Planning Subcommittee and/or the Planning Advisory Committee prior to the beginning of each new planning cycle.

Guidance will include the scope of planning studies to be undertaken, the development of future scenarios to be modeled and analyzed in long-term planning studies, and the development of suitable models and assumptions to support such studies. The Transmission Provider will also seek guidance from Transmission Owners, state and local regulatory authorities, and other stakeholders through the Planning Subcommittee and/or the Planning Advisory Committee prior to implementing changes or revisions to the scope, models, and assumptions during the planning cycle. The Planning Subcommittee and/or the Planning Advisory Committee may form working groups at the discretion of stakeholders to perform specific tasks supporting the planning processes, such as model development and detail review of study results and draft plan reports.

c. Sub-regional Planning Meetings (“SPMs”): The Transmission Provider shall utilize SPMs to provide opportunity for Transmission Owners, state and local regulatory authorities, and other stakeholders to provide input to the planning process, and to carry out the tasks of coordinating transmission plans among the Transmission Owners and proposals to address the Transmission Issues identified in the scope of transmission planning studies. Input and planned coordination may occur through the use of existing sub-regional planning groups (“SPGs”) where they exist, or through the establishment of new sub-regional meeting forums. One or more SPMs will be used or established for each of the four regional Planning Sub-regions of the Transmission Provider. Planning Sub-regions shall be defined based upon the Transmission Provider Planning Sub-regions: West, Central, South, and East as defined in Attachment FF-3.

i) SPM Participants: Participants at an SPM will consist of representatives of the Transmission Owners operating within the associated Planning Sub-region that integrate their local planning processes with the regional process, representatives from state and local regulatory authorities, and any other parties interested in or impacted by the planning process. For those Transmission Owners engaged in local planning under their own FERC approved local planning processes, such Transmission Owners shall participate in the SPM in order to coordinate their planning activities.

Neighboring transmission-owning utilities and regulatory participants are eligible and encouraged to participate in the SPM to promote joint planning between the Transmission Provider and neighboring transmission systems.

ii) SPM Guidelines. The Sub-regional Planning Meeting participants shall:

(a) Make recommendations for a coordinated sub-regional Plan, after considering sub-regional and regional needs and alternatives, for the ensuing ten years, for all transmission facilities in the sub-region;

(b) Review and comment on proposed Transmission Owners plans identified in local planning processes described in Section I.D.1.a. of this Attachment FF, for additions and modifications to the sub-regional transmission system, as potential solutions to

identify Transmission Issues and review the transmission plans developed by those Transmission Owners that have their own FERC-approved local planning process (described in Section I.D.2) to ensure coordination of the projects set forth in such plans with the potential regional planning solutions developed in the SPM process consistent with the requirements of Appendix B of the Transmission Owners' Agreement;

(c) Form technical study task forces as required to carry out the sub-regional planning responsibilities;

(d) Encourage non-Transmission Provider member participation to improve understanding by the SPM participants, the Planning Subcommittee, and the Transmission Provider staff of facility changes outside the Transmission Provider Region to ensure the impact of such changes are considered in the planning studies;

(e) Promote other stakeholder (i.e., environmental agencies, and load and generation developers) involvement in development of the sub-regional plans.

(f) Recommend to the Planning Subcommittee proposed sub-regional plans to be included in the MTEP. In addition, the transmission projects developed by any Transmission Owner or Owners utilizing the provisions of their own FERC-approved local planning process shall be submitted for inclusion in the regional

MTEP after being evaluated by the Transmission Provider in the regional evaluation of SPMs in accordance with Appendix B of the Transmission Owners' Agreement in determining the Transmission Provider's recommendation for inclusion in the MTEP.

(g) Reflect, as desired, minority opinions to the Transmission Provider or the Planning Subcommittee.

(h) SPM Frequency, Location and Agenda: SPMs should meet at least two times per year or as otherwise provided for in the TPBPM, to provide input in the planning process, review plans and recommend changes, if any, needed to address stakeholder needs and to coordinate proposed plans.

Meetings involving CEII or confidential materials shall be handled under Section I.C.12 of this Attachment FF.

3. Meeting Notifications: Notice shall be provided by way of email distribution lists by the Transmission Provider of all SPMs, Planning Subcommittee, and Planning Advisory Committee meetings. These email distribution lists are established and maintained by the Transmission Provider and it is the responsibility of stakeholders to have registered as described on the Transmission Provider website. Meeting dates, times, locations, and materials will also be posted on the meeting calendar page of the Transmission Provider's website. Meeting notification guidelines are set forth in the stakeholder developed Stakeholder Governance Guidelines.

4. Other Meeting Schedules: Planning Subcommittee meetings are regularly scheduled meetings that occur no less than bimonthly. Annual meeting schedules and

objectives are developed at the December meeting each year for the subsequent year.

Planning Advisory Committee meetings are scheduled as per the PAC Charter.

5. Planning Criteria: The Transmission Provider shall evaluate the system to address Transmission Issues in a manner consistent with the ISO Agreement and this Attachment FF. Projects included in the MTEP may be based upon any applicable planning criteria, including accepted NERC reliability standards and reliability standards adopted by Regional Entities, local planning reliability or economic planning criteria of the Transmission Owner, or required by State or local authorities, any economic or other planning criteria or metrics defined in this Attachment FF, and any Applicable Laws and Regulations. Transmission Owners are required to annually provide updated copies of local planning criteria for posting on the Transmission Provider's website.

The Transmission Provider will post on its website an explanation of which transmission needs driven by public policy requirements will be evaluated for potential solutions in the local or regional transmission planning process, as well as an explanation of why other suggested potential transmission needs will not be evaluated.

6. Planning Analysis Methods: Planning analyses performed by the Transmission Provider will test the Transmission System under a wide variety of conditions as described in Section II and using standard industry applications to model steady state power flow, angular and voltage stability, short-circuit, and economic parameters, as determined appropriate by the Transmission Provider to be compliant with applicable criteria and this Tariff.

7. Planning Models: The Transmission Provider shall collaborate with Transmission Owners, other transmission providers, Transmission Customers, and other

stakeholders to develop appropriate planning models that reflect expected system conditions for the planning horizon. The planning models shall reflect the projected Load growth of existing Network Customers and other transmission service and interconnection commitments. The models shall include any transmission projects identified in Service Agreements or Interconnection Agreements that are entered into in association with requests for transmission delivery service or interconnection service, as determined in Facilities Studies associated with such requests. Load forecasts applied to models will consider the forecast Load of Network Customers reported to the Transmission Provider in accordance with the requirements of Module B and RAR of this Tariff, and the Business Practices Manuals of the Transmission Provider. Models will be posted on an FTP site maintained by the Transmission Provider and accessible to stakeholders with security measures as provided for in the TPBPM. The Transmission Provider will provide an opportunity for stakeholders to review and comment on the posted models before commencing planning studies.

The schedules for such reviews are maintained in the TPBPM. Stakeholders shall be afforded opportunities to provide input on Load projections from Tariff reporting requirements or from Transmission Owner forecasts. After the base line forecast and model are established, the Transmission Provider and/or Transmission Owners may adjust the forecast as necessary on an ad hoc basis throughout the planning year to address customer requests for new Load interconnections arising from on-going dialogue with existing and prospective customers.

8. Planning Assumptions: Each MTEP report shall list in detail the planning assumptions upon which the analyses are based. In general, planning analyses will be

based on the following:

- a. Planning Horizons: The MTEP will identify Transmission Issues for a minimum planning horizon of five years and a maximum planning horizon of twenty years.
- b. Load: Load demand will generally be modeled by the Transmission Provider as the most probable (“50/50”) coincident Load projection for each Transmission Owner’s service territory, for the season under study. Specific studies may model alternative Load probabilities or peak Load for areas within a Transmission Owner’s service territory as dictated by operational and planning experience and/or local planning criteria, but in any case shall be treated consistently in the planning for native Load and transmission access requests.
- c. Generation: Planning models of five years or longer will model generation, taking into consideration applicable planning reserve requirements, that are: (i) existing and expected to be in existence in the planning horizon; (ii) not existing but with executed interconnection agreements; and (iii) additional generation as determined with stakeholder input, as necessary to adequately and efficiently meet demand forecasted through the planning horizon and to facilitate compliance with statutory or regulatory mandates. The Transmission Provider shall apply a scenario analysis to determine alternative future generation portfolio possibilities.

Generation portfolio development for planning model purposes will be developed with input from the Planning Advisory Committee and its subcommittees, working groups, and task forces. Point-To-Point Transmission Service and

Network Integration Transmission Service customers will have an opportunity to guide new generation portfolio development that is reflective of customer future resource plans.

d. Demand Response Resources: Planning solutions will be based upon the best available information regarding the expected amount and location of Load that can be effectively and efficiently reduced by demand response or energy efficiency programs, as well as the amount of behind-the-meter generation that can reliably be expected to produce Energy that could impact planning solutions. The Transmission Provider shall perform and report on sensitivity analyses that indicate the effectiveness of potential demand response as alternative planning solutions, to the extent that appropriate methodology for such analyses is developed with stakeholders and documented in the TPBPM.

e. Topology: Each planning study will use the best known topology based upon the most recently approved MTEP. Planning studies will include all projects approved by the Transmission Provider Board, and shall identify, as appropriate, and as detailed in the TPBPM, any system needs already identified in the most recent approved MTEP.

9. Evaluation of Alternatives: When the planning analyses, based on the foregoing principles, identifies Transmission Issues, the Transmission Provider will consider the inputs from stakeholders derived from the SPM processes, the inputs from the Planning Subcommittee and the Planning Advisory Committee, the plans of any Transmission Owner with its own FERC-approved local planning process, and the MTEP aggregate system analyses against applicable planning criteria, in determining the solutions to be

included in the MTEP and recommended to the Transmission Provider Board for implementation.

10. Facility Design: Facility design and system configuration (such as conductor sizes, transformer design, bus configuration, protection schemes) are selected by the Transmission Owner, and must be consistently applied by the Transmission Owner for comparable system service conditions. Comparable application of system design does not preclude the consideration or selection of advanced or alternative transmission technology. For Competitive Transmission Facilities associated with Competitive Transmission Projects, the Transmission Provider may provide limitations or requirements regarding facility design when necessary due to a planning driver or to ensure compatibility with existing transmission facilities to which the Competitive Transmission Facilities will interconnect as further described in Section VIII.C.2.c of this Attachment FF.

11. Status of Recommended Facilities: The status of all project facilities recommended for implementation in the MTEP shall be reported to the Transmission Provider on a quarterly basis and upon solicitation from the Transmission Provider. Each Selected Developer and Transmission Owner is required to provide such status updates regarding the facilities for which it is responsible to construct to the Transmission Provider as further specified in this Section I.C.11 of Attachment FF of the Tariff and the Business Practices Manuals.

The Transmission Provider shall report on such status to the Transmission Provider Board on a quarterly basis, or as otherwise directed by the Transmission Provider Board. The Transmission shall also publicly post such status in a form

consistent with the Business Practices Manuals to the Transmission Provider's website on a quarterly basis, redacting any CEII and/or confidential information as necessary.

(a)

Status of Eligible Project facilities approved after December 1, 2015:

Each Selected Developer and incumbent Transmission Owner shall provide quarterly status reports to the Transmission Provider regarding the facilities included in an Eligible Project approved after December 1st, 2015 for which it is responsible to construct until the quarter after all such facilities have been placed into service and transferred to the Transmission Provider's functional control, or the facilities and/or Project are otherwise reassigned, canceled, or terminated.

Quarterly status reports shall conform to the format set forth in the Business Practices Manuals and include, at a minimum, the following: (i) project schedule, including each facility's estimated in-service date and any material changes therein; (ii) estimated project costs, including the estimated cost to complete each facility, any material changes therein as compared to the applicable Baseline Cost Estimate as set forth in Section IX.C.1.1, the total project expenditures to date, and the total project expenditures to date expressed as a percentage of the Baseline Cost Estimate, as set forth in Section IX.C.1.1; (iii) facility development status (i.e. under construction, in service, completed, or withdrawn); (iv) status of obtaining necessary regulatory and or environmental permits, certificates, or approvals, including meeting necessary licensing requirements; (v) status of land and right-of-way acquisition; (vi) status of design and engineering; (vii) status of any necessary interconnection agreements; (viii) an explanation of the causes of, or reasons for, any material changes to or deviations from the MTEP in-service date, Baseline Cost-Estimate as set forth in Section X.C.1.1, and information provided in the last quarterly status report; (ix) an assessment of the impact of any material changes on the project, including the continued ability to meet the MTEP

in-service date; and (x) identification of the milestones achieved to date, as described in the Business Practices Manuals.

Within one hundred eighty (180) Calendar Days after the date the Selected Developer or Transmission Owner have placed all of the facilities included in a Eligible Project for which it is responsible to construct into service, including the transfer of functional control to the Transmission Provider, unless the Transmission Provider and Selected Developer or Transmission Owner agree on a different date, shall provide the Transmission Provider with the following:

1. the final costs to construct the facilities;
2. copies of the final “as-built” drawings and specifications of the facilities;
3. copies of any inspection reports performed on the facilities; and
4. geo-spatial information specific to the facilities (i.e. GIS compatible maps, GPS coordinates, etc.)

(b) *Additional status requirements for Competitive Transmission Facilities:*

In addition to the requirements specified above in Section I.C.11.a of Attachment FF, each Selected Developer shall also include in its status reports the following:

- (i) status of any necessary project financing;
- (ii) the percentage (%) of the total project expenditures to date as compared to the total projected project cost schedule provided in the Selected Proposal;
- (iii) whether any rate filings associated with the Competitive Transmission Facilities were made during the previous quarter or expected to be made in the upcoming quarter;
- (iv) any changes in the continuing ability to meet the obligations of the Selected Developer Agreement according to the schedules and milestones agreed to therein, including any binding cost caps or cost containment that were included in the

Selected Proposal; (v) an explanation of the causes of, or reasons for, any changes from the specifications included in the Selected Proposal; and (vi) an assessment of the impact of any such changes on the Competitive Transmission Facilities included in the Competitive Transmission Project.

(c) *Status of all other facilities recommended for implementation in the MTEP:*

The requirements and obligations set forth in this section I.C.11.c of Attachment FF, shall be applicable to all facilities recommended for implementation in the MTEP except for those facilities that are included in an Eligible Project approved by the Transmission Provider Board after December 1, 2015.

Each incumbent Transmission Owner shall provide status reports to the Transmission Provider regarding the facilities that are included in projects other than those specified in Attachment FF §I.C.11.a for which it is responsible to construct, until the quarter after such facilities have been placed into service and transferred to the Transmission Provider's functional control. Status reports shall conform to the format set forth in the Business Practices Manuals and at a minimum, include the following: (i) material changes to the schedule and to the estimated project cost; (ii) an explanation of the causes of, or reasons for, any such changes; and (iii) changes in project status (i.e., under construction, in service, completed, or withdrawn). The Transmission Provider shall report such progress to the Transmission Provider Board on a quarterly basis, or as otherwise directed by the Transmission Provider Board.

12. Treatment of Critical Energy Infrastructure Information ("CEII") and Confidential Data: The Transmission Provider shall utilize a Non-Disclosure and Confidentiality Agreement ("NDA") to address sharing of CEII transmission planning information. FTP

sites containing such information will require such agreements to be executed in order to obtain access to those sites. Stakeholder meetings at which CEII may be available shall be noticed to email distribution lists and shall require execution of NDAs prior to participation in such meetings. In the alternative, such meetings will be structured to have separate discussion of issues involving CEII data only with participants that agree to execute the NDA. Confidential information related to economic (e.g., congestion) studies, as well as CEII, is clearly sensitive information which must remain confidential. The Transmission Provider shall use generic, publicly available, cost information from industry sources in the economic studies to prevent the accidental release of confidential information. This approach will promote an open planning process because the results of economic studies are available to all interested parties.

13. Resolution of Stakeholder Input: The Transmission Provider shall solicit input and comments from all stakeholders, including Transmission Owners, during and after stakeholder planning meetings, and will use reasonable efforts to reply to comments that the Transmission Provider does not elect to implement, together with reasons for such actions. The Transmission Provider shall develop a process for the documentation and resolution of stakeholder issues raised in the planning process, including but not limited to issues related to planning criteria.

14. Dispute resolution: Consistent with Attachment HH of this Tariff, the Transmission Provider shall resolve disputes concerning MTEP issues. The first step will be for designated representatives of the affected parties to work together to resolve the relevant issues in a manner that is acceptable to all parties. If that step is unsuccessful, each affected party shall designate an officer who shall review disputes

involving them that their designated representatives are unable to resolve. The applicable officers of the parties involved in such dispute shall work together to resolve the disputes so referred in a manner that meets the interests of such parties, either until such agreement is reached, or until an impasse is declared by any party to such dispute. If such officers are unable to satisfactorily resolve the issues, the matter shall be referred to mediation. Parties that are not satisfied with the dispute resolution procedures may only file a complaint with the Commission during the negotiation or mediation steps. If a matter remains unresolved, the affected parties may pursue arbitration.

D. Project Coordination: In the course of the MTEP process, the Transmission Provider shall seek out opportunities to coordinate or consolidate, where possible, individually defined transmission projects into more comprehensive cost-effective developments subject to the limitations imposed by prior commitments and lead-time constraints. The Transmission Provider shall coordinate with Transmission Owners, and shall consider the input from the SPMs, Planning Subcommittee, and Planning Advisory Committee to develop expansion plans to meet the needs of the system. This multi-party collaborative process will allow for all projects with regional and inter-regional impact to be analyzed for their combined effects on the Transmission System. Moreover, this collaborative process is designed to ensure that the MTEP address Transmission Issues within the applicable planning horizon in the most efficient and cost effective manner, while giving consideration to the inputs from all stakeholders. In addition to the requirements of this Attachment FF, there may be state or local procedural requirements applicable to the planning or siting of transmission facilities by the Transmission Owners. A current list of those requirements can be found on the Transmission Provider's website.

1. Transmission Owners Electing to Integrate their Local Planning Processes into the

Transmission Provider's Processes: Some Transmission Owners have agreed to integrate internal planning process with the Transmission Provider's open and coordinated planning processes for all of their transmission facilities to comply with Order 890 Planning Principles instead of filing a separate Attachment K. Through this election, the local planning for all transmission facilities of these Transmission Owners, regardless of whether the facilities are ultimately transferred to the functional control of the Transmission Provider, shall be integrated with and included in the regional planning processes of the Transmission Provider. These regional planning processes, as provided for in this Attachment FF and in additional detail in the TPBPM, ensure that the planning decisions for all such facilities are made in an open and transparent environment.

This planning environment provides opportunity for input from, and review by, stakeholders of the Open Access Transmission Tariff services throughout the planning process, and is in accordance with the Planning Principles of the Order 890 Final Rule. The open and transparent planning provisions of this Attachment FF shall not preclude interaction between stakeholders and Transmission Owners prior to the submittal of proposed projects to the regional planning process.

Transmission Owners integrating local planning processes into the regional planning processes are listed in Attachment FF-4. Such Transmission Owners shall be responsible for providing the Transmission Provider with sufficient information regarding all planning activities to enable the Transmission Provider to adequately review and incorporate all of the Transmission Owner's transmission facilities into the regional planning process of the Transmission Provider, as described in Sections I.D.1.a. and I.D.1.b. of this Attachment FF.

The foregoing Transmission Owners will utilize the planning stakeholder forums of the Transmission Provider to demonstrate the need for, identify the alternatives to, and report the status of non-transferred transmission facilities using the same open, transparent and coordinated planning process provided by the Transmission Provider for transferred facilities as described in this Attachment FF.

a. Local Planning Processes of Transmission Owners: In accordance with the ISO Agreement, each Transmission Owner engages in local system planning in order to carry out its responsibility for meeting its respective transmission needs in collaboration with the Transmission Provider subject to the requirements of applicable state law or regulatory authority. In meeting its responsibilities under the ISO Agreement, the Transmission Owners may, as appropriate, develop and propose plans involving modifications to any of the Transmission Owner's transmission facilities which are part of the Transmission System. The Transmission Owners shall include the following specific local planning steps in order to develop plans for potential inclusion in the regional plan, in accordance with the annual regional planning process as described in Section I.D.1.b. of this Attachment FF, and in accordance with the regional planning principles of Section I.C of this Attachment. In addition to the local planning steps below, Transmission Owners shall adhere to any applicable state or local regulatory planning processes.

- i. Define local study area and study horizon;
- ii. Develop appropriate power system models;
 - a) Utilize existing NERC or Transmission Provider cases to model external systems;

- b) Insert detailed model of Transmission Owner system if required;
 - c) Insert updated detailed models of neighboring system models if required; and
 - d) Verify model topology and generation.
- iii. Update loads (spatial and magnitude) in study area;
- a) Review historical MW and MVAR data to develop growth trends;
 - b) Obtain Load forecasts from customers in study area; and
 - c) Obtain input from local distribution planners in the study area.
- iv. Perform contingency analysis using applicable Transmission Owner planning criteria;
- v. Identify any violations to planning criteria for each of study period;
- vi. Develop alternative solutions to the criteria violations and test against the planning criteria;
- a) Obtain cost estimates for each alternative and perform economic analyses; and
 - b) Determine non-cost attributes of each alternative such as operating flexibility, robustness, among others.
- vii. Select alternative based on cost and non-cost attributes;
- viii. Submit proposed solution and list of alternatives and assumptions to the Transmission Provider;
- ix. Participate in stakeholder evaluations and discussions as a part of annual regional plan development process;
- x. Perform additional analysis as required based on feedback from

stakeholder groups (SPM/PS) in the regional planning process;

xi. Submit results of additional analysis (if performed) to the Transmission Provider for further discussion with stakeholders (SPM/PS);

xii. Consider regional planning process results, including stakeholder feedback on needs, proposed solutions, and alternatives, in determining whether or not to proceed with implementation of Transmission Owner proposed expansions; and

xiii. Post the planning criteria and assumptions, and power flow models used in development of each Transmission Owner's current local planning proposal in accordance with Section I.D.1.b below. To the extent that the Transmission Owner uses the MISO MTEP models in developing its list of newly proposed projects, the Transmission Owner shall indicate as per Section I.D.1.b. below, the associated MTEP model used.

The Transmission Provider will maintain a link to applicable MTEP models on its website together with instructions for accessing such models consistent with CEII criteria and suitable non-disclosure agreements. In the event that the Transmission Owner applies its own power flow models in developing its proposed local plans, the Transmission Owner shall provide such models to the Transmission Provider for posting, or shall provide to the Transmission Provider a link to the location of such Transmission Owner model(s) and to instructions for accessing such models consistent with the Transmission Owner's CEII and non-disclosure requirements. Transmission Provider shall post on its website links to such postings on Transmission Owner's website.

b. Integration of Local Planning Processes of Transmission Owners:

Transmission Owners listed on Attachment FF-4 as integrating local planning processes with those of the Transmission Provider, shall integrate proposals for transmission expansions into the regional planning process as follows. Each Transmission Owner shall submit its proposals for transmission plans to the Transmission Provider prior to the start of each regional planning cycle. Each Transmission Owner's local plan, which consists of a list of proposed projects, shall be made available on the Transmission Provider's website for review by the PAC, the PS, and the SPM participants, subject to CEII and the confidentiality provisions in this Attachment FF. Such local plans shall be posted by September 15 each year in order to provide time for written comments by stakeholders. In addition to the list of proposed projects, each Transmission Owner submitting newly proposed projects by September 15 in any MTEP annual cycle shall provide to the Transmission Provider by June 1 of the same year identification of any MISO base power flow model used by the Transmission Owner in support of the identification of the list of proposed projects to be subsequently posted in September, or in the event that the Transmission Owner uses a non-MISO base power flow model in support of the identification of the list of proposed projects the Transmission Owner shall provide to the Transmission Provider such base power flow model or a link to the power flow model and assumptions used.

Each Transmission Owner's local planning model and associated assumptions shall be accessible on or through a link on the Transmission Provider's website for review, subject to CEII and the confidentiality provisions in this Attachment FF and consistent with section I.D.1.a. In the event that the Transmission Owner uses a non-MISO base power flow model, the Transmission Owner shall provide for posting

updates if there are significant changes in the model by July 15, August 15, and September 15 of each year. Comments by stakeholders on the local planning models and assumptions that are provided to the Transmission Provider SPM Planning Contact by July 1, or August 1 or September 1 with respect to updates, shall be forwarded to the applicable Transmission Owner by July 8, August 8, or September 8, respectively. The Transmission Provider shall address any unresolved stakeholder issues through the SPM process.

Each Transmission Owner shall also provide to the Transmission Provider by June 1 of each year any updates to the posted transmission planning criteria, or a notification that the posted documents have not changed. In the event a Transmission Owner has additional significant updates to the posted transmission planning criteria, the Transmission Owner shall provide such updates for posting by July 15, August 15, and September 15 of each year.

The Transmission Provider shall post on its website the lists of newly proposed projects, criteria and assumptions, and supporting base power flow models or links to supporting base power flow models, as provided by the Transmission Owners. Initial comments by stakeholders to the proposed projects should be provided to the Transmission Provider SPM Planning Contact 45 days after the posting of local plans otherwise comments may be made pursuant to Section I.C.2.c.ii. The Transmission Provider SPM Planning Contact shall be identified on the Transmission Provider's web site page devoted to Expansion Planning. The Transmission Provider shall provide to the applicable Transmission Owner within five working days of receipt, a copy of all stakeholder comments received within 45 days of the posted information regarding

Transmission Owner planning criteria and assumptions, models applied, and list of proposed projects. The Transmission Provider shall address any unresolved stakeholder issues through the SPM process. Each Transmission Owner must participate in SPMs in the respective Planning sub-region as indicated in the Transmission Providers meeting schedule. Such SPMs shall provide input to and review of the results of the needs assessments and adequacy of plans proposed by the Transmission Owners, or by stakeholders to the planning process, or by the Transmission Provider, to best meet the needs of the sub-region.

Transmission Owners identified in Attachment FF-4, must submit to the Transmission Provider, on an annual basis and at a time to be determined by the Transmission Provider, which shall be prior to the beginning of each regional planning cycle, all proposed transmission plans for both transferred and non-transferred transmission facilities. The submitted projects of such Transmission Owners shall be considered potential alternatives to system needs identified, and as such must be submitted when initially identified as a potential system solution, in order to permit the evaluation of such projects along with other potential alternatives that may be proposed by stakeholders or the Transmission Provider, in the SPM processes. Such alternatives may include transmission, generation, and demand-side resources. The Transmission Provider will review and evaluate such alternatives on a comparable basis and select the most appropriate solution. Comparability includes the ability of the Transmission Provider to obtain contractual assurances that the selected solution will be implemented by the required in-service dates. Contractual commitments associated with the construction of an MTEP Appendix A approved project by MISO Transmission Owner(s) and/or

Selected Developer(s) are provided for by the ISO Agreement, this Tariff, and the Selected Developer Agreement.

Contractual commitments associated with generation solutions require that a generator interconnection agreement be filed with the Commission pursuant to Attachment X of this Tariff by the time the alternative transmission solution would need to be committed to in order to ensure installation on the required need date. Contractual commitments associated with demand-side resource solutions require demonstration to the Transmission Provider of an executed contract between LSE and End-Use Customers. Such demand-side contracts must be in place by the time that the transmission solution would otherwise need to be committed to in order to ensure a timely solution to the identified planning need, and must span the five year planning horizon to ensure the ability to provide adequate lead time for an alternative transmission solution should the demand contracts terminate. Notwithstanding the provisions of Section VII of the ISO Agreement regarding the Transmission Provider review of Transmission Owner plans, no proposed project of a Transmission Owner that has elected to integrate their local planning processes into the Transmission Provider's processes, as indicated on Attachment FF-4, shall be recommended in the MTEP for implementation until completion of the annual needs analysis carried out in the annual MTEP cycle, as described in Section I.C. of this Attachment FF, except as provided for in Section I.D.1.c. of this Attachment FF.

c. Out-of-Cycle Review of Transmission Owner Plans: In the event that a Transmission Owner determines that system conditions warrant the urgent development of system enhancements that would be jeopardized unless the Transmission Provider

performs an expedited review of the impacts of the project, Transmission Provider shall use a streamlined approval process for reviewing and approving projects proposed by the Transmission Owners so that decisions will be provided to the Owner within thirty (30) days of the projects submittal to the MISO unless a longer review period is mutually agreed upon.

2. Transmission Owners Filing Separate Attachment K: Some Transmission Owners as listed on the last page of Attachment FF-4 have developed individual open, local planning processes for their facilities, that comply with the Planning Principles of the Order 890 Final Rule. These Transmission Owners have an Attachment K that describes how the Transmission Owner will comply with the Order No. 890 Planning Principles for all transmission facilities that they plan for, regardless of whether those facilities are ultimately transferred to the functional control of the Transmission Provider. With the exception of Sections I.D.1.a and I.D.1.b., the provisions of this Attachment FF remain applicable to all Transmission Owners notwithstanding the filing by any Transmission Owner of an Attachment K pursuant to the Order 890 Final Rule.

E. Interregional Coordination and Cost Allocation: The MTEP shall be developed in accordance with the principles of interregional coordination through collaboration with representatives from adjacent transmission providers, their designated regional planning organizations, or regional transmission organizations, as provided for in this Attachment FF, or as otherwise provided for in existing joint agreements between the Transmission Provider and other regional entities that engage in planning activities. The Transmission Provider has developed region-specific interregional coordination and cost allocation provisions with regard to the following neighboring transmission planning regions:

- PJM Interconnection, L.L.C. (“PJM”), as provided for under Article IX and other applicable

provisions of the Joint Operating Agreement between the Transmission Provider and PJM, as may be amended from time to time, including revisions the effective date of which is pending Commission approval in Docket No. ER13-1943-000;

- Southeastern Regional Transmission Planning (“SERTP”), as provided for under Section X of this Attachment FF, the effective date of which is pending Commission approval in Docket No. ER13-1923-000; and
- Southwest Power Pool (“SPP”), as provided for under Article IX and other applicable provisions of the Joint Operating Agreement between the Transmission Provider and SPP, as may be amended from time to time, including revisions the effective date of which is pending Commission approval in Docket No. ER13-1938-000;

The Transmission Provider also has planning coordination provisions as part of its coordination agreement with Manitoba Hydro.

The following interregional coordination provisions shall continue to apply with regard to interregional coordination activities between the Transmission Provider and the Mid Continent Area Power Pool (“MAPP”) transmission planning region. Moreover, the following interregional coordination provisions shall remain in effect for interregional coordination activities between the Transmission Provider and the SERTP transmission planning region until the Commission approves and grants an effective date for the SERTP interregional coordination and cost allocation filing pending in Docket No. ER13-1923-000.

1. Initial Contact: The Transmission Provider will initiate a meeting with representatives of adjacent transmission providers, their designated regional planning organizations, or regional transmission organizations with which existing joint agreements are not already established with the Transmission Provider (“Regional

Planning Coordination Entities” or “RPCEs”), in order to establish a Joint Planning Committee.

2. Joint Planning Committee. The Transmission Provider shall offer to form a Joint Planning Committee (“JPC”) with the RPCE. The JPC shall be comprised of representatives of the Transmission Provider and the RPCE in numbers and functions to be identified from time to time. The JPC may combine with or participate in similarly established joint planning committees amongst multiple RPCEs or established under joint agreements to which the Transmission Provider is a signatory, for the purpose of providing for broader and more effective inter-regional planning coordination. The JPC shall have a Chairman. The Chairman shall be responsible for: the scheduling of meetings; the preparation of agendas for meetings; the production of minutes of meetings; and for chairing JPC meetings. The Chairmanship shall rotate amongst the Transmission Provider and the RPCEs on a mutually agreed to schedule, with each party responsible for the Chairmanship for no more than one planning study cycle in succession. The JPC shall coordinate planning of the systems of the Transmission Provider and the RPCEs, including the following:

- a. Coordinate the development of common power system analysis models to perform coordinated system planning studies including power flow analyses and stability analyses. For studies of interconnections in close electrical proximity at the boundaries among the systems of the Transmission Provider and the RPCEs the JPC or its designated working group will coordinate the performance of a detailed review of the appropriateness of applicable power system models.
- b. Conduct, on a regular basis, a Coordinated Regional Transmission

Planning Study (CRTPS), as set forth in Section E.4.d.

- c. Coordinate planning activities under this Section 8, including the exchange of data and developing necessary report and study protocols.
- d. Maintain an Internet site and e-mail or other electronic lists for the communication of information related to the coordinated planning process. Such sites and lists may be integrated with those existing for the purpose of communicating the open and transparent planning processes of the Transmission Provider.
- e. Meet at least semi-annually to review and coordinate transmission planning activities.
- f. Establish working groups as necessary to address specific issues, such as the review and development of the regional plans of the RPCE and the Transmission Provider, and localized seams issues.
- g. Establish a schedule for the rotation of responsibility for data management, coordination of analysis activities, report preparation, and other activities.

3. Data and Information Exchange. The Transmission Provider shall make available to each RPCE the following planning data and information. Unless otherwise indicated, such data and information shall be provided annually. The Transmission Provider shall provide such data in accordance with the applicable CEII policy, and maintain data and information received from each RPCE in accordance with their applicable confidentiality policies.

- a. Data required for the development of power flow cases, and stability cases, incorporating up to a ten year load forecasts as may be requested, including all critical assumptions that are used in the development of these cases.

b. Fully detailed planning models (up to the next ten (10) years as requested) on an annual basis and updates as necessary to perform coordinated studies that reflect system enhancement changes or other changes.

c. The regional plan documents, any long-term or short-term reliability assessment documents, and any operating assessment reports produced by the Transmission Provider and the RPCE.

d. The status of expansion studies, system impact studies and generation interconnection studies, such that the Transmission Provider and the RPCE have knowledge that a commitment has been made to a system enhancement as a result of any such studies.

e. Transmission system maps for the Transmission Provider and the RPCE bulk transmission systems and lower voltage transmission system maps that are relevant to the coordination of planning between or among the systems.

f. Contingency lists for use in load flow and stability analyses, including lists of all contingency events required by applicable NERC or Regional Entity planning standards, as well as breaker diagrams for the portions of the Transmission Provider and the RPCE transmission systems that are relevant to the coordination of planning between or among the systems. Breaker diagrams to be provided on an as requested basis.

g. The timing of each planned enhancement, including estimated completion dates, and indications of the likelihood that a system enhancement will be completed and whether the system enhancement should be included in system expansion studies, system impact studies and generation interconnection studies, and as requested the status of related applications for regulatory approval. This information shall be provided at the

completion of each planning cycle of the Transmission Provider, and more frequently as necessary to indicate changes in status that may be important to the RPCE system.

h. Quarterly identification of interconnection requests that have been received and any long-term firm transmission services that have been approved, that may impact the operation of the Transmission Provider or the RPCE system.

i. Quarterly, the status of all interconnection requests that have been identified.

j. Information regarding long-term firm transmission services on all interfaces relevant to the coordination of planning between or among the systems.

k. Load flow data initially will be exchanged in PSS/E format. To the extent practical, the maintenance and exchange of power system modeling data will be implemented through databases. When feasible, transmission maps and breaker diagrams will be provided in an electronic format agreed upon by the Transmission Provider and the RPCE. Formats for the exchange of other data will be agreed upon by the Transmission Provider and the RPCE.

4. Coordinated System Planning. The Transmission Provider shall agree to coordinate with the RPCEs studies required to assure the reliable, efficient, and effective operation of the transmission system. Results of such coordinated studies will be included in the Coordinated System Plan. The Transmission Provider shall agree to conduct with the RPCEs such coordinated planning as set forth below

a. Single Entity Planning. The Transmission Provider shall engage in such transmission planning activities, including expansion plans, system impact studies, and generator interconnection studies, as necessary to fulfill its obligations under the Tariff.

Such planning shall conform to applicable reliability requirements of NERC, applicable regional reliability councils, and any successor organizations thereto.

Such planning shall also conform to any and all applicable requirements of Federal or State regulatory authorities. The Transmission Provider will prepare a regional transmission planning report that documents the procedures, methodologies, and business rules utilized in preparing and completing the report. The Transmission Provider shall agree to share the transmission planning reports and assessments with each RPCE, as well as any information that arises in the performance of its individual planning activities as is necessary or appropriate for effective coordination among the Transmission Provider and the RPCEs on an ongoing basis. The Transmission Provider shall provide such information to the RPCEs in accordance with the applicable CEII policy and shall maintain such information received from the RPCEs in accordance with their applicable confidentiality policies.

b. Analysis of Interconnection Requests. In accordance with the procedures under which the Transmission Provider provides interconnection service, the Transmission Provider will agree to coordinate with each RPCE the conduct of any studies required in determining the impact of a request for generator or merchant transmission interconnection. Results of such coordinated studies will be included in the impacts reported to the interconnection customers as appropriate. Coordination of studies shall include the following:

- i. When the Transmission Provider receives a request under its interconnection procedures for interconnection, it will determine whether the interconnection potentially impacts the system of a RPCE. In that

event, the Transmission Provider will notify the RPCE and convey the information provided in the interconnection queue posting. The Transmission Provider will provide the study agreement to the interconnection customer in accordance with applicable procedures.

- ii. If the RPCE determines that it may be materially impacted by an interconnection on the Transmission Provider System, the RPCE may request participation in the applicable interconnection studies. The Transmission Provider will coordinate with the RPCE with respect to the nature of studies to be performed to test the impacts of the interconnection on the RPCE System, and who will perform the studies. The Transmission Provider will strive to minimize the costs associated with the coordinated study process undertaken by agreement with the RPCE.
- iii. Any coordinated studies associated with requests for interconnection to the Transmission Provider's system will be performed in accordance with the study timeline requirements and scope of the applicable generation interconnection procedures of the Transmission Provider.
- iv. The RPCE may participate in the coordinated study either by taking responsibility for performance of studies of its system, if deemed reasonable by the Transmission Provider, or by providing input to the studies to be performed by the Transmission Provider. The study cost estimates indicated in the study agreement between the Transmission Provider and the interconnection customer, will reflect the costs, and the associated roles of the study participants including the RPCE. The

Transmission Provider will review the cost estimates and scope submitted by all participants for reasonableness, based on expected levels of participation, and responsibilities in the study. If the RPCE agrees to perform any aspects of the study, the RPCE must comply with the timelines and schedule of the Transmission Provider's interconnection procedures.

- v. The Transmission Provider will collect from the interconnection customer the costs incurred by the RPCE associated with the performance of such studies and forward collected amounts, no later than thirty (30) days after receipt thereof, to the RPCE. Upon the reasonable request of the RPCE, the Transmission Provider will make their books and records available to the requestor pertaining to such requests for collection and receipt of collected amounts.
- vi. The Transmission Provider will report the combined list of any transmission infrastructure improvements on either the RPCE and/or the Transmission Provider's system required as a result of the proposed interconnection.
- vii. Construction and cost responsibility associated with any transmission infrastructure improvements required as a result of the proposed interconnection shall be accomplished under the terms of the applicable OATT, Transmission Service Guidelines, controlling agreements, and consistent with applicable Federal or State regulatory policy and applicable law.

viii. Each transmission provider will maintain separate interconnection queues. The JPC will maintain a composite listing of interconnection requests for all interconnection projects that have been identified as potentially impacting the systems of the Transmission Provider and coordinating RPCEs. The JPC will post this listing on the Internet site maintained for the communication of information related to the coordinated system planning process.

c. Analysis of Long-Term Firm Transmission Service Requests. In accordance with applicable procedures under which the Transmission Provider provides long-term firm transmission service, the Transmission Provider will coordinate the conduct of any studies required to determine the impact of a request for such service. Results of such coordinated studies will be included in the impacts reported to the transmission service customers as appropriate. Coordination of studies will include the following:

- i. The Transmission Provider will coordinate the calculation of ATC values associated with the service, based on contingencies on their systems that may be impacted by the granting of the service.
- ii. When the Transmission Provider receives a request for long-term firm transmission service, it will determine whether the request potentially impacts the system of the RPCE. If the Transmission Provider determines that the RPCE system is potentially impacted, and that the RPCE would not receive a transmission service request to complete the service path, the transmission provider will notify the RPCE and convey

the information provided in the posting.

- iii. If the RPCE determines that its system may be materially impacted by granting the service, it may contact the Transmission Provider and request participation in the applicable studies. The Transmission Provider will coordinate with the RPCE with respect to the nature of studies to be performed to test the impacts of the requested service on the RPCE system, and will strive to minimize the costs associated with the coordinated study process. The JPC will develop screening procedures to assist in the identification of service requests that may impact systems of the JPC members other than the transmission provider receiving the request.
- iv. Any coordinated studies for request on the transmission Provider's system will be performed in accordance with the study timeline and scope requirements of the applicable transmission service procedures of the Transmission Provider.
- v. The RPCE may participate in the coordinated study either by taking responsibility for performance of studies of its system, if deemed reasonable by the Transmission Provider or by providing input to the studies to be performed by the Transmission Provider. The study cost estimates indicated in the study agreement between the Transmission Provider and the transmission service customer will reflect the costs and the associated roles of the study participants. The Transmission Provider will review the cost estimates and scope submitted by all participants for

reasonableness, based on expected levels of participation and responsibilities in the study.

- vi. The Transmission Provider will collect from the transmission service customer, and forward to the RPCE, the costs incurred by the RPCE with the performance of such studies.
- vii. The Transmission Provider receiving the request will identify any transmission infrastructure improvements required as a result of the transmission service request.
- viii. Construction and cost responsibility associated with any transmission infrastructure improvements required as a result of the transmission service request shall be accomplished under the terms of the applicable OATT, Transmission Service Guidelines, controlling agreements, and consistent with applicable Federal or State regulatory policy and applicable law.

d. Coordinated Regional Transmission Planning Study: The Transmission Provider agrees to participate in the conduct of a periodic Coordinated Regional Transmission Planning Study (CRTPS). The CRTPS shall have as input the results of ongoing analyses of requests for interconnection and ongoing analyses of requests for long-term firm transmission service. The Parties shall coordinate in the analyses of these ongoing service requests in accordance with Sections E.4.b and E.4.c. The results of the CRTPS shall be an integral part of the expansion plans of each Party. Construction of upgrades on the Transmission System of the Transmission Provider that are identified as necessary in the CRTSP shall be under the terms of the Owners

Agreement of the Transmission Provider, applicable to the construction of upgrades identified in the expansion planning process. Coordination of studies required for the development of the Coordinated System Plan will include the following:

- i. Every three years, the Transmission Provider shall participate in the performance of a CRTPS. Sensitivity analyses will be performed, as required, during the off years based on a review by the JPC of discrete reliability problems or operability issues that arise due to changing system conditions.
- ii. The CRTPS shall identify all reliability and expansion issues, and shall propose potential resolutions to be considered by The Transmission Provider and the coordinating RPCEs.
- iii. As a result of participation in the CRTPS, except as provided for in Section II.A.1., the Transmission Provider is not obligated in any way to construct, finance, operate, or otherwise support any transmission infrastructure improvements or other transmission-related projects identified in the CRTPS. Any decision to proceed with any transmission infrastructure improvements or other transmission-related projects identified in the CRTPS shall be based on the applicable reliability, operational and economic planning criteria established for the Transmission Provider as applicable to the development of the MTEP and set forth in this Attachment FF.
- iv. As a result of participation in the CRTPS, the RPCEs are not entitled to any rights to financial compensation due to the impact of the transmission

plans of the Transmission Provider upon the RPCE system, including but not limited to its decisions whether or not to construct any transmission infrastructure improvements or other transmission-related projects identified in the CRTPS.

- v. The JPC will develop the scope and procedure for the CRTPS. The scope of the CRTPSs performed over time will include evaluations of the transmission systems against reliability criteria, operational performance criteria, and economic performance criteria applicable to the Transmission Provider and the RPCEs.
- vi. In the conduct of the CRTPS, the Transmission Provider and the coordinating RPCEs will use planning models that are developed in accordance with the procedures to be established by the JPC. Exchange of power flow models will be in a format that is acceptable to the coordinating parties.
- vii. Stakeholder Review Processes. The Transmission Provider, in coordination with coordinating RPCEs shall review the scope and results of the CRTPS with impacted stakeholders, and shall modify the study scope as deemed appropriate by the Transmission Provider in agreement with the coordinating RPCEs, after receiving stakeholder input. Such reviews will utilize the existing planning stakeholder forums of the coordinating parties including as applicable joint Sub Regional Planning Meetings.

II. Development Process for MTEP Projects: The Transmission Provider will develop

the MTEP biennially or more frequently. The MTEP will identify expansion projects for inclusion in the MTEP according to the factors set forth in Appendix B of the ISO Agreement and Section I.C. of this Attachment FF. For purposes of assigning cost responsibility, expansion projects in the MTEP shall be categorized pursuant to the following criteria.

A. Reliability Needs: Reliability projects are identified either in the periodically performed Baseline Reliability Study, or in Facilities Studies associated with the request processes for new transmission access. Transmission access includes requests for both new transmission delivery service and new generation interconnection service.

1. **Baseline Reliability Projects:** Baseline Reliability Projects are Network Upgrades identified in the base case as required to ensure that the Transmission System is in compliance with applicable national Electric Reliability Organization (“ERO”) reliability standards and reliability standards adopted by Regional Reliability Organizations and applicable within the Transmission Provider Region. Baseline Reliability Projects include projects that are needed to maintain reliability while accommodating the ongoing needs of existing Market Participants and Transmission Customers. Baseline Reliability Projects may consist of a number of individual facilities that in the judgment of the Transmission Provider constitute a single project for cost allocation purposes. The Transmission Provider shall collaborate with Transmission Owning members, other transmission providers, Transmission Customers, and other stakeholders to develop appropriate planning models that reflect expected system conditions for the planning horizon. The planning models shall reflect the projected load growth of existing network customers and other transmission

service and interconnection commitments, and shall include any transmission projects identified in Service Agreements or interconnection agreements that are entered into in association with requests for transmission delivery service or transmission interconnection service, as determined in Facilities Studies associated with such requests. The Transmission Provider shall test the MTEP for adequacy and security based on commonly applicable national Electric Reliability Organization (“ERO”) standards, and under likely and possible dispatch patterns of actual and projected Generation Resources within the Transmission System and of external resources, including dispatch reflective of Long-Term Transmission Rights of Transmission Customers, and shall produce an efficient expansion plan that includes all Baseline Reliability Projects determined by the Transmission Provider to be necessary through the planning horizon of the MTEP. The Transmission Provider shall obtain the approval of the Transmission Provider Board, as set forth in Section VI, for each MTEP published.

2. New Transmission Access Projects: New Transmission Access Projects are defined for the purposes of Attachment FF as Network Upgrades identified in Facilities Studies and agreements pursuant to requests for transmission delivery service or transmission interconnection service under the Tariff. New Transmission Access Projects include projects that are needed to maintain reliability while accommodating the incremental needs associated with requests for new transmission or interconnection service, as determined in Facilities Studies associated with such requests. New Transmission Access

Projects may consist of a number of individual facilities, which in the judgment of the Transmission Provider constitute a single project for cost allocation purposes. New Transmission Access Projects are either Generation Interconnection Projects or Transmission Delivery Service Projects as defined in Sections II.A.2.a. and II.A.2.b. The Transmission Provider shall consider the Baseline Reliability Projects already determined to be needed in the most current MTEP, as well as any other base-case needs not associated with the request for new service that may be identified during the impact study process when determining the need for New Transmission Access Projects. Any identified base-case needs determined in the impact study process that are not a part of the Baseline Reliability Projects already identified in the most current MTEP shall become new Baseline Reliability Projects and shall be included in the next MTEP. New Transmission Access Projects identified in Facilities Studies and agreements pursuant to requests for transmission delivery service or transmission interconnection service under this Tariff shall be included in the next MTEP.

- a. Generation Interconnection Projects: Generation Interconnection Projects are New Transmission Access Projects that are associated with interconnection of new, or increase in generating capacity of existing, generation under Attachments X to this Tariff.
- b. Transmission Delivery Service Projects: Transmission Delivery Service Projects are New Transmission Access Projects that are needed to provide for requests for new Point-To-Point Transmission Service, or requests under Module B of the Tariff for Network Service or a new

designation of a Network Resource(s).

B. Market Efficiency Projects: Market Efficiency Projects are Network Upgrades: (i) that are proposed by the Transmission Provider, Transmission Owner(s), ITC(s), Market Participant(s), or regulatory authorities; (ii) that are found to be eligible for inclusion in the MTEP or are approved pursuant to Appendix B, Section VII of the ISO Agreement after June 16, 2005, applying the factors set forth in Section I.C. of this Attachment FF; (iii) that, except if qualifying as an Interregional Market Efficiency Project under Section IX of the MISO-PJM Joint Operating Agreement, have a Project Cost of \$5 million or more; (iv) that, except if qualifying as an Interregional Market Efficiency Project under Section IX of the MISO-PJM Joint Operating Agreement, involve facilities with voltages of 345 kV or higher; and that may include any lower voltage facilities of 100kV or above that collectively constitute less than fifty percent (50%) of the combined project cost, and without which the 345 kV or higher facilities could not deliver sufficient benefit to meet the required benefit-to-cost ratio threshold for the project as established in Section II.B.1.e, or that otherwise are needed to relieve applicable reliability criteria violations that are projected to occur as a direct result of the development of the 345 kV or higher facilities of the project; (v) that are not determined to be Multi Value Projects; (vi) that are found to have regional benefits under the criteria set forth in Section II.B.1 of this Attachment FF. In the event that a Network Upgrade qualifies as an Interregional Market Efficiency Project under Section IX of the MISO-PJM Joint Operating Agreement, the cost threshold of Section II.B(iii) does not apply, and the voltage threshold of Section II.B.(iv) shall be 100 kV or higher.

1. **Criteria to Determine Whether a Project Should be Included as a Market Efficiency Project:** The Transmission Provider shall employ multiple future scenarios

and multi-year analysis including sensitivity analyses guided by input from the Planning Advisory Committee to evaluate the anticipated benefits of a proposed Market Efficiency Project in order to determine if such a project meets the criteria for inclusion in the regional plan as a Market Efficiency Project eligible for regional cost sharing.

Sensitivity analyses shall include, among other factors, consideration of: (i) variations in amount, type, and location of future generation supplies as dictated by future scenarios developed with stakeholder input and guidance; (ii) alternative transmission proposals; (iii) impacts of variations in load growth; and (iv) effects of demand response resources on transmission benefits.

The Transmission Provider shall perform this inclusion analysis as follows:

a. The Transmission Provider shall utilize a weighted futures, no loss (“WFNL”) metric to analyze the anticipated annual economic benefits of construction of a proposed Market Efficiency Project to Transmission Customers in each of the Local Resource Zones, as defined in Attachment WW, based upon adjusted production cost (“APC”) savings. APC savings will be calculated as the difference in total production cost of the Resources in each Local Resource Zone adjusted for import costs and export revenues with and without the proposed Market Efficiency Project as part of the Transmission System. The WFNL metric for each Local Resource Zone shall be calculated using the weighted APC savings determined for each future scenario included in the analysis.

i. The WFNL metric shall utilize the future scenarios determined and identified by the Transmission Provider through the planning process, with input from all stakeholders. The weights applied to the results of each future scenario shall also be determined by the Transmission Provider with input from all

stakeholders.

- b. Project benefit evaluations will include benefits for the first 20 years of project life after the projected in-service date, with a maximum planning horizon of 25 years from the approval year. The annual benefit for a proposed Market Efficiency Project shall be determined as the sum of the WFNL values for each Local Resource Zone, as defined in Attachment WW. The total project benefit shall be determined by calculating the present value of annual benefits for the multiple year scenarios and multi-year evaluations.
- c. The costs applied in the benefit to cost ratio shall be the present value, over the same period for which the project benefits are determined, of the annual Network Upgrade Charges for the project as determined in accordance with the formula in Attachment GG.
- d. The present value calculation for both the annual benefits and annual costs will apply a discount rate representing the after-tax weighted average cost of capital of the Transmission Owners that make up the Transmission Provider Transmission System.
- e. The Transmission Provider shall employ a benefit to cost ratio test to evaluate a proposed Market Efficiency Project. Only projects that meet a benefit to cost ratio of 1.25 or greater shall be included in the MTEP as a Market Efficiency Project and be eligible for regional cost sharing.
- f. The benefits of the project used to determine the associated cost allocations as a percentage of project cost shall be determined one time at the time that the project is presented to the Transmission Provider Board for approval. Estimated Project Cost will be used to estimate the benefit to cost ratio and the eligibility for cost sharing at the time

of project approval. To the extent that the Commission approves the collection of costs in rates for Construction Work in Progress (“CWIP”) for a constructing Transmission Owner, costs will be allocated and collected prior to completion of the project.

g. The aforementioned Market Efficiency Project inclusion criteria shall be used for the exclusive purpose of determining whether projects are eligible for regional cost sharing in accordance with Section III.A.2.f below. These criteria shall not affect the existing criteria set forth in Appendix B of the ISO Agreement for determining whether projects are eligible for inclusion in the MTEP. Moreover, the costs of projects included in the MTEP, but not eligible for regional cost sharing, shall continue to be eligible for inclusion in the calculation of Transmission Owner revenue requirements under Attachment O of this Tariff.

C. Multi Value Projects: A Multi Value Project is one or more Network Upgrades that address a common set of Transmission Issues and satisfy the conditions listed in Sections II.C.1, II.C.2., and II.C.3 of Attachment FF. All Network Upgrades associated with a Multi Value Project including any lower voltage facilities that may be needed to relieve applicable reliability criteria violations that are projected to occur as a direct result of the development of the Multi Value Project; may be cost shared per Section III.A.2.g of Attachment FF except for i) any Network Upgrade cost associated with constructing an underground or underwater transmission line above and beyond the cost of a feasible alternative overhead transmission line that provides comparable regional benefits, and ii) any DC transmission line and associated terminal equipment when scheduling and dispatch of the DC transmission line is not turned over to the Transmission Provider's markets, real-time control of the DC transmission line is not turned over to the Transmission Provider's automatic generation control system and/or the DC transmission line is

operated in a manner that requires specific users to subscribe for DC transmission service.

1. A Multi Value Project must be evaluated as part of a Portfolio of projects, as designated in the transmission expansion planning process, whose benefits are spread broadly across the footprint.
2. A Multi Value Project must meet one of the three criteria outlined below:
 - a. Criterion 1. A Multi Value Project must be developed through the transmission expansion planning process for the purpose of enabling the Transmission System to reliably and economically deliver energy in support of documented energy policy mandates or laws that have been enacted or adopted through state or federal legislation or regulatory requirement that directly or indirectly govern the minimum or maximum amount of energy that can be generated by specific types of generation. The MVP must be shown to enable the transmission system to deliver such energy in a manner that is more reliable and/or more economic than it otherwise would be without the transmission upgrade.
 - b. Criterion 2. A Multi Value Project must provide multiple types of economic value across multiple pricing zones with a Total MVP Benefit-to-Cost ratio of 1.0 or higher where the Total MVP Benefit -to-Cost ratio is described in Section II.C.7 of this Attachment FF. The reduction of production costs and the associated reduction of LMPs resulting from a transmission congestion relief project are not additive and are considered a single type of economic value.
 - c. Criterion 3. A Multi Value Project must address at least one Transmission

Issue associated with a projected violation of a NERC or Regional Entity standard and at least one economic-based Transmission Issue that provides economic value across multiple pricing zones. The project must generate total financially quantifiable benefits, including quantifiable reliability benefits, in excess of the total project costs based on the definition of financial benefits and Project Costs provided in Section II.C.7 of Attachment FF.

3. All of the following conditions must be satisfied in order for a project to be classified as a Multi Value Project:
 - a. Facilities associated with the transmission project must not be in service, under construction, or approved for construction by the Transmission Provider Board prior to July 16, 2010 or the date a Transmission Owner becomes a signatory member of the ISO Agreement, whichever is later. This Section II.C.3.a shall not preclude the Multi Value Project classification of an Competitive Transmission Project that makes a Selected Developer(s) eligible to become a Transmission Owner.
 - b. The transmission project must be evaluated through the Transmission Provider's transmission planning process and approved for construction by the Transmission Provider Board prior to the start of construction, where construction does not include preliminary site and route selection activities.
 - c. The transmission project must not contain any transmission facilities listed in Attachment FF-1 of this Tariff.
 - d. The total capital cost of the transmission project must be greater than or

equal to \$20,000,000.00.

- e. The transmission project must include, but not necessarily be limited to, the construction or improvement of transmission facilities operating at voltages above 100 kV. A transformer is considered to operate above 100 kV when at least two sets of transformer terminals operate at voltages above 100 kV.
 - f. Network Upgrades driven solely by an Interconnection Request, as defined in Attachment X of the Tariff, or a Transmission Service request will not be considered Multi Value Projects.
4. Any transmission project that qualifies as a Multi-Value Project shall be classified as an MVP irrespective of whether such project is also a Baseline Reliability Project and/or Market Efficiency Project.
 5. The specific types of economic value provided by a Multi Value Project include the following:
 - a. Production cost savings where production costs include generator startup, hourly generator no-load, generator energy and generator Operating Reserve costs. Production cost savings can be realized through reductions in both transmission congestion and transmission energy losses. Production cost savings can also be realized through reductions in Operating Reserve requirements within Reserve Zones and, in some cases, reductions in overall Operating Reserve requirements for the Transmission Provider.
 - b. Capacity losses savings where capacity losses represent the amount of capacity required to serve transmission losses during the system

- peak hour including associated planning reserve.
- c. Capacity savings due to reductions in the overall Planning Reserve Margins resulting from transmission expansion.
 - d. Long-term cost savings realized by Transmission Customers by accelerating a long-term project start date in lieu of implementing a short-term project in the interim and/or long-term cost savings realized by Transmission Customers by deferring or eliminating the need to perform one or more projects in the future.
 - e. Any other financially quantifiable benefit to Transmission Customers resulting from an enhancement to the Transmission System and related to the provisions of Transmission Service.
6. Any project to facilitate like-for-like capital replacements of plant originally installed as part of a Multi Value Project where replacement is due to aging, failure, damage or relocation requirements where such replacement is not the result of negligence by the constructing Transmission Owner will be treated as a Multi Value Project. The minimum project cost limitation for Multi Value Projects described in Section II.C.3.d of Attachment FF will not apply to the like for- like capital replacement projects described in this Section.
7. The following Total MVP Benefit-to-Cost Ratio will be applied to any Multi Value Project justified solely on the basis of Sections II.C.2.b or II.C.2.c of this Attachment FF to ensure such project qualifies as a Multi Value Project:
- $$\text{Total MVP Benefit-to-Cost Ratio} = \text{financial benefits} / \text{Project Costs.}$$
- For the purpose of this calculation, Financial Benefits will be set equal to the

present value of all financially quantifiable benefits provided by the project projected for the first 20 years of the project's life and Project Costs will be set equal to the present value of the annual revenue requirements projected for the first 20 years of the project's life.

8. The aforementioned Multi Value Project inclusion criteria shall be used for the exclusive purpose of determining whether projects are eligible for regional cost sharing in accordance with Section III.A.2.g below. These criteria shall not affect the existing criteria set forth in Appendix B of the ISO Agreement for determining whether projects are eligible for inclusion in the MTEP. Moreover, the costs of projects included in the MTEP, but not eligible for regional cost sharing, shall continue to be eligible for inclusion in the calculation of Transmission Owner revenue requirements under Attachment O of this Tariff.

D. Market Participant Funded Projects: Market Participant funded projects (MPFPs) are defined as Network Upgrades fully funded by one or more market participants but owned and operated by an incumbent Transmission Owner. These projects apply to those Network Upgrades that are neither currently included in the MTEP Appendix A nor targeted for approval within the current planning cycle.

The development of the MPFPs will follow specified process steps that are detailed in the Transmission Provider's Transmission Planning Business Practices Manual ("TPBPM"). These process steps shall include, at a minimum, the following:

1. Consistent with the MTEP process the submittal deadline for a proposed MPFP project shall be September 15 of the current planning cycle and the proposed MPFP shall be submitted to the Transmission Provider planning contact,

indicated on the MPFP submittal form posted on the Planning page of the Transmission Provider web site.

2. An MPFP proposed by a Market Participant shall follow the same analysis and approval timeline as an MTEP Target Appendix A project for the current planning cycle.

3. In the event that multiple Market Participants submit project proposals that are electrically similar, Transmission Provider shall make a determination in collaboration with the affected Transmission Owner(s) as to whether the projects are effectively the same project. Such consideration shall include whether the proposals have the same terminal stations, substantially address the same market congestion issues or otherwise serve similar system purposes, and can each be physically accommodated together with the other similar proposals. If the projects are determined to be effectively the same project, the priority for the project shall be determined by the time-stamp date of receipt of the MPFP Proposal Form, unless otherwise agreed to by the impacted Market Participants.

E. Identification of Potential Impacts of a Market Efficiency Project or Multi Value Project on Neighboring Transmission Planning Region(s)

As part of the evaluation of any proposed Market Efficiency Project or Multi Value Project, the Transmission Provider will determine whether the proposed Market Efficiency Project or Multi Value Project causes any violations of NERC reliability standards on the transmission system(s) of the adjacent neighboring transmission planning region(s). If the Transmission

Provider's evaluation identifies any such violations of NERC reliability standards, the Transmission Provider will contact and coordinate with the other potentially affected adjacent neighboring transmission planning region(s) on any further evaluation.

III. Designation of Cost Responsibility for MTEP Projects: Based on the planning analysis performed by the Transmission Provider, which shall take into consideration all appropriate input from Market Participants or external entities, including, but not limited to, any indications of a willingness to bear cost responsibility for an enhancement or expansion, the recommended MTEP shall, for any enhancement or expansion that is included in the plan, designate: (i) the Market Participant(s) in one or more pricing zones that will bear cost responsibility for such enhancement or expansion, as and to the extent provided by any applicable provision of the Tariff, including Attachments N, X, or any applicable cost allocation method ordered by the Commission; or, (ii) in the event and to the extent that no provision of the Tariff so assigns cost responsibility, the Market Participant(s) or Transmission Customer(s) in one or more pricing zones from which the cost of such enhancements or expansions shall be recovered through charges established pursuant to Attachment GG of this Tariff, or as otherwise provided for under this Attachment FF.

Any designation under clause (ii) of the preceding sentence shall be determined as provided for in Section III.A of this Attachment FF. For all such designations, the Transmission Provider shall calculate the cost allocation impacts to each pricing zone. The results will be reviewed for unintended consequences by the Transmission Provider and the Tariff Working Group and any such identified consequences shall be reported to the Planning Advisory Committee, and the OMS.

A. Allocation of Costs Within the Transmission Provider Region

1. Default Cost Allocation: Except as otherwise provided for in this Attachment FF, or by any other applicable provision of this Tariff and consistent with the ISO Agreement, the responsibility for Network Upgrades included in the approved MTEP will be addressed in accordance with the provisions of the ISO Agreement.
2. Cost Allocation: The Transmission Provider will designate and assign cost responsibility on a regional, and sub-regional basis for Network Upgrades identified in the MTEP subject to the grand-fathered project provisions of Section III.A.2.b.
 - a. Market Participant's Option to Fund: Notwithstanding the Transmission Provider's assignment of cost responsibility for a project included in the MTEP, one or more Market Participants may elect to assume cost responsibility for any or all costs of a Network Upgrade that is included in the MTEP. Provided however, in the event the Market Participant is also a Transmission Owner such election of the option to fund must be made on a consistent, non-discriminatory basis.
 - b. Grandfathered Projects: The cost allocation provisions of this Attachment FF shall not be applicable to transmission projects identified in Attachment FF-1, which is based on the list of projects designated as Planned Projects in the MTEP approved by the Transmission Provider Board on June 16, 2005 (MTEP 05) and some additions of proposed projects that the Transmission Provider has determined to be in the advanced stages of planning.
 - c. Baseline Reliability Projects: Costs of Baseline Reliability Projects shall

be recovered pursuant to Attachment O of this Tariff by the Transmission Owner(s) and/or ITC(s) developing such projects, such that the Transmission Owner(s) and/or ITC(s) developing a Baseline Reliability Project shall be responsible for all of the costs of the portion of the Baseline Reliability Project that is physically located in the Transmission Owner's and/or ITC's pricing zone, subject to the requirements of the ISO Agreement.

- d. Generation Interconnection Projects: Costs of Generation Interconnection Projects that are not determined by the Transmission Provider to be Baseline Reliability Projects, Market Efficiency Projects, or Multi-Value Projects and the Network Upgrade costs associated with advancing a Baseline Reliability Project, Market Efficiency Project, or Multi-Value Project associated with a generator interconnection will be paid for by the Interconnection Customer(s) in accordance with Attachment X.

For Generation Interconnection Projects interconnecting to the American Transmission Company LLC transmission system, such costs will be subject to the provision of Attachment FF - ATCLLC.

- 1) For Network Upgrades to facilities in voltage classes at or above 345 kV, the Interconnection Customer shall be repaid 10 percent of the costs of the Generation Interconnection Project funded by the Interconnection Customer once Commercial Operation is achieved. The Transmission Owner(s) constructing the Generation

Interconnection Project will repay 10% of the Generation Interconnection Project costs associated with Network Upgrade facilities in a voltage class of 345 kV or greater to the Interconnection Customer under repayment terms consistent with the schedules and other terms of Attachment X.

The 10% of the Project Cost associated with Network Upgrade facilities of voltage class 345 kV or above and repaid to the Interconnection Customer shall be allocated on a system-wide basis and recovered pursuant to Attachment GG of this Tariff.

- 2) An Interconnection Customer may be required to contribute to the cost of Shared Network Upgrades, as defined in Attachment X to the Tariff, that are funded by another Interconnection Customer as a Generation Interconnection Project pursuant to Attachment X. Each Interconnection Customer with one or more Shared Network Upgrade(s) identified in Appendix A of its Generator Interconnection Agreement shall make a one-time payment under Schedule 26-B to the Transmission Provider in accordance with the terms in the Generator Interconnection Agreement. The one-time payment will reflect the cost of the Shared Network Upgrade assigned to the Interconnection Customer as determined by the Transmission Provider.

All revenue collected by the Transmission Provider through Schedule 26-B shall be distributed to the appropriate

Interconnection Customer(s).

- 3) The Interconnection Customer shall be entitled, pursuant to Section 46 of this Tariff, to any Financial Transmission Rights or other rights to the extent provided for under this Tariff, for any Network Upgrade costs funded by or charged to the Interconnection Customer and not subject to repayment under the provisions of this Section III.A.2.d. In the event that a Generation Interconnection Project defers or displaces a Baseline Reliability Project, the costs of the Generation Interconnection Project up to the costs of the deferred or displaced Baseline Reliability Project shall be allocated consistent with the cost allocation for the Baseline Reliability Project.
- 4) International Transmission/Michigan Electric Transmission Company:
 - (a) For those Generation Interconnection Projects for which International Transmission Company or Michigan Electric Transmission Company, LLC, (“International” or “METC”) as Transmission Owners will be a signatory to the interconnection agreement under the terms of Attachment X of this Tariff or any successor provision of the Tariff executed by the parties after the effective date of this Attachment FF Section III.A.2.d.4, this Attachment FF Section III.A.2.d.4 shall apply.

(b) Generation Interconnection Projects: The cost of Network Upgrades for Generation Interconnection Projects that are not determined by the Transmission Provider to be Baseline Reliability Projects shall be reimbursed by the Transmission Owner as provided in this Section III.A.2.d.4. All costs of Network Upgrades for Generation Interconnection Projects will initially be paid by the Interconnection Customer in accordance with the terms of the Interconnection Agreement entered into pursuant to Attachment X of this Tariff. To the extent the Interconnection Customer demonstrates at the time of Commercial Operation of the Generating Facility one of the following:

- i. Generating Facility has been designated as a Network Resource in accordance with the Tariff, or
- ii. Contractual commitment has been entered into with a Network Customer for capacity, or in the case of an Intermittent Resource, for energy, from the Generating Facility for a period of one (1) year or longer.

The Interconnection Customer will receive up to one hundred percent (100%) reimbursement of reimbursable

costs within ninety (90) days of the Commercial Operation Date, such reimbursement prorated by the percentage of the Generating Facility capacity or annual available energy output contracted for and as demonstrated to the satisfaction of the Transmission Provider.

If the Interconnection Customer is unable to demonstrate to the satisfaction of the Transmission Provider at the time of Commercial Operation of the Generating Facility that the Generating Facility has met the repayment obligations set forth in Attachment FF Sections III.A.2.d.4.b.i. or III.A.2.d.4.b.ii. the Interconnection Customer shall be directly assigned 100% of the costs of the Generation Interconnection Project. The Transmission Owner may effect this direct assignment of costs by either foregoing any repayment of costs funded by the Interconnection Customer, or by electing to repay 100% of the costs under repayment terms consistent with the schedules and other terms of Attachment X.

The Interconnection Customer shall be entitled, pursuant to Section 46 of this Tariff, to any Financial Transmission Rights or other rights to the extent provided for under this Tariff, for any Network Upgrade costs funded by or charged to the Interconnection Customer and not subject to

repayment under the provisions of this Attachment FF Section III.A.2.d.4. In the event that a Generation Interconnection Project defers or displaces a Baseline Reliability Project, the costs of the Generation Interconnection Project up to the costs of the deferred or displaced Baseline Reliability Project shall be allocated consistent with the cost allocation for the Baseline Reliability Project.

(c) For all amounts to be reimbursed by a Transmission Owner to an Interconnection Customer in accordance with this Attachment FF Section III.A.2.d.4, the Transmission Owner will reimburse the sums received from the Interconnection Customer in cash together with any applicable interest, in accordance with the terms of the Interconnection Agreement.

(d) Allocation of Generation Interconnection Reimbursement. For all amounts reimbursed by a Transmission Owner to an Interconnection Customer under this Attachment FF Section III.A.2.d.4, the reimbursement will be allocated as follows:

- i. Projects of Voltage Below 345 kV: 50% of the applicable Project Cost for Generation Interconnection Projects with a voltage class

below 345 kV shall be allocated on a sub-regional basis to all Transmission Customers in designated pricing zones. The designated pricing zones and the sub-regional allocation of the Project Cost shall be determined on a case-by-case basis in accordance with a Line Outage Distribution Factor Table (“LODF Table”) developed by the Transmission Provider which is similar in form to that attached hereto as Attachment FF-2. The LODF Table is based on Transmission System topology and Line-Outage Distribution Factors associated with the project under consideration and is used to determine the pricing zones to be included in the sub-regional allocation of the Project Cost. The percentage of the sub-regional allocation assigned to each designated pricing zone shall be determined based on the relative share between pricing zones of the sum of the absolute value of the product of the Line-Outage Distribution Factor on

each Branch Facility in a pricing zone and the length in miles of the Branch Facility. The remaining fifty percent (50%) of the reimbursement will not be subject to any regional or sub-regional cost allocation, but will be recovered by that Transmission Owner under its Attachment O transmission rate formula under this Tariff.

- ii. Projects of Voltage 345 kV and Higher: 10% of the applicable Project Cost for Generation Interconnection Projects with a voltage class of 345 kV or higher shall be allocated on a system-wide basis to all Transmission Customers and recovered through a system-wide rate. 40% of the applicable Project Cost for Generation Interconnection Projects with a voltage class of 345 kV or higher shall be allocated on a sub-regional basis to all Transmission Customers in designated pricing zones. The designated pricing zones and the sub-regional allocation of the Project Cost shall be determined on a case-by-case basis

in accordance with a Line Outage
Distribution Factor Table (“LODF Table”)
developed by the Transmission Provider
similar in form to that attached hereto as
Attachment FF-2.

The LODF Table is based on Transmission
System topology and Line-Outage
Distribution Factors associated with the
project under consideration and is used to
determine the pricing zones to be included
in the sub-regional allocation of the Project
Cost. The percentage of the sub-regional
allocation assigned to each designated
pricing zone shall be determined based on
the relative share between pricing zones of
the sum of the absolute value of the product
of the Line-Outage Distribution Factor on
each Branch Facility in a pricing zone and
the length in miles of the Branch Facility.
The remaining fifty percent (50%) of the
reimbursement will not be subject to any
regional or sub-regional cost allocation, but
will be recovered by that Transmission

Owner under its Attachment O transmission rate formula under this Tariff.

- e. Transmission Delivery Service Projects: Costs of Transmission Delivery Service Projects shall be assigned and recovered in accordance with Attachment N of this Tariff.
- f. Market Efficiency Projects: Costs of Market Efficiency Projects shall be allocated as follows:
 - i) Twenty percent (20%) of the Project Cost of the Market Efficiency Project shall be allocated on a system-wide basis to all Transmission Customers and recovered through a system-wide rate.
 - ii) Eighty percent (80%) of the costs of the Market Efficiency Projects shall be allocated to all Transmission Customers in each of the Local Resource Zones, as defined in Attachment WW. The cost allocated to each Local Resource Zone shall be based on the relative benefit determined for each Local Resource Zone that has a positive present value of annual benefits over the evaluation period using the methodology for project benefit determination of Section II.B.1.
 - iii) Excessive Funding or Requirements: The Transmission Provider shall seek to identify and manage the development of, as a part of the planning process for Market Efficiency

Projects, portfolios of projects that tend to provide benefits throughout each Local Resource Zone, as defined in Attachment WW, over the planning horizon. The Transmission Provider shall analyze on an annual basis whether the project portfolios developed in accordance with this goal and the criteria in Section III. A.2.f unintentionally result in unjust or unreasonable annual capital funding requirements for any Transmission Owner or rate increases for Transmission Customers in designated pricing zones; or otherwise result in undue discrimination between the Transmission Customers, Transmission Owners, or any Market Participants; any such identified consequences shall be reported to the Planning Advisory Committee and to the Organization of MISO States. After discussing such assessments with the aforementioned stakeholder bodies, and taking into consideration the cumulative experience in applying this Attachment FF, the Transmission Provider will make a determination as to whether Tariff modifications are required, and if so file such modifications.

g. Multi Value Projects: Costs of Multi Value Projects will be allocated as follows:

- i) One-hundred percent (100%) of the annual revenue requirements of the Multi Value Projects shall be allocated

on a system-wide basis to Transmission Customers that withdraw energy, including External Transactions sinking outside the Transmission Provider's region, and recovered through an MVP Usage Charge pursuant to Attachment MM.

- h. Market Participant Funded Projects (MPFPs): Costs of MPFPs will be allocated as follows: One-hundred percent (100%) of the cost of a Market Participant Funded Project (MPFP) shall be assigned to the Market Participant that proposed the project, subject to the provisions of this Attachment FF Section II.D.3, unless other cost sharing arrangement is agreed to between the Market Participant and the incumbent Transmission Owner.
- i. Treatment of Projects that meet both Baseline Reliability Project Criteria and/or New Transmission Access Project Criteria, and the Market Efficiency Project Criteria: If the Transmission Provider determines that a project designated as a Market Efficiency Project also meets the criteria to be designated as a Baseline Reliability Project and/or a New Transmission Access Project, the cost of such project shall be allocated in accordance with the Market Efficiency Project allocation procedures.
- j. Other Projects: Unless otherwise agreed upon pursuant to Section III.A.2.a. of this Attachment FF, the costs of Network Upgrades that are included in the MTEP, but do not qualify as Baseline

Reliability Projects, New Transmission Access Projects, Market Efficiency Projects, or Multi-Value Projects shall be eligible for recovery pursuant to Attachment O of this Tariff by the Transmission Owner(s) and/or ITC(s) paying the costs of such project, subject to the requirements of the ISO Agreement.

- k. **Withdrawal from MISO:** A Transmission Owner that withdraws from the MISO as a Transmission Owner shall remain responsible for all financial obligations incurred pursuant to this Attachment FF while a Member of the MISO and payments applicable to time periods prior to the effective date of such withdrawal shall be honored by the MISO and the withdrawing Member.
- l. **New Transmission Owners:** A new Transmission Owner joining the MISO will be responsible for the following financial obligations:
 - a. New Transmission Owners will not be responsible for any portion of Baseline Reliability Projects, Generation Interconnection Projects, Transmission Delivery Service Projects, or Market Efficiency Projects that were approved prior to their entry date.
 - b. For Multi-Value Projects approved prior to the new Transmission Owner's entry date, the load interconnected to the Transmission Owner's Transmission System will be responsible for one-hundred percent (100%) of the MVP

usage charge described in Attachment MM for the years following the Transmission Owner's entry date applied to the Monthly Net Actual Energy Withdrawals for Load interconnected to the Transmission Owner's Transmission System.

- i. Only a Transmission Owner shall be authorized to construct and/or own transmission facilities associated with a Baseline Reliability Project, Market Efficiency Project, and/or Multi Value Project. For projects jointly developed between Transmission Owners and other parties the portion constructed and owned by a Transmission Owner may qualify as a Baseline Reliability Project, Market Efficiency Project, and/or Multi Value Project.

IV. Merchant Transmission Project Data Requirements: A proposed merchant transmission developer assumes all financial risk and funding requirements for developing its transmission project(s) and constructing the proposed transmission facility(ies). In order for a proposed merchant transmission developer's facility to be interconnected to the Transmission System, it is first necessary for the impacted Transmission Owner and the Transmission Provider to analyze the reliability and operational impact of the proposed new merchant transmission facility(ies) on the Transmission System to determine if the new merchant transmission facilities can be reliably supported by the Transmission System, and if not, what Network Upgrades

funded by the merchant transmission developer would be required to reliably support the proposed merchant transmission facility(ies). In order to perform the required reliability and operational analyses, the merchant transmission developer must provide the following data to the Transmission Provider:

- (1) Each transmission circuit and substation, including new facilities, associated with the merchant transmission proposal;
- (2) Nominal operating voltage level in kV and voltage characteristics (*i.e.*, AC or DC) for each transmission circuit associated with the merchant transmission proposal;
- (3) Typical and maximum MW power flow schedules, in each direction, for all proposed DC transmission circuits associated with the merchant transmission proposal;
- (4) Normal and emergency summer and winter load ratings for each transmission circuit associated with the merchant transmission proposal;
- (5) Maximum allowable positive sequence impedance for each AC transmission circuit associated with the merchant transmission proposal, when applicable;
- (6) List of all transmission buses associated with the merchant transmission proposal, including nominal operating voltage level in kV, voltage characteristics, and terminating transmission branches and shunts;
- (7) Proposed substation one-line diagrams for all new substations associated with the merchant transmission proposal, including circuit breaker and bus configuration details;
- (8) Load ratings, winding connections, impedances, tap data, and any other relevant information for load carrying equipment and facilities associated with the merchant transmission proposal, as applicable;
- (9) Modeling files to model proposed facilities and relevant new contingencies in

power flow, stability, short-circuit and other relevant study models; and

(10) Any other data determined pertinent to the study by the Transmission Provider and/or interconnecting Transmission Owners for the specific merchant transmission facility proposal.

V. Designation of Entities to Construct, Implement, Own, Operate, Maintain, Repair,

Restore, and/or Finance MTEP Projects: With the exception of Competitive Transmission Projects, for each project included in the recommended MTEP Appendix A and prior to approval by the Transmission Provider Board, the plan shall designate one or more Transmission Owners to construct, own, operate, maintain, repair, restore, and finance the recommended project, based on the planning analysis performed by the Transmission Provider and based on other input from participants, including, but not limited to, any indications of a willingness to bear cost responsibility for the project; and applicable provisions of the ISO Agreement. Regarding Competitive Transmission Projects, upon the determination of the Selected Developer(s) for such projects, as set forth in Section VIII of this Attachment FF, the Transmission Provider shall update the approved MTEP Appendix A by identifying the Selected Developer(s) for each Competitive Transmission Project. Should the facilities from such Competitive Transmission Projects not be approved by state regulatory authorities as Competitive Transmission Facilities, but instead as upgrades to existing transmission facilities, as defined in Section VIII.A.2 of this Attachment FF, the Transmission Provider shall update MTEP Appendix A by designating the appropriate Transmission Owner(s) to construct, own, operate, maintain, repair, restore, and finance such facilities in accordance with the ISO Agreement.

VI. Implementation of the MTEP:

A. If the Transmission Provider and any Transmission Owner's planning

representatives, or other designated entity(ies), cannot reach agreement on any element of the MTEP, the dispute may be resolved through the dispute resolution procedures provided in the Tariff, or in any applicable joint operating agreement, or by the Commission or state regulatory authorities, where appropriate. The MTEP shall have as one of its goals the satisfaction of all regulatory requirements as specified in Appendix B or Article IV, Section I, Paragraph C of the ISO Agreement.

B. The Transmission Provider shall present the MTEP, along with a summary of relevant alternative projects that were not selected, to the Transmission Provider Board for approval on a biennial basis, or more frequently if needed. The proposed MTEP shall include specific projects already approved as a result of the Transmission Provider entering into Service Agreements with Transmission Customers where such agreements provide for identification of needed transmission construction, timetable, cost, and Transmission Owner or other parties' construction responsibilities.

C. Approval of the MTEP by the Transmission Provider Board certifies it as the Transmission Provider plan for meeting the transmission needs of all stakeholders subject to any required approvals by federal or state regulatory authorities. The Transmission Provider shall provide a copy of the MTEP to all applicable federal and state regulatory authorities. The affected Transmission Owner(s), Selected Developer(s), or other designated entity(ies), shall make a good faith effort to design, certify, and build the designated facilities to fulfill the approved MTEP. However, in the event that an MTEP Appendix A project approved by the Transmission Provider Board is being challenged through the dispute resolution procedures under this Tariff or in court proceedings, the obligation of the Transmission Owners, or other designated entity(ies), to build that specific project (subject to required approvals) is waived until

the approved project emerges from the dispute resolution procedures. In the event that selection of the Selected Developer(s) to construct a project is being challenged through the Dispute Resolution Process under Attachment HH of the Tariff, the obligation of the Selected Developer(s) to construct the project pursuant to the Selected Developer Agreement is not waived. The Transmission Provider Board shall allow the Transmission Owners, or other designated entity(ies), to optimize the final design of specific facilities and their in-service dates if necessary to accommodate changing conditions, provided that such changes comport with the approved MTEP and provided that any such changes are accepted by the Transmission Provider through the reevaluation process described in Section VI of this Attachment FF, as necessary. Any disagreements concerning such matters shall be subject to the dispute resolution procedures of this Tariff.

D. The Transmission Provider shall assist the affected Owner(s), Selected Developer(s), or other designated entity(ies), in justifying the need for, and obtaining certification of, any facilities required by the approved MTEP by preparing and presenting testimony in any proceedings before state or federal courts, regulatory authorities, or other agencies as may be required. The Transmission Provider shall publish annually, and distribute to all Members and all appropriate state regulatory authorities, a five-to-ten-year planning report of forecasted transmission requirements. Annual reports and planning reports shall be available to the general public upon request.

VII. Multi-Value Project Costs and Benefits Review and Reporting

A. Frequency and Reporting of Multi-Value Project Review: Every three (3) years, as provided below and in the Business Practices Manual for Transmission Planning, the Transmission Provider shall conduct a review of the cumulative costs and

benefits associated with MVPs, and shall disseminate the results of such reviews to its stakeholders. The Transmission Provider shall use the review process and results to identify potential modifications to the MVP methodology and its implementation for projects to be approved at a future date.

1. **Triennial Full MVP Review:** Beginning with the MTEP for 2014 (“MTEP 14”), and every third year thereafter, the Transmission Provider shall conduct a full MVP review, as provided in Section VII.B of this Attachment FF.
2. **Annual Limited MVP Review:** Beginning with the MTEP for 2015 (“MTEP 15”), and each year thereafter when there is no full MVP review, the Transmission Provider shall conduct a limited MVP review, as provided in Section VII.C of this Attachment FF.
3. **Calculation of Costs and Benefits:** The Triennial Full MVP Reviews and the Annual Limited MVP Reviews shall calculate costs and benefits on a forward-looking basis over both twenty (20)-year and forty (40)-year periods. The costs calculation shall use updated project costs and in-service dates provided in the latest MTEP quarterly status report, and the benefits calculation shall use updated future scenarios from the latest MTEP planning cycle. The results of the costs and benefits calculation shall be provided for each Local Resource Zone as defined in RAR. If the Local Resource Zones as defined in accordance with RAR are modified, the Transmission Provider, working with stakeholders, may define different Local Resource Zones for purposes of reporting the results of the review. The definition of different Local Resource Zones in connection with reporting the results of the review will be detailed in the Business Practices

Manual for Transmission Planning.

4. Dissemination of the Results of the Full and Limited MVP Reviews: Within a reasonable time after completion of each MVP review, the Transmission Provider shall disseminate the results of and supporting analysis for the MVP review through: (a) publication in the MTEP; (b) posting on the appropriate section of the Transmission Provider's public website; and (c) presentation to the appropriate stakeholder committees.

B. Scope of Full Multi-Value Project Review: Each full MVP review shall at a minimum include the following:

1. Quantitative Benefits: Analysis of the quantifiable economic benefits resulting from the addition of MVPs, including, but not limited to:
 - a. Congestion and Fuel Savings: Savings from increased access to lower cost Resources;
 - b. Decreased Operating Reserves: Savings associated with lower Operating Reserve requirements;
 - c. Decreased System Planning Reserve Margin: Savings associated with deferred generation investment due to a reduction in the system-wide Planning Reserve Margin; and
 - d. Decreased Transmission Line Losses: Savings associated with deferred generation investment due to a reduction in the Capacity required to serve transmission losses during peak hours, to the extent that MVPs reduce such losses.
2. Public Policy and Other Qualitative Benefits: Analysis of the public policy and

other qualitative benefits accruing from MVPs, such as newly interconnected wind units; and an increase in the percentage of the Transmission Provider's Energy needs being supplied by wind and/or other renewable resources, and wind curtailments.

3. Historical Data: Provision, beginning with the MTEP for 2017 ("MTEP 17"), and based on the historical data available to the Transmission Provider for the five (5) prior years, of information on certain additional market trend metrics including, but not limited to:

- a. Congestion costs;
- b. Energy prices;
- c. Fuel costs;
- d. Planning Reserve Margin requirements;
- e. Number of newly interconnected Resources, by Resource type; and
- f. The share of the Transmission Provider's Energy supplied, by Resource type.

C. Scope of Limited Multi-Value Project Review: Each limited MVP review shall at a minimum include the items described in Sections VII.B.1.a and VII.B.3 of this Attachment FF, as well as project costs and in-service dates, based on the latest available data for the current year, in preparation for the next full MVP review.

VIII. COMPETITIVE TRANSMISSION PROCESS

This section of Attachment FF of the Tariff describes the processes and requirements associated with identifying Competitive Transmission Facilities contained within a Market

Efficiency Project or Multi-Value Project approved by the Transmission Provider Board in MTEP Appendix A; certifying entities as Qualified Transmission Developers, whether they are existing Transmission Owners or non-incumbent transmission developers; solicitation of Proposals from Qualified Transmission Developers to construct, implement, own, operate, maintain, repair, and restore the Competitive Transmission Facilities; evaluation of Proposals; and designation of a Selected Proposal and Selected Developer(s) pursuant to Section VIII of Attachment FF of the Tariff.

VIII.A. APPLICABILITY

VIII.A.1. State or Local Rights of First Refusal:

The Transmission Provider shall comply with any Applicable Laws and Regulations granting a right of first refusal to a Transmission Owner. The Transmission Owner will be assigned any transmission project within the scope, and in accordance with the terms, of any Applicable Laws and Regulations granting such a right of first refusal. These Applicable Laws and Regulations include, but are not limited to, those granting a right of first refusal to the incumbent Transmission Owner(s) or governing the use of existing developed and undeveloped right of way held by an incumbent utility.

VIII.A.2. Upgrades to Existing Transmission Facilities:

A Transmission Owner shall have the right to develop, own and operate any upgrade to a transmission facility owned by the Transmission Owner, in accordance with this Tariff and the ISO Agreement.

VIII.A.2.1. Upgrades to Existing Transmission Lines. Upgrades to existing transmission line facilities include any expansion, replacement or modification, for any purpose, made to existing transmission line facilities that are

classified as transmission plant and owned by one or more Transmission Owners,
for reasons including, but not limited to:

- (a) increasing the load capability of the transmission line or an associated circuit;
- (b) increasing the nominal operating voltage of the transmission line or an associated circuit;
- (c) installing additional plant on an existing overhead or underground transmission line facility, such as, but not limited to:
 - i. plant associated with an additional circuit installed on spare structure positions;
 - ii. additional structures to increase a sag limit or for other purposes;
 - iii. a sectionalizing switch installed on an existing transmission line circuit regardless of whether or not it is installed on an existing structure; and
 - iv. any other plant additions to existing transmission line facilities.
- (d) any requirement or request to relocate transmission line facilities owned by an incumbent Transmission Owner where the purpose of the relocation is not part of the core scope of an Competitive Transmission Project, including, but not limited to, relocations driven by aesthetics, highway expansion projects, other infrastructure expansion projects, projects to improve the reliability or performance of the Transmission

System, projects to reduce the cost to operate and maintain the Transmission System, projects to interconnect new generation and load, and projects to accommodate the relocation of an existing substation;

(e) any requirement or request to relocate existing transmission line facilities owned by an incumbent Transmission Owner to accommodate Competitive Transmission Line Facilities associated with an Competitive Transmission Project, where such construction of the Competitive Transmission Line Facilities requires or requests use of the incumbent Transmission Owner's right-of-way and, as a result, also requires or requests transfer of the existing transmission facilities to alternative right-of-way or an alternative position on the same right-of-way based on either mutual consent of the incumbent Transmission Owner and Selected Developer(s) and/or the outcome of a state regulatory proceeding or court action;

(f) functionally equivalent capital replacement of any portion of an existing transmission line facility due to aging, deterioration, damage, poor performance, aesthetics, high operating and maintenance costs, or other similar reasons;

(g) replacing one or more existing components of any existing transmission line facility, such as, but not limited to:

- i. replacing existing conductors with higher capacity conductors or better performing conductors;
- ii. replacing existing structures;

- iii. replacing insulators rated at a specific voltage with insulators rated at a higher voltage;
- iv. replacing aging or defective components associated with the existing transmission line;
- (h) improving the performance or characteristics of the existing transmission line for any reason;
- (i) converting an existing overhead transmission line to an underground transmission line on the same right-of-way and/or converting an existing underground transmission line to an overhead transmission on the same right-of-way;
- (j) improving land and land rights booked under the Commission's Uniform System of Accounts, Account Nos. 105, 350, and/or 380; or
- (k) any other modifications to existing transmission facilities.

VIII.A.2.1.1. Installation of additional transmission circuits on existing transmission lines:

If a Competitive Transmission Project includes developing a new transmission circuit and either the project scope or subsequent state or local regulatory proceedings determine that all or a portion of the circuit must be installed on an existing transmission line that is part of the Transmission System (i.e., co-located with existing transmission circuits on the same structures), the following rules will be used to determine what constitutes an upgrade:

- (a) If the structures associated with the existing transmission line are

multi circuit structures and have spare positions to accommodate installation of one or more additional transmission circuit(s), installation of the new transmission circuit(s) on these spare structure positions will be considered an upgrade.

- (b) If the structures associated with the existing transmission line can be expanded to accommodate installation of one or more additional transmission circuit(s), expansion of the structure and installation of the new transmission circuit(s) will be considered an upgrade.
- (c) If the structures associated with the existing transmission line are not multi circuit structures and cannot be expanded to accept additional circuits, do not have sufficient spare structure positions available to accommodate the new transmission circuit(s), or have spare structure positions that are reserved for future use by the incumbent Transmission Owner and not available for the new transmission circuit(s) in question, it will be necessary to rebuild the existing transmission line to accommodate one or more additional transmission circuits. Under this scenario, acquisition of additional right-of-way (if necessary), removal of the existing transmission line plant, construction of new transmission line structures, and transfer or replacement of the existing transmission line conductors, insulators, and shield wires will be considered an upgrade. Installation of new conductors and insulators associated with the new transmission circuit(s) will not be considered an

upgrade. Therefore, the incumbent Transmission Owner will have the right of first refusal to engineer, construct, own, operate, restore, maintain, and collect revenue on all transmission plant associated with rebuilding the existing transmission line that is booked to Account Nos. 350, 352, 353, 354, 355, 357, 359, and 359.1 of the Commission's Uniform System of Accounts in accordance with such Uniform System of Accounts. Furthermore, the incumbent Transmission Owner will have the right of first refusal to engineer, construct, own, operate, restore, maintain, and collect revenue on all plant associated with existing transmission circuits that is booked to Account Nos. 356 and 358 of the Commission's Uniform System of Accounts in accordance with such Uniform System of Accounts. In addition, the incumbent Transmission Owner will have the right of first refusal to engineer, construct, own, operate, maintain, and collect revenue on all shield wires associated with the existing transmission line that is booked to Account No. 356 of the Commission's Uniform System of Accounts in accordance with such Uniform System of Accounts, except for any shield wire that consists of fiber optic cable and is intended to facilitate communications to support protection of the new transmission circuit(s) where the associated protective relay schemes at all terminals associated with the new transmission circuit(s) will be owned by the Selected Developer(s) in

accordance with the provisions of Attachment FF that govern whether or not substation improvements are considered an upgrade. The Selected Developer(s) will have the right to engineer, design, own, operate, restore, maintain, and collect revenue on all plant associated with the new transmission circuit(s) that is booked to Account Nos. 356 and 358 of the Commission's Uniform System of Accounts in accordance with such Uniform System of Accounts and any shield wire that consists of fiber optic cable and is intended to facilitate communications to support protection of the new transmission circuit(s) where the associated protective relay schemes at all terminals associated with the new transmission circuit(s) will be owned by the Selected Developer(s) in accordance with the provisions of Attachment FF that govern whether or not substation improvements are considered an upgrade. In such cases where an incumbent Transmission Owner and a Selected Developer(s) both own plant associated with a rebuilt existing transmission line, each party will have the right to allocate their respective costs (i.e., revenue requirements for its portion of the investment) in accordance with the cost allocation provisions of this Tariff for Multi Value Projects or Market Efficiency Projects as appropriate. Furthermore, such parties shall, in good faith, develop, negotiate, and execute a joint-use agreement for these facilities that governs responsibilities

(including who incurs associated costs) for permitting, engineering, construction, operations, maintenance, restoration, and facility access and file such executed agreement with the Commission, and submit a copy to the Transmission Provider. However, there is no obligation on the incumbent Transmission Owner to provide project implementation and/or operations and maintenance services to the Selected Developer(s) for the Selected Developer's portion of the facility, nor is there any obligation on the Selected Developer(s) to provide project implementation and/or operation and maintenance services to the incumbent Transmission Owners for the incumbent Transmission Owner's portion of the facility, other than the mutual coordination of activities.

VIII.A.2.2. Upgrades to Existing Substations:

Upgrades to existing substations include any expansions, replacements or modifications made, in part or in whole, to any existing substation or portion thereof that is owned by one or more Transmission Owners, and where some or all of the plant within the existing substation is classified as transmission plant. These upgrades include, but are not limited to:

- (a) replacing facilities and/or equipment within an existing substation footprint;
- (b) installing additional plant within an existing substation footprint;

- (c) modifying facilities and/or equipment within an existing substation footprint;
- (d) expanding an existing substation footprint within the existing substation site boundaries and installing additional plant within the expanded area;
- (e) acquiring additional land adjacent to the existing substation in conjunction with installation of additional plant within the boundaries of this additional land, including facilities to interconnect such plant to the existing substation plant; and
- (f) developing an additional footprint near the existing substation to facilitate effective expansion of the existing substation as further described below in Section VIII.A.2.2.1.

VIII.A.2.2.1. Expansion of an existing substation by developing an additional footprint near the existing substation:

Construction of a new substation footprint near an existing substation to facilitate expansion of the existing substation is considered an upgrade and is necessary when the transmission project calls for expansion of the existing substation and there is not sufficient space for such expansion. Upgrades through development of a second substation footprint can be accomplished in one of two ways. First, a second substation footprint can be developed near the existing substation footprint, and the two substation footprints will function electrically as a single substation and will be interconnected by bus extensions or connectors. An example would be expanding an existing substation that is landlocked by public roadways by

developing a second substation footprint on the other side of one of the roads and then installing an overhead single span connector which would function as a substation bus to interconnect the two substation footprints. Second, an existing substation could be retired for many reasons such as but not limited to: lack of room for future expansions, physical conditions such as soil subsidence, earthquake reinforcement requirements, to prevent flood damage, regulatory/public necessity/economic reasons, and other similar factors. A new substation could be developed nearby on a different site and all transmission circuits into the existing substation could be rerouted to the new site, which is essentially the relocation of an existing substation. These scenarios represent upgrades to an existing substation when the intent of the transmission project produced by the transmission planning process is to expand the existing substation rather than develop a new substation or to relocate an existing substation for reasons not related to implementation of a regionally cost shared transmission project.

VIII.B. COMPETITIVE DEVELOPER QUALIFICATION PROCESS

This section of Attachment FF of the Tariff describes the processes and requirements associated with certifying entities as Qualified Transmission Developers, whether they are existing Members or non-incumbent transmission developers.

VIII.B.1. Qualified Transmission Developers:

Only Qualified Transmission Developers may submit Proposals in response to a

Request for Proposals posted by the Transmission Provider for a Competitive Transmission Project. The Transmission Provider will maintain a list of Qualified Transmission Developers on its website that will be updated within thirty (30) Calendar Days of the conclusion of the annual prequalification process described in Section VIII.B.2 of this Attachment FF.

VIII.B.2. Annual Prequalification Process:

In January of each year, the Transmission Provider will open a pre-qualification window for entities that are not currently listed as Qualified Transmission Developers, including existing Members, Non-incumbent Developers, and Non-owner Members, by posting on its website a Transmission Developer Application template and invitation to submit a Transmission Developer Application. To become a Qualified Transmission Developer, each Transmission Developer Applicant must submit a Transmission Developer Application using the template posted with the invitation and further described in the applicable Business Practices Manuals, by the deadline specified in the invitation, but no less than thirty (30) Calendar Days from the date the invitation was posted. The Transmission Developer Applicant shall submit its completed Transmission Developer Application by the day specified as the deadline in accordance with the requirements in the applicable Business Practices Manual. The Transmission Developer Applicant shall also submit a non-refundable transmission developer application fee, as further described in the applicable Business Practices Manuals, in the amount of \$20,000.00 by 5:00 PM EPT on the day specified as the Transmission Developer Application deadline to cover the cost of processing, reviewing, and certifying the Transmission Developer Applicant as a Qualified Transmission Developer should it satisfy all qualification requirements

required by Sections VIII.B.4(a) - (g) and VIII.B.4.1 - VIII.B.4.4 of this Attachment FF of the Tariff.

VIII.B.2.1. Completed Transmission Developer Applications:

To the extent the Transmission Provider finds the Transmission Developer Application deficient of information or data required by in the Transmission Developer Application , the Transmission Provider will notify the Transmission Developer Applicant by e-mail, within thirty (30) Calendar Days of the Transmission Provider's receipt of the respective Transmission Developer Application, of the deficiencies. The Transmission Developer Applicant shall have thirty (30) Calendar Days from the Transmission Provider's deficiency notification to submit the additional data required to the Transmission Provider. No additional Transmission Developer Application cure period will be allowed for the purposes of gaining Qualified Transmission Developer status.

VIII.B.2.2. Transmission Developer Application Review:

The Transmission Provider will review each submitted Transmission Developer Application that has been cured of any identified deficiencies and will notify each Transmission Developer Applicant of the Transmission Provider's decision within one-hundred eighty (180) Calendar Days of the Transmission Provider's receipt of the respective Transmission Developer Application.

The Transmission Provider will certify those Transmission Developer Applicants that meet the qualification requirements specified in Section VIII.B.1 and VIII.B.4 of Attachment FF of the Tariff and the applicable Business Practices Manuals. If the Transmission Provider does not certify a Transmission Developer Applicant, it will provide the applicant with a written explanation detailing its determination within thirty (30) Calendar Days after notification.

The Transmission Provider will update the list of Qualified Transmission Developers, posted on the Transmission Provider's website, within thirty (30) Calendar Days of providing notification to the Transmission Developer Applicants found to be Qualified Transmission Developers.

The Executive Oversight Committee shall have the exclusive and final authority to approve or reject Transmission Developer Applications and certify Transmission Developer Applicants as Qualified Transmission Developers.

VIII.B.3. Annual Recertification Process:

In January of each year, at the time the Transmission Provider posts on its website an invitation for entities that are not currently listed as Qualified Transmission Developers to submit Transmission Developer Applications, the Transmission Provider will also send a renewal notification to each existing Qualified Transmission Developer requiring it to provide the Transmission Provider confirmation that the Qualified

Transmission Developer continues to meet the requirements for a Qualified Transmission Developer. In response to the Transmission Provider's renewal notification, Qualified Transmission Developers shall provide the Transmission Provider, within sixty (60) Calendar Days of the date the Transmission Provider sent the renewal notification, the following such data:

- (a) Update data currently on file with the Transmission Provider regarding the qualification requirements that were used previously to establish or confirm the entity as a Qualified Transmission Developer if such data has materially changed;
- (b) Explain how any changes to data currently on file with the Transmission Provider do not invalidate the Qualified Transmission Developer's status; and
- (c) Submit such updates, including a signed confirmation that the Qualified Transmission Developer still meets all the Qualified Transmission Developer requirements specified in Section VIII.B.4 of Attachment FF of the Tariff, of the date the Transmission Provider requests such data.

VIII.B.3.1. Renewal Submission Cure Period:

The Transmission Provider may, if necessary, request clarifications or further explanations from the Qualified Transmission Developer, within sixty (60) Calendar Days of the date that the Transmission Provider received a Qualified Transmission Developer's renewal submission, to ensure that the Qualified Transmission Developer continues to meet the Qualified Transmission Developer

requirements specified in Section VIII.B.4 of Attachment FF of the Tariff.

VIII.B.3.2. Review of Renewal Submissions.

The Transmission Provider will notify each Qualified Transmission Developer as to whether or not such entity continues to meet the Qualified Transmission Developer requirements specified in Section VIII.B.4 of Attachment FF of the Tariff, within one-hundred eighty (180) Calendar Days of the date the Transmission Provider sent the renewal notification. In the event an existing Qualified Transmission Developer no longer meets the requirements to be certified as a Qualified Transmission Developer, such entity may seek re-qualification during any subsequent annual qualification process as described in Section VIII.B.2. of Attachment FF of the Tariff. If the Transmission Provider does not recertify an existing Qualified Transmission Developer, it will provide that entity with a written explanation detailing its determination within thirty (30) Calendar Days of the notification. The Transmission Provider will also update the list of Qualified Transmission Developers. The Executive Oversight Committee shall have the exclusive and final authority to recertify or terminate a Qualified Transmission Developer's Qualified Transmission Developer status.

VIII.B.4. Requirements for Qualified Transmission Developer Status:

The general requirements applicable to Qualified Transmission Developers

include the following:

- (a) The Transmission Developer Applicant shall be a Transmission Owner or Non-owner Member in good standing at the time the Transmission Developer Application is acted on by the Transmission Provider and shall maintain such status.
- (b) The Transmission Developer Applicant shall either: (i) submit a written commitment, signed by an authorized representative of the Transmission Developer Applicant, to execute the ISO Agreement should it be designated as a Selected Developer and to list any Competitive Transmission Facilities for which it is designated a Selected Developer, pursuant to the Selected Proposal, in Appendix H of the ISO Agreement (i.e. the list of transmission facilities transferred to MISO's functional control for the purposes of planning and operation); or (ii) state that it is already a signatory to the ISO Agreement and submit a written commitment, signed by an authorized representative of the Transmission Developer Applicant, that it will list any Competitive Transmission Facilities for which it is designated as a Selected Developer for, pursuant to the Selected Proposal, in Appendix H of the ISO Agreement. The execution of the ISO Agreement must take place after the Competitive Transmission Facilities have been constructed but prior to their energization and the addition of the Competitive Transmission Facilities to Appendix H of the ISO Agreement must take place after the Competitive Transmission Facilities have been energized;

- (c) The Transmission Developer Applicant shall submit a written commitment, signed by an authorized representative of the Transmission Developer Applicant, to comply with all Applicable Laws and Regulations, codes, and standards governing the engineering, design, construction, operation, and maintenance of transmission facilities including, but not limited to, federal laws; applicable state and local laws; applicable state and local building codes; federal regulatory requirements; applicable state and local regulatory requirements; applicable state and local licensing authorities; the National Electric Safety Code; the National Electric Code; Applicable Reliability Standards; and Good Utility Practice should the Transmission Developer Applicant be designated as a Selected Developer for one or more Competitive Transmission Facilities;
- (d) The Transmission Developer Applicant shall either: (i) submit a written commitment, signed by an authorized representative of the Transmission Developer Applicant, to register with NERC in accordance with NERC's registration guidelines as the transmission owner (TO), transmission operator (TOP), and transmission planner (TP), as those terms are defined by NERC, for all Competitive Transmission Facilities that the Transmission Developer Applicant, if designated as the Selected Developer, will own; or (ii) demonstrate that the Transmission Developer Applicant is already registered with NERC, in accordance with NERC's registration guidelines, as the transmission owner (TO), transmission operator (TOP), and transmission planner (TP), as those terms are defined

by NERC;

- (e) The Transmission Developer Applicant shall submit a written commitment, signed by an authorized representative of the Transmission Developer Applicant, that if designated as the Selected Developer, the Transmission Developer Applicant shall either: (i) contract with the interconnecting Local Balancing Authority(s) to include the Competitive Transmission Facilities within the boundaries of the interconnecting LBA and demonstrate to the satisfaction of the Transmission Provider and per agreement by the interconnecting LBA that applicable LBA-related tasks associated with the proposed Competitive Transmission Facilities that may be delegated to an LBA by the Balancing Authority Agreement will be carried out either by the LBA or the Transmission Developer Applicant if designated as a Selected Developer; or ii) execute the Balancing Authority Agreement, register with NERC as a Balancing Authority (BA), and be designated as the Local Balancing Authority for any proposed Competitive Transmission Facilities, unless the Transmission Developer Applicant is already registered with NERC as a BA and designated as an LBA for one or more of the existing transmission facilities that may interconnect directly with any Competitive Transmission Facilities associated with the Competitive Transmission Project(s) that the Transmission Developer may be awarded;
- (f) The Transmission Developer Applicant shall make a written commitment, signed by an authorized representative of the Transmission Developer

Applicant, that, if designated as a Selected Developer, it shall comply with the FERC Form 715 Part 4 TRPC, Transmission Planning Criteria and Guidelines on file with FERC and established by each incumbent Transmission Owner whose existing transmission facilities will interconnect directly with the Competitive Transmission Facilities; and

- (g) The Transmission Developer Applicant must make a written commitment, signed by an authorized representative of the Transmission Developer Applicant, that, if it is designated as a Selected Developer, it shall comply with current requirements and standards regarding the interconnection of transmission facilities published by each Transmission Owner or non-Member to which Competitive Transmission Facilities will interconnect including, but not limited to, those standards and requirements required for compliance with the applicable NERC Facilities Design, Connections, and Maintenance (“FAC”) Reliability Standards.

VIII.B.4.1. Project Implementation Requirements:

Transmission Developer Applicants shall submit documentation to demonstrate to the Transmission Provider that the Transmission Developer Applicant has or can obtain sufficient capabilities and competencies to satisfy the following project implementation requirements for Competitive Transmission Projects:

- (a) Project management;
- (b) Routing and siting studies including public outreach;

- (c) Preliminary and detailed engineering and surveying;
- (d) Material and equipment procurement;
- (e) Construction; and
- (f) Commissioning.

There are two general methods that a Transmission Developer Applicant may use to demonstrate it will have sufficient capabilities and competencies to perform project implementation tasks if chosen as the Selected Developer for a Competitive Transmission Project. First, the Transmission Developer Applicant may provide evidence that it currently develops transmission projects by listing data, pursuant to templates developed by the Transmission Provider, regarding the transmission facilities it owns and the infrastructure and resources it has in place to perform the project implementation activities to develop such transmission facilities, where infrastructure and resources may include, but not necessarily be limited to, employees, contractors, tools, equipment, buildings, vehicles, policies, processes, and procedures. Second, a Transmission Developer Applicant can provide a detailed business implementation plan describing how it would acquire the capabilities and competencies to perform the specific project implementation tasks listed above, including plans for: (i) retaining personnel or contractors; (ii) utilizing infrastructure and resources owned and operated by an affiliate company; (iii) qualifying personnel and contractors utilized; (iv) acquiring required tools, equipment, and vehicles; (v) development of project management, engineering, material, and construction standards and practices to be followed for specific

types of facilities; (vi) route and site studies (including public outreach); and (vii) procuring adequate capital to develop transmission projects.

In the event that a Transmission Developer intends to demonstrate its project implementation qualifications by obtaining the requisite capabilities and competencies by contracting with third parties, the Transmission Developer Applicant shall submit either as part of its business implementation plan or in separate documentation an explanation of the capabilities and competencies that the Transmission Developer Applicant possesses at the time of application and those capabilities and competencies for which the Transmission Developer Applicant intends to contract in order to demonstrate its ability to satisfy the foregoing project implementation requirements for Competitive Transmission Projects. For each capability or competency that the Transmission Developer Applicant does not possess but intends to procure through contracting with third parties, the Transmission Developer Applicant shall provide a detailed contracting plan that contains a detailed description of the steps the Transmission Developer Applicant intends to take to procure needed capabilities or competencies if it is chosen as the Selected Developer for an Competitive Transmission Project.

The Transmission Developer Applicant shall not be required to have executed contracts with third parties to obtain all required capabilities or competencies at the time of application in order to prequalify as a Transmission Developer. However, the Transmission Developer Applicant bears the burden of identifying the capabilities or competencies it possesses and those for which it must contract with third parties and that the Transmission Developer Applicant

has a realistic contracting plan for obtaining those capabilities.

The Transmission Developer Applicant shall include a written certification signed by an authorized representative of the Transmission Developer Applicant stating that the information in the submission is true and accurate.

VIII.B.4.2 Operations, maintenance, repair, and replacement requirements:

Transmission Developer Applicants shall submit documentation that demonstrates to the Transmission Provider that the Transmission Developer Applicant possesses or can obtain sufficient capabilities and competencies to adequately perform the following operations, maintenance, testing, inspection, repair, and replacement tasks for any Competitive Transmission Facilities associated with an Competitive Transmission Project once such facilities are in service and part of the Transmission System:

- (a) Forced outage response for transmission line circuits;
- (b) Forced outage response for substations;
- (c) Switching for transmission line circuits;
- (d) Switching for substations;
- (e) Transmission line emergency repair;
- (f) Substation emergency repair and testing;
- (g) Transmission line preventative and/or predictive maintenance, including vegetation management;
- (h) Substation preventative and/or predictive maintenance including equipment testing;

- (i) Maintenance and management of spare parts, spare structures, and/or spare equipment inventories for substations and/or transmission lines, as applicable, including description of any agreements to share spare equipment, spare parts, and/or spare structures with other transmission entities;
 - (j) Real-time operations monitoring and control capabilities; and
 - (k) Major facility replacements or rebuilds required as a result of catastrophic destruction or natural aging through normal wear and tear, including financial strategy to facilitate timely replacements and/or rebuilds.
- (l) Once a Transmission Developer, the Transmission Provider may require additional demonstration of qualifications to operate, maintain, restore, test, inspect, and replace specific Competitive Transmission Facilities associated with specific Competitive Transmission Projects for a specific Request for Proposals.

There are two general methods that a Transmission Developer Applicant may use to demonstrate it will have sufficient capabilities and competencies to perform operations and maintenance services if chosen as the Selected Developer for an Competitive Transmission Project. First, Transmission Developer Applicant may provide evidence that it currently owns and/or operates and maintains electric transmission facilities by listing data, pursuant to templates developed by the Transmission Provider, regarding the transmission facilities it owns and/or operates and maintains and the infrastructure and resources it has in

place to perform the operations and maintenance activities for such transmission facilities, where infrastructure and resources may include, but not necessarily be limited to, employees, contractors, tools, equipment, buildings, spare materials and equipment, vehicles, policies, processes, and procedures. Second, a Transmission Developer Applicant can provide a detailed business implementation plan describing how it would acquire the capabilities and competencies to perform the specific operations and maintenance tasks listed above, including plans for: (i) retaining personnel or contractors; (ii) utilizing infrastructure and resources owned and operated by an affiliate company; (iii) qualifying personnel and contractors utilized; (iv) acquiring required tools, equipment, and vehicles; (v) development of maintenance standards and practices to be followed for specific types of facilities; (vi) developing standards governing where personnel, equipment, and spare parts/equipment will be maintained with respect to potential future facilities (e.g., maximum distance between facility and local office, etc.); (vii) emergency response times; and (viii) maintaining adequate capital procurement capabilities to rebuild facilities following major catastrophic outages (including property insurance and risk mitigation strategies).

In the event that a Transmission Developer Applicant intends to demonstrate its operations and maintenance, repair and replacement qualifications by obtaining the requisite capabilities and competencies by contracting with third parties, the Transmission Developer Applicant shall submit, either as part of its business implementation plan or in separate documentation, an explanation of the capabilities and competencies that the Transmission Developer Applicant

possesses at the time of application and those capabilities and competencies for which the Transmission Developer Applicant intends to contract in order to demonstrate its ability to implement the foregoing project operation, maintenance, repair, and replacement requirements for Competitive Transmission Projects. For each capability or competency that the Transmission Developer Applicant does not possess but intends to procure through contracting with third parties, the Transmission Developer Applicant shall provide a detailed contracting plan that contains a detailed description of the steps the Transmission Developer Applicant intends to take to procure needed capabilities or competencies if it is chosen as the Selected Developer for an Competitive Transmission Project.

The Transmission Developer Applicant shall not be required to have executed contracts with third parties to obtain all required capabilities or competencies at the time of application in order to prequalify as a Qualified Transmission Developer. However, the Transmission Developer Applicant bears the burden of identifying the capabilities or competencies it possesses and those for which it must contract with third parties and that the Transmission Developer Applicant has a realistic contracting plan for obtaining those capabilities.

The Transmission Developer Applicant shall include a written certification signed by an authorized representative of the Transmission Developer Applicant stating that the information in the submission is true and accurate.

VIII.B.4.3. Legal Requirements:

Transmission Developer Applicants shall submit the following

information and demonstrate to the Transmission Provider that the information submitted represents an acceptable level of risk to rely on the Transmission Developer Applicant, if designated a Selected Developer, to successfully implement a Competitive Transmission Project and own and operate the associated transmission facilities once in service. The information submitted must include written certification signed by an authorized representative of the Transmission Developer Applicant stating that the submitted information is accurate:

- (a) A summary of legal and/or regulatory violations during the past five (5) years or, if the Transmission Developer Applicant has been in business for less than five years, the number of years for which the Transmission Developer Applicant has been in business, by the Transmission Developer Applicant found by federal or state courts, federal regulatory agencies, state public utility commissions, other regulatory agencies, or attorneys general. This includes, but is not limited to, the Federal Energy Regulatory Commission, North American Electric Reliability Corporation Reliability Standards, Securities Exchange Commission (“SEC”) regulations, U.S. Commodity Futures Trading Commission (“CFTC”) regulations, and other applicable requirements.
- (b) A summary of any and all instances in which the Transmission Developer Applicant is currently under investigation or is a defendant in a proceeding involving an attorney general or any

state or federal regulatory agency, for violation of any laws, including regulatory requirements, during the past five years or, if the Transmission Developer Applicant has been in business for less than five years, the number of years for which the Transmission Developer Applicant has been in business. The Transmission Developer Applicant shall include an affidavit signed by an authorized officer of the Transmission Developer Applicant's company stating that the information in the submission is true and accurate and that the Transmission Developer Applicant will comply with all applicable requirements in this Tariff, the Business Practices Manuals, or other applicable Transmission Provider documents or agreements.

- (c) Each Transmission Developer Applicant has an ongoing duty to provide an update to the Transmission Provider as soon as reasonably practical should there be any material changes to its (or relevant parent's) information submitted in compliance with Section VIII.B.4.3 of Attachment FF of the Tariff after its Transmission Developer Application is submitted.

VIII.B.4.4 Financial Requirements:

Transmission Developer Applicants shall submit the following information and demonstrate to the Transmission Provider that the information submitted represents an acceptable level of risk to rely on the Transmission

Developer Applicant to successfully implement a Competitive Transmission Project and own and operate the associated transmission facilities once in service. The information submitted must include written certification signed by an authorized representative of the Transmission Developer Applicant stating that the submitted information is accurate:

- (a) A proposed financial plan demonstrating adequate capital resources (e.g., current assets, revolving lines, commercial paper, letter of credit, stock or bond issuance or other sources of liquidity) are available to the Transmission Developer Applicant to allow for Competitive Transmission Projects to be implemented on schedule and associated Competitive Transmission Facilities to be operated and maintained appropriately after the facilities are in service.
- (b) The credit rating(s) for the Transmission Developer Applicant from Moody's Investor Services, Inc., Standard and Poor's Rating Group and/or other Nationally Recognized Statistical Rating Organization ("NRSRO") as recognized by the Securities and Exchange Commission ("SEC"). Such credit rating information may pertain to a parent company in lieu of the Transmission Developer Applicant if the parent company is making a written guarantee, which must be included with the application. A written guarantee must be in a form acceptable to the Transmission Provider. In the event the Transmission Developer Applicant is rated by more than one NRSRO, then the lowest rating will be the benchmark for consideration of demonstrating and maintaining an investment grade credit

rating. For example, an investment grade rating is considered to be a rating of Baa3 or above from Moody's Investor Services, Inc. or BBB- or above from Standard and Poor's Rating Group (equivalent ratings will be used for other rating agencies). The focus of the review will be on the entity's unsecured, senior long-term debt ratings (not supported by third-party enhancements). If unsecured, senior long-term debt ratings are not available, the Transmission Provider may consider Issuer Ratings.

In the event the Transmission Developer Applicant does not have an investment grade rating, the Transmission Provider will consider the other information the Transmission Developer Applicant has submitted to evaluate its financial capability to construct the transmission facility in a timely manner, and to maintain and operate it reliably for the long term.

- (c) General financial information, including two years of audited financial statements with notes to the financials and a signed commitment by an authorized representative of the Transmission Developer Applicant that it is not aware of any material events or circumstances that would likely result in a material adverse weakness in financial strength throughout project implementation of future Competitive Transmission Projects that it might be awarded after it is certified as a Transmission Developer. This information may pertain to a parent company in lieu of the Transmission Developer Applicant if the parent company is making a written guarantee, which must be included with the Transmission Developer Application. A written guarantee must be in a form acceptable to the Transmission

Provider.

- (d) A summary of any history of bankruptcy, dissolution, merger, or acquisition of the Transmission Developer Applicant, or any predecessors in interest for the current calendar year and the five (5) calendar years immediately preceding its submission of the application. This information must also be submitted for any parent company that is making a written guarantee to satisfy the requirements in Section VIII.B.4.4.b and VIII.B.4.4.c above in Attachment FF of the Tariff. A written guarantee must be in a form acceptable to the Transmission Provider.
- (e) Each Transmission Developer Applicant has an ongoing duty to provide an update to the Transmission Provider as soon as reasonably practical should there be any material changes to its (or relevant parent's) financial information submitted in compliance with Section VIII.B.4.4 of Attachment FF of the Tariff after its Transmission Developer Application is submitted.

VIII.B.5. Voluntary Termination of Qualified Transmission Developer Status:

A Qualified Transmission Developer that desires to voluntarily terminate its' status as a Qualified Transmission Developer, may do so at any time by notifying the Transmission Provider. Upon such notification, the Transmission Provider will update the Qualified Transmission Developer list within thirty (30) Calendar Days of the notification. A terminated Qualified Transmission Developer may become a Qualified Transmission Developer again by following the process outlined in Section VIII.B.2 of

Attachment FF of the Tariff for Transmission Developer Applicants seeking Qualified Transmission Developer status in subsequent annual qualification processes.

VIII.B.6. Confidential Treatment of Prequalification Information:

All information submitted with Transmission Developer Applications and the annual recertification submittals will be considered Confidential Information, except for the name of the organization to be posted on the Qualified Transmission Developer list, and will not be publicly posted or shared with any individual except for employees of the Transmission Provider and/or contractors of the Transmission Provider that have executed appropriate non-disclosure agreement(s).

VIII.B.7. Alternative Dispute Resolution:

Any Transmission Developer Applicant who is not approved as a Qualified Transmission Developer by the Transmission Provider may request alternative dispute resolution under Attachment HH of the Tariff within thirty (30) Calendar Days of receiving the Transmission Provider's written explanation detailing its determination to deny the Transmission Developer Application. Any entity that is not recertified as a Qualified Transmission Developer by MISO, or a Qualified Transmission Developer whose Qualified Transmission Developer status is terminated, may request alternative dispute resolution under Attachment HH of the Tariff within thirty (30) Calendar Days of receiving the MISO's written explanation detailing its determination to not recertify or to terminate the entity's Qualified Transmission Developer status.

VIII.C. REQUEST FOR PROPOSALS

Upon the Transmission Provider Board's approval of transmission projects for inclusion in Appendix A of the MTEP, the Transmission Provider will identify whether they include any Competitive Transmission Facilities. Should projects approved in Appendix A of the MTEP contain Competitive Transmission Facilities, as identified by the Transmission Provider, the Transmission Provider will develop a separate Request for Proposals, pursuant to Section VIII.C of Attachment FF of the Tariff and the Applicable Business Practices Manuals, for each Competitive Transmission Project. If and to the extent a RFP contains any Critical Energy Infrastructure Information (CEII), the Transmission Provider will also create a redacted RFP. Redacted versions of each RFP will be posted on the Transmission Provider's website within thirty (30) Calendar Days of the date the Transmission Provider Board approved the Competitive Transmission Facilities for inclusion in Appendix A of the MTEP. RFPs that contain Critical CEII will be available to entities and individuals that have executed the appropriate CEII and non-disclosure agreements required by the Transmission Provider. Information on how to request the non-redacted RFP will be provided in the Redacted RFP posted on the Transmission Provider's website. Pursuant to Section VIII.A.1 of Attachment FF of the Tariff, only Competitive Transmission Facilities eligible under state law will be included in the Competitive Transmission Project where (i) all other Competitive Transmission Facilities and (ii) upgrades as described in Section VIII.A.2 of Attachment FF of the Tariff will be assigned to the applicable incumbent Transmission Owner in accordance with the ISO Agreement.

VIII.C.1. Minimum Contents of a RFP:

Each RFP will specify, at a minimum, the following: (i) each Competitive

Transmission Facility associated with the respective Competitive Transmission Project that should be included in a Proposal; (ii) the date by which Proposals must be submitted to the Transmission Provider; (iii) a list of the current transmission facility interconnection standards and requirements , established by the Transmission Owner(s) and any transmission owner(s) that are not a Member who have chosen to provide interconnection standards and requirements to the Transmission Provider, to which the Competitive Transmission Facilities will interconnect; and (iv) the minimum contents specified in Section VIII.C.1 of Attachment FF of the Tariff and the applicable Business Practices Manuals.

VIII.C.1.1 Competitive Transmission Line Facilities Requirements:

Each RFP for a Competitive Transmission Project that includes one or more Competitive Transmission Line Facilities will specify, at a minimum, the following items for each Competitive Transmission Line Facility:

- (a) Expected in-service date;
- (b) Implementation schedule indicating the required steps to develop and construct the Competitive Transmission Project, including, but not limited to, all required regulatory approvals;
- (c) Nominal operating voltage level in kV and voltage characteristics (*i.e.*, three-phase AC, bipolar DC, etc.) for each transmission circuit;
- (d) Terminating substations and buses for each transmission circuit;
- (e) Minimum required normal and emergency load ratings for both

- summer and winter seasons for each transmission circuit; and
- (f) Maximum allowable positive sequence impedance for each transmission circuit when determined applicable by planning studies performed by the Transmission Provider.

VIII.C.1.2 Competitive Substation Facilities Requirement:

Each RFP for a Competitive Transmission Project that includes one or more Competitive Substation Facilities will specify, at a minimum, the following information for each Competitive Substation Facility:

- (a) Expected in-service date;
- (b) Implementation schedule indicating the required steps to develop and construct the Competitive Transmission Project, including, but not limited to, all required regulatory approvals;
- (c) List of all transmission buses within the Competitive Substation Facility, including nominal operating voltage level in kV and voltage characteristics;
- (d) List of all major equipment and facilities within the Competitive Substation Facility and associated terminating buses including power transformers, voltage regulators, phase angle regulators, series reactors, series capacitors, shunt reactors, shunt capacitors, static VAR compensators, DC converters, transmission line circuit terminals, generator terminals, and loads;
- (e) Limitations on and/or requirements for bus configurations when

determined applicable by planning studies performed by the Transmission Provider including required load ratings of circuit breakers, disconnects, bus sections and other load carrying equipment under alternative bus configurations;

- (f) Required load ratings for all load carrying equipment and facilities identified in item (f) above;
- (g) Winding connection and tap requirements for power transformers, voltage regulators, phase angle regulators and load tap changers when determined necessary by planning studies performed by the Transmission Provider;
- (h) Impedance requirements for power transformers, phase angle regulators, series reactors and series capacitors when determined necessary by planning studies performed by the Transmission Provider; and
- (i) Limitations on and/or requirements for protection systems when determined applicable by a planning driver or Applicable Reliability Standard or in order to ensure a compatible interconnection with existing protection systems associated with existing transmission facilities to which the Competitive Transmission Facilities will interconnect.

VIII.C.2. Other RFP Requirements:

The Transmission Provider reserves the right to specify , if deemed

necessary and/or appropriate, additional information in a RFP including, but not limited to, any additional information for specific Competitive Transmission Line Facilities and/or Competitive Substation Facilities.

VIII.D. PROPOSALS

Qualified Transmission Developers interested in competing for a Competitive Transmission Project, must submit a Proposal to the Transmission Provider. Proposals may be submitted only in response to a RFP issued by the Transmission Provider and only by entities that are listed as Qualified Transmission Developers at the time the Proposal is submitted.

VIII.D.1. Proposal Submission Deadline:

Proposals shall be submitted to the Transmission Provider no later than 5:00 PM EPT on the Proposal Submission Deadline. The Proposal Submission Deadline will be the date specified in the RFP which shall not exceed one hundred and eighty (180) Calendar Days from the date the RFP was issued by the Transmission Provider, unless such date falls on a Saturday, Sunday, or holiday in which case the Proposal Submission Deadline shall be the next Business Day that is not a holiday.

VIII.D.2. Proposal Deposit:

An initial deposit of \$100,000.00 shall be submitted to the Transmission Provider, as further described in the RFP, in conjunction with the submission of each Proposal prior to the Proposal Submission Deadline. Only one (1) proposal deposit is required for each Proposal, regardless of the number of RFP Respondents and Proposal Participants involved with the Proposal.

Each deposit submitted to the Transmission Provider will be held in an interest-bearing account.

VIII.D.3. RFP Administration and Proposal Evaluation Expenses:

RFP Respondents shall, on a *pro rata* basis, be responsible for paying the actual costs incurred by the Transmission Provider, including the costs of the expert consultant(s) engaged to assist the Transmission Provider, in administering the Competitive Developer Selection Process for the specific RFP that the RFP Respondent(s) responded to through its Proposal submission. The Transmission Provider will track all costs, including the Transmission Provider's time and the costs of the expert consultant(s), in administering the Competitive Developer Selection Process for each specific RFP.

The Transmission Provider shall evaluate all Proposals submitted in response to a specific RFP together and apply each of their respective proposal deposits equally to the cost of administering the Competitive Developer Selection Process for that specific RFP, except for Proposals that were found to be deficient by the Transmission Provider and were refunded 90% of the proposal deposit under Section VIII.D.10 of Attachment FF of the Tariff. Any shortfall will be billed by the Transmission Provider on a *pro rata* basis to each Proposal submitted in response to the RFP. Each respective RFP Respondent(s) is responsible for paying the *pro rata* share allocated to its Proposal(s) within thirty (30) Calendar Days of receiving notice of such shortfall. If a RFP Respondent fails to pay the expenses allocated to any of the Proposals it submitted within sixty (60) Calendar Days of the monthly invoice remittance date, those Proposals shall be disqualified from

further consideration and evaluation by the Transmission Provider. Furthermore, the RFP Respondent may lose its Qualified Transmission Developer designation at the sole discretion of the Transmission Provider as they are no longer in good standing with the Transmission Provider pursuant to Section VIII.B.4.a of Attachment FF of the Tariff.

Any funds remaining after the Transmission Provider has completed the Competitive Developer Selection Process, including the issuance of refunds to Proposals that were withdrawn pursuant to Section VIII.D.8 of Attachment FF of the Tariff or deemed deficient pursuant to Section VIII.D.10 of Attachment FF of the Tariff, will be refunded by the Transmission Provider on a *pro rata* basis to each Proposal within seventy-five (75) Calendar Days following the designation of the Selected Proposal, including any interest actually earned on such deposits.

VIII.D.4. Proposal Submission Format:

Three (3) copies of each Proposal shall be submitted to the Transmission Provider prior to the Proposal Submission Deadline; two (2) copies of the Proposal shall be submitted in hard copy form and must be delivered to the address specified in the RFP no later than 5:00 PM EPT on the Proposal Submission Deadline and one (1) copy of the Proposal shall be submitted in electronic form as further specified in the RFP no later than 5:00 PM EPT on the Proposal Submission Deadline. Proposals may be submitted in one of two different forms: (i) a Single-Developer Proposal; or (ii) a Joint-Developer Proposal. The Transmission Provider will provide template(s) for Proposal submissions and RFP Respondents shall utilize the format of the proposal template(s) in submitting their Proposals. Any questions or inquiries regarding the Competitive Transmission

Project, RFP, or development, submission, and evaluation of Proposals prior to Proposal Submission Deadline shall be solely directed to the Transmission Provider through the contacts listed in the RFP and not to the interconnecting incumbent Member(s).

VIII.D.4.1. Single-Developer Proposal:

A Single-Developer Proposal is a Proposal submitted by a single RFP Respondent that would become the sole Selected Developer for the Competitive Transmission Project, should its Single-Developer Proposal be designated as the Selected Proposal by the Transmission Provider.

VIII.D.4.2. Joint-Developer Proposal:

A Joint-Developer Proposal is a Proposal submitted jointly by two or more RFP Respondents that would each be designated as Selected Developers for the Competitive Transmission Project, should the Joint-Developer Proposal be designated as the Selected Proposal by the Transmission Provider. The Joint-Developer Proposal shall only be submitted once to the Transmission Provider by one of the RFP Respondents. Each RFP Respondent of a Joint-Developer Proposal shall either (i) acknowledge and agree to be jointly and severally liable for all aspects of the submitted Joint-Developer Proposal; or (ii) clearly specify the aspects of the Competitive Transmission Project that each RFP Respondent will be solely liable, such that all aspects of the submitted Joint-Developer Proposal are accounted for. If at least one of the RFP Respondents does not commit to being jointly and severally liable for all aspects of the submitted Joint-Developer Proposal, the existence of any grounds that

would trigger Variance Analysis, including default and termination of the Selected Developer Agreement, with respect to any one RFP Respondent shall trigger Variance Analysis of the entire Joint-Developer Proposal, pursuant to Attachment FF Section IX of the Tariff.

VIII.D.4.3. Proposal Participants:

RFP Respondents may convey an interest of the Competitive Transmission Project to one or more Proposal Participant(s) at any time, provided however that (i) the RFP Respondent(s) identified and disclosed in its Proposal the Proposal Participants to which an interest will be conveyed; (ii) RFP Participant(s) convey such an interest on substantially the same terms as disclosed in the Proposal; (iii) the Aggregate ATRR for the Competitive Transmission Project shall not exceed the Aggregate ATRR contained in the Proposal; (iv) each RFP Respondent and each Proposal Participant to which an interest will be conveyed has each executed the Joint Functional-Control Agreement and provided a written agreement committing to any applicable cost containment measures contained in the Proposal; (v) each RFP Respondent and each identified Proposal Participant has each executed the ISO Agreement, to the extent that the entity is not already a Member, but no later than the date the Competitive Transmission Facilities are energized; and (vi) each RFP Respondent and each identified Proposal Participant has listed the Competitive Transmission Facilities for which it owns or has been conveyed an ownership interest in Appendix H of the ISO Agreement (i.e. the list of transmission facilities transferred to MISO's

functional control for the purposes of planning and operation). If a Proposal identifies one or more Proposal Participants, the RFP Respondent(s) that convey such an interest shall acknowledge and agree to be responsible for all aspects of the Competitive Transmission Project, notwithstanding any default of any Proposal Participant's obligations, whether identified in the Proposal or under any contractual agreement(s) between the Proposal Participant and the respective RFP Respondent(s). Except as provided in Section VIII.D.5 of Attachment FF of the Tariff, the Transmission Provider shall only evaluate the capabilities and resources of the RFP Respondent(s) when evaluating a Proposal.

VIII.D.5. Proposal Content Requirements:

RFP Respondents shall submit all data and information required by the RFP, applicable Business Practices Manuals, and Tariff including, but not limited to, the items specified below in Section VIII.D.5 of Attachment FF of the Tariff. RFP Respondents may include additional data and information in the Proposal if they deem it necessary, which may be considered by the Transmission Provider in the evaluation and selection of Proposals. If and to the extent RFP Respondents are utilizing any resources, capabilities, or competencies from a parent or affiliate, those resources, capabilities, or competencies shall be clearly identified in the Proposal and the RFP Respondent shall submit an "Acknowledgement of Support" signed by an authorized agent of the parent or affiliate expected to provide such support and the RFP Respondent. An "Acknowledgement of Support" may also be provided, but is not required, from any other entity on which RFP Respondent(s) intends to rely for such support.

VIII.D.5.1. General Proposal Information:

VIII.D.5.1.1. Identification of RFP Respondents:

Each Proposal shall clearly identify each RFP Respondent involved in the Proposal and identify a primary and secondary point of contact for the Proposal that will represent the RFP Respondent(s) in any communications and actions with the Transmission Provider.

Each Joint-Developer Proposal shall clearly and specifically identify each RFP Respondent's respective roles and responsibilities (including the respective percentage of responsibility) to finance, construct, implement, own, operate, maintain, repair, and restore the Competitive Transmission Project in such a manner that one hundred percent (100%) of the responsibilities are identified and disclosed in the Proposal. Any agreements between or among the RFP Respondents governing the division of roles and responsibilities shall also be submitted with the Proposal

Furthermore, each RFP Respondent involved in a Joint-Developer Proposal shall include either: (i) an agreement to be jointly and severally liable for all aspects of the Joint-Developer Proposal; or (ii) clearly specify the aspects of the Competitive Transmission Project that each RFP Respondent will be solely liable, such that all aspects of the submitted Joint-Developer Proposal are accounted for. If at least one of the RFP Respondents does not commit to being jointly and severally liable for all aspects of the Joint-Developer Proposal, the existence of any grounds that would trigger Variance Analysis, including default

and termination of the Selected Developer Agreement, with respect to any one RFP Respondent shall trigger Variance Analysis of the entire Joint-Developer Proposal, pursuant to Attachment FF Section IX of the Tariff.

VIII.D.5.1.2. Identification of Proposal Participants:

Each Proposal shall clearly identify whether the RFP Respondent(s) plan to convey an interest of the Competitive Transmission Project to one or more Proposal Participant(s). If a RFP Respondent contemplates any conveyance of interest of the Competitive Transmission Project to one or more Proposal Participant(s), it shall clearly and specifically (i) identify each Proposal Participant in the Proposal; (ii) identify the type and amount of any conveyed interest in the Proposal; (iii) provide any agreements between or among the RFP Respondent and the Proposal Participants regarding the conveyed interest in the Competitive Transmission Project; (iv) provide a written commitment from the RFP Respondent and each Proposal Participant to execute the Joint Functional-Control Agreement; (v) disclose the expected timing of any such transfer of ownership or interest; (vi) provide a written agreement from the RFP Respondent and each Proposal Participant to execute the ISO Agreement, to the extent that the entity is not already a Member, but no later than the date the Competitive Transmission Facilities are energized, should the Transmission Provider designate the proposal as the Selected Proposal; and (vii) the RFP Respondent's written agreement to be responsible for all aspects of the Competitive Transmission Project notwithstanding, any default of any Proposal

Participant's obligations, whether identified in the Proposal or under any contractual agreement(s) between the Proposal Participant and the respective RFP Respondent(s).

VIII.D.5.2. Project Implementation Schedule:

Each Proposal shall contain a detailed project implementation schedule, driven by the required in-service date, for each Competitive Transmission Facility contained in the Competitive Transmission Project which shall include proposed schedules for route and site evaluation, regulatory permitting, land acquisition, engineering and design, land surveying, material procurement, construction, and commissioning/energization for all Competitive Transmission Facilities.

VIII.D.5.3. Project Cost Estimate:

Each Proposal shall contain a detailed project cost-estimate, based upon the reasonably descriptive facility design submitted in the Proposal, for each Competitive Transmission Facility in the Competitive Transmission Project. The cost-estimates developed by the Transmission Provider during the transmission planning process and utilized for project approval should be considered by RFP Respondents for informational purposes only and are not guaranteed to be accurate or complete in all respects. RFP Respondents shall create and rely on their own cost calculations when submitting Proposals.

VIII.D.5.4. Estimated Annual Transmission Revenue Requirements:

Each Proposal shall contain separate estimated annual transmission revenue requirements for each RFP Respondent and Proposal Participant involved with the Proposal beginning in the year costs would first be recovered under Attachment MM or Attachment GG (including any authorization to collect Construction Work In Progress (“CWIP”) in ratebase or pass-through pre-commercial expenses on a current basis), through the first forty (40) years that the Competitive Transmission Facilities included in the Competitive Transmission Project will be in service, in accordance with Attachment MM of the Tariff for Multi Value Projects and Attachment GG of the Tariff for Market Efficiency Projects, including the supporting detail on the annual allocation factors for operations and maintenance, general and common depreciation expense, taxes other than income taxes, income taxes, and return used to estimate the annual revenue requirements. If the Proposal involves more than one RFP Respondent or any Proposal Participants, the Proposal shall also include an estimated Aggregate ATRR beginning in the year costs would first be recovered under Attachment MM or Attachment GG (including any authorization to collect CWIP in ratebase or pass-through pre-commercial expenses on a current basis), through for the first forty (40) years the Competitive Transmission Facilities included in the Competitive Transmission Project will be in service representing the combined effect of each RFP Respondents’ and Proposal Participants’ individual annual transmission revenue requirements.

VIII.D.5.5. Binding Cost-Caps:

Each Proposal shall contain information and details regarding any binding cost-caps that may be offered as part of the Proposal. If any binding cost-caps are

submitted as part of the Proposal, each RFP Respondent and Proposal Participant submitting such binding cost-cap shall also provide a draft term sheet or agreement that clearly describes in detail the nature of the cost-cap being proposed, including all exclusions, exceptions, conditions, enforcement mechanisms, interaction with change orders, and such other information as is specified in the applicable Business Practices Manuals, as part of the Proposal submittal.

VIII.D.5.6. Binding Cost-Containment:

Each Proposal shall contain information and details regarding any binding cost-containment measures that may be offered as part of the Proposal. If any binding cost-containment measures are submitted as part of the Proposal, each RFP Respondent and Proposal Participant submitting such binding cost-containment measures shall also provide a draft term sheet or agreement that clearly describes in detail the nature of the cost-containment measures being proposed, including all exclusions, exceptions, conditions, enforcement mechanisms, interaction with change orders, and such other information as is specified in the applicable Business Practices Manuals, as part of the Proposal submittal.

VIII.D.5.7. Financial Information:

Each Proposal shall include a detailed financing plan for the Competitive Transmission Project. The financing plan must contain information pertaining to the following elements, as further explained in the applicable Business Practices Manuals:

- 1) A description of capital resources available to fund Competitive Transmission

Project implementation costs, which demonstrate that the RFP Respondent(s) can procure capital to fund at least one hundred percent (100%) of expected project implementation costs, including any contingencies projected by the RFP Respondent(s) to show an ability to cover risks associated with foreseeable cost overruns.

For each funding source the RFP Respondent(s) shall provide a description of how much capital is available, when the funds will be obtained, and what conditions must to be met to secure the funds. At a minimum, the RFP Respondent(s) shall identify each funding source by type with a brief description and state the costs for each funding sources. If the cost of funds information is not known at the time the RFP Response is submitted, the RFP Respondent(s) may submit a range or estimate and describe the limitations that prevent this information from being provided.

- 2) An exhibit or a high-level narrative description of the expected cash flows between the RFP Respondent(s) and the funding sources sufficient to explain the timing, form and volume of cash flows expected between each RFP Respondent and the identified funding sources.
- 3) An overview schedule of significant expenditures for project implementation sufficient to demonstrate that funds will be available when needed for significant expenditures.
- 4) A description of immediately available funds, that the RFP Respondent(s) shall have access to in order to address unforeseen contingencies that arise during project implementation.

- 5) Information describing the RFP Respondent's plan to obtain Project Financial Security within the timeframe required by the Selected Developer Agreement in sufficient detail to demonstrate that the RFP Respondent(s) reasonably expect(s) to be able to satisfy this requirement if selected as the Selected Developer.
- 6) In the event that an RFP Respondent intends to rely on personnel, material, technical, financial, and/or other resources from a parent or affiliate in its Proposal, the RFP Respondent shall provide an Acknowledgment of Support executed by such parent or affiliate, which lists the personnel, material, technical, financial, and/or other resources that the RFP Respondent(s) desire(s) the Transmission Provider to consider in evaluating the Proposal to demonstrate that such parent or affiliate is aware of the RFP Respondent's reliance on such parent or affiliate's resources and will make such resources available if the RFP Respondent's Proposal is selected.
- 7) The credit ratings, if applicable, of the RFP Respondent and any parent or affiliate providing an Acknowledgment of Support and general financial information including audited financial statements and notes for the RFP Respondent and any parent or Affiliate providing an Acknowledgment of Support, as well as *pro forma* financial statements for each calendar year until the RFP Respondent(s) expect(s) to place all project facilities into service.
- 8) The RFP Respondent's financial strategy to facilitate timely replacements and rebuilds for the life of the project to demonstrate that it reasonably can be relied upon to address catastrophic destruction and normal wear and tear.

VIII.D.5.8. Reasonably Descriptive Design:

Each Proposal shall contain a reasonably descriptive facility design for each Competitive Transmission Facility included in the Competitive Transmission Project. Reasonably descriptive facility designs represent descriptions of the core attributes and features of a design, not the detailed engineering and design calculations and documents.

VIII.D.5.8.1. Design for Competitive Transmission Line Facilities:

For each Competitive Transmission Line Facility, reasonably descriptive facility design proposals must include, at a minimum, the following:

- (a) The estimated length of the Competitive Transmission Line Facility in miles and the basis for the estimate;
- (b) The proposed conductor type, size, and, if applicable, bundling configuration;
- (c) The proposed default or typical structure design attribute(s) (*e.g.*, steel vs. wood vs. aluminum vs. concrete, monopole vs. H-frame vs. lattice, single circuit vs. double circuit, self-supporting vs. guyed, structural calculation assumptions, etc.) to be used for tangent, running angle, in-line dead-end, and angle dead-end structures when feasible and/or for the majority of the Competitive Transmission Line Facilities;
- (d) The estimated positive sequence line impedance and pi-equivalent shunt susceptance;
- (e) The calculated normal and emergency seasonal thermal loading ratings, including the basis for such calculations;

- (f) The proposed type of lightning protection system to be used when feasible and/or for the majority of the Competitive Transmission Line Facilities (*e.g.*, shield wires vs. surge arresters, etc.) and key attributes (*e.g.*, shielding angle, arrester location and type, etc.);
- (g) The proposed grounding method to be used when feasible and/or for the majority of the Competitive Transmission Line Facilities (*e.g.*, ground rods only, counterpoise, etc.) and key attributes (*e.g.*, targeted structure footing grounding resistance, etc.);
- (h) The proposed method to address or mitigate adverse impacts of galloping conductors and/or Aeolian vibration, if any (*e.g.*, Stockbridge dampers, special conductors, etc.);
- (i) The continuous rating of any load carrying switchgear installed on the Competitive Transmission Line Facilities; and
- (j) The assumed communications systems to be used for the Competitive Transmission Line Facilities to facilitate protective relaying (*e.g.*, fiber optic, power line carrier, microwave, etc.).

VIII.D.5.8.2. Design for Competitive Substation Facilities:

For each Competitive Substation Facility, reasonably descriptive facility design proposals shall include, at a minimum, the following:

- (a) A detailed one-line diagram;
- (b) The proposed protection systems including protection schemes, any anticipated interaction with existing/other facilities and

conceptual protection system design (including backup protection systems, if applicable). Remote system monitoring capability shall be described with major features listed (redundancy, monitored parameters, etc.);

- (c) The detailed specifications for proposed power transformers;
- (d) A description of other substation equipment items, including load ratings, voltage ratings, fault interrupting ratings, tap data, and impedances as applicable, where other substation equipment includes, but is not limited to, bus sections, circuit breakers, circuit switchers, switches, disconnects, regulating transformers, station service transformers, series and shunt capacitors, series and shunt reactors, static VAR compensators, DC conversion equipment, instrument transformers (metering and relaying), wave traps, and surge arresters;
- (e) The proposed line terminal ratings and basis for calculation, including limiting element;
- (f) The basis for load rating calculations on any equipment where nameplate continuous ratings are not used; and
- (g) A description of the communication system for remote monitoring, control and data acquisition facilities, including monitoring and control points.

VIII.D.5.8.3. Additional reasonably descriptive facility design data:

A RFP may require submission of additional facility design data when deemed necessary by the Transmission Provider. Proposals may also include additional facility data when deemed necessary by RFP Respondents, including but not limited to, optional facility design data listed in the Business Practices Manuals, which may be considered by the Transmission Provider in the evaluation and selection of Proposals.

VIII.5.9. Project Implementation:

Each Proposal shall contain a description of existing and/or planned project implementation capabilities, relative to the applicable locations and jurisdictions where the Competitive Transmission Facilities will be located, to be used by the RFP Respondent(s) to perform, at a minimum, the following tasks:

- (a) Project management;
- (b) Routing/siting evaluation studies for Competitive Transmission Facilities;
- (c) Regulatory permitting;
- (d) Right-of-way and land acquisition for Competitive Transmission Facilities;
- (e) Engineering and surveying required for Competitive Transmission Facilities;
- (f) Material procurement for Competitive Transmission Facilities;
- (g) Construction of Competitive Transmission Facilities; and
- (h) Commissioning/energization of Competitive Transmission Facilities.

VIII.D.5.9.1. Additional Project Implementation Capabilities Data:

A RFP may require the submission of additional data, when deemed necessary by the Transmission Provider, related to the policies, processes, methods, capabilities, experience, and past performance the RFP Respondent(s) Proposals may also include additional information regarding project implementation capabilities when deemed necessary by RFP Respondents, including but not limited to, existing capabilities and past experience regarding project implementation, which may be considered by the Transmission Provider in the evaluation and selection of Proposals.

VIII.D.5.10. Operations and Maintenance:

Each Proposal shall contain a description of existing and/or planned operations, maintenance, repair, and replacement capabilities to be used by the RFP Respondent(s) to perform, at a minimum, the following tasks relative to the locations and applicable jurisdictions where the Competitive Transmission Facilities will be located:

- (a) Forced outage response for transmission line circuits and substations, as applicable;
- (b) Switching for transmission line circuits and substations, as applicable;
- (c) Emergency repair and testing for transmission line circuits and substations, as applicable;
- (d) Preventative and/or predictive maintenance for transmission line circuits and substations, including vegetation management and equipment testing,

as applicable;

- (e) Maintenance and management of spare parts, spare structures, and/or spare equipment inventories for substations and/or transmission lines, as applicable, including description of any agreements to share spare equipment, spare parts, and/or spare structures with other transmission entities;
- (f) Real-time operations monitoring and control capabilities, if the Competitive Transmission Project contains one or more Competitive Substation Facilities; and
- (g) Major facility replacements or rebuilds required as a result of catastrophic destruction or natural aging through normal wear and tear, including financial strategy to facilitate timely replacements and/or rebuilds.

VIII.D.5.10.1. Local Balancing Authority:

Each Proposal shall contain a description regarding the RFP Respondent's plan for incorporating the Competitive Transmission Facilities into a Local Balancing Authority Area.

VIII.D.5.10.2. Other Operations and Maintenance Capabilities Data:

A RFP may require the submission of additional data related to the policies, processes, methods, capabilities, experience, and past performance of the RFP Respondents regarding operations, maintenance, repair, and replacement when deemed necessary by the Transmission Provider.

Proposals may also include additional information regarding operations, maintenance, repair, and replacement capabilities when deemed necessary by RFP Respondents, including but not limited to, existing capabilities and past experience regarding operations, maintenance, repair and replacement, which may be considered by the Transmission Provider in the evaluation and selection of Proposals.

VIII.D.5.11. Modeling Data:

Each Proposal shall contain modeling data files for all proposed Competitive Transmission Facilities included in the Competitive Transmission Project, as further outlined in the applicable Business Practices Manuals and RFP including, at a minimum, electronic data files necessary to:

- (a) Model the Competitive Transmission Facilities included in the Competitive Transmission Project in power flow and short-circuit models; and
- (b) Model new contingencies associated with the Competitive Transmission Facilities included in the Competitive Transmission Project.

VIII.D.5.12. Participation in the Transmission Planning Process:

While not required, RFP Respondents and Proposal Participants who desire to have such participation considered in the evaluation of their Proposal(s) shall include in their Proposal(s) documentation regarding relevant planning studies performed by the RFP Respondents or Proposal Participants and the results supplied to the Transmission Provider during the planning process, as well as documentation on past transmission

project ideas submitted by the RFP Respondents or Proposal Participants to the Transmission Provider to address the same Transmission Issues being addressed by the Competitive Transmission Project for which the Proposal(s) is/are being submitted.

VIII.D.5.13. Disclosure of Assignments or Potential Assignments:

Proposals shall include a declaration whether or not the RFP Respondent(s) will seek to assign the Competitive Transmission Facilities, Competitive Transmission Project, or Selected Developer Agreement pursuant to Article 14 of the *pro forma* Selected Developer Agreement.

VIII.D.5.14. Proposal Attestation:

Each RFP Respondent shall include an affidavit as part of the Proposal submission, signed by an officer of its organization, attesting that: (i) it understands that the Transmission Provider's evaluation of Proposals and designation of a Selected Proposal is governed by the Tariff and the Business Practices Manuals; (ii) it agrees to be bound by the Tariff and to follow the applicable Business Practices Manuals; (iii) it has submitted the Proposal in good faith; (iv) the information submitted by the organization in the Proposal is true to the best of the RFP Respondent's knowledge and belief; (v) it has complied with all Applicable Laws, and Regulations and Good Utility Practice in preparing the Proposal; and (vi) if selected, the Respondent agrees to be bound by its Proposal. Furthermore, each Proposal Participant shall include an affidavit as part of the Proposal signed by an officer of its organization attesting that: (i) its Aggregate ATRR and any required financial information about it that has been submitted by the

organization is true to the best of the Proposal Participant's knowledge and belief; and (ii) either (a) that it agrees to execute the ISO Agreement and identify the Competitive Transmission Facilities associated with the Competitive Transmission Project in Appendix H of the ISO Agreement prior to closing on its conveyed interest should the Transmission Provider designate the Proposal as the Selected Proposal; or (b) prior to such closing it will demonstrate that it has already executed the ISO Agreement and it agrees to identify the Competitive Transmission Facilities associated with the Competitive Transmission Project in Appendix H of the ISO Agreement.

VIII.D.6. Additional Data Requests:

If, during the evaluation of Proposals, the Transmission Provider determines that additional information is required to evaluate the Proposals, the Transmission Provider will request, in writing, the additional data from all RFP Respondents, along with the timeframe that this data must be submitted. If the additional data is not submitted within the specified timeframe, the Proposal be deemed invalid and will not be evaluated or considered further by the Transmission Provider. This timeframe shall not be less than ten (10) Business Days from when the Transmission Provider issues the additional data request. This data request will not extend the evaluation timeframe defined in Section VIII.E.2 of Attachment FF of the Tariff.

VIII.D.7. Proposal Clarifications:

The Transmission Provider will have the right, but not the obligation, during the Competitive Developer Selection Process described in Section VIII of Attachment FF of

the Tariff, to request a RFP Respondent(s) to provide clarifications to its submitted Proposal(s). The RFP Respondent(s) shall be responsible for any clarifications the Transmission Provider requires that relates to the Proposal Participants. In the event the RFP Respondent agrees to provide said clarification(s), the RFP Respondent shall provide said clarification(s) within five (5) Business Days of the Transmission Provider's request. If the Transmission Provider accepts the RFP Respondent's clarification(s), said clarification(s) shall immediately become a part of the submitted Proposal; or upon the Transmission Provider's request, the RFP Respondent shall immediately update its Proposal to reflect the accepted clarification(s). In the event that the RFP Respondent declines to provide the requested clarification(s), the Transmission Provider shall evaluate the Proposal without clarification.

VIII.D.8. Withdrawing Submitted Proposals:

Prior to the Proposal Submission Deadline, a RFP Respondent may withdraw a Proposal that was submitted to the Transmission Provider by informing the Transmission Provider as soon as practical in writing. Any deposits submitted to the Transmission Providers associated with the withdrawn Proposal will be returned in full and the withdrawn Proposal will not be considered or evaluated by the Transmission Provider.

A RFP Respondent may withdraw its submitted Proposal after the Proposal Submission Deadline by informing the Transmission Provider in writing, as soon as practical, but no later than such time that the Transmission Provider publicly announces the Selected Proposal for the RFP. Upon receiving a withdrawal notification, the Transmission Provider will stop its evaluation and consideration of the Proposal. A

withdrawn Proposal will not relieve the RFP Respondent from its obligations of the *pro rata* costs associated with the full evaluation period nor will the RFP Respondent be afforded any refund other than those funds remaining once the Competitive Developer Selection Process has been completed for the RFP.

VIII.D.9. Confidential Treatment of Proposals:

The Transmission Provider will treat information and documents, or portions of documents, received from RFP Respondents and/or Proposal Participants, whether received as Part of a Proposal, a response to a request for clarification or additional information pursuant to Sections VIII.D.6 and VIII.D.7 of this Attachment FF, or otherwise, as either Project confidential information pursuant to Section VIII.D.9.a, or non-confidential information pursuant to Section VIII.D.9.b, as set forth below.

VIII.D.9.a Confidential Information:

Except as provided in Section VIII.D.9.d, the Transmission Provider will not, without the prior written consent of the respective RFP Respondent and/or the Proposal Participant, publicly disclose or share any of the following confidential information with any individual except for employees of the Transmission Provider or an independent contractor of the Transmission Provider who require access to such information to perform their duties and have executed the Transmission Provider's non-disclosure and/or CEII agreement:

- (i) All detailed breakdowns of costs, including but not limited to, the itemized costs for labor and materials;

- (ii) All details of an RFP Respondent and/or Proposal Participant's financing arrangements;
- (iii) All detailed design, routing, siting, or specialty construction techniques; and
- (iv) Any other information or portions of documents that are clearly labeled and specifically designated as "CONFIDENTIAL," except for: (1) the items specified in Section VIII.D.9.b of this Attachment FF; and (2) information and/or items which the Transmission Provider is otherwise required to make publically available.

VIII.D.9.b Non-Confidential Information:

The following categories of information shall not be considered confidential or maintained as Confidential Information:

- (i) The identity of RFP Respondents and Proposal Participants;
- (ii) The high-level design for Competitive Transmission Facilities;
- (iii) The total estimated cost of the Competitive Transmission Project;
- (iv) The estimated forty (40) year Annual Transmission Revenue Requirement ("ATRR");
- (v) Information relating to any cost-containment measures, cost-caps, and rate-incentives;
- (vi) Information regarding the proposed in-service dates of the Competitive Transmission Facilities;

- (vii) The final evaluation score assigned to each Proposal, with the names of the RFP Respondents and Proposal Participants redacted or masked;
- (viii) All timetables and milestones agreed to between a Selected Developer(s) and the Transmission Provider in the Selected Developer Agreement;
- (ix) All publically available information;
- (x) Any information for which a RFP Respondent or Proposal Participant has provided consent to release; and
- (xi) Any information the Transmission Provider is required to make publically available pursuant to Section VIII.D.9.d of this Attachment FF.

VIII.D.9.c Use of Non-Confidential Information-Post-Evaluation Report:

The Transmission Provider may use the non-confidential information of RFP Respondents and Proposal Participants to prepare the public post-evaluation selection report for a Competitive Transmission Project required by Section VIII.E.2 of this Attachment FF as is reasonably necessary to explain the basis for the Transmission Provider's selection of a Selected Developer. In all cases, the Confidential Information and non-confidential information that was not disclosed in the post-evaluation selection report shall not otherwise be disclosed by the Transmission Provider except as required by Section VIII.D.9.d of this Attachment FF.

i. Use of Selected Developer Non-Confidential Information

The Transmission Provider may use the non-confidential information of the RFP Respondent(s) and Proposal Participants whose Proposal is selected to prepare a post-evaluation selection report that explains the basis for the Transmission Provider's

selection of the Selected Proposal pursuant to the comparative analysis required by Sections VIII.E, VIII.E.1, VIII.E.1.1, VIII.E.1.2, VIII.E.1.3, and VIII.E.1.4 of this Attachment FF to the Tariff. The Transmission Provider may use such information to the extent reasonably necessary to explain why the selection of the Selected Proposal is proper based on the comparative analysis required by the Tariff, including discussions of features of the Selected Proposal that the Transmission Provider determined to be important in selecting the Selected Proposal.

**ii. Use of Non-Confidential Information of RFP Respondents
and Proposal Participants whose Proposals are Not Selected**

The Transmission Provider may disclose the non-confidential information of RFP Respondents and Proposal Participants whose Proposals were not selected as the Selected Proposal only to the extent reasonably necessary to explain why the selection of the Selected Proposal is proper based on the comparative analysis required by Sections VIII.E, VIII.E.1, VIII.E.1.1, VIII.E.1.2, VIII.E.1.3, and VIII.E.1.4 of this Attachment FF to the Tariff. The Transmission Provider may disclose the non-confidential information contained in Section VIII.D.9.b(i) and VIII.D.9.b(ix)-(xi) without masking the identity(ies) of the entity(ies) to whom such non-confidential information pertains. The Transmission Provider may disclose the non-confidential information contained in Section VIII.D.9.b(ii)-(viii) for RFP Respondents and Proposal Participants whose Proposals were not selected as the Selected Proposal but must mask the identities of such parties, either through aggregation or the redacting of names, as appropriate for comparative purposes.

VIII.D.9.d Other Disclosures of Proposal Information:

The Transmission Provider will disclose any information submitted in Proposals or in response to a request for clarifications and or additional information, whether confidential or non-confidential, that it is otherwise required by or subject to another Tariff provision, Commission rule or order, or court order, or as ordered by state or federal agencies.

VIII.D.10. Proposal Validation - Review for Completeness:

Upon receipt of a Proposal, the Transmission Provider will review the Proposal for completeness and validate whether the RFP Respondent(s) is/are listed as a Qualified Transmission Developer. Within thirty (30) Calendar Days of the Proposal Submission Deadline, the Transmission Provider will notify each RFP Respondent if their Proposal is incomplete or requires additional information to satisfy one or more of the requirements specified in the Tariff, applicable Business Practices Manuals, or applicable RFP. Except when any of the RFP Respondents involved in a Proposal were not listed as a Qualified Transmission Developer on the date the Proposal was submitted, the RFP Respondent(s) will have a single Proposal Cure Period of ten (10) Business Days from the date of such notification to submit the requested information to cure any deficiencies in their Proposal. Proposals that are not complete at the end of the Proposal Cure Period will be deemed invalid and will not be evaluated or considered further by the Transmission Provider. Such Proposals will be refunded ninety percent (90%) of the initial proposal deposit specified in Section V.III.D.2 of Attachment FF of the Tariff, if such initial proposal deposit was submitted to the Transmission Provider. Proposals that include a RFP Respondent that was not listed as a Qualified Transmission

Developer on the date the Proposal was submitted will also be deemed invalid and will not be evaluated or considered further by the Transmission Provider. The Transmission Provider will provide a written explanation to RFP Respondents identifying why the Proposal has been disqualified.

VIII.D.11. Posting List of Completed Proposals:

The Transmission Provider will post a list of the completed Proposals submitted in response to an issued RFP on its website at the end of the Proposal Cure Period.

VIII.D.12. RFP Respondent's Qualified Transmission Developer status:

RFP Respondents are required to maintain their status as a Qualified Transmission Developer throughout the duration of the Competitive Developer Selection Process. In the event that the Transmission Provider determines that an RFP Respondent has ceased to be a Qualified Transmission Developer, the Transmission Provider shall send a written notice of such fact to the RFP Respondent, which notice shall state the reason(s) for loss of Qualified Transmission Developer status. The RFP Respondent shall have thirty (30) Calendar Days from the Transmission Provider's notification of loss of Qualified Transmission Developer status to remove the grounds for such loss of status. Any Proposal involving a RFP Respondent that ceases to be a Qualified Transmission Developer will be deemed invalid and will not be evaluated or considered further by the Transmission Provider if such failure remains uncured more than thirty (30) Calendar Days from the date of the notice to the RFP Respondent. A Proposal shall not be deemed invalid if the RFP Respondent cures the loss of Qualified Transmission Developer status within the thirty (30) Calendar Day period. The Transmission

Provider will provide a written explanation to RFP Respondents identifying why the Proposal has been disqualified.

VIII.E. EVALUATION OF PROPOSALS

The Transmission Provider will have one hundred and eighty (180) Calendar Days from the Proposal Submission Deadline to evaluate all completed Proposals. Only those Proposals that were submitted prior to the Proposal Submission Deadline and cured of any deficiencies pursuant to Section VIII.D.10 of Attachment FF of the Tariff and otherwise have not been withdrawn or deemed invalid will be evaluated by the Transmission Provider based on a comparative analysis using the evaluation criteria below and as further described in the Business Practices Manuals and applicable RFP. Specific methods used to evaluate various aspects of a Proposal shall be described in the Business Practices Manuals. This comparative analysis evaluation will be conducted by Transmission Provider and/or independent consultants competent in the areas of finance, transmission facility design, transmission project implementation, and transmission operations, maintenance, repair, and replacement. In conducting the comparative analysis evaluation of Proposals, the Transmission Provider and any independent expert consultants will be overseen by the Executive Oversight Committee, which will have the exclusive and final authority to determine Selected Proposal. The Transmission Provider may decline to accept any or all Proposals that do not meet the Tariff's requirements for the project classification in question or will not sufficiently address the Transmission Issue(s) the RFP was intended to address. If no Proposals are received from Qualified Transmission Developers or selected by the Transmission Provider, the Competitive Transmission Project will be assigned to the applicable Member(s), as defined below:

- (a) Ownership and the responsibility to construct facilities which are connected to a single Member's system belong to that Member;
- (b) Ownership and the responsibilities to construct facilities which are connected between two (2) or more Members' facilities belong equally to each Member, unless such Members otherwise agree; and
- (c) Ownership and the responsibility to construct facilities which are connected between a Member(s)' system and a system or systems that are not part of the Transmission Provider belong to such Members(s) unless the Member(s) and the non-Transmission Provider party or parties otherwise agree.

VIII.E.1. Proposal Evaluation Criteria:

In evaluating Proposals, the Transmission Provider will consider the following general aspects and weighting to each Competitive Transmission Facility evaluated:

(a) Competitive Transmission Line Facilities:

The following weights will be applied to Competitive Transmission Line Facilities criteria:

- (i) Cost and reasonably descriptive facility design quality: 30%
- (ii) Project implementation capabilities: 35%
- (iii) Operations, maintenance, repair, and replacement capabilities:
30%
- (iv) Transmission Provider planning process participations: 5%

(b) Competitive Substation Facilities:

The following weights will be applied to Competitive Substation Facilities criteria:

- (i) Cost and reasonably descriptive facility design quality: 30%
- (ii) Project implementation capabilities: 30%
- (iii) Operations, maintenance, repair, and replacement capabilities:
35%
- (iv) Transmission Provider planning process participations: 5%

VIII.E.1.1. Cost and Reasonably Descriptive Facility Design:

When considering cost and reasonably descriptive facility design quality, the Transmission Provider shall evaluate, at a minimum, the following:

- (a) Estimated project cost for each Competitive Transmission Facility;
- (b) Estimated annual transmission revenue requirements for all Competitive Transmission Facilities included in the Competitive Transmission Proposal;
- (c) Description of capital resources available to fund project costs as they arise;
- (d) Cost estimate rigor, which shall include financial assumptions and supporting information to clearly demonstrate a thorough analysis in support of the cost estimate;

- (e) Reasonably descriptive facility design quality; and
- (f) Reasonably descriptive facility design rigor, which shall include facility studies performed and other specific supporting data that clearly documents and supports consideration and attention given to the proposed reasonably descriptive facility designs.

VIII.E.1.2. Project Implementation Capabilities:

When considering project implementation capabilities, the Transmission Provider shall evaluate, at a minimum, the existing or planned capabilities, competencies, and processes regarding the following project implementation categories relative to the locations and jurisdictions where the Competitive Transmission Facilities associated with the Competitive Transmission Project are to be located as well as the strength of the project implementation capabilities, including financial measures, demonstrated in the prequalification process to qualify the RFP Respondent(s) as a Qualified Transmission Developer:

- (a) Project management;
- (b) Route and site evaluation;
- (c) Land acquisition;
- (d) Engineering and surveying;
- (e) Material procurement;
- (f) Facility construction;
- (g) Final facility commissioning; and
- (h) Previous applicable experience and demonstrated ability.

VIII.E.1.3. Operations, Maintenance, Repair, and Replacement Capabilities:

When considering operations, maintenance, repair and replacement capabilities, the Transmission Provider shall evaluate, at a minimum, the existing or planned capabilities, competencies, and processes regarding the following operations and maintenance categories relative to the locations and jurisdictions where the Competitive Transmission Facilities associated with the Competitive Transmission Project are to be located as well as the strength of the operation and maintenance capabilities demonstrated in the prequalification process to qualify the RFP Respondent(s) as a Qualified Transmission Developer, as applicable, based on the types of facilities included in the RFP:

- (a) Forced outage response;
- (b) Switching;
- (c) Emergency repair and testing;
- (d) Spare parts;
- (e) Preventative and/or predictive maintenance and testing;
- (f) Real-time operations monitoring and control; and
- (g) Major facility replacement capabilities, including ongoing financial capabilities to restore facilities after catastrophic outages.

VIII.E.1.4. Transmission Provider Planning Process Participation:

When considering participation in the Transmission Provider's transmission planning process, the Transmission Provider will consider relevant

planning studies conducted by the RFP Respondents or Proposal Participants and the associated results supplied to the Transmission Provider during the planning process, as well as the transmission project ideas submitted by the RFP Respondents or Proposal Participants as potential solutions to address the same Transmission Issue(s) being addressed by the Competitive Transmission Project for which the Proposal(s) is/are being submitted the Proposal(s) is/are being submitted.

VIII.E.2. Proposal Selection and Posting Selection Report:

The Transmission Provider will post the name of the Selected Developer(s) on its website within one hundred and eighty (180) Calendar Days of the Proposal Submission Deadline. Within thirty (30) Calendar Days after the designation of a Selected Proposal and the Selected Developer(s) for a Competitive Transmission Project, the Transmission Provider will post on its website a report in which it explains the basis for designating the Selected Proposal and Selected Developer(s) for each Competitive Transmission Project. The report will set forth the results of the comparative analysis undertaken by the Transmission Provider, the basis for Transmission Provider's decision(s), and the date(s) by which state approval(s) to construct must be achieved based upon when construction must begin to timely meet the Transmission Issue(s) to be addressed by the Competitive Transmission Project and taking into account the project implementation schedule(s) provided by the Selected Developer(s) in its Selected Proposal.

VIII.E.3. Proposal Selection Dispute Resolution:

Any disputes regarding the developer selection will be referred to the Dispute Resolution Process under Attachment HH of this Tariff.

VIII.F. SELECTED DEVELOPER AGREEMENT

RFP Respondents identified in a Selected Proposal shall execute the *pro forma* Selected Developer Agreement, or request the submission of an unexecuted Selected Developer Agreement with the Commission, no later than sixty (60) Business Days after the Transmission Provider posted the name of the Selected Developer(s) on its website. The Selected Developer Agreement establishes the terms and conditions under which the Selected Developer will construct and implement the Competitive Transmission Facilities specified in its Selected Proposal. The Selected Developer Agreement shall be executed by the Selected Developer and the Transmission Provider, by an authorized officer or equivalent official with the authority to bind their respective organizations. The Selected Developer(s) for each Competitive Transmission Project, including where the Selected Developer is a Member, will be required to sign the Selected Developer Agreement or request it be submitted unexecuted with the Commission. All executed Selected Developer Agreements that conform to the *pro forma* template in Appendix 1 of Attachment FF of the Tariff, will be reported to the Commission in the Transmission Provider's next Electronic Quarterly Report. Any request to file the Selected Developer Agreement unexecuted shall be filed with the Commission, together with an explanation of any matters as to which the Selected Developer and the Transmission Provider disagree, as soon as practicable, but no later than fifteen (15) Business Days after receiving the request to file the Selected Developer Agreement unexecuted. An unexecuted Selected

Developer Agreement should contain terms and conditions deemed appropriate by the Transmission Provider for the Competitive Transmission Project. If the Selected Developer and the Transmission Provider agree to proceed with design, procurement, and construction of the Competitive Transmission Project under the agreed-upon terms of the unexecuted Selected Developer Agreement, they may proceed pending Commission action.

If the Selected Developer Agreement contains information determined to be confidential pursuant to Section VIII.D.9 of Attachment FF of the Tariff, the Transmission Provider will post and/or file publicly only a redacted version of the Selected Developer Agreement.

VIII.G. OBLIGATION TO CONSTRUCT COMPETITIVE TRANSMISSION PROJECT

The Selected Developer(s) will assume the responsibility and obligation to construct the Competitive Transmission Facilities it is selected to construct. If the Selected Developer(s) is/are financially incapable of carrying out its construction responsibilities, alternate construction arrangements shall be identified. Depending on the specific circumstances, such alternate arrangements shall include solicitation of Transmission Owners to take on financial and/or construction responsibilities. If the delay in construction adversely affects the Transmission System reliability, the Transmission Provider shall coordinate with and support the affected Transmission Owner(s) regarding any mitigation measures that may be required by the Applicable Reliability Standards.

However, in the event that a MTEP Appendix A Competitive Transmission Project approved by the Transmission Provider Board is being challenged through the Dispute Resolution process under Attachment HH of the Tariff or a court proceeding, the obligation of the Selected Developer(s) to build the specific Competitive Transmission Project (subject to

required approvals) is waived until the Competitive Transmission Project emerges from the Dispute Resolution process or court proceedings as an approved Competitive Transmission Project. In the event that selection of the Selected Developer to construct a project is being challenged through the Dispute Resolution Process under Attachment HH of the Tariff, the obligation of the Selected Developer to construct the project pursuant to the Selected Developer Agreement is not waived.

VIII.H. ALTERNATE SELECTED DEVELOPER(S)

At the same that the Transmission Provider posts the name of the Selected Developer(s) on its website, as specified in Attachment FF Section VIII.E.2, the Transmission Provider shall also notify the Alternate Selected Developer(s) that it has been selected as the Alternate Selected Developer. Upon this notification, each Alternate Selected Developer shall be required to hold their Proposal open for acceptance by the Transmission Provider for a period of one hundred (100) Calendar Days thereafter, unless released earlier by the Transmission Provider. The Transmission Provider shall release the Alternate Selected Developer from its obligation to hold its Proposal open promptly upon the Selected Developer(s) satisfying all conditions necessary for the Selected Developer Agreement to become effective.

If the Selected Developer does not execute the Selected Developer Agreement or request that the Selected Developer Agreement be filed unexecuted, and provide the required Project Financial Security within ninety (90) Calendar Days after the Transmission Provider posted the name of the Selected Developer(s) on its website, the Transmission Provider shall proceed to designate the Alternate Selected Developer(s) as the Selected Developer(s) for the Competitive Transmission Project. Should this be required, the Transmission Provider shall notify the

Alternate Selected Developer(s) and publicly announce the Alternate Selected Developer(s) as the Selected Developer(s). The Alternate Selected Developer(s) shall then be required to assume the obligations of the Selected Developer for the Competitive Transmission Project and shall have the same period of time to execute or request the unexecuted filing of the Selected Developer Agreement and provide the required Project Financial Security as the originally designated Selected Developer(s).

VIII.I OBLIGATION TO NEGOTIATE INTERCONNECTION AGREEMENTS

The Selected Developer(s) and any Transmission Owner(s) whose facilities will interconnect to the Competitive Transmission Facilities that the Selected Developer is obligated to construct shall each take commercially reasonable efforts to finalize and execute any required Transmission-to-Transmission Interconnection Agreements at least one hundred and twenty calendar days before the scheduled in service date of the Competitive Transmission Project.

IX. VARIANCE ANALYSIS

After the Transmission Provider Board approves an Eligible Project for inclusion in Appendix A of the MTEP, certain circumstances or events may significantly affect the cost, schedule, and or the ability of Selected Developers and Transmission Owners to complete and place into service the facilities comprising an Eligible Project for which they are responsible as specified in the MTEP. Under these circumstances or events, the Transmission Provider may need to perform a Variance Analysis in order to further understand the reasons for such circumstances or events and to evaluate any potential impacts that they may have on the successful completion of the Project or on the Transmission System.

IX.A Applicability and Scope of Variance Analysis

The provisions set forth in this Section IX of Attachment FF are only applicable to Eligible Projects (and the facilities that comprise these projects) approved by the Transmission Provider Board for inclusion in Appendix A of the MTEP after December 1, 2015. These provisions become applicable upon: (i) the date the Transmission Provider Board approves the respective Eligible Project for facilities that are not Competitive Transmission Facilities; or (ii) the date the Selected Developer Agreement has been executed or filed unexecuted with the Commission for Competitive Transmission Facilities. Facilities comprising Eligible Projects shall remain subject to the provisions of Attachment FF Section IX until such facilities have been placed into service and placed under the Transmission Provider's functional control.

IX.B. Variance Analysis Governance

The Executive Oversight Committee shall have the exclusive and final authority to oversee and implement Variance Analysis, including the decision to implement any of the appropriate Variance Analysis Outcomes pursuant to Section IX.E of this Attachment FF. Such exclusive and final authority shall: (1) be subject to the Dispute Resolution provisions of Section IX.G of this Attachment FF and to Attachment HH; and (2) shall not prejudice any rights or obligations the Transmission Provider, Selected Developer(s), and incumbent Transmission Owner(s) have to make filings before the Commission.

IX.C. Grounds for Variance Analysis

The following circumstances or events shall trigger the Transmission Provider's Variance

Analysis for facilities included in an Eligible Project.

IX.C.1. Cost Increase

If the Transmission Provider determines that the estimated cost to complete an entity's portion of an approved Eligible Project (e.g. the competitively bid facilities of the Competitive Transmission Project or the facilities assigned to an incumbent Transmission Owner included in an Eligible Project(s) either has exceeded or is projected to exceed the Baseline Cost Estimate as set forth in Section IX.C.1.1 by twenty-five percent (25%) or more, the Transmission Provider shall initiate a Variance Analysis.

The Transmission Provider will not consider any portion of cost increases under this section to the extent that the Selected Developer has agreed to internalize such costs through an accepted binding cost-cap and/or cost-containment mechanism(s). However in the event that the accepted binding cost-caps and/or binding cost-containment mechanism(s) are applied and the remaining estimated cost increase still has exceeded or is projected to exceed the threshold, the Transmission Provider shall initiate a Variance Analysis.

IX.C.1.1. Baseline Cost Estimate

The Baseline Cost Estimate for an entity's portion of an Eligible Project shall be set as follows: (i) for Competitive Transmission Facilities the Baseline Cost Estimate shall be the project cost estimate provided in the Selected Proposal as agreed to in the Selected Developer Agreement;

and (ii) for the facilities assigned to an incumbent Transmission Owner included in the Eligible Project not eligible for the Competitive Transmission Process, as described in Attachment FF Section VIII.A of the Tariff, the Baseline Cost Estimate shall be the project cost estimate provided by the respective Transmission Owner through their status update provided upon achieving Milestone #2A pursuant to the Business Practices Manuals. The Baseline Cost Estimate for Competitive Transmission Facilities shall be adjusted appropriately based upon any approved change orders.

IX.C.2. Schedule Delays

If the Transmission Provider determines that the in-service date of facilities included in an approved Eligible Project has been or is projected to be delayed beyond the in-service date as established in MTEP Appendix A, the Transmission Provider shall meet with the Selected Developer(s), incumbent Transmission Owner(s), if applicable, interconnecting Transmission Owner(s), and any entities responsible for facilities to which the delayed facilities interconnect to discuss whether such delay creates a significant risk of one or more NERC reliability standards violations as well as any other material issues, including service obligations, economic or public policy needs that may be jeopardized as a result of the delay. If any such issues are identified, the Transmission Provider shall, in consultation with these entities, develop a plan, as necessary, to address potential NERC reliability standards violations as well as

any other issues that may be of material concern arising from the delay of the transmission facilities.

If the potential NERC reliability standards violations, or other issues of material concern, cannot be adequately addressed by the entity responsible for constructing the delayed facilities, the Transmission Provider will take appropriate action; including but not limited to, determining that Reassignment is necessary to complete the transmission solution as set forth in Section IX.E.3 of this Attachment FF.

IX.C.3. Default under the Selected Developer Agreement

If the Transmission Provider determines that a Selected Developer is in Default under a Selected Developer Agreement for an Eligible Project pursuant to the terms thereof.

IX.C.4 Inability to Complete Facilities

If the Transmission Provider makes a determination that a Selected Developer or an incumbent Transmission Owner will be unable to complete facilities for which it has been designated to construct; where such determination may be based on, but is not limited to the following:

- a. A Selected Developer's or an incumbent Transmission Owner's inability to secure necessary approvals, permits, certificates, financing, resources, needed expertise and/or third party support identified in the Selected Proposal, property rights, rights of way, or is otherwise unable or unlikely

- to construct the facilities;
- b. A Selected Developer's or an incumbent Transmission Owner's notification to the Transmission Provider that it is unable or unwilling to proceed with construction of its facilities for which it has been designated to construct;
 - c. A Selected Developer or an incumbent Transmission Owner's abandonment of the facilities it has been designated to construct;
 - d. A determination by the Transmission Provider that a Selected Developer is no longer a Qualified Transmission Developer; and
 - e. A determination by the Transmission Provider that reassignment is necessary pursuant to Section IX.E.3 of this Attachment FF.

In selecting the appropriate Variance Analysis Outcome to apply where the Transmission Provider has determined that a Selected Developer or an incumbent Transmission Owner will be unable to complete the facilities for which it has been designated to construct, the Transmission Provider will consider, but is not limited to considering the following, in addition to the general factors set forth in Section IX.D.2.1:

- (i) the reasons that the Selected Developer or the Transmission Owner was unable or was unlikely to construct the facilities;
- (ii) whether the facilities are still needed;
- (iii) whether a Mitigation Plan, as further described in Section IX.E.2 of this Attachment FF, is available that could remedy the ground(s) for Variance

- Analysis, including consideration of the extent to which it will cost; and
- (iv) whether reassignment, as further described in Section IX.E.3 of this Attachment FF, is available, including the impacts of reassigning the facilities to another entity.

IX.D. Variance Analysis Procedure

Variance Analysis shall commence when the Transmission Provider makes an initial determination that one or more of the grounds for Variance Analysis as described in Section IX.C of this Attachment FF exists. The Transmission Provider will adhere to the following steps, as further detailed in the applicable Business Practices Manuals, in performing a Variance Analysis:

IX.D.1. Initial Inquiry and Confirmation of Grounds for Variance Analysis

Upon making an initial determination that one or more of the grounds for Variance Analysis as described in Section IX.C of this Attachment FF exists, the Transmission Provider shall notify the applicable Selected Developer or Transmission Owner in writing that Variance Analysis has commenced, including the ground(s) for commencing Variance Analysis, and a brief description of the Transmission Provider's concerns. The applicable Selected Developer or incumbent Transmission Owner shall be provided an opportunity to be heard by the Transmission Provider and present to the Transmission Provider its position on whether the identified ground(s) for Variance Analysis exist and what outcome it believes is appropriate along with supporting facts and documentation. If the

Transmission Provider determines that the ground(s) for Variance Analysis do not exist after considering the Selected Developer or Transmission Owner's response and any other relevant information, the Transmission Provider shall terminate the Variance Analysis. If the Transmission Provider continues to believe that reasonable grounds for Variance Analysis exist after considering the Selected Developer or Transmission Owner's response and any other relevant information, the Transmission Provider shall continue to commence Variance Analysis and so notify the Selected Developer or Transmissions Owner.

IX.D.2. Determination of Variance Analysis Outcome

If the Transmission Provider continues to believe that reasonable ground(s) for Variance Analysis exists pursuant to the process described in Section IX.D.1 of this Attachment FF, the Transmission Provider shall further investigate the circumstances or events and the relevant facts surrounding the facilities identified in Section IX.D.1 above. Upon completing its investigation, the Transmission Provider shall make a determination of which Variance Analysis Outcome to apply, as described in Section IX.E of this Attachment FF. In determining which Variance Analysis Outcome to apply, the Transmission Provider shall consider the general factors set forth in Section IX.D.2.1 and the appropriate factors of Sections IX.E of this Attachment FF.

IX.D.2.1. General Factors in Variance Analysis Outcome Determination

Before deciding to impose any Variance Analysis Outcome

authorized by the Tariff in Sections IX.E of this Attachment FF, the Transmission provider shall consider the following factors:

- A. The causes of, or reasons for, the circumstances or events triggering Variance Analysis, including the degree of fault of the applicable Selected Developer or incumbent Transmission Owner;
- B. The potential impacts to the Transmission System and the MTEP, including potential reliability, economic, or public policy impacts;
- C. The degree of completion of the Eligible Projects or facilities;
- D. A comparison of the estimated costs of each outcome;
- E. A comparison of the degree to which each outcome will likely result in the successful completion of or increase the ability to complete the facilities and/or Eligible Projects; and
- F. A comparison of the degree to which each outcome will alleviate the ground(s) for Variance Analysis.

IX.D.3. Implementation of Variance Analysis Outcome

Upon completing the procedures detailed in Section IX.D.2 of this Attachment FF, the Transmission Provider shall perform the following as further detailed in the Business Practices Manuals:

- A. Inform the applicable Selected Developer(s) or incumbent Transmission Owner and any other affected parties of the Variance Analysis Outcome in writing;
- B. Post a description of the Variance Analysis Outcome and the

reason(s) it was selected on the Transmission Provider's website, redacting any confidential information and or Critical Energy Infrastructure Information (CEII) as necessary. The Transmission Provider shall be authorized to publically disclose confidential information, limited in scope to the specific information needed to explain the reason(s) Variance Analysis was triggered and why the Transmission Provider selected the Variance Analysis Outcome for implementation;

- C. Implement the Variance Analysis Outcome in coordination with the applicable Selected Developer(s), incumbent Transmission Owner(s), and any other affected parties;
- D. If implementation of the Variance Analysis Outcome results in a mitigation plan to be placed into effect that alters the schedule, cost, design, or scope of a Competitive Transmission Facility, the Transmission Provider and Selected Developer shall amend the Selected Developer Agreement to include the requirements of the mitigation plan or the Transmission Provider shall file such plan with the Commission unexecuted.
- E. If implementation of the Variance Analysis Outcome results in Reassignment or Cancellation of Competitive Transmission Facilities, the Transmission Provider shall file a Notice of Termination with the Commission to terminate the Selected Developer Agreement pursuant to the provisions of the Selected

Developer Agreement. In the event that the Transmission Provider files a Notice of Termination pursuant to Section IX.E of this Attachment FF or otherwise discusses confidential information in the course of administrative or judicial proceedings, the Transmission Provider may request that the information be treated as confidential and non-public pursuant to 18 C.F.R. §1b.20 and 388.112.

IX.E. Variance Analysis Outcomes

In determining which Variance Analysis outcome to apply, the Transmission Provider shall apply the procedures specified in Section IX.D of this Attachment FF.

IX.E.1. No Action

The Transmission Provider may determine to take no action when Variance Analysis is triggered. In determining whether to take no action in Variance Analysis, the Transmission Provider will consider, but is not limited to, the following:

- A. The causes of, or reasons for, the circumstances or events triggering Variance Analysis, including the degree of fault of the applicable Selected Developer or incumbent Transmission Owner;
- B. The potential impacts to the Transmission System and the MTEP, including any potential reliability, economic, or public policy

impacts;

- C. The degree of completion of the Eligible Projects or facilities;
- D. The cost and impacts of implementing another Variance Analysis Outcome pursuant to Sections IX.E.2 through IX.E.4 of this Attachment FF as compared to taking no action.

IX.E.2. Mitigation Plan(s)

The Transmission Provider may allow a Selected Developer or incumbent Transmission Owner to alleviate the ground(s) for the Variance Analysis through a mitigation plan. If the Transmission Provider determines that a delay in the applicable facilities and/or Eligible Project's in-service date may cause the Transmission Provider or one or more Transmission Owners, Selected Developers, or non-Members to violate any Applicable Reliability Standards, the Transmission Provider shall identify the potential violation(s) and direct the impacted entities to develop a mitigation plan in coordination with the Transmission Provider. The Transmission Provider, the impacted Transmission Owners(s) and/or Selected Developers, as applicable, shall take any and all reasonable actions necessary to meet the requirements of the mitigation plan and Applicable Reliability Standards.

Mitigation plans may also be utilized to address ground(s) for Variance Analysis arising under Sections IX.C.1 through IX.C.4 that do not involve a delay of the in-service date that potentially causes violations of Applicable Reliability Standards, should the Transmission Provider determine it is appropriate. In

determining whether to require a mitigation plan, the Transmission Provider will consider the factors set forth in Sections IX.D.2.1 and IX.E.1 of this Attachment FF as well as, but not limited to:

- A. The extent to which the ground(s) for Variance Analysis can be remedied through a mitigation plan, if successfully implemented, including the extent to which cost can be restored to baseline and the required in-service date realized;
- B. The willingness of the Selected Developer(s) or incumbent Transmission Owner(s) to implement the mitigation plan, including their willingness to bear the costs thereof;
- C. The resources and ability of the Selected Developer(s) or incumbent Transmission Owner(s) to successfully implement the mitigation plan; and
- D. Whether the Transmission Owner(s) that would receive the reassigned facilities would be better able to alleviate the ground(s) for Variance Analysis than the Selected Developer

The mitigation measures may include, without limitation, any one or combination of the following components: (i) an updated implementation plan; (ii) an operating procedure; or (iii) alternative facilities and or projects to mitigate reliability violations. If a mitigation plan is used, the Transmission Provider and Selected Developer shall work together to amend the Selected Developer Agreement to reflect the mitigation plan. In the event that the Selected Developer

or incumbent Transmission Owner refuses to execute the Transmission Provider's proposed mitigation plan or offer a substitute plan reasonably acceptable to the Transmission Provider, the Transmission Provider may elect either to file its proposed mitigation plan with the Commission unexecuted, select an alternate Variance Analysis Outcome or, in if the Selected Developer is a signatory to the ISO Agreement, proceed thereunder.

IX.E.3. Reassignment

The Transmission Provider may determine to reassign Competitive Transmission Facilities in accordance with Section IX.E.3.1 of this Attachment FF. Reassignment shall also be proper if a Selected Developer fails to maintain its Qualified Transmission Developer status after the expiration of any applicable cure period. If a Selected Developer is the incumbent Transmission Owner whose service area is the service area for which the facilities triggering Variance Analysis are located, the Transmission Provider shall seek recourse through the ISO Agreement or FERC, as appropriate. In all other cases, the Transmission Provider will consider the factors set forth in Sections IX.D.2.1, IX.E.1, and IX.E.2 of this Attachment FF as well as the following, in determining whether Reassignment is applied including but not limited to:

- A. Whether a mitigation plan would be sufficient to alleviate the ground(s) for Variance Analysis;
- B. The actions that the incumbent Transmission Owner(s), to whom the facilities would be reassigned to if the Transmission Provider selects the Reassignment Variance Analysis Outcome, would reasonably be required

to take to successfully complete the facilities;

- C. The incremental costs of the Reassignment Variance Analysis Outcome;
and
- D. The extent of any potential delay that the Reassignment Variance Analysis Outcome may cause and any potential impacts on reliability.

If the Transmission Provider selects the Reassignment Variance Analysis Outcome, the Selected Developer(s) shall be obligated to work cooperatively and in good faith with the Transmission Provider, the incumbent Transmission Owner(s), and the affected Transmission Owner(s) and/or non-MISO transmission owners, to implement the transition.

IX.E.3.1. Procedure for Reassignment

Reassigned facilities and or projects will be offered to the applicable Transmission Owner(s), as defined below:

- A. Ownership and the responsibility to construct facilities which are connected to a single Transmission Owner's system belong to that Transmission Owner;
- B. Ownership and the responsibilities to construct facilities which are connected between two (2) or more Owners' facilities belong equally to each Transmission Owner, unless such Transmission Owners otherwise agree; and
- C. Ownership and the responsibility to construct facilities which are

connected between a Transmission Owner(s)' system and a system or systems that are not part of the Transmission Provider belong to such Transmission Owner(s) unless the Transmission Owner(s) and the non-Transmission Provider party or parties otherwise agree.

If the applicable Transmission Owner(s) decline to construct the reassigned facilities and or Eligible Project, the Transmission Provider will reassign, as applicable, the facilities and/or Eligible Projects through the Competitive Transmission Developer Selection Process, as described in Section VIII of Attachment FF of the Tariff

IX.E.4. Cancellation of Facilities and or Projects

The Transmission Provider may determine to cancel Eligible Projects and/or facilities comprising such projects. In determining whether to cancel Eligible Projects or facilities, the Transmission Provider will consider the factors set forth in Sections IX.D.2.1, IX.E.1, IX.E.2, and X.E.3 of this Attachment FF.

IX.F. Variance Analysis Confidentiality

The Transmission Provider shall not disclose to the public that a Variance Analysis has commenced until such time as it has confirmed its initial determination that a ground for Variance Analysis exists pursuant with Section IX.D.1 of this Attachment FF. Notwithstanding the preceding sentence, the Transmission Provider shall be allowed to disclose that it is commencing a Variance Analysis to third parties, including interconnecting Transmission Owners, Selected Developers, or non-Members from

whom the Transmission Provider requires information to determine whether the ground(s) for Variance Analysis exist. However, no confidential information will be disclosed when the Transmission Provider solicits information from third parties unless and to the extent such disclosure is needed to obtain information necessary to determine any potential NERC reliability standards violations, service obligation issues, and economic or public policy needs that may be jeopardized.

In the event that the Transmission Provider determines pursuant to Section IX.D.1 of this Attachment FF that ground(s) for Variance Analysis do not exist, the Transmission provider shall treat any information collected pursuant to Section IX.D.1 as Project Confidential Information. In the event that the Transmission Provider determines pursuant to IX.D.1 of this Attachment FF that ground(s) for Variance Analysis do exist, the Transmission provider shall be authorized to share Project Confidential Information with such third parties as the Transmission Provider determines are reasonably necessary in order to enable the Transmission Provider to obtain needed input and information to identify any potential system reliability impacts of Variance Analysis Outcomes, including impacts from any potential NERC reliability standards violations, service obligation issues, and economic or public policy needs that may be jeopardized. The Transmission Provider shall consult with the Selected Developer and or the incumbent Transmission Owner prior to sharing any such confidential information for the purposes of discussing reasonable confidentiality safeguards.

IX.G. Variance Analysis Dispute Resolution

All disputes by the affected Selected Developer or Transmission Owner shall be

addressed in accordance with the provisions of Attachment HH, except that disputes involving the termination of a Selected Developer Agreement shall be addressed in accordance with the Dispute Resolution provisions of the Selected Developer Agreement.

IX.H Project Financial Security

The Transmission Provider may utilize Project Financial Security to cover the costs of Variance Analysis resulting from Default under the Selected Developer Agreement. In such event, the Transmission Provider may draw upon such funds after confirming that a Default exists pursuant to Section IX.D.1 of this Attachment FF. The Transmission Provider shall utilize such funds to offset any costs reasonably incurred by the Transmission Provider in performing a Variance Analysis, transitioning the Competitive Transmission Project to a new Selected Developer and/or incumbent Transmission Owner(s), and otherwise distribute such funds as determined by the Commission to cover Variance Analysis and transition costs. Costs for which Project Financial Security funds may be used include reasonable consultant fees, attorneys' fees, costs of litigation and or regulatory proceedings, and staffing costs directly attributable to taking actions under the Variance Analysis provisions of the Tariff. The Transmission Provider shall track its use of Project Financial Security and provide an informational filing to the Commission within six (6) months after the Transmission Provider concludes implementation of the selected outcome.

X. Interregional Coordination and Cost Allocation with the Southeastern Regional Transmission Planning Region

The public utility transmission providers in the Southeastern Regional Transmission Planning region (“SERTP”) and the Midcontinent Independent System Operator region (“MISO”) shall undertake the interregional transmission coordination and cost allocation procedures under Section X of this Attachment FF.

Where the regional transmission planning process is referenced as part of this interregional transmission coordination process the applicable regional transmission planning process for the Transmission Provider is described in Attachment FF; and is described for the SERTP in attachment K of the applicable SERTP transmission provider.

A. Interregional Transmission Coordination

1. Annual Meeting: Representatives of the SERTP and staff of the Transmission Provider will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and staff of the Transmission Provider may meet more frequently during the evaluation of interregional transmission project(s) proposed for purposes of interregional cost allocation between the SERTP and the Transmission Provider transmission planning regions.

2. Website Posting of Information on Interregional Coordination: The Transmission Provider shall utilize the regional planning website for communication of information related to these coordinated interregional transmission planning procedures. The Transmission Provider shall coordinate with the SERTP with respect to the posting of materials to the regional planning website related to the interregional coordination procedures between the SERTP and the Transmission Provider transmission planning regions. The Transmission

Provider shall, at a minimum, provide the following on the regional planning website:

- a. Interregional coordination and cost allocation procedures between the SERTP and Transmission Provider;
- b. Links to where stakeholders can register (if applicable/available) for the stakeholder committees or distribution lists of the SERTP;
- c. Documents related to joint evaluation of interregional transmission projects;
and
- d. Status report on interregional transmission projects selected for purposes of interregional cost allocation between the SERTP and the Transmission Provider.

B. Model and Data Exchange

At least annually, the Transmission Provider and the SERTP shall exchange their then-current regional transmission plans including power-flow models and associated data used in the regional transmission planning processes to develop such transmission plan(s). This exchange will occur when such data is available in each of the regional transmission planning processes, typically during the first calendar quarter of each year. Additional transmission-based models and data may be exchanged between the SERTP and the Transmission Provider as necessary and if requested. For purposes of their interregional coordination activities, the Transmission Provider and SERTP will exchange only data and models used in the development of their then-current regional transmission process and plans. This data will be posted on the pertinent regional transmission planning process' websites, consistent with the posting requirements of the

respective regional transmission planning processes, and subject to the applicable treatment of confidential data and Critical Energy Infrastructure Information (CEII).

The Transmission Provider shall notify SERTP of such posting.

C. Identification and Joint Evaluation of Proposed Interregional Transmission Projects

1. Identification of Interregional Transmission Projects: At least biennially, the Transmission Provider and the SERTP shall meet to review the respective regional transmission plans. Such plans include each region's transmission needs as prescribed by each region's planning process. This review shall occur on a mutually agreeable timetable, taking into account each region's regional transmission planning process timeline. If through this review, the Transmission Provider and the SERTP identify a potential interregional transmission project that may be more efficient or cost-effective than regional transmission projects, the Transmission Provider and the SERTP shall jointly evaluate the potential interregional transmission project pursuant to Section X.C.4.

2. Identification of Interregional Transmission Projects by Stakeholders: Stakeholders and transmission developers (pursuant to Section X.D.1) may also propose interregional transmission projects that may be more efficient or cost-effective than regional transmission projects pursuant to the procedures in each region's regional transmission planning processes.

3. Identification of Interregional Transmission Projects by Developers:

Interregional transmission projects proposed for interregional cost allocation

purposes (“Interregional CAP”) must be submitted in both the Transmission Provider and the SERTP regional transmission planning processes. The project submittal must satisfy the requirements of Section X.D.1 except for the benefit-to-cost ratio requirements of Section X.D.1.a.ii. The submittal must identify the potential transmission project as interregional in scope and identify the Transmission Provider and the SERTP as regions in which the project is proposed to interconnect. The Transmission Provider will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Provider will notify the SERTP. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Provider and the SERTP will jointly evaluate the proposed interregional projects pursuant to Sections X.C and X.D.

4. Evaluation of Interregional Transmission Projects: The Transmission Provider and the SERTP shall act through their respective regional transmission planning processes in the joint evaluation of potential interregional transmission projects identified pursuant to Sections X.C.1 and X.C.2 to determine whether the inclusion of any potential interregional transmission projects in each region’s regional transmission plan would be more efficient or cost-effective than regional projects. Such analysis shall be consistent with accepted transmission planning practices of the respective regions and the methods

utilized to produce each region's respective regional transmission plan(s). The Transmission Provider will evaluate potential interregional transmission projects consistent with Section I.C.6 and Section II of Attachment FF.

5. Review of Proposed Interregional Transmission Projects: Initial coordination activities regarding potential interregional transmission projects will typically begin during the third quarter of each calendar year. The Transmission Provider and the SERTP will exchange status updates regarding interregional transmission projects that are newly proposed or that are currently under consideration as needed. These status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal(s); (ii) the latest calculation of benefits (as identified pursuant to Section X.D.2); and (iii) the anticipated timeline for future assessments.

6. Coordination of Assumptions Used in Joint Evaluation: The Transmission Provider and the SERTP will coordinate assumptions and data used in joint evaluations, as necessary, including items such as:

- a. Expected timelines and milestones associated with the joint evaluation;
- b. Study assumptions;
- c. Models; and
- d. Benefit calculations (as identified pursuant to Section X.D.2).

D. Interregional Cost Allocation: If an interregional transmission project is proposed for Interregional CAP in the SERTP and the Transmission Provider transmission planning regions, then the following cost allocation and benefits calculations, as identified pursuant to Section X.D.2, shall apply to the project:

1. Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes:

- a. For a transmission project to be eligible for Interregional CAP within the SERTP and the Transmission Provider, the project must:
 - i. Interconnect to transmission facilities in both the SERTP and Transmission Provider regions. The facilities to which the project is proposed to interconnect may be either existing facilities or transmission projects included in the regional transmission plan that are currently under development
 - ii. Have a combined benefit-to-cost ratio of 1.25 or higher to the SERTP and Transmission Provider regions, as calculated in Section X.D.3; and
 - iii. Meet the threshold and qualification criteria for transmission projects potentially eligible to be included in the respective regional transmission plans for purposes of cost allocation in the Transmission Provider and the SERTP, pursuant to their respective regional transmission planning processes.
- b. On a case-by-case basis, the Transmission Provider and the SERTP may consider an interregional transmission project that does not satisfy all of the criteria specified in this Section X.D.1, but that: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in only one of the two regions; and (ii) would be interconnected to transmission facilities in both

the SERTP and Transmission Provider regions. The facilities to which the project is proposed to interconnect may be either existing facilities or transmission projects included in the regional transmission plan that are currently under development.

c. The transmission project must be proposed for purposes of cost allocation in both the SERTP and the Transmission Provider. The project submittal must satisfy all criteria specified in the respective regional transmission processes, including the respective timeframes for submittals proposed for cost allocation purposes. If a project is proposed by a transmission developer, the transmission developer must also satisfy the qualification criteria specified by each region.

2. Calculation of Benefits for Interregional Transmission Projects Proposed

for Interregional Cost Allocation Purposes: The benefits used to establish the allocation of costs of a transmission project proposed for Interregional CAP between the SERTP and the Transmission Provider shall be determined as follows:

- a. Each transmission planning region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed project(s) addresses transmission needs that are currently being addressed with projects in its regional transmission plan and, if so, which projects in the regional transmission plan could be displaced by the proposed project(s).
- b. Based upon its evaluation, each region will quantify its benefits based

upon the transmission costs that each region is projected to avoid due to its transmission projects being displaced by the proposed interregional transmission project as follows:

- i. for the SERTP, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included; and
- ii. for the Transmission Provider, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included.

The benefits calculated pursuant to this Section X.D.2 are not necessarily the same as the benefits used for purposes of regional cost allocation.

3. Calculation of Benefit-to-Cost Ratio for an Interregional Transmission Project Proposed for Interregional CAP:

Prior to any regional benefit-to-cost ratio calculation pursuant to either regional transmission planning process, the combined interregional benefit-to-cost ratio, referenced in Section X.D.1.a, shall be calculated for an interregional transmission project proposed for Interregional CAP. Such calculation shall be performed by dividing the sum of the present value of the avoided project cost determined in accordance with Section X.D.2.b.i for the SERTP region and the present value of avoided project cost determined in

accordance with Section X.D.2.b.ii for the Transmission Provider region by the present value of the proposed interregional transmission project's total project cost. The present values used in the cost calculation shall be based on a common date, comparable cost components, and the latest cost estimates used in the evaluation of the interregional transmission project. The combined interregional benefit-to-cost ratio will be assessed in addition to, not in the place of, the SERTP's and the Transmission Provider's respective regional benefit-to-cost ratio assessment(s) (if applicable) as specified in the respective regional processes.

- 4. Inclusion in Regional Transmission Plans:** An interregional transmission project proposed for Interregional CAP in the transmission planning regions of the SERTP and the Transmission Provider will be included in the respective regional transmission plans for purposes of cost allocation after:
 - a. Each region has performed all evaluations, as prescribed in its regional transmission planning process, necessary for a project to be included in its regional transmission plan for purposes of cost allocation including any regional benefit-to-cost ratio calculations. Each region shall utilize the benefit calculation(s) as defined in such region's regional transmission planning process (for purposes of clarity, these benefits are not necessarily the same as the benefits determined pursuant to Section X.D.2). Each region shall utilize the cost calculation(s) as defined in such region's regional transmission planning process. The anticipated percentage

allocation of costs of the interregional transmission project to each region shall be based upon the ratio of the region's benefits to the sum of the benefits, both as determined pursuant to Section X.D.2, identified for both the SERTP and the Transmission Provider.

- b. Each region has obtained all approvals, as prescribed in its regional process, necessary for a project to be included in the regional transmission plan for purposes of regional cost allocation.

5. Allocation of Costs Between the SERTP and the Transmission Provider

Regions: The cost of an interregional transmission project, selected for purposes of cost allocation in the regional transmission plans of both the SERTP and the Transmission Provider, will be allocated as follows:

- a. Each region will be allocated a portion of the interregional transmission project's costs in proportion to such region's benefit as calculated pursuant to Section X.D.2 to the sum of the benefits identified for both the SERTP and the Transmission Provider calculated pursuant to Section X.D.2.
 - i. The benefits used for this determination shall be based upon the benefit calculation most recently performed - pursuant to the method described in Section X.D.2 - before each region included the project in its regional transmission plan for purposes of cost allocation and as approved by each region.
- b. Costs allocated to each region shall be further allocated within each region pursuant to the cost allocation methodology contained in its regional transmission planning process.

- 6. Milestones of Required Steps Necessary to Maintain Status as Being Selected for Interregional Cost Allocation Purposes:** Once selected in the respective regional transmission plans for purposes of cost allocation, the transmission owners in the SERTP planning region that will be allocated costs of the transmission project, the Transmission Provider, and the transmission developer(s) must mutually agree upon an acceptable development schedule including milestones by which the necessary steps to develop and construct the interregional transmission project must occur. These milestones may include (to the extent not already accomplished) obtaining all necessary rights-of-way and requisite environmental, state, and other governmental approvals and executing a mutually-agreed upon contract(s) between the applicable transmission owners in the SERTP planning region, the Transmission Provider and the transmission developer. If such critical steps are not met by the specified milestones and then afterwards maintained, then the Transmission Provider and the SERTP may remove the transmission project from the selected category in the regional transmission plans for purposes of cost allocation.
- 7. Interregional Transmission Project Contractual Arrangements:** The contracts referenced in Section X.D.6 will address terms and conditions associated with the development of the proposed interregional transmission project included in the regional transmission plans for purposes of cost allocation, including but not limited to:

 - a. Engineering, procurement, construction, maintenance, and operation of the

proposed transmission project, including coordination responsibilities of the parties;

- b. Emergency restoration and repair;
- c. The specific financial terms and specific total amounts to be charged by the transmission developer of the transmission project to each beneficiary, as agreed to by the parties;
- d. Creditworthiness and project security requirements;
- e. Milestone reporting, including schedule of projected expenditures;
- f. Reevaluation of the transmission project; and
- g. Non-performance or abandonment.

8. Removal from Regional Transmission Plans: An interregional transmission project may be removed from the SERTP's or the Transmission Provider's regional transmission plan(s) for Interregional CAP: (i) if the transmission developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region's regional transmission plans pursuant to the requirements of its regional transmission planning process.

- a. The Transmission Provider shall notify the SERTP if an interregional transmission project or a portion thereof is likely to be, and/or is actually removed from its regional transmission plan.

E. Transparency

- 1. Stakeholders will have an opportunity to provide input and feedback

within the respective regional transmission planning processes of the SERTP and the Transmission Provider related to interregional transmission projects identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and the Transmission Provider.

2. The Transmission Provider shall use the existing planning stakeholder forums, such as the Planning Advisory Committee and Sub-regional Planning Meetings, to review with stakeholders the interregional activities associated with the SERTP.
3. The Transmission Provider will post a list, on the Regional Planning Website, of interregional transmission projects proposed for purposes of cost allocation in both the Transmission Provider and the SERTP regions that are not eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions as well as post an explanation of the thresholds the proposed interregional projects failed to satisfy.

SELECTION REPORT

Duff-Coleman EHV 345 kV Competitive Transmission Project



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Selection Report

Duff-Coleman EHV 345 kV Competitive Transmission Project

1. Executive Summary

In January 2016, Midcontinent Independent System Operator, Inc. (MISO) kicked off its first FERC-approved Order 1000 competitive developer selection process. MISO issued a Request for Proposals for a market efficiency project known as the Duff-Coleman EHV 345 kV Competitive Transmission Project, a new 345 kV transmission line connecting the Duff substation in southern Indiana to the Coleman EHV substation in western Kentucky. In response to the Request for Proposals, MISO received 11 comprehensive proposals from RFP Respondents,¹ listed alphabetically:

- Ameren Transmission Company of Illinois and PPL TransLink, Inc.
- Duke-American Transmission Company, LLC
- Edison Transmission, LLC
- GridAmerica Holdings, Inc.
- ITC Midcontinent Development, LLC
- Midcontinent MCN, LLC
- NextEra Energy Transmission Midwest, LLC
- Republic Transmission, LLC
- Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Incorporated and Public Service Enterprise Group, Inc.
- Transource Energy, LLC
- Xcel Energy Transmission Development Company, LLC.

Each of these RFP Respondents demonstrated the necessary breadth and scope of capabilities, and the financial wherewithal, to design, finance, construct, operate, and maintain the project. The proposals, however, were sufficiently distinct from one another and each provided varying levels of specificity, certainty, risk mitigation, and cost. MISO wishes to convey its deep appreciation and respect for the tremendous effort and resources all RFP Respondents invested to develop their proposals. The dedication, innovative thinking, and competitive spirit the RFP Respondents brought to this process will benefit MISO, its members, and ultimately all consumers of electricity in helping us build a stronger, more reliable electric grid for today and tomorrow.

MISO is pleased to announce that, following an in-depth comparative analysis of these 11 proposals, Republic Transmission has been designated as the Selected Developer for the Duff-Coleman EHV 345 kV Competitive Transmission Project. Republic Transmission was comparatively advantageous and exhibited the best balance of high-quality design and competitive cost, best-in-class project implementation, and top-tier plans for operations and maintenance.

¹ All RFP Respondents must be MISO Qualified Transmission Developers.

Republic Transmission is a wholly owned subsidiary of LS Power Associates, L.P. and its subsidiaries and affiliates. Republic Transmission's proposal includes one Proposal Participant: Big Rivers Electric Corporation (Big Rivers). Big Rivers is a member-owned, not-for-profit, generation and transmission cooperative headquartered in Henderson, Kentucky.

Republic Transmission excelled among a complement of strong proposals. Republic Transmission's proposal provided the strongest combination of attributes, including but not limited to, the highest degree of certainty and specificity, the lowest risk, and low cost. In selecting Republic Transmission, MISO evaluated Republic Transmission's proposal against four FERC-approved evaluation criteria: cost and design, project implementation, operations and maintenance, and planning participation. MISO was also guided and influenced by the collective application of the four evaluation principles found in MISO's business practices manual: specificity, certainty, cost, and risk mitigation.

For MISO, it comes down to providing the greatest overall value and that, encompasses more than just cost. There are more elements to cost than just the overall number. In MISO's process, cost is a comparative advantage, not an absolute determinate.

Republic Transmission committed to cap several elements of its annual transmission revenue requirement to benefit ratepayers for the life of the project, had a robust, detailed design that is flexible, and proposed the highest conductor capacity. Republic Transmission had the most complete project implementation plan, demonstrating the highest probability of success. Republic Transmission was better than nearly all other proposals in operations and maintenance and exhibited comprehensive capabilities and plans, and had the lowest estimated operations and maintenance cost.

Republic Transmission's performance collectively across MISO's four evaluation criteria was unmatched by any other proposal, scoring 95 out of a possible 100 points. Compared to Republic Transmission's total score of 95, the other proposals scored between 80 and 41 points. As illustrated in Figure 1-1, Republic Transmission is the clear and decisive winner. The second highest score of 80 was awarded to Proposal 107, the designated Alternate Selected Developer.² The tables below depict the final scoring results and criteria-level categorizations (as called for in the MISO Tariff and further detailed in the business practices manual) for all of the proposals. The table also refers to all RFP Respondents (other than Republic Transmission) only by numerical designations to protect confidentiality.

As shown in Figure 1-1, the scores illustrate that each RFP Respondent is capable of acceptably developing and implementing the project. However, the scores reflect distinctions in the proposals and how some are comparatively better positioned based on the facts submitted in their proposals.

² MISO is required to keep the identity of the Alternate Selected Developer confidential.

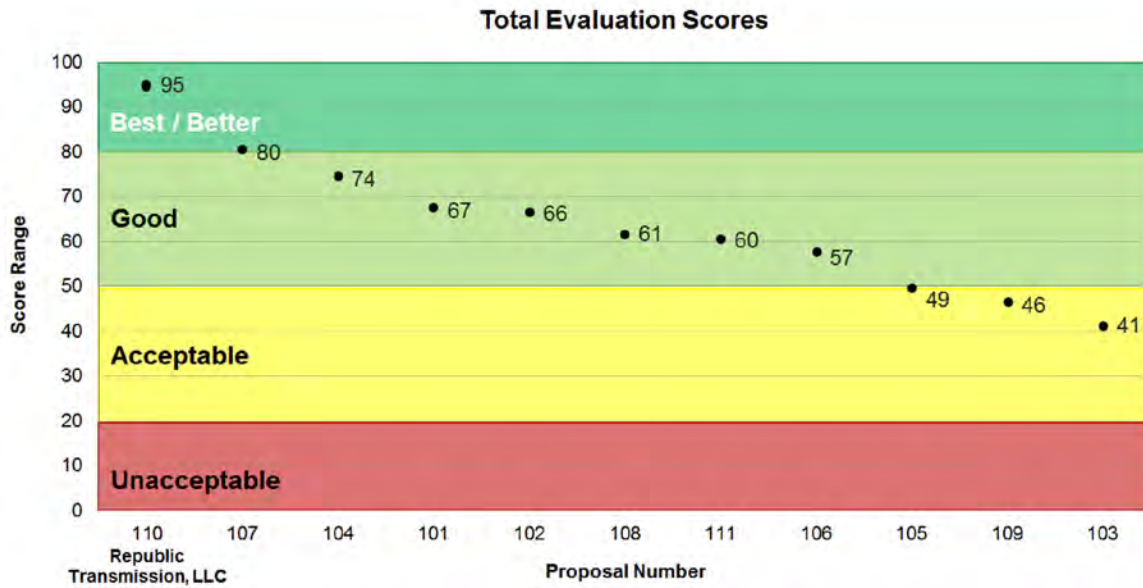


Figure 1-1: Final Scoring Summary

As discussed above, MISO’s Tariff requires MISO to evaluate proposals according to four evaluation criteria: cost and design, weighted at 30%; project implementation, weighted at 35%; operations and maintenance, weighted at 30%; and transmission planning participation, weighted at 5%.³ In order to determine the final evaluation score, all proposals are evaluated against each evaluation criterion, categorized as either ‘Best,’ ‘Better,’ ‘Good,’ ‘Acceptable,’ or ‘Unacceptable,’ scored with respect to each criterion, and then assigned final scores.⁴ The proposals were evaluated and scored based upon a comparative analysis.

MISO evaluated each proposal based on the information submitted by the RFP Respondents in their respective proposals. The obligations of RFP Respondents to provide the needed information were communicated clearly up front in the Request for Proposals package. MISO’s decisions with regard to evaluation, selection, and scoring are steeped in the specific documentation the RFP Respondents submitted and not based on any information obtained from outside the four corners of the submitted proposals.

The proposal considered the best in a given evaluation criterion was categorized as ‘Best’ for a criterion. The remaining proposals in that same criterion were then categorized into one of the remaining four categories (‘Better,’ ‘Good,’ ‘Acceptable,’ or ‘Unacceptable’) based upon the merits of the proposal and the application of the evaluation principles, discussed above. A numerical score was then awarded to each proposal, commensurate with its categorization and comparative ranking for each evaluation criterion.

Below is a table that shows MISO’s comparative categorizations of all proposals within each of MISO’s four evaluation criteria, leading with Republic Transmission’s proposal.

³ MISO Tariff, Attachment FF, Section VIII.E.1.

⁴ Business Practices Manual No. 027 – Competitive Transmission Process, (BPM-027), Section 8.2.1.

Comparative Categorization Summary Table

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 1-1: Comparative Categorization Summary Table

As shown in this table, Republic Transmission is in the top tier for all criteria and the ‘Best’ for two criteria. Below are some noteworthy insights from MISO’s evaluation of all of the proposals, including the Selected Proposal.

Noteworthy: Cost and Design

MISO’s review and analysis of the cost and design information submitted by each proposal revealed the following noteworthy points:

- the cost estimate developed by MISO for the project in the MISO Transmission Expansion Plan for 2015 was \$58.9 million and the range submitted in the 11 proposals was \$34.0 million to \$55.7 million.
- a variety of innovative and novel cost caps, concessions, and commitments were proposed, taking advantage of the freedom to develop new ways to compete on cost and annual transmission revenue requirement within MISO’s Competitive Developer Selection Process.⁵
- proposals with lower and more certain annual transmission revenue requirements, compared to other proposals, generally performed well across the spectrum of sensitivity studies conducted to test how resilient different proposals might be with changes to cost drivers.
- the majority of proposed pole structures were direct embedded and steel; only one RFP Respondent proposed wood structures.

⁵ See Table 2-2 and Table 2-3 for further information related to cost caps, concessions, and commitments.

- structure types reflected common industry practice (monopole, H-frame, or lattice).
- all RFP Respondents proposed crossing the Ohio River in the same general area.
- a wide variety of conductor sizes, configurations and types were proposed.

MISO determined that Republic Transmission's proposal was the best for cost and design because it combined superior design with competitive upfront costs and robust cost caps with no exclusions beyond those recognized by MISO's Selected Developer Agreement. Republic Transmission's design approach demonstrated rigor and specificity throughout, featuring:

- aggressive competition on every annual transmission revenue requirement allocation factor,
- a well-supported route,
- ample right-of-way to support design flexibility and potential future expansion, and
- a robust conductor with greater capacity than MISO's required minimum, which will better accommodate changes to the transmission grid over time and decrease line losses.

While the estimated implementation costs for Republic Transmission's proposal were roughly average among proposals, the differential between Republic Transmission and other proposals with lower upfront costs became narrower over time, viewed through the lens of ultimate costs to MISO's ratepayers. MISO's evaluation and selection process does not require the lowest cost proposal to be selected. MISO's process includes other criteria, such as project implementation, operations and maintenance, and planning participation that must be evaluated.

Republic Transmission's estimated 40-year annual transmission revenue requirement provided the best long-term certainty by offering:

- low anticipated operations and maintenance costs by leveraging local partners,
- limited return on equity for the life of the project (9.8%), and
- limited equity in capital structure for the life of the project (45%).

Only one proposal submitted a lower estimated annual transmission revenue requirement than Republic Transmission, but did not match Republic Transmission's design quality and rigor. All other proposals were either good or acceptable with respect to cost and design, because their designs were not as strong and they did not demonstrate consistently high levels of rigor, specificity, and certainty comparable to Republic Transmission's proposal.

Noteworthy: Project implementation

MISO's review and analysis of the project implementation information submitted by each RFP Respondent revealed the following noteworthy points:

- Every RFP Respondent demonstrated previous transmission line development experience.
- Every RFP Respondent placed substantial funding and resources in pre-construction surveys and research.
- Many RFP Respondents supplied well-developed project plans and used industry standard project management tools.
- Proposed route lengths varied, anywhere from 28 miles to 36 miles.
- Extensive efforts were placed into understanding the complexity of the regulatory and permitting framework for the project's location; many RFP Respondents had already begun early consultations with regulatory authorities.
- There was wide variability in the approach toward constructing the project.
- The majority of proposals' documentation exceeded MISO's minimum requirements in the Request for Proposals.
- Every RFP Respondent clearly demonstrated the capability to fund their estimated implementation costs for the project.

MISO determined that Republic Transmission's proposal was the best for project implementation because it was the most complete proposal and presented robust documentation for all project implementation sub-criteria (addressing aspects of project implementation such as project schedule, project management, route and site evaluation, regulatory permitting, and engineering and surveying).

One other proposal distinguished itself in most areas of project implementation, but did not exhibit specificity comparable to Republic Transmission's proposal across every sub-criterion within project implementation. Every other proposal was either good or acceptable for project implementation because, compared to the Republic Transmission proposal, they lacked consistent certainty, specificity, and risk mitigation across the full range of sub-criteria for project implementation.

Noteworthy: Operations and Maintenance

MISO's review and analysis of the operations and maintenance information submitted by each RFP Respondent revealed the following noteworthy points:

- All RFP Respondents demonstrated previous experience in maintaining 345 kV transmission line infrastructure, either directly or through contractors.
- Many of the proposed maintenance and forced outage responder contractors are affiliates of the same parent company.

- Most RFP Respondents are proposing to use contractors to perform maintenance on the project.
- RFP Respondents proposed forced outage response times anywhere from less than one hour to three hours; those having shorter forced outage response times generally had shorter emergency repair response times.
- Most RFP Respondents had greater detail with regard to both forced outage and emergency repair time and maintenance plans on the Indiana side of the project; only a few had similar detail for the Kentucky side of the project.
- Operations and maintenance costs ranged from \$120,000 per year to \$894,000 per year.

MISO determined that Republic Transmission's proposal should be categorized as 'Better' for operations and maintenance because Republic Transmission's operations and maintenance plan was comprehensive and highly specific, with only one area (the sub-criterion for safety plans and performance history) where its documentation was not as robust and project-specific as the 'Best' proposal for operations and maintenance.

Proposal 102 earned the categorization of 'Best' for operations and maintenance because RFP Respondent 102 submitted the most robust information on certainty, specificity, and risk mitigation for all operations and maintenance sub-criteria (consisting of elements such as real-time operations monitoring and control capabilities, switching, forced outage response, emergency repair, preventive and predictive maintenance, spare parts management, and so forth).

Every other proposal was either good or acceptable for operations and maintenance because, compared to the top two proposals (Proposal 102 and Republic Transmission's proposal), they did not demonstrate comparable certainty, specificity, and risk mitigation across the full range of sub-criteria for operations and maintenance.

Noteworthy: Planning Participation

MISO reviewed and verified the planning participation documentation submitted by each RFP Respondent. Planning participation was unique in that it was scored on an all-or-nothing basis, meaning that a proposal was awarded the full planning participation score (5%) if at least one RFP Respondent or Proposal Participant participated in the MISO annual transmission expansion planning process that included the project. Because every proposal but one received credit for planning participation, the planning participation criterion did not differentiate any of the top proposals in MISO's comparative analysis. To avoid revealing the identities of the RFP Respondents (because only one RFP Respondent did not receive planning participation credit), MISO has redacted proposal-specific information about planning participation in this report.

Moving Forward

The balance of this report includes sections with background information on the Duff-Coleman EHV 345 kV Competitive Transmission Project and the RFP requesting proposals to design, build, own, operate, and maintain the project. Section 2.6 explains in detail how MISO performed its comparative analysis for the 11 proposals. Sections 3 and 4 summarize in greater depth the proposals of Republic Transmission and the other RFP Respondents.

MISO is grateful for tremendous stakeholder engagement throughout development and launch of its first Competitive Developer Selection Process under FERC Order 1000, and the invaluable contributions of every RFP Respondent that submitted a proposal. The project implementation process will begin immediately with execution of the Selected Developer Agreement. MISO looks forward to working in partnership with Republic Transmission to support successful, on-time completion of the project, which will deliver substantial, lasting efficiency benefits to MISO's transmission customers and the consumers they serve.

2. Introduction and Overview

2.1 Introduction to Selection Report

This report describes MISO's process to select a qualified developer to design, finance, build, own, operate, and maintain a new 345 kV transmission line connecting the Duff substation in southern Indiana to the Coleman EHV substation in western Kentucky. This project is a component of a larger set of planned facilities, known as the Duff-Rockport-Coleman 345 kV Project, identified in MISO's Transmission Expansion Plan for 2015 (MTEP15). The planned in-service date for the project is January 1, 2021.

Apart from the introduction in this Section 2.1, this document consists of the following elements:

- an executive summary (Section 1),
- a detailed description of the project, issuance of the Request for Proposals (RFP), submission of proposals, and how MISO performed comparative analysis to evaluate all submitted proposals, together with further background information (Sections 2.2 through 2.6),
- summary descriptions of the 11 proposals received by MISO in response to the RFP, together with comparative analysis results (Section 3 for the Selected Proposal, Section 4 for the remaining proposals),⁶
- a glossary of defined terms used in this report (Attachment 1),
- explanations of specialized terminology used in connection with the RFP (Attachments 2 and 3), and
- summary tables correlating information requested in the RFP to Tariff-prescribed evaluation criteria and sub-criteria (Attachment 4).

Of note to the reader, much of the detailed information provided in the RFP Respondents' proposals must be kept confidential. Section 2.5 of this report summarizes the Tariff confidentiality provisions governing the MISO Competitive Developer Selection Process. For this reason, this report is necessarily general when describing attributes of RFP Respondents and their proposals, and refers to all proposals other than the Selected Proposal according to their numerical designations (101 through 111), to mask their identifies as required by the Tariff. Although the Competitive Transmission Executive Committee designates an Alternate Selected Developer at the same time as it announces the Selected Developer, it cannot disclose the identity of the RFP Respondent that has been designated as the Alternate Selected Developer.

⁶ MISO has determined criteria-level scores for each proposal in accordance with the Tariff and business practices manual; however, the criteria-level scores are not included in this report. MISO will provide criteria-level scores to each RFP Respondent for its own proposal.

While MISO may disclose the identities of the RFP Respondents, it cannot provide information that correlates the proposals to specific RFP Respondents (except for the Selected Developer). Specific information this report may disclose (masking identities for all RFP Respondents other than the Selected Developer) includes:

- the high-level design for the project,
- the estimated cost of the project,
- the estimated 40-year annual transmission revenue requirement (ATRR) for the project, and
- information relating to any cost-containment measures, cost-caps, and rate-incentives.

There are aspects of the proposals, particularly discussions of high-level project design, that are inherently technical. Use of some specialized terminology is unavoidable in these areas. To assist readers who may not be familiar with concepts used in transmission line design, MISO has included a table with non-technical explanations of common terms in Attachment 2. There is an analogous table with financial terminology in Attachment 3.

2.2 The Competitive Transmission Project

The objective of MISO's Competitive Developer Selection Process is to select a transmission developer to successfully design, finance, construct, own, operate and maintain a Competitive Transmission Facility. MISO uses the developer selection approach, which begins once the MISO Board of Directors approves a MISO Transmission Expansion Plan (MTEP) that includes a transmission project that is regionally cost shared, such as a Market Efficiency Project.⁷ MISO issues an RFP for the Competitive Transmission Project and Qualified Transmission Developers submit proposals. MISO then uses comparative analysis to evaluate the proposals and choose a Selected Developer.

MISO followed this process when it determined, after MISO's Board of Directors approved MTEP15, that a component of the Duff-Rockport-Coleman 345 kV Project was eligible for the Competitive Developer Selection Process. This project, known as the Duff-Coleman EHV 345 kV Competitive Transmission Project (or simply the "project," in this report) is a new, single circuit 345 kV transmission line connecting the existing Duff substation located in Dubois County, Indiana with the existing Coleman EHV substation located in Hancock County, Kentucky (Figure 2-1). The project has a MISO-estimated route length of 28 miles.⁸

⁷ There are exceptions to this requirement, which are explained in the MISO Tariff, Attachment FF, Section VIII.A.

⁸ The RFP does not predetermine the route length for proposals. The length of 28 miles was used for MTEP15 project cost estimation purposes.

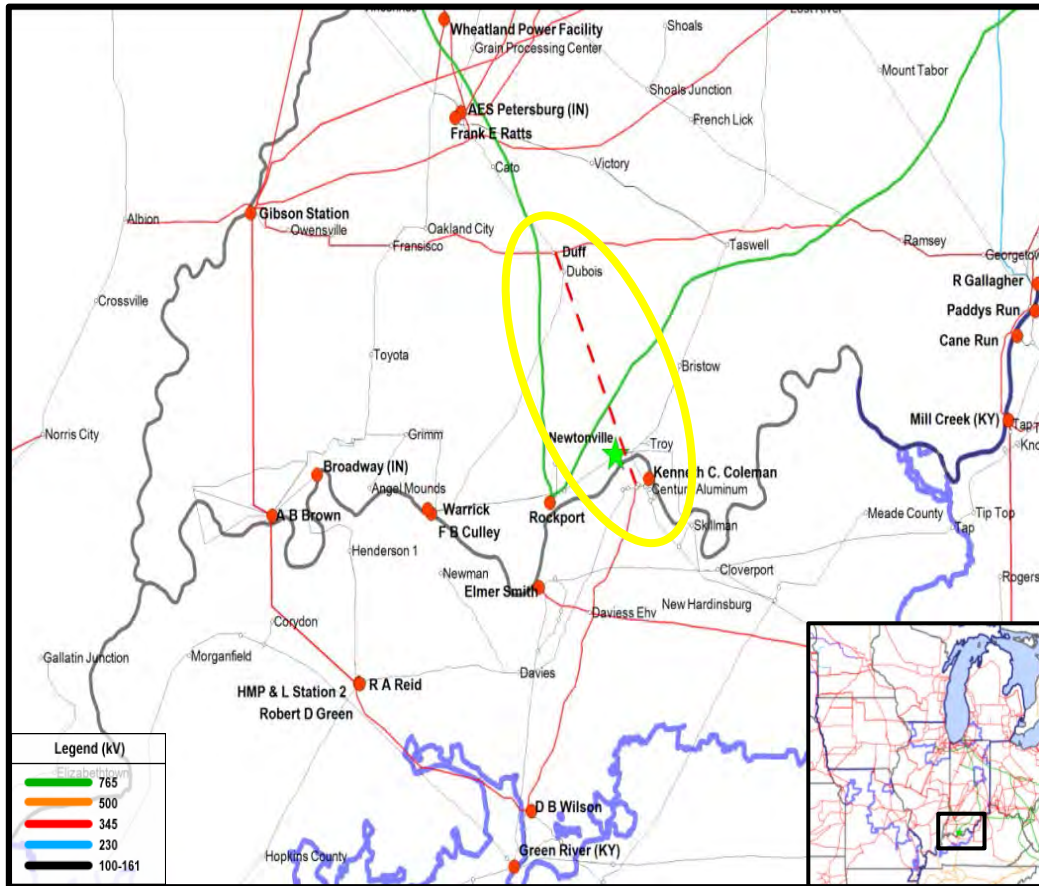


Figure 2-1: Depiction of Duff-Coleman EHV 345 kV Competitive Transmission Project

MTEP15 showed the Duff-Coleman EHV 345 kV Competitive Transmission Project had a weighted benefit to cost ratio of 16.1 to 1, which far exceeds the 1.25 to 1 benefit to cost ratio required for designation of a 345 kV transmission project as a Market Efficiency Project.⁹

2.3 The Request for Proposals

2.3.1 Issuance

MISO issued the RFP¹⁰ for the Duff-Coleman EHV 345 kV Competitive Transmission Project on January 8, 2016 and announced a RFP information meeting for January 26, 2016.¹¹ This complied with MISO Tariff requirements¹² to post a separate RFP for any Competitive Transmission Project containing one or more Competitive Transmission Facilities approved by

⁹ MTEP15: Book 1 – Transmission Studies, p. 109, available at <https://www.misoenergy.org/Planning/TransmissionExpansionPlanning/Pages/MTEP15.aspx>.

¹⁰ Duff-Coleman EHV 345 kV Competitive Transmission Project Request for Proposal, available at <https://www.misoenergy.org/Events/Pages/RFP20160126.aspx>. This page has been updated to link to the most updated version of the RFP package, Revision 6.

¹¹ <https://www.misoenergy.org/Events/Pages/RFP20160126.aspx>.

¹² Attachment FF, Section VIII.C.

the MISO Board of Directors for inclusion in Appendix A of the MTEP, no later than 30 days following the board's approval.¹³

The RFP provided comprehensive information about the project, proposal submission requirements, and the proposal evaluation process. The RFP package consisted of four parts: Part 1, Request for Proposal; Part 2, Proposal Instructions; Part 3, Proposal Template; and Part 4, Proposal Template Workbook. MISO included a proposal template to enable RFP Respondents to comply with the MISO Tariff proposal requirements and present complete information in a consistent organizational format, enabling MISO to compare and contrast proposal information easily. MISO also supplied a proposal template workbook (consisting of 13 separate, detailed Excel spreadsheets and accompanying instructions) to make sure RFP Respondents understood the scope of cost and financial data required and how these inputs would feed into calculations for project implementation costs, ATRR estimates, and other financial elements of their proposal.¹⁴

The RFP contained a small amount of Critical Energy Infrastructure Information (CEII), which was redacted in the version posted publicly on the MISO website.¹⁵ The public version of the RFP included instructions to request access to the non-redacted version of the RFP. Access to the non-redacted version of the RFP was restricted to parties who executed all applicable Non-Disclosure Agreements (NDAs) and CEII NDAs required by MISO. Potential respondents who met this requirement could obtain complete RFP information online through a secure File Transfer Protocol (FTP) site.

After the RFP was initially posted, revisions (five in total) to the RFP package were made, mainly to provide clarifications to the proposal template instructions, proposal template, or proposal template workbook. This addressed issues such as typographical and document reference errors, and responded to issues and questions raised by interested parties through the communication protocols and conference calls. These revisions (which were shown as redlined modifications to the RFP package) were posted publicly on the MISO website on February 3, March 31, April 21, June 8, and June 23.¹⁶ The RFP required delivery of proposals in paper and electronic formats by no later than 5:00 p.m. Eastern Time on July 6, 2016 (the Proposal Submission Deadline).

¹³ *Id.* At the time the MISO Board of Directors approved MTEP15, the Tariff required MISO to issue an RFP within 30 days for any Competitive Transmission Facilities identified in the plan. This requirement was subsequently changed to 60 days for future RFPs, through a FERC filing in Docket No. ER16-1746-000 on May 19, 2016. FERC approved the change on June 16, 2016.

¹⁴ Any entity that wished to submit a proposal in the Competitive Developer Selection Process had to have completed the Qualified Transmission Developer application process in accordance with the MISO Tariff and remain in good standing throughout the selection process (and, if chosen as the Selected Developer, throughout project implementation as provided in the Selected Developer Agreement).

¹⁵ https://www.misoenergy.org/_layouts/MISO/ECM/Redirect.aspx?ID=215833.

¹⁶ MISO issued revisions to the RFP and RFP instructions in connection with a September 21 data request asking RFP Respondents to submit further information on how their proposals would address fiber optic communications capabilities. This is discussed further in Section 2.4.

2.3.2 Post-Issuance Informational Meetings and Conference Calls

After issuing the RFP, MISO offered interested parties the opportunity to use the MISO communications protocols¹⁷ to submit questions about the project and the RFP package ahead of the January informational meeting.¹⁸ MISO convened an open informational meeting on January 26, 2016,¹⁹ during which MISO reviewed its anti-trust policy, presented the communication protocols for the Competitive Developer Selection Process, and provided an overview of the RFP and other important information about the project (such as process, timelines, key deadlines, where to access information, contact information, etc.).

MISO voluntarily held additional conference calls on February 29, March 17, April 21, May 23, and June 20 of 2016 to address any further questions from interested parties about the RFP. These additional conference calls were open to all and announced in advance by postings on MISO's website.²⁰ All questions and responses communicated during these conference calls were recorded in MISO's *Question & Response Log*. If MISO was unable to answer a question immediately during a meeting or call, MISO recorded the question and its follow-up response in the log, which contains a total of 227 questions and answers related to the RFP package. MISO maintained the *Question & Response Log* on the Competitive Transmission Administration section of its website,²¹ along with any updates about progress and timeline for the Competitive Developer Selection Process, to ensure every interested developer had access to the information necessary to submit its best proposal.

Throughout the entire evaluation process, MISO also provided monthly status updates on the Competitive Developer Selection Process during regularly scheduled meetings of MISO's Planning Advisory Committee.²² The Planning Advisory Committee is formed, according to the Transmission Owners Agreement, of interested MISO stakeholders to provide advice to the MISO Planning Staff on policy matters related to the process, adequacy, integrity and fairness of the MISO-wide transmission expansion plan.

2.4 Receipt of Proposals and Completeness Check

As MISO received proposal submissions, MISO sent acknowledgements for the limited purpose of confirming receipt.²³ MISO also assigned each proposal an identification number

¹⁷ [https://www.misoenergy.org/ layouts/MISO/ECM/Redirect.aspx?ID=230036](https://www.misoenergy.org/layouts/MISO/ECM/Redirect.aspx?ID=230036).

¹⁸ BPM-027, Section 5.4.

¹⁹ <https://www.misoenergy.org/Events/Pages/RFP20160126.aspx>.

²⁰ <https://www.misoenergy.org/Planning/Pages/TransDevQualSel.aspx>.

²¹ <https://www.misoenergy.org/ layouts/MISO/ECM/Redirect.aspx?ID=239798>.

²² The Planning Advisory Committee is a standing committee created in Attachment B to the Transmission Owners Agreement. Attachment B states that "[t]he planning function of the MISO shall be the responsibility of the MISO Planning Staff" and that "the process for carrying out the planning of the MISO shall be collaborative with the Owners, Users, and other interested parties." More information about the Planning Advisory Committee is available at <https://www.misoenergy.org/StakeholderCenter/CommitteesWorkGroupsTaskForces/PAC/Pages/home.aspx>.

²³ Acknowledgements were transmitted by e-mail to the proposal's primary and secondary contact personnel within two business days, as required by in BPM-027, Section 6.4.

(101 through 111). To protect confidentiality, as required by the MISO Tariff,²⁴ this report refers to proposals (other than the Selected Proposal) according to their proposal identification numbers.

During the 30-day period following receipt, MISO reviewed each proposal for completeness and validated whether the RFP Respondents for each proposal were certified as Qualified Transmission Developers on the dates the proposals were submitted. Any RFP Respondent that submitted a proposal MISO deemed incomplete was notified and given 10 business days (the Proposal Cure Period) to cure the deficiency. Five proposals were deemed complete and had no incompleteness to cure. Six proposals were deemed incomplete; however, following notice, all deficiencies MISO identified were cured within the Proposal Cure Period, and none were subsequently withdrawn.

On August 19, 2016, after completing the validation process, MISO publicly announced that it had received 11 valid and complete proposals from the following RFP Respondents and Proposal Participants:²⁵

Lists of Respondents Providing Completed Proposals	
RFP Respondent(s) (sorted alphabetically)	Proposal Participant(s)
Ameren Transmission Company of Illinois PPL TransLink, Inc.	N/A
Duke-American Transmission Company, LLC	N/A
Edison Transmission, LLC	N/A
GridAmerica Holdings, Inc.	N/A
ITC Midcontinent Development, LLC	N/A
Midcontinent MCN, LLC	Missouri Joint Municipal Electric Utility Commission
NextEra Energy Transmission Midwest, LLC	N/A
Republic Transmission, LLC	Big Rivers Electric Corporation, Inc.
Southern Indiana Gas and Electric d/b/a Vectren Energy Delivery of Indiana, Inc. Public Service Enterprise Group Inc.	N/A
Transource Energy, LLC	Transource Indiana, LLC Transource Kentucky, LLC
Xcel Energy Transmission Development Company, LLC	N/A

Table 2-1: Announced List of RFP Respondents and Proposal Participants

²⁴ Attachment FF, Section VIII.D.9.

²⁵ https://www.misoenergy.org/Library/Repository/Study/Transmission%20Developer/List%20of%20Proposals_Duff-Coleman%20EHV%20345_Final.pdf.

Under the MISO Tariff,²⁶ MISO has the right, but not the obligation, during the Competitive Developer Selection Process, to request that an RFP Respondent provide clarifications to its submitted proposal. MISO issued nine requests for clarification to individual RFP Respondents, and all nine RFP Respondents provided clarification, and the submitted information was included with their respective proposals and considered during proposal evaluation.

The MISO Tariff also allows MISO to request additional data from all RFP Respondents if MISO determines that additional information is necessary to evaluate the proposals.²⁷ MISO issued one request for additional data to all RFP Respondents and posted an update to the RFP package in order to clarify the substation owners' minimum interconnection requirements for the protective relaying communication cables. The minimum interconnection requirement provided by the substation owners, which was included in the RFP, was unclear. MISO reviewed with the substation owners and confirmed that the interconnection requirements stated in the RFP were not consistent with their minimum interconnection requirements for this project. All 11 RFP Respondents responded to this data request, and the submitted information was included in their proposals and evaluated.

2.5 Confidentiality, Communication Protocols, and Document Control

2.5.1 Confidentiality

Throughout the process to develop, post, and evaluate responses to the RFP, MISO has been mindful of the importance of transparency. To that end, MISO invited extensive stakeholder feedback as it developed the Competitive Transmission Process (as defined in the Tariff),²⁸ and convened several informational meetings after issuing the RFP.²⁹ At the same time, MISO is obligated to treat proposal materials submitted by RFP Respondents as confidential, except with respect to certain elements of the Selected Proposal and other proposals.³⁰

The MISO Tariff prescribes three levels of confidentiality with respect to proposal-related information: (a) information that cannot be disclosed to any third party; (b) information that may be disclosed in the selection report about the Selected Developer and, if the identity is masked (through aggregation or the masking of names), all other RFP Respondents; and (c) information that can be disclosed publicly without restriction. In all cases, the information MISO discloses must be reasonably necessary to demonstrate that its designation of the Selected Developer was proper, based on the comparative analysis required by the MISO Tariff.

²⁶ MISO Tariff, Attachment FF, Section VIII.D.7; Section 6.11, BPM-027.

²⁷ MISO Tariff, Attachment FF, Section VIII.D.6.

²⁸ For example, in 2014 and 2015, MISO facilitated 18 monthly workshops dedicated solely to the development of the Competitive Transmission Process. In preparing the proposed form of Selected Developer Agreement, MISO provided feedback and revisions to address more than 300 separate comments. FERC acknowledged MISO's transparent stakeholder process in its November 13, 2015 *Order on Proposed Tariff Changes*, 153 FERC ¶ 61,168 at P 275.

²⁹ Section 2.3.2 describes the informational meetings MISO held in 2016 after issuing the RFP.

³⁰ Attachment FF, Section VIII.D.9.

The first category of information (to be kept confidential in all cases, unless the RFP Respondent has consented to disclosure) includes the following:

- all detailed breakdowns of costs, including but not limited to, the itemized costs for labor and materials,
- all details of an RFP Respondent's financing arrangements (as well as those for any project participants),
- all detailed design, routing, siting, or specialty construction techniques, and
- any other information or portions of documents that an RFP Respondent has clearly designated as confidential (excluding items that are expressly categorized by the MISO Tariff as non-confidential or that MISO has an obligation to make publically available).

The second category of information (may be disclosed in the selection report, but with identities of all RFP Respondents other than the Selected Developer masked) includes the following:

- the high-level design for the project,
- the estimated cost of the project,
- the estimated 40-year annual transmission revenue requirement for the project,
- information relating to any cost-containment measures, cost-caps, and rate-incentives,
- information about the proposed in-service dates of the project,
- the final evaluation score assigned to each proposal, and
- all timetables and milestones agreed to between the Selected Developer and MISO in the Selected Developer Agreement.

The third category of information (not subject to confidentiality restrictions) includes the following:

- the identity of RFP Respondents and Proposal Participants,³¹
- all publically available information,
- any information for which an RFP Respondent or Proposal Participant has provided consent to release, and
- any information MISO must make publicly available according to the applicable Tariff provisions.³²

To comply with these requirements, this report describes RFP Respondents and their proposals in general terms, to avoid revealing which RFP Respondent submitted which proposal, and to protect commercially sensitive and confidential information.

³¹ While the Tariff permits MISO to disclose a list of the organizations that have submitted proposals, MISO must present any information it is allowed to disclose about those proposals in a manner that masks the identities of the RFP Respondents to which the information relates (except in the case of the Selected Developer).

³² Attachment FF, Section VIII.D.9.

2.5.2 Communication Protocols

MISO adhered to self-imposed communication protocols throughout the Competitive Developer Selection Process, as follows:

- Send all questions to the MISO Client Relations team via the TDQS@misoenergy.org email address
- Interconnecting incumbent Transmission Owner(s) (TO) and MISO staff should not be contacted directly regarding the Request for Proposal (RFP)
- Stakeholders should not engage MISO staff regarding RFP contents or timing, the selection process or variance analysis
- MISO will publicly post a list of questions and/or requests for clarifications it receives at www.misoenergy.org > Planning > Competitive Transmission Information, including MISO's responses to such inquiries
- MISO will only respond to procedural questions during the evaluation / selection phase – we will not respond to substantive questions about the process or RFP
- Information related to competitive projects will be treated as commercially / competitively sensitive.

The communication protocols were posted publicly on MISO's website;³³ were incorporated in part within the RFP and BPM-027; and made part of presentations delivered by the MISO Competitive Transmission Administration team during public stakeholder meetings.

MISO conducted internal training for employees with responsibilities in the Competitive Developer Selection Process, and distributed the protocols to every MISO employee through company-wide e-mails. MISO emphasized the need for confidentiality and announced the communication protocols at every Executive Committee and staff-level meeting where information about the RFP, RFP Respondents, or their proposals was discussed. MISO limited access to all proposal materials to members of the MISO Evaluation Team, who were required to protect the confidentiality of all proposals and associated work products, and refrain from discussing them with entities or individuals that were not part of the MISO Evaluation Team.

All MISO employees and consultants carefully followed the confidentiality and communication protocols established by MISO throughout the Competitive Developer Selection Process, and restricted access and discussions about proposals not only as to external parties, but as to other staff members within MISO who were not part of the MISO Evaluation Team. In addition, to protect the integrity of the evaluation process, MISO required its consultants to attest that they were free from conflicts of interests with Qualified Transmission Developers participating in the RFP, and has kept (and will continue to keep) the identities of its independent consultants confidential.

³³ [https://www.misoenergy.org/ layouts/MISO/ECM/Redirect.aspx?ID=230036](https://www.misoenergy.org/layouts/MISO/ECM/Redirect.aspx?ID=230036).

2.5.3 Document Control Procedures

To facilitate secure proposal access and evaluation, MISO set up a restricted-access intranet website where all electronic versions of proposal-related documents were maintained. Hard copies of proposal materials were kept in physically secure locations. Only members of the MISO Evaluation Team were given access to electronic or hard copies of proposal materials.

2.6 Comparative Analysis Process to Evaluate Proposals

2.6.1 Evaluation Team

The MISO Evaluation Team for the project was organized as shown in Figure 2-2.

CRITERIA	COST AND DESIGN		PROJECT IMPLEMENTATION		OPERATIONS AND MAINTENANCE	PLANNING PARTICIPATION
	DESIGN	COST	CAPITAL RESOURCES AND FINANCING PLAN	PROJECT IMPLEMENTATION	OPERATIONS AND MAINTENANCE	PLANNING PARTICIPATION
MISO STAFF MEMBERS	Lead	Lead		Lead	Lead	Lead
CONSULTANTS	Consultant	Consultant		Consultant	Consultant	
MISO MANAGEMENT	Competitive Transmission Administration					
	Finance					
	Legal					
DECISION MAKER	Competitive Transmission Executive Committee					

Figure 2-2: Organization of MISO Evaluation Team

Competitive Transmission Executive Committee

The Competitive Transmission Executive Committee consists of four voting MISO executives (with expertise in regulatory matters, transmission, operations, and finance), supported by non-voting legal counsel. The Executive Committee supervised the MISO staff and consultants supporting proposal evaluation. The Executive Committee has exclusive and final decision-making authority over the certification and termination of Qualified Transmission Developers and the evaluation and selection of the proposals, resulting in the designation of the Selected Developer and the Alternate Selected Developer.³⁴

³⁴ Attachment FF, Sections VIII.B.2.2, VIII.B.3.2, and VIII.E; Module A (Definitions), Section 1.C, "Competitive Transmission Executive Committee."

Competitive Transmission Administration

The Competitive Transmission Administration is the department that is responsible for administering the Competitive Developer Selection Process. At the head of the Competitive Developer Administration is its Executive Director, who reports to the Executive Committee and is supported by MISO employees accomplished in a broad range of transmission-related fields, such as planning, design, engineering, project implementation, operations and maintenance, finance and accounting, transmission rates, and legal and regulatory fields. All of the leaders for the work stream teams (described below) are MISO employees who are part of the Competitive Transmission Administration or a supporting MISO department.

MISO Staff and Consultant Subject-Matter Experts

To support the Competitive Developer Selection Process, MISO formed a multi-disciplinary team of staff members and independent consultants with specialized expertise and experience to complement the Competitive Transmission Administration. These staff and consultants on the Evaluation Team were organized into “work streams” corresponding to the four evaluation criteria. Each work stream had a MISO lead with direct experience in the relevant subject area and at least one consultant with specific expertise. As the teams progressed from initial review to comparative analysis, the separate work stream teams for cost and design were combined into a single cost and design team, and team members with expertise in project implementation and capital resources and financing plan integrated into a single work stream for project implementation.

2.6.2 Evaluation Criteria

The Competitive Developer Selection Process requires MISO to apply four evaluation criteria (Figure 2-3), each with specific weightings:³⁵ (1) 30% for transmission facility cost and design quality; (2) 35% for project implementation capabilities, (3) 30% for transmission operations and maintenance capabilities, and (4) 5% for planning participation.

³⁵ Attachment FF, Section VIII.E.1(a).

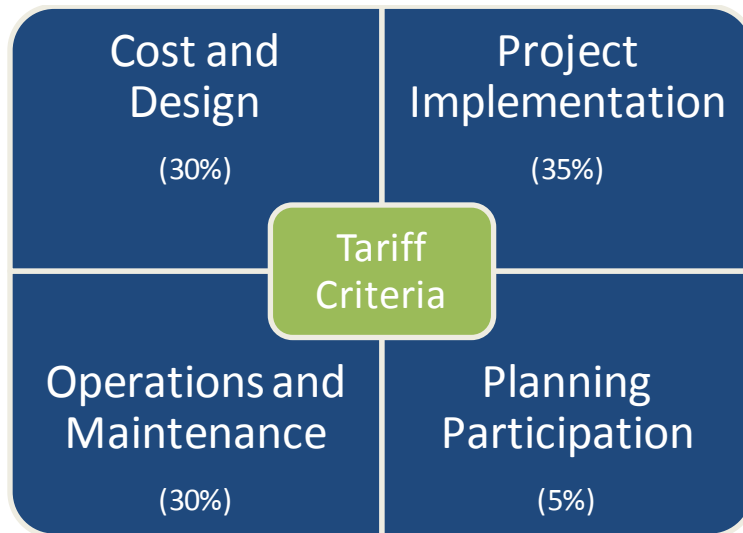


Figure 2-3: Proposal Evaluation Criteria and Weightings

The Competitive Developer Selection Process requires that MISO also apply sub-criteria for each evaluation criterion (Figure 2-4). The sub-criteria are to provide guidance as how to evaluate and what information is necessary for each evaluation criterion, and have no specified weighting in the Tariff.

Cost and Design	Project Implementation	Operations and Maintenance	Planning Participation
<ul style="list-style-type: none"> • Estimated cost (per facility) • Estimated ATRR (project) • Project Cost (each facility) • Cost estimate rigor • Facility design quality • Facility design rigor 	<ul style="list-style-type: none"> • Project management • Route & site evaluation • Land acquisition • Engineering & surveying • Material procurement • Facility construction • Facility commissioning • Previous experience & demonstrated abilities • Capital resources • Expected cash flow statement • Schedule of significant expenditures • Immediately available funds • Ability to obtain Project Financial Security • Credit ratings 	<ul style="list-style-type: none"> • Forced outage response • Switching • Emergency repair & testing • Spare parts • Preventative/ predictive maintenance • Real-time operations monitoring & control • Major facility replacement • Financial strategy to facilitate major facility replacements 	<ul style="list-style-type: none"> • Solution ideas • Planning studies

Figure 2-4: Proposal Evaluation Criteria and Sub-Criteria

In addition, the RFP and proposal instructions were designed specifically to ask for information to enable MISO to evaluate each one of these sub-criteria.

2.6.3 Evaluation Principles

MISO's evaluation principles (Figure 2-5) guide and influence MISO's collective application of the evaluation criteria and sub-criteria to ascertain the meaningful differences among proposals.

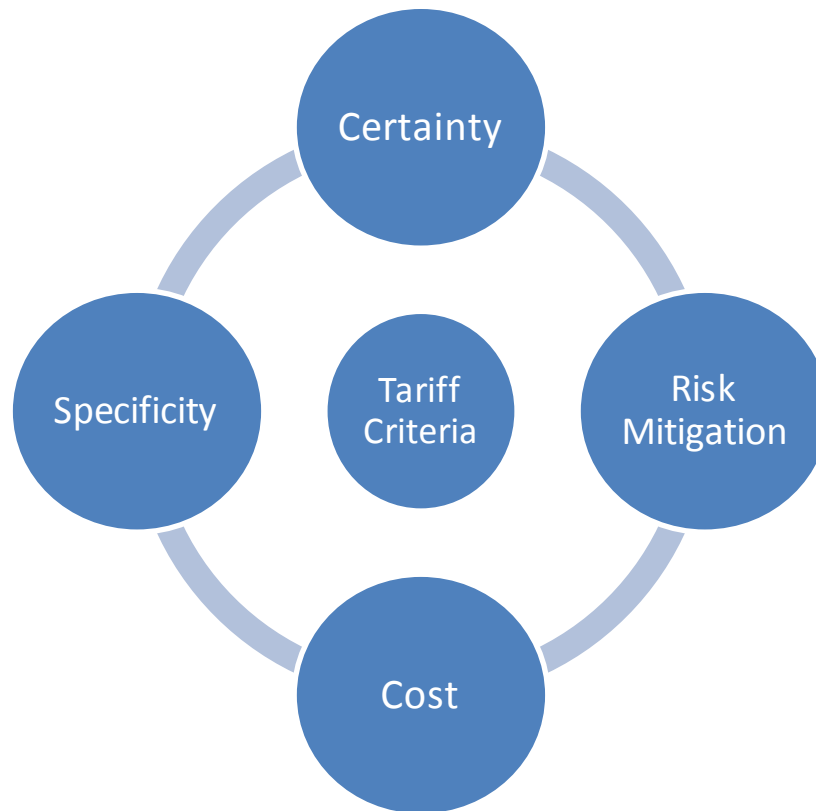


Figure 2-5: MISO's Evaluation Principles

MISO used these evaluation principles³⁶ as it applied the four evaluation criteria and their associated sub-criteria in the Competitive Developer Selection Process, along with reasonable judgment about the information included in each proposal. RFP Respondents that clearly articulated how various aspects of their proposals provided certainty, specificity, reduced or mitigated risk, and lowered cost performed better in the Competitive Developer Selection Process.

³⁶ BPM-027 expands on the meaning of these evaluation principles as follows: **certainty** – providing a high degree of certainty and predictability; **risk mitigation** – reflecting the lowest risk to the success of the project; **cost** – meeting all requirements at the lowest overall cost; and **specificity** – providing a high degree of specificity and detail. BPM-027, Section 8.1.

2.6.4 Evaluation Scorecard

The evaluation scorecard below (Figure 2-6) illustrates how MISO synthesized the evaluation criteria, sub-criteria, and evaluation principles to develop categorizations and final scores in the Competitive Developer Selection Process.³⁷

Evaluation Principles Applied (Certainty, Risk Mitigation, Cost, & Specificity)	Tariff Criteria		Tariff subcriteria	Categorization	Score
	Cost & Design	30%	Estimated Project Cost and Rigor	('Best', 'Better', 'Good', 'Acceptable', or 'Unacceptable')	0-30 pts.
Estimated ATRR and Rigor					
Facility Design and Rigor					
Project Implementation	35%	Project Implementation Schedule	('Best', 'Better', 'Good', 'Acceptable', or 'Unacceptable')	0-35 pts.	
		Project Management			
		Route and Site Evaluation			
		Right-of-Way and Land Acquisition			
		Engineering and Surveying			
		Material Procurement			
		Regulatory Permitting			
		Construction			
		Commissioning			
		Previous Experiences			
		Capital Resources and Financing Plan			
O & M	30%	Local Balancing Authority	('Best', 'Better', 'Good', 'Acceptable', or 'Unacceptable')	0-30 pts.	
		Real-Time Operations Mointoring and Control			
		Switching			
		Preventative/Predictive Maintenance			
		Spare Parts, Structures, & Equipment			
		Forced Outage Response			
		Emergency Repair & Testing			
		Major Facility Replacement Capabilities			
Planning Participation	5%	Transmission Solution Idea Submittal Form	Yes or No	0 or 5 pts.	
Total Score:				0-100 pts.	

Figure 2-6: Proposal Evaluation Scorecard

The Executive Committee exercised its exclusive and final decision-making authority to determine the Selected Developer and the Alternate Selected Developer by categorizing and scoring each proposal.³⁸ The maximum total score was 100 points. The proposal the Executive Committee determined to be best for a given evaluation criterion was awarded the maximum points available for that criterion.³⁹ Planning participation was scored on an all-or-nothing basis,

³⁷ MISO has determined criteria-level scores for each proposal in accordance with the Tariff and business practices manual; however, the criteria-level scores are not included in this report. MISO will provide criteria-level scores to each RFP Respondent for its own proposal.

³⁸ MISO Tariff, Attachment FF, Section, VIII.E.2; Module A (Definitions), Section 1.C, "Competitive Transmission Executive Committee."

³⁹ BPM-027, Section 8.2.1.

meaning that a proposal was awarded the full planning participation score if at least one RFP Respondent or Proposal Participant participated in MTEP15. If not, a proposal received zero points for planning participation. To protect confidentiality, MISO has redacted proposal-specific information about planning participation in this report.

All proposals were scored commensurate with their categorization and comparative performance within each of the evaluation criteria. The RFP Respondent that submitted the proposal to which the Executive Committee awarded the highest aggregate score was designated as the Selected Developer. The RFP Respondent that submitted the proposal the Executive Committee determined to be the second-highest-scoring proposal was designated as the Alternate Selected Developer (whose identity MISO is required to keep confidential).

2.6.5 Evaluation Process

With the tremendous volume of information that accompanied 11 comprehensive proposals, the Evaluation Team began work to support the Competitive Developer Selection Process as soon as all submittals were received. Collaborating as work stream teams, the Evaluation Team members conducted iterative cycles of analysis for each of the proposals, using structured, quantitative and qualitative processes to synthesize the extensive proposal information from each RFP Respondent. During the Competitive Developer Selection Process, the Evaluation Team convened more than 80 meetings over a period of 21 weeks. Figure 2-7 illustrates the four steps MISO used to carry out its comparative analysis. (Note that “CTEC” refers in the figures below to the Competitive Transmission Executive Committee, or “Executive Committee”.)

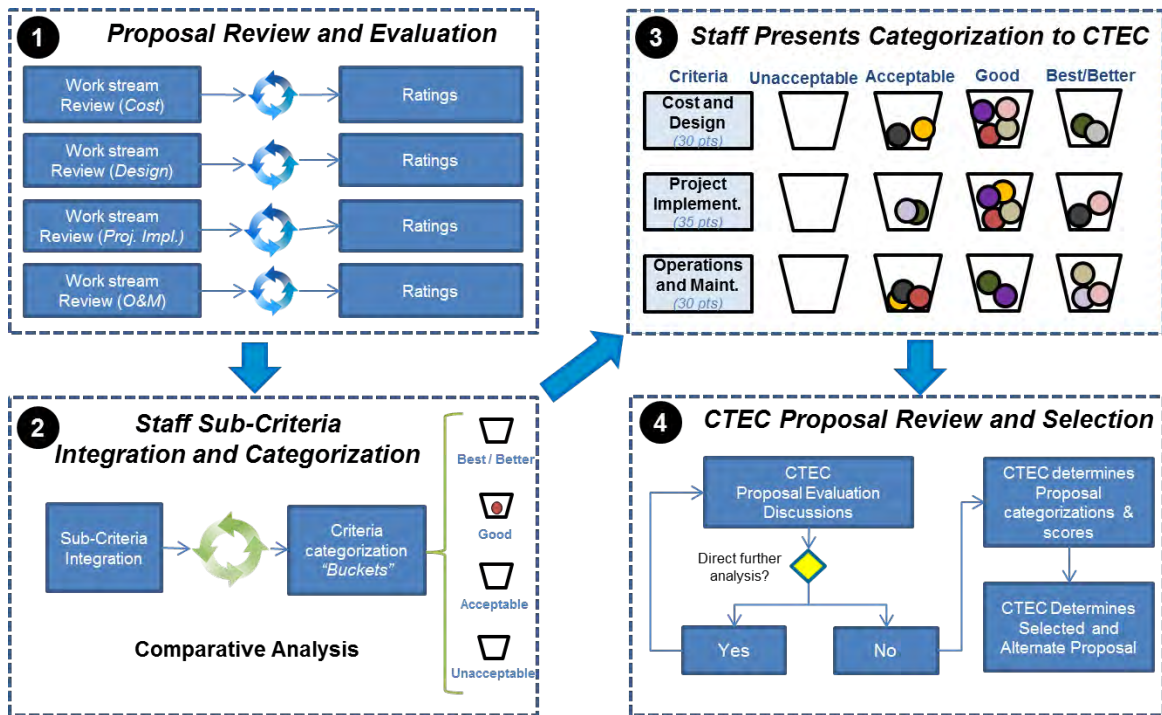


Figure 2-7: Illustrative Overview of MISO Evaluation Process

The Evaluation Team used this four-step process to facilitate a highly qualitative approach with appropriate flexibility, complemented by analytical tools. The Evaluation Team was guided and influenced by the evaluation principles as it applied the four evaluation criteria and their associated sub-criteria in the Competitive Developer Selection Process. The Evaluation Team remained focused on the evaluation criteria, sub-criteria and evaluation principles, using tools and templates through each step of the process to assess the relative merits of each proposal, as opposed to ranking them against a static, absolute scale.

2.6.6 Work Stream Team Analytical Framework

The discussion below presents a high-level description of the approach the work stream teams used to carry out their respective responsibilities in the Competitive Developer Selection Process. The information presented here is not an exhaustive account of every element and dimension of the evaluation process, but provides a general flavor of the analytical framework the work stream teams employed.

2.6.6.1 Cost and Design

In evaluating the project cost and rigor, and project ATRR and rigor of each proposal, MISO used the associated factors, as shown in the tables in Attachment 4, which correspond to information requested in the RFP.

The RFP contained a proposal template workbook to foster consistency in proposal format and content, particularly for financial data. Even so, the proposals differed, sometimes subtly and sometimes more profoundly, within the proposal template structure. For example, RFP Respondents differed not only in proposed design, materials, right-of-way, and implementation costs for their projects, but in areas such as cost containment provisions, estimated cost of debt, return on equity, and assumed property tax rates. For some proposals, there were also differences between inputs entered into the proposal template workbook and values provided in narrative text or submitted attachments. Where this occurred, MISO used the values from the proposal template workbook unless the difference was material, in which case MISO requested clarification from the applicable RFP Respondent.

Because the Tariff evaluation criteria direct MISO to analyze cost information in conjunction with project design, MISO used a cross-disciplinary approach to evaluate estimated implementation costs and ATRRs. MISO's internal and external finance and rate analysis experts collaborated with Evaluation Team members specializing not only in transmission line design, but project implementation and operations and maintenance as well. This enabled MISO to blend financial and technical expertise to assess how well proposal features and resulting costs would align to deliver a high-value, cost-effective solution.

To facilitate thorough and consistent comparison across proposals, the Evaluation Team used a range of tools and perspectives to analyze cost information provided by the RFP Respondents. MISO evaluated submitted values, but also ran sensitivity studies to test how resilient or variable different proposals might be with changes to particular cost drivers such as higher than estimated capital expenditures for implementation, depreciation schedules, approved return on equity, cost of debt, debt and equity share of capital structure, taxes,

inflation and operations and maintenance costs. MISO modeled ATRR estimates using common and proposal-specific values where appropriate across a range of possible scenarios and under varying discount rates for net present value analysis. This enabled MISO to compare the rigor of submitted cost estimates and assess resulting certainty and risk mitigation offered to ratepayers in MISO while taking into account all relevant binding cost caps and concessions.

RFP Respondents proposed a wide range of cost caps, concessions, and other cost-containment commitments in their proposals. The instructions and templates in the RFP package were designed to enable RFP Respondents to approach cost competition creatively, but with rigor and specificity (including sample contract language). Although this flexible approach entailed greater complexity, it enhanced the Competitive Developer Selection Process.

To illustrate the wide range of innovative cost elements included in the proposals, Table 2-2 summarizes the cost caps, concessions, and commitments of all of the proposals. Table 2-3 provides supporting explanation about exceptions or limitations some proposals included.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 2-2: Summary of Cost Caps, Concessions, and Commitments

Proposal Exceptions to Cost Caps, Concessions, and Commitments	
1. Project Routing	Some proposals exclude routing changes due to unforeseen soil conditions, river crossings, etc. Combination of general outs and specific per mile cost values (with/without dead band).
2. Material Escalation Costs	Some proposals include exceptions for construction costs that rise above inflation ratse.
3. Condemnation and Property Rights	Some proposals allow an increase to the construction cost cap for condemnation and property rights costs that exceed a specified percentage or dollar value.
4. Five Year or Initial Filing Commitments	Some proposals commit to a cap for only the first five years in service or until a subsequent FERC filing.
5. Regulatory	Some proposals note exclusions for environmental permitting, remediation, and mitigation.
6. Non-Developer Driven Changes	Most proposals allow an increase to the construction cap for costs driven by changes from regulatory government agencies, local utilities, MISO, and Force Majeure.

Table 2-3: Summary of Exceptions to Cost Caps, Concessions, and Commitments

In evaluating the reasonably descriptive facility design and rigor of each proposal, MISO used the associated factors, as shown in the tables in Attachment 4, which correspond to information requested in the RFP. These factors included items such as: conductor selection, flexibility of design, galloping and vibration, geotechnical, grounding, lightning protection, line ratings, foundation types, estimated positive sequence line impedance and pi-equivalent susceptance, optical ground wire or communication system, estimated line length, structure materials, structure types, road crossings, utility crossings, and Ohio River crossing.

Through in-depth review of these factors collectively, MISO gained a thorough understanding of each RFP Respondent’s ability to successfully design the project with appropriate specificity, certainty, and risk mitigation measures. The cost sub-criterion was considered in the cost aspect of the evaluation. With regard to certainty, MISO focused on the rigor of design data collection and supporting design studies. Some examples of this include acquisition of geotechnical data; acquisition or consideration of routing data including parcel crossings, road crossings, line crossings, and river crossings; and consideration of potential environmental and external impacts on the design (river flooding levels, lightning frequency, etc.). A proposal with a higher level of certainty is less likely to be exposed to major design changes down the road.

With regard to risk, MISO evaluated the ability of the design to perform well throughout its expected life. Some examples of this include the proposed load ratings relative to the minimum specified load ratings, relative thermal conductor stress levels associated with proposed ratings, shielding angles for lightning protection, targeted ground resistance levels, conductor tension levels (when supplied) relative to maximum levels specified by relevant codes (such as National Electrical Safety Code), proposed vertical and horizontal clearance buffers, proposed measures

to mitigate adverse impacts from various types of conductor vibrations and motion, maximum distance allowed between dead-end structures for cascading containment, and similar considerations. A design with lower risk increases the likelihood the line will perform in an adequate and reliable manner over its life.

With regard to specificity, MISO assessed the relative levels of detail the RFP Respondents provided to support their proposals. For example, MISO considered whether the proposal included plan and profile drawings, structure detailed drawings, assembly detail drawings (such as insulator assemblies, guying assemblies, ground assemblies, etc.), descriptions of line, river, and road crossings, and similar types of documents and considerations.

2.6.6.2 Project Implementation

MISO evaluated proposals for project implementation based on sub-criteria identified in the Tariff, including project implementation schedule, project management, route and site evaluation, regulatory permitting, right-of-way and land acquisitions, engineering and surveying, material procurement, construction, commissioning and energization, safety assurances, description of capital resources, expected capital cash flows, schedule of significant expenditures, capital reserves, credit ratings, audited and *pro forma* financial statements, and previous applicable experience and/or demonstrated ability.

To analyze how the proposals performed against these sub-criteria, the project implementation team used the associated factors, as shown in the tables in Attachment 4, which correspond to information requested in the RFP. These factors included items such as the experience of the project team; rigor of the submitted schedule; identification of potential route and reasonableness of the route identified; safety reputation; constructability; acquisition of right-of-way; regulatory permitting plan, staff, and experience; plan for commissioning and energization; and capability and plan to finance project implementation. Through in-depth review of these factors collectively, guided and influenced by the evaluation principles, the project implementation team gained a holistic view of each RFP Respondent's ability to successfully implement the project while managing costs and risks.

2.6.6.3 Operations and Maintenance

MISO evaluated proposals for operations and maintenance based on sub-criteria identified in the Tariff, including forced outage response; switching, emergency repair; preventive and predictive maintenance (including vegetation management); maintenance or management of spare parts, spare structures, and/or spare equipment inventories (including any description of any agreements to share spare equipment, spare parts, and spare structures with any other transmission entities); real-time operations monitoring and control capabilities; major facility replacement or rebuilds (including financial strategy to facilitate timely replacement and rebuilds); and safety assurances.

To analyze how the proposals performed against these sub-criteria, the operations and maintenance team used the associated factors, as shown in the tables in Attachment 4, which correspond to information requested in the RFP. These factors included items such as: plan to

incorporate the project into a MISO Local Balancing Authority; policies, processes, and procedures for overall maintenance program; proximity of internal and external staff relative to proposed line; detailed maintenance staffing plan; vegetation management and aerial inspection programs; spare materials operational plan and policies or procedures; forced outage response time and proximity of resources; reliability metrics; emergency repair and testing operational plan and policies or procedures; catastrophic restoration policies and operational plan description; major facility replacement financial plan description; safety plan and proven safety reputation; and previous experience. Through in-depth review of these factors collectively, guided and influenced by the evaluation principles, the operations and maintenance team gained a holistic view of each RFP Respondent's ability to successfully operate and maintain the project.

2.6.6.4 Transmission Planning Participation

The Tariff directs MISO to consider whether at least one RFP Respondent or Proposal Participant associated with a given proposal has conducted relevant planning studies and provided associated results to MISO during the planning process. Part of this consideration includes whether an RFP Respondent or Proposal Participant has submitted any transmission project ideas submitted as potential solutions to address the same issues the project is intended to address.⁴⁰

Planning participation was scored on an all-or-nothing basis, meaning that a proposal was awarded the full planning participation score if at least one RFP Respondent or Proposal Participant participated in MTEP15. If not, a proposal received zero points for planning participation.⁴¹

2.6.7 Proposal Review and Evaluation

The four work stream teams examined and compared the detailed factors in Step 1 (Figure 2-8) against the information provided in each proposal, to enable MISO to better understand the RFP Respondents' capabilities and strengths within each criterion. These factors, which are shown in the correlation tables in Attachment 4, were organized according to the Tariff-based evaluation criteria and sub-criteria. These factors correlate directly to the detailed information requested in RFP. For example, where the Tariff calls for "reasonably descriptive facility design," RFP Respondents were asked to submit details in such areas as structure materials, optical ground wire, and geotechnical investigation.

⁴⁰ Attachment FF, Section VIII.E.1.4.

⁴¹ BPM-027, Section 8.2.2. To avoid revealing the identities of RFP Respondents, MISO has redacted proposal-specific information about planning participation in this report.

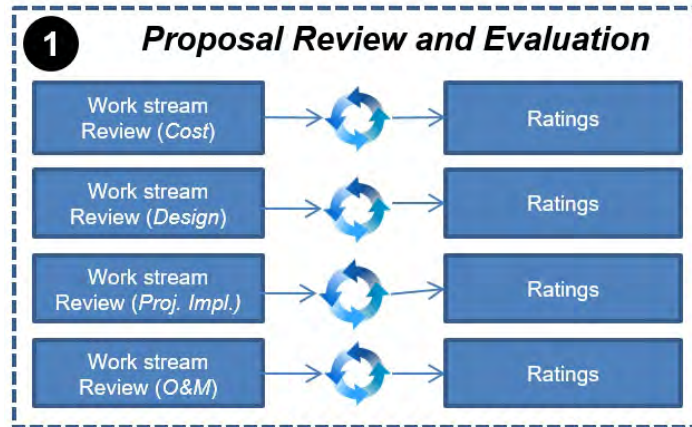


Figure 2-8: Step 1 - Proposal Review and Evaluation

Applying the framework described in Section 2.6.6, the work stream teams drilled into the complexity of the responses, using analytical tools to support professional judgment, always recognizing the importance of consistency, discipline, and rigor. Guided and influenced by the evaluation principles, the Evaluation Team members reviewed each of the proposals from top to bottom, but also side-by-side across the full range of factors and sub-criteria, building up to a comprehensive understanding of each proposal. The work stream teams arrived at consensus to assign initial ratings, and then calibrated results across all criteria and all proposals to facilitate comparative analysis, highlight trade-offs, and ensure consistency and repeatability.

These early work stream meetings ultimately produced high-level syntheses of distinguishing attributes of the various proposals, captured in narrative overviews and condensed summaries of how the work stream teams believed those distinguishing attributes reflected the proposals relative certainty, specificity, risk mitigation, and cost as to each of the evaluation criteria and sub-criteria.

2.6.8 Sub-Criteria Integration and Criteria-Level Categorization

Sub-Criteria Integration

Each work stream deliberated until it reached consensus to categorize each proposal ('Best/Better,' 'Good,' 'Acceptable,' or 'Unacceptable'⁴²) with respect to the evaluation criterion for which the team was responsible (Figure 2-9). The teams began this process by identified preliminary categorizations for each of the sub-criteria within their respective evaluation criteria, and treated 'Best/Better' as a combined category to allow time for further analysis and to recognize the Executive Committee's prerogative to determine the single proposal to be categorized as 'Best' for each separate evaluation criterion. Each work stream team (with cost and design now merged into a single team) assessed and reviewed the sub-criteria level categorization to validate their preliminary assignments and integrate them into one overarching

⁴² BPM-027, Section 8.2.1.

category for the corresponding evaluation criterion. Each work stream team calibrated across all proposals for their own evaluation criterion for consistency, discipline, and rigor.

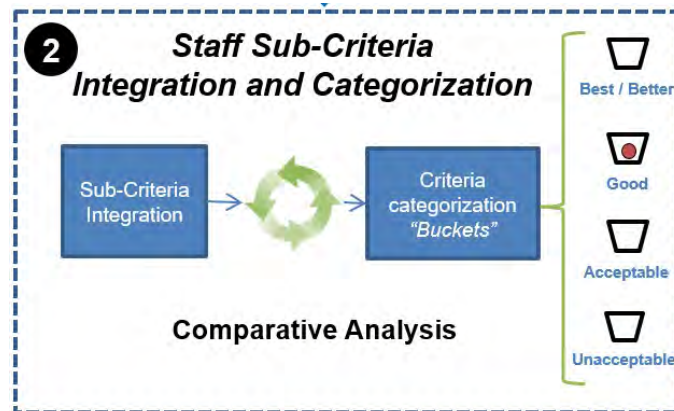


Figure 2-9: Step 2 - Sub-Criteria Integration and Criteria Categorization

Criteria-Level Categorization

The next step in the process was for all work streams to meet to peer-review qualitative analysis for each evaluation criterion, by proposal, to sharpen their understanding of all proposals. All work streams:

- reviewed the comparative analysis results across all proposals for each evaluation criterion for consistency, discipline, and rigor,
- calibrated categorizations across all evaluation criteria and all proposals to comparatively evaluate and discuss tradeoffs, and
- reached consensus to ratify or change preliminary categorization for a criteria (that is, 'Best/Better,' 'Good,' 'Acceptable,' or 'Unacceptable').

In parallel to these efforts, other members of the Evaluation Team reviewed MISO planning participation records to determine which of the proposals submitted were entitled to credit for planning participation. MISO determined that 10 of the 11 proposals were entitled to receive planning participation credit.

2.6.9 Presentation of Categorization to Executive Committee

Upon completion of Step 2, the Evaluation Team prepared comprehensive reporting packages to present to the Executive Committee for every proposal (Figure 2-10). These reporting packages provided proposal information on each criterion, highlighted the distinguishing attributes of each proposal, and synthesized the results of the comparative analysis undertaken in Step 1 and Step 2. All information tied directly to the four evaluation criteria, their sub-criteria, and the four evaluation principles.

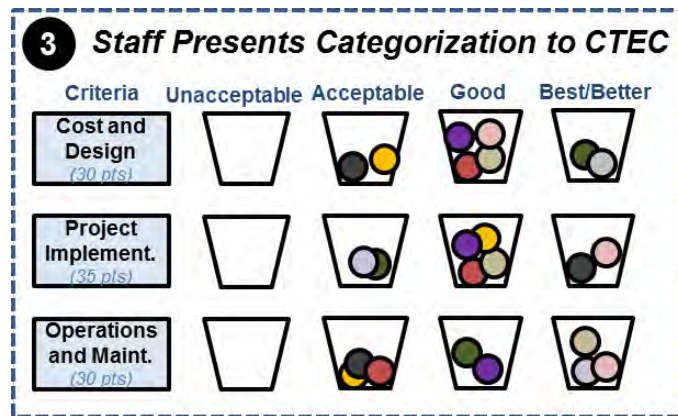


Figure 2-10: Step 3 - Presentation to Executive Committee

2.6.10 Executive Committee Proposal Review and Selection

As the Evaluation Team progressed through successive levels of comparative analysis, they met with the Executive Committee to review and discuss the proposals and the relative merits and tradeoffs they embodied. The Executive Committee evaluated every proposal against all of the evaluation criteria and sub-criteria, carefully taking time to examine each proposal thoroughly, guided by the evaluation principles of cost, risk mitigation, certainty, and specificity.

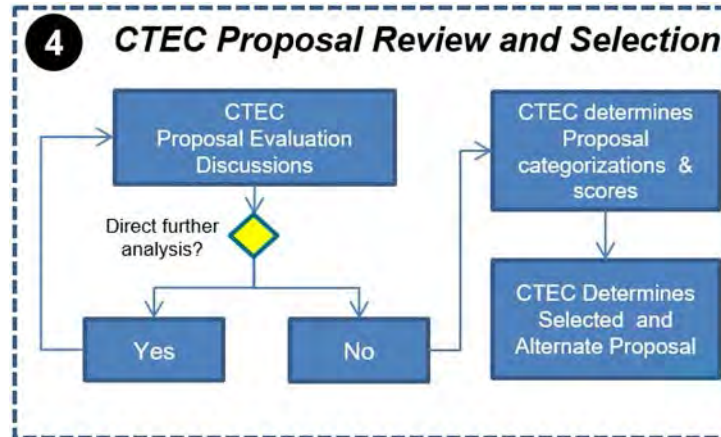


Figure 2-11: Step 4 – Executive Committee Proposal Review and Selection

Following this in-depth, multi-stage review, the Executive Committee deliberated, directing the Evaluation Team to perform further analysis as needed. The last step in the comparative analysis process was for the Executive Committee to categorize each of the proposals by evaluation criterion, assign them criterion-level scores, and determine final aggregate scores.⁴³ The final scores determined the designation of the Selected Developer and the Alternate Selected Developer (Figure 2-11).

⁴³ BPM-027, Section 8.2.3.

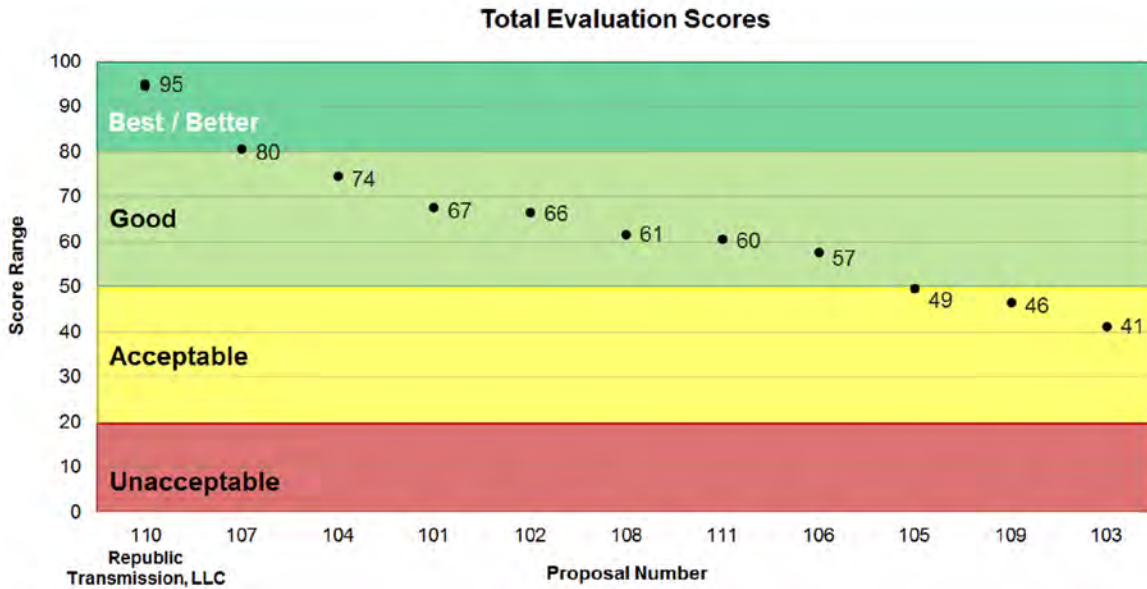


Figure 2-12: Final Comparative Analysis Scoring Results

Figure 2-12 depicts the scoring results for all proposals, with the scoring range shown along the left edge and the numerical proposal designations shown across the bottom. The total scores are composites of each proposal’s scores with respect to each of the evaluation criteria. The color bands above are illustrative of the composite categorization results.

For example, the proposal categorized as ‘Best’ in cost and design (in this case, Proposal 110—Republic Transmission’s proposal) received the maximum available score (30 points). The Executive Committee assigned the remaining proposals to the other categories as it determined whether they should be designated as ‘Better,’ ‘Good,’ ‘Acceptable,’ or ‘Unacceptable.’ This process was repeated for project implementation (maximum 35 points) and operations and maintenance (maximum 30 points). The Executive Committee also awarded 5 additional points to each RFP Respondent that earned credit for planning participation. These criteria-level scores were then aggregated to yield the total scores shown above.

Proposal ID #	Cost and Design <i>(30%)</i>	Project Implementation <i>(35%)</i>	Operations and Maintenance <i>(30%)</i>	Planning Participation <i>(5%)</i>
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 2-4: Comparative Categorization Summary Table

Table 2-4 summarizes how the Executive Committee categorized each of the proposals, according to the evaluation criteria of cost and design, project implementation, and operations and maintenance. The boxes are color coded by category (dark green for 'Best' or 'Better,' light green for 'Good,' and yellow for 'Acceptable.')

Planning participation was not categorized, but rather flagged as either yes or no to indicate eligibility for planning participation credit. As discussed earlier, the planning participation information has been redacted to protect confidentiality.

The final result of the Executive Committee's assignment of comparative categories in this instance was one 'Best' proposal for each evaluation criterion, with all remaining proposals falling into the categories of either 'Better,' 'Good,' or 'Acceptable.'

3. The Selected Proposal

The Selected Proposal for the Duff-Coleman EHV 345 kV Competitive Transmission Project was submitted by Republic Transmission, LLC. Republic Transmission is a wholly owned subsidiary of LS Power Associates, L.P. and its subsidiaries and affiliates. LS Power is a privately held power generation and transmission company. LS Power owns and manages a large and diverse independent power generation and transmission portfolio. Republic Transmission's headquarters is located in St. Louis, Missouri.

Republic Transmission's proposal includes one Proposal Participant: Big Rivers Electric Corporation (Big Rivers). Big Rivers is a member-owned, not-for-profit, generation and transmission cooperative headquartered in Henderson, Kentucky. It serves three distribution cooperatives that provide power to 22 Kentucky counties. Big Rivers owns, operates, and maintains approximately 1,300 miles of transmission in Kentucky (including 345 kV) and is a MISO Transmission Owner.

The Executive Committee determined that Republic Transmission's proposal provided the strongest combination of attributes, including but not limited to, the highest degree of certainty and specificity, the lowest risk, and low cost. It distinguished itself across the collective evaluation criteria in a way no other proposal matched. It was the best proposal for project implementation. It provided the best balance of high-quality design and competitive cost. It was in the top tier for operations and maintenance.

Republic Transmission impressed the Executive Committee with its outstanding combination of high-quality design at competitive long-term costs, rigor throughout its proposal, and thoughtful choices to enhance value to ratepayers. Within a complement of strong proposals, Republic Transmission rose to the top by providing the greatest value with the highest probability of project success.

3.1 Summary Description of the Selected Proposal

3.1.1 Overview of Selected Proposal

The Executive Committee found many features of Republic Transmission's proposal compelling, including:

- A well-thought-out route that adhered to industry best practices for selecting and securing transmission line routes. The proposed route was selected in a manner that is rigorous in addressing potential constraints to lower uncertainties and risk and enhance feasibility.
- Ample right-of-way width to allow both design flexibility and optionality for potential future expansion.
- Robust conductor selection, which provides lower line losses, longer life span, and the flexibility for additional capacity in the future over time as the requirements of the transmission grid within which the project operates changes.

- Solid design criteria that minimize the risk of poor performance or inadequate capability, such as very safe conductor operating temperature limits that are well within industry norms.

Republic Transmission strengthened the cost elements of its proposal through an array of cost-containment features that lower risks and constrain costs to ratepayers over time. These include:

- low anticipated operations and maintenance costs by leveraging local partners,
- limited return on equity for the life of the project (9.8%), and
- limited equity in capital structure for the life of the project (45%).

Republic Transmission proposed one of the lowest ATRR costs to ratepayers even though they did not propose the lowest project implementation costs. Republic Transmission's proposal was thorough and detailed, providing a high level of specificity relative to other proposals and performed well across a wide variety of sensitivity studies. The project right-of-way was the widest among proposals, which would afford design flexibility and accommodate future expansion. Republic Transmission performed due diligence and laid out rationales that strengthen numerous aspects of its proposal. The proposed conductor is the largest of all proposals, far exceeding MISO emergency rating requirements, and providing the highest available electrical capacity and the lowest estimated line losses.

Republic Transmission had one of the strongest cost caps with few exceptions for the life of the project, providing increased certainty to ratepayers. The selected conductor would provide a good balance between upfront costs and operational costs over time. The preferred project route appeared to be one of the more feasible routes proposed. The approach to operations and maintenance was sound and cost-effective. Because the Selected Proposal was strong in every respect, as compared to the other proposals, MISO believes it will provide very good value to ratepayers.

As shown in Figure 3-1 below, the Executive Committee assigned Republic Transmission's proposal a final score of 95. In addition, Table 3-1 the Criteria-Level Categorization Table, highlights the category designations Republic Transmission earned for cost and design ('Best'), project implementation ('Best'), and operations and maintenance ('Better').

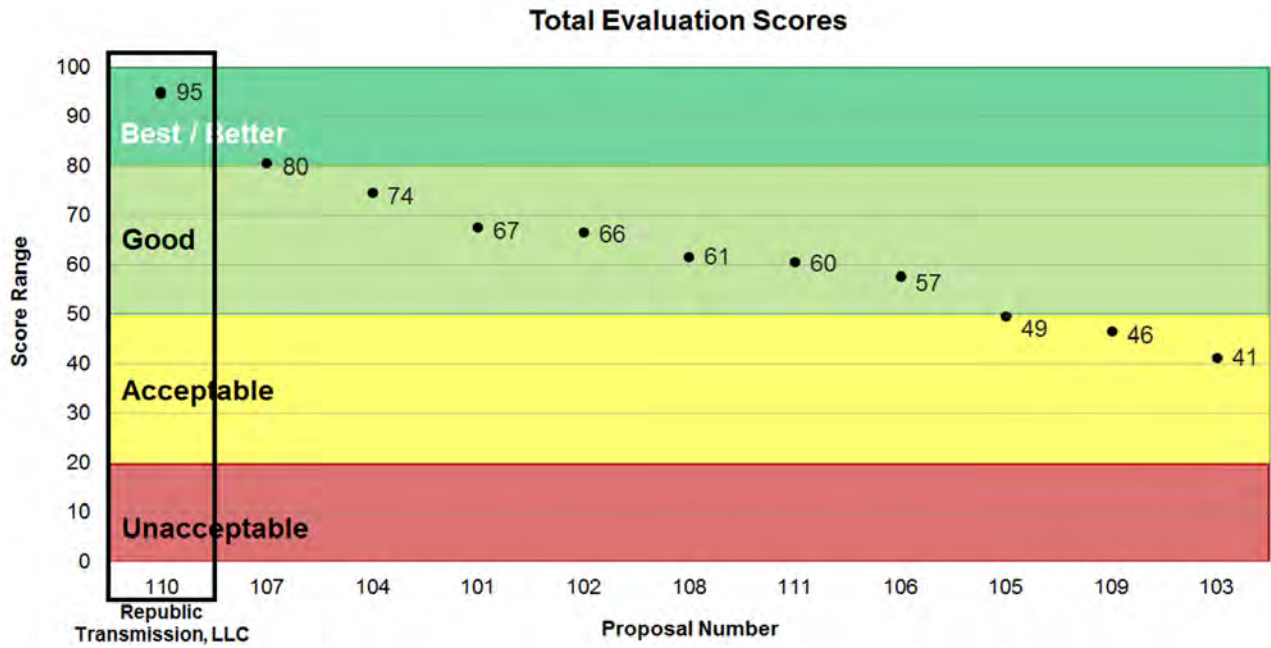


Figure 3-1: Selected Proposal Final Scoring Summary

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	
107	Good	Better	Good	REDACTED
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 3-1: Selected Proposal Criteria-Level Categorization

3.1.2 Project Cost and Design for the Selected Proposal

In evaluating cost and design, MISO found Republic Transmission's proposal was the 'Best' compared to the other proposals, as depicted in Table 3-1.

MISO evaluated Republic Transmission's estimated project cost and rigor. Republic Transmission submitted an implementation cost estimate of \$49.8 million (in 2016 dollars).⁴⁴ The median implementation cost estimate for the 11 proposals was \$48.8 million. Republic Transmission offered a \$58.1 million "firm rate base cap" (\$47 million in 2016 dollars), which was one of the strongest among all proposals, because it covered all relevant costs with the fewest exceptions. This reduced risk that ratepayers would end up bearing costs higher than the project implementation cost estimate. Because Republic Transmission structured its cost cap as a "firm base rate cap," it has assumed risks related to escalation and administrative and general cost increases, as well as AFUDC. The proposal also provided specific discussion of the reasoning and risk mitigation provided by the design and implementation options that resulted in higher project implementation costs than the alternatives considered. Republic Transmission's proposal demonstrated value for higher-cost design elements. In addition to the strong construction cost cap with few exceptions, the proposal included firm pricing quotes from its contractors.

MISO evaluated Republic Transmission's estimated ATRR and rigor. Republic Transmission submitted the second-lowest ATRR estimate, at \$45 million, which was lower than the median of \$56 million. In addition to capping upfront project costs, Republic Transmission lowered its ATRR estimates by committing to cap other elements of ATRR costs as well—specifically, return on equity at 9.8% and capital structure at no more than 45% equity for the life of the project. Additionally, there were estimated savings for tax-exempt ownership and the lowest estimated operations and maintenance costs achieved by leveraging local business partners. Republic Transmission's proposal also stood out with clear narrative and detailed and relevant supporting information for its ATRR estimates. In the analysis described in Section 2.6.6.1, Republic Transmission's proposal consistently finished among the lower-cost proposals for estimated ATRR.

⁴⁴ The term "project implementation cost" (or simply "implementation cost") refers to the cost estimate (in 2016 dollars) for fully implementing the proposal and placing the project into service.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 3-2: Selected Proposal Cost Cap Summary

MISO evaluated Republic Transmission’s facility design quality and rigor. Republic Transmission’s project route would be 33 miles long, which is among the longest routes proposed. The project would use direct-embedded galvanized steel H-frame tangent structures, direct-embedded galvanized steel H-frame and three-pole running angle structures, and direct-embedded galvanized steel guyed three-pole dead-end structures, with one self-supporting galvanized steel three-pole dead-end structure on concrete drilled pier foundations (at a point where guying is not feasible). Typical distance between dead-end (failure containment) structures would be 2 miles, and no more than 5 miles.

Republic Transmission included a desktop geotechnical study based on historical data and publicly available information, as well as inputs from the project area and major foundation contracting firms. This additional information, together with methodology discussion supported by drawings of direct embeds and foundations, provided greater certainty in the proposed foundation design. The proposal also provided an overview of future geotechnical investigation, which was to include soil borings taken at various structure locations.

Republic Transmission thoroughly explained its design criteria, and submitted structure outline drawings with insulator and hardware details for all structure types. Republic Transmission’s proposal also included plan and profile drawings, design specifications (including conductor tensions and structure loading), and steel H-Frame tangent structure design calculations.

The right-of-way for the majority of project would be 175 feet wide. At the Ohio River crossing, it would be 210 feet wide. These right-of-way values were higher than for any of the other proposals, and would provide design flexibility as well as accommodating future expansion. Republic Transmission explained how it determined its proposed right-of-way widths.

The Ohio River crossing in the proposed design would use structures heights of less than 200 feet, reducing the need to coordinate with the Federal Aviation Administration. Clearance

over the water surface would be 123 feet. Republic Transmission planned one of the highest river-crossing clearances among proposals, supported by in-depth discussion of how it determined the required clearance.

Republic Transmission's proposal included a table listing all major crossings. Plan and profile drawings showed the location where the project would cross under an existing 765 kV transmission line, while maintaining optical ground wire in a standard position. Republic Transmission did not separately address structure types for the 765 kV transmission line crossing, although several other proposals did. Plan and profile drawings included some other utility crossings, but did not show road crossings. There were design criteria applicable to road crossings, along with maps showing crossing angles of 90 degrees.

Republic Transmission completed a detailed conductor selection study, which considered conductor, structure, foundation, and line-loss costs for various conductor sizes. The selected conductor would be ACSS Lapwing two-bundle configuration for the line excluding the river crossing, and ACSS Lapwing high-strength conductor for the river crossing. The maximum conductor emergency summer rating is proposed to be 3,896 amps at 347°F (175°C) maximum conductor temperature. This conductor is the largest among all proposals and would far exceed MISO emergency rating requirements, with the highest available electrical capacity and the lowest estimated line losses. Republic Transmission fully explained its rating parameters and uses what MISO considered to be reasonable assumptions.

Republic Transmission's proposal would design for a vertical buffer of 2 feet over NESC minimum ground clearance requirement. All other minimum electrical clearances would meet or exceed NESC requirements.

Republic Transmission's proposal indicated a typical shield angle of 30 degrees, with lightning performance criteria of one outage or less per 100 miles per year. The proposal did not include a preliminary lightning study, but discussed plans to perform a future study. The grounding resistance target would be 15 ohms, which is lower than most proposals. Republic Transmission's proposal included discussion of multiple grounding strategies (ground rods and counterpoise), but did not include specific drawings.

Republic Transmission' addressed mitigation of galloping and vibration in detail, and described future study work to be performed. Its proposal included information on galloping load cases and maximum conductor tension values, noting anticipated use of spacers and Stockbridge dampers where recommended by manufacturers.

Republic Transmission discussed briefly how the project would tie into the substations at either end of the line, mainly in the context of describing contractor duties.

3.1.3 Project Implementation for the Selected Proposal

In evaluating project implementation, MISO found Republic Transmission was the 'Best' compared to the other proposals, as depicted in Table 3-1.

MISO evaluated Republic Transmission's project implementation schedule.⁴⁵ The schedule addressed agency review times, provided good details on engineering tasks, and allowed sufficient time for procurement and materials delivery. It allowed seven months of schedule "float," four of which were allocated to the construction schedule (including 15 days for weather delays). MISO determined the schedule was adequate to complete the project.

MISO evaluated Republic Transmission's project management plan. Republic Transmission's proposal included a project plan that touched on the appropriate areas, but was less detailed than some other proposals in areas such as organizational charts and supporting discussion for the risk register.

MISO evaluated Republic Transmission's route and site evaluation. Republic Transmission submitted separate, complete routing studies for Indiana and Kentucky (and was the only RFP Respondent to do so). The studies were rigorous, recognized regulator-preferred methodology, and appeared to be ready for submittal. Republic Transmission identified a preferred route adjacent to an existing transmission line for a large portion of the route, seeking to take advantage of existing roads, rail, and other transmission lines where possible. The route recognized and addressed issues related to a nearby airport. There was a separate section, along with maps, discussing utility crossings (although with less information related to pipelines and railroads). Republic Transmission explained its methodology and how various routing decisions would reduce risk.

MISO evaluated Republic Transmission's proposal for land and right-of-way acquisition. Republic Transmission's proposal identified specific parcels for new right-of-way in both Indiana and Kentucky, and had taken proactive steps to increase certainty by acquiring some of the necessary land rights. The wide right-of-way for the project (175 feet for most of the route; 210 feet at the Ohio River crossing) could confer benefits in design flexibility and opportunities for future upgrades, but could affect costs and increase permitting challenges. The land acquisition team identified by Republic Transmission appeared sufficiently staffed and well qualified.

MISO evaluated Republic Transmission's proposal for engineering and surveying. The treatment of project surveying needs was comprehensive, including right-of-way, construction, and as-builts (with LiDAR support for final design and as-builts). Republic Transmission's proposal separately discussed ground surveys for crossings and culturally sensitive areas.

MISO evaluated Republic Transmission's material procurement plan. Republic Transmission fully laid out its quality assurance and quality control plan for its procurement process, the most specific among proposals. A named third party, with extensive experience on large transmission projects, would be responsible for materials management (including site visits and materials receipt and inspection processes).

⁴⁵ MISO finds, based on the project schedule for the Selected Proposal, Republic Transmission needs to obtain necessary regulatory approvals from the Indiana Utility Regulatory Commission and the Kentucky Public Service Commission (or a construction certificate from the Kentucky State Board on Electric Generation and Transmission Siting) by no later than January 1, 2019 to allow project construction to start with sufficient lead time to meet the project in-service date of January 1, 2021.

MISO evaluated Republic Transmission's proposal for regulatory permitting. Republic Transmission also included a robust permitting plan—the most comprehensive among submitted proposals—with detailed discussion of the federal, state, and local permitting requirements specific to this project. Republic Transmission researched upstream and downstream bridges to determine the necessary clearance for the Ohio River crossing, and addressed Section 10 permitting in depth. The proposal included clearance requirements for 345 kV transmission lines as well. Republic Transmission had begun early consultation with regulatory authorities, and explained its outreach plan.

MISO evaluated Republic Transmission's plan for construction and commissioning. Republic Transmission's construction plan was detailed, feasible, reflected due diligence during proposal development, and appeared to minimize risk. Republic Transmission identified its primary construction contractor, as well as some subcontractors (such as for tree clearing). Republic Transmission's proposal addressed wire-pull setups, drilling crews and timing, use of helicopters during construction, roads and access plans, spoils removal, and restoration in ample detail. In a small number of areas, Republic Transmission's proposal was less specific than other proposals (no designated construction liaison; no equipment lists, detailed access maps, or designated haul routes).

MISO evaluated Republic Transmission's commissioning experience. Republic Transmission submitted a detailed commissioning and testing plan for the project, with adequate time for all necessary tasks. It included testing of optical ground wire, site cleanup, and re-performing LiDAR surveys after the project is complete.

MISO evaluated Republic Transmission's previous applicable experience and capital resources, financing plans, and credit ratings. Republic Transmission showed strong financing capability and a strong financing plan for the project. Republic Transmission demonstrated good experience with past 345 kV projects, supported by team member résumés and descriptions of numerous previous projects. The proposed transmission line contractor also has extensive experience with transmission line projects of all sizes, including 345 kV and 765 kV.

MISO evaluated Republic Transmission's safety performance. Republic Transmission included a safety plan with some site-specific information. The proposal discussed procedures to protect workers from risk of electric shock, job hazard analysis, and daily tailgates at worksites. There would be a designated individual responsible for safety on the project, although the proposal did not call out stop work authority. Safety metrics provided for Republic Transmission and its primary construction contractor were in line with general industry performance.

3.1.4 Operations and Maintenance for the Selected Proposal

In evaluating operations and maintenance, MISO found Republic Transmission to be 'Better' compared to the other proposals, as depicted in Table 3-1.

MISO evaluated Republic Transmission's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. Republic Transmission explained, at a high level,

how it would work with the substation owners to incorporate the project into existing Local Balancing Authority operations, as well as monitor operation of the line in real time and coordinate switching. Republic Transmission cited to established procedures (including three-part communication) and provided an example of a switching order.

MISO evaluated Republic Transmission's forced outage response and emergency repair and testing abilities. Republic Transmission's proposal showed equal strength in forced outage response capabilities and risk plans, as well as those for emergency repair and testing. Republic Transmission laid out detailed process descriptions, including coordination among utilities in the local project area, and explained how the project would be incorporated into them.

MISO evaluated Republic Transmission's description of predictive and preventive maintenance and testing abilities as well as access to spare parts, structures, and equipment. The preventive and predictive maintenance and testing program for Republic Transmission would rely on staff personnel for most tasks (except for vegetation management, which would be performed by a contractor). Personnel would be stationed in the local project area, with anticipated response times of an hour or less. Republic Transmission would integrate the project into its existing procedures and risk plans, supported by a computerized system that coordinates maintenance and asset management.

Republic Transmission provided thorough descriptions of maintenance activities in many areas, including twice-yearly aerial inspections, walking line inspections every five years, right-of-way inspections every four years, maintenance of access roads, and use of infrared sensors. Republic Transmission explained what it looks for when inspecting conductors, optical ground wire, insulators, and other components, and how resulting information is captured in a database. The descriptions of spare parts capabilities and strategy for Republic Transmission's proposal were among the strongest and most detailed submitted, reflecting leading experience and a best-in-class risk plan.

Republic Transmission would maintain spare parts inventory sufficient to replace 2 miles of materials such as conductor, optical ground wire, and hardware, as well as 1 mile of structures (including H-Frame structures for the Ohio River crossing). Republic Transmission would use its coordinated maintenance and management system to dispatch spare parts from multiple locations and draw on sharing agreements as necessary. Republic Transmission's proposal included a map of inventory locations, supporting mobilization and delivery of spare parts within a few hours.

MISO evaluated Republic Transmission's major facility replacement capabilities and financial strategy for replacements and rebuilds. Republic Transmission did not anticipate significant facility replacements or rebuild over the life of the project, but still provided thorough explanations of facility replacement capabilities and restoration policies, with detailed appendices. Republic Transmission estimated that, should it be needed, the process to restore 1 mile of project line would take approximately one week.

MISO evaluated Republic Transmission's previous applicable experience. Republic Transmission stated that it operates and maintains more than 3,000 miles of transmission lines.

Statistics for customer outages and durations of service interruption over the past five years compared favorably to peer utilities (although they pertained primarily to distribution metrics). Taken as a whole, Republic Transmission's proposal offered a compelling account of its ability to leverage existing programs, manpower, equipment, policies, and procedures for the benefit of the project.

MISO evaluated Republic Transmission's safety performance with respect to operations and maintenance. Information on general safety procedures was comprehensive, but not tailored into a specific safety plan for this project, and appeared outdated in some areas. Discussion of safety history was limited (and did not address safety performance by maintenance contractors), but highlighted prior industry recognition.

3.1.5 Planning Participation for the Selected Proposal

MISO evaluated planning participation for Republic Transmission, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4. Proposal Summaries

This section summarizes MISO's comparative analysis results for the proposals submitted by all of the RFP Respondents other than Republic Transmission (the Selected Developer). It includes an overview of each proposal, together with discussion of how each proposal performed with respect to the four Tariff evaluation criteria (cost and design, project implementation, operations and maintenance, and planning participation).

For ease of reference, in the following proposal summaries, the designation "RFP Respondent" followed by a number signifies the entity that submitted the proposal associated with that identification number. For example, "RFP Respondent 101" refers to the entity that submitted Proposal 101.

4.1 Proposal 101

4.1.1 Overview of Proposal 101

The Executive Committee assigned Proposal 101 a total evaluation score of 67 and found it to be generally good, as compared to the other proposals (Figure 4-1).

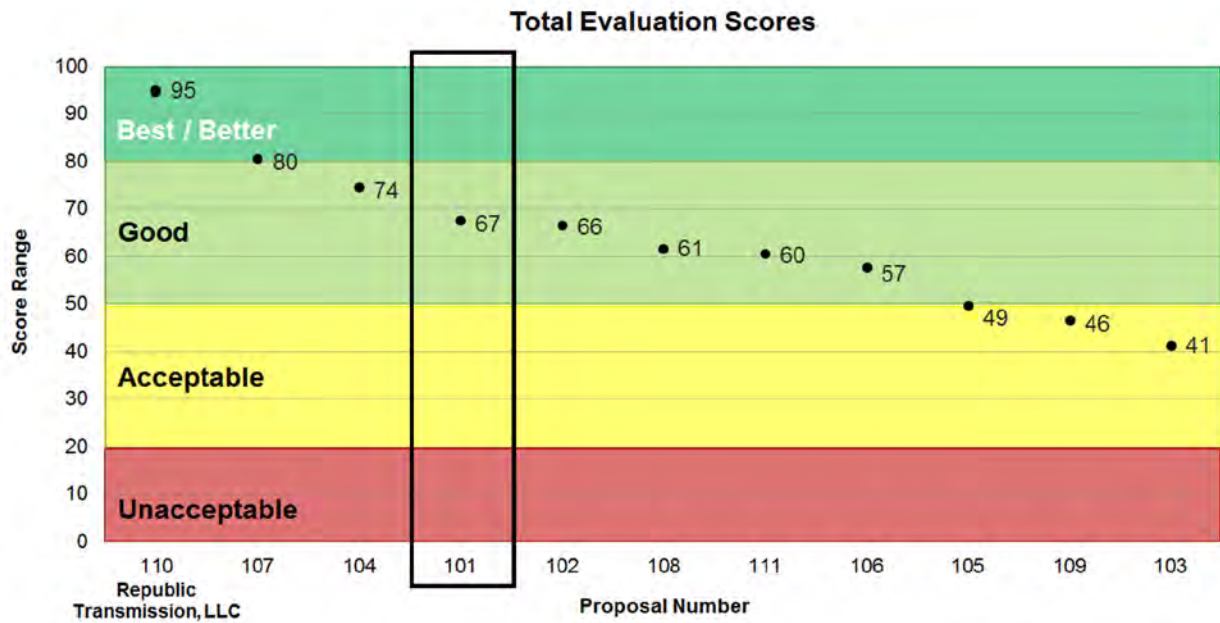


Figure 4-1: Proposal 101 Final Scoring Summary

In evaluating Proposal 101 against the four Tariff evaluation criteria, MISO categorized it as 'Good' in cost and design, 'Acceptable' in project implementation, and 'Good' in operations and maintenance, as compared to the other proposals (Table 4-1).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-1: Proposal 101 Criteria-Level Categorization

4.1.2 Project Cost and Design for Proposal 101

In evaluating cost and design, MISO found Proposal 101 to be ‘Good’ compared to other proposals, as depicted in Table 4-1.

MISO evaluated Proposal 101’s estimated project cost and rigor. Proposal 101 submitted an implementation cost estimate of \$48.8 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. Proposal 101 submitted a guaranteed maximum price construction cost cap of \$45.7 million, equal to its cost estimate excluding AFUDC, and the cost cap did not cover inflation. There is an exclusion to the cap for additional costs stemming from environmental permitting, remediation and mitigation. RFP Respondent 101 discussed costs for multiple possible routes it examined with input from vendors.

MISO evaluated Proposal 101’s estimated ATRR and rigor. Proposal 101 submitted an ATRR estimate of \$71 million, which was higher than the median of \$56 million. The submitted ATRR estimates for Proposal 101 were higher than other proposals due to higher-than-average estimates for return on equity and cost of debt, as well as a capital structure greater than 50% equity. Proposal 101 provided no cost containment measures or forgone rate incentives specific to its ATRR estimate to enhance certainty. In the analysis described in Section 2.6.6.1, Proposal 101 consistently finished among the higher-cost proposals for estimated ATRR.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-2: Proposal 101 Cost Cap Summary

MISO evaluated Proposal 101’s facility design quality and rigor. RFP Respondent 101 proposed to construct the line connecting the Coleman EHV and Duff substations along a 28-mile route, one of the shortest routes among the 11 proposals. The project would use direct-embedded weathering steel monopole tangent structures.

Proposal 101 included more supporting documentation than most other proposals for line and foundation design. Preliminary line design was based on recent, site-specific, LiDAR survey information, which allowed for more certainty in its preliminary structure locations and heights. The proposal also included load and design drawings, guying details, and a pole design report prepared by a third-party vendor.

Proposal 101 was unique among proposals in taking several project-specific soil borings along the proposed route to provide additional certainty on foundation design and resulting costs. The foundation schedule showed diameters and depth information, but did not show whether river crossing structure foundations would stay above flood level. Proposal 101's discussion of future geotechnical work was not as specific as some other proposals.

Proposal 101 provided plan and profile drawings that were average in detail, showing structure proximity to objects along the right-of-way, structure heights and locations, clearances and related information, but with less specific information on utility crossing locations. Accompanying maps identified affected parcels and crossings, but related only to a preferred route (no alternate route information was submitted).

The proposed right-of-way for the project would be 100 feet wide for most of the route, which is the narrowest among all proposals, except at the river crossing area, where it would be 120 feet wide. Relative to the right-of-way widths specified in other proposals, this comparatively narrow right-of-way increases the risk profile of the line routing and could limit design flexibility.

The conductor for Proposal 101 would be ACSS Cardinal in a two-bundle configuration for the line. Using the parameters provided by RFP Respondent 101, the conductor emergency summer rating is proposed to be 3,480 amps at 202°C maximum conductor temperature. The estimated line losses for this conductor were average among proposals.

Proposal 101 provided more specificity on its conductor selection compared to other proposals. While it did not include actual study results, RFP Respondent 101 had performed and briefly discussed a conductor study, as well studies on electric and magnetic fields.

The Ohio River crossing would use structure heights more than 200 feet tall, which would require increased coordination with the Federal Aviation Administration. Proposal 101's planned clearance above the water surface was 125 feet, which was among the highest of the proposals. Proposal 101 included information on the river-crossing structures from a pole study conducted by a third-party vendor.

Proposal 101 addressed structure types for the 765 kV transmission line crossing. Information on other types of crossings (highways, roads, railroads, pipelines, other utility lines, and so forth) was less specific. Proposal 101 contemplated one of the highest vertical clearance buffers above NESC minimum clearances.

The RFP did not require proposals to specify lightning performance criteria, but RFP Respondent 101 stated that its line would be designed for one outage due to lightning strike per 100 circuit miles per year or less, which is in line with industry standards. RFP Respondent 101 said it had performed, but did not submit, a preliminary lightning study. Proposal 101 specified a

comparatively smaller shield angle for optical ground wire. Proposal 101 targeted an average ground resistance value.

RFP Respondent 101 had performed a conductor vibration study, and included it with its proposal (along with detailed drawings). There was no discussion of galloping. Substation tie-in was shown on plan and profile drawings, but not discussed in the proposal.

4.1.3 Project Implementation for Proposal 101

MISO evaluated Proposal 101's project implementation plan, finding it to be 'Acceptable' overall.

MISO evaluated Proposal 101's project schedule, which included details and discussions on regulatory permitting, land acquisitions, material procurement, construction, commissioning, and energization. The proposed schedule was reasonable in most areas, but, compared to other proposals, Proposal 101 lacked specificity, and lacked some details related to float, engineering, and materials management needs. In general, the scheduling information for Proposal 101 was less detailed than several other proposals and included some contradictory information that decreased certainty in the proposed schedule.

MISO reviewed Proposal 101's project management plan and experience. The proposed project execution plan was tailored specifically to this project and had good treatment of routing and siting processes, MISO schedule requirements, meetings and reports, and executive sponsorship, but lacked some of the specificity found in other proposals. Although Proposal 101 included a risk register, it was general and did not address cost or schedule impacts that were found in other proposals' risk registers. Some proposed resources to support the project did not appear to have the previous experience with 345 kV transmission comparable to other proposals.

Proposal 101 considered several routing options, but supplied information only on its proposed route. Proposal 101 included mapping of cultural resources, identified landowners, land use considerations, and other projected impacts, but there appeared to be misalignment between the proposed route and the routing studies that were performed that MISO did not see in other proposals. Proposal 101's regulatory consultation plan included the majority of federal agencies that would be involved in this project, but the Proposal did not mention meeting with state regulators about proposed routing. Other proposals were more specific in this area. The regulatory approach for Kentucky was less clearly described than in other proposals.

Proposal 101 identified parcels and landowners for new project right-of-way, with a proposed width of 100 feet and substantial diagonal portions of the route. Although a diagonal route would be shorter, and therefore lower materials costs, Proposal 101 did not emphasize following existing corridors. The need for substantial new right-of-way could increase risks in permitting and land acquisition as compared to other proposals, and the narrower right-of-way could limit design flexibility.

Proposal 101 provided a good upfront review of topography and design supplemented by desktop analysis and some LiDAR studies. The engineering and survey plan included specificity

of environmental needs. Discussion of the Ohio River crossing was less specific, and not as thorough as some other proposals. The proposed plan conveyed uncertainty about the structure heights and locations, and the ability of Proposal 101 to permit a structure in an area with an identified cultural resource.

MISO evaluated Proposal 101's abilities with materials procurement, construction, commissioning and safety. When compared to others, MISO found Proposal 101 to be less specific and with higher levels of uncertainty than other proposals. Proposal 101 provided significant details related to construction planning including access plans, laydown yard siting construction techniques and wire pull plans that were more specific than other proposals, but MISO could not ascertain from the information in Proposal 101 whether the designated contractor had transmission experience, or if other key contractors had experience with 345 kV transmission. Discussion of the commissioning process in Proposal 101 lacked some specifics and the schedule for testing appeared shorter than expected. This increased potential risk for Proposal 101 compared to other proposals.

MISO evaluated Proposal 101's safety performance. Proposal 101 discussed safety performance, safety requirements and included examples of safety tracking documentation, but it was unclear whether safety history information related specifically to transmission development, either for RFP Respondent 101 or its selected contractors. This created greater uncertainty in this area than some other proposals.

4.1.4 Operations and Maintenance for Proposal 101

MISO evaluated Proposal 101's description of RFP Respondent 101's operations and maintenance abilities, finding it to be 'Good' overall.

MISO evaluated Proposal 101's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. Most notable was its experience in coordinating switching between several substation owners (including its use of three-way communications), which are linked to Reliability Coordinator outage coordination software. Proposal 101 demonstrated an ability to integrate the project into system operations and maintenance programs, with capabilities comparable to those of other RFP Respondents with 345 kV transmission facilities. RFP Respondent 101 included a specific plan to integrate the project into a MISO Local Balancing Authority, including data exchange with the substation owners, and its 24-hour transmission system operations center.

MISO evaluated Proposal 101's forced outage response and emergency repair and testing abilities. Proposal 101 compared favorably to other proposals in its forced outage response capabilities, including a discussion of its coordination with a Reliability Coordinator and adjacent utilities. RFP Respondent 101 would rely on fault distance relaying to improve staff and contractor response times by more quickly identifying fault location, and would dispatch a helicopter during widespread events. Proposal 101 also had substantial experience with emergency preparedness for storms and other events, detailing equipment (including temporary structures), capabilities, and sharing arrangements with adjacent utilities; however, it lacked the specificity and certainty provided by some other proposals.

MISO evaluated Proposal 101's abilities with predictive and preventive maintenance, testing, and its access to spare parts, structures, and equipment. Proposal 101's predictive and preventive maintenance program uses a designated contractor, along with internal resources (transmission line specialists) based at reporting locations near the project area. This facilitates maintenance response times of 50 to 65 minutes, depending on where along the line work would be needed, with on-call linemen available within 60 to 90 minutes. Proposal 101 furnished significant details on inspections, which include visual, camera, corona, and infrared. Inspection results are tracked through spreadsheets.

Predictive programs include steel pole coating and insulator assembly condition. RFP Respondent 101 would perform two vegetation inspections per year (ground inspection in the spring and aerial during the fall), with an internal team (including a NERC-certified inspector) to oversee compliance with the NERC transmission vegetation management standard and cited favorable results in numerous previous NERC compliance audits. Proposal 101 also reviewed a range of policies and procedures for maintenance activities, including aviation ball replacement, dampers, assembly structures, encroachment, corona inspection, and ground inspection every five years. Although Proposal 101's design for the project includes some guyed structures, these were not discussed from a maintenance perspective. Discussion of training programs (apart from safety training) was limited. RFP Respondent 101 would source from a single warehouse, where it stocks items for both emergency and routine maintenance, including 345 kV facilities. RFP Respondent 101 would establish a critical spare agreement with a vendor as backup.

MISO evaluated Proposal 101's major facility replacement capabilities and financial strategy for replacements and rebuilds, which included a description of its process for responding to catastrophic events, as well as resources for major facility replacement or rebuilds. These include in-house engineering and construction personnel, on-site contracted construction crews, and participation in mutual assistance groups, all of which enable it to quickly assess damage and undertake necessary repairs or replacement. Proposal 101 summarized past experience with disaster recovery, as well as previous industry recognition for reliability.

MISO evaluated Proposal 101's safety performance. Proposal 101 discussed safety performance in the context of project construction (such as safety certifications for contractors and a safety manager) and provided a safety manual, but did not provide specific safety procedures and history related to operations and maintenance.

4.1.5 Planning Participation for Proposal 101

MISO evaluated planning participation for Proposal 101, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.2 Proposal 102

4.2.1 Overview of Proposal 102

The Executive Committee assigned Proposal 102 a total evaluation score of 66 and found it to be generally good, as compared to the other proposals (Figure 4-2).

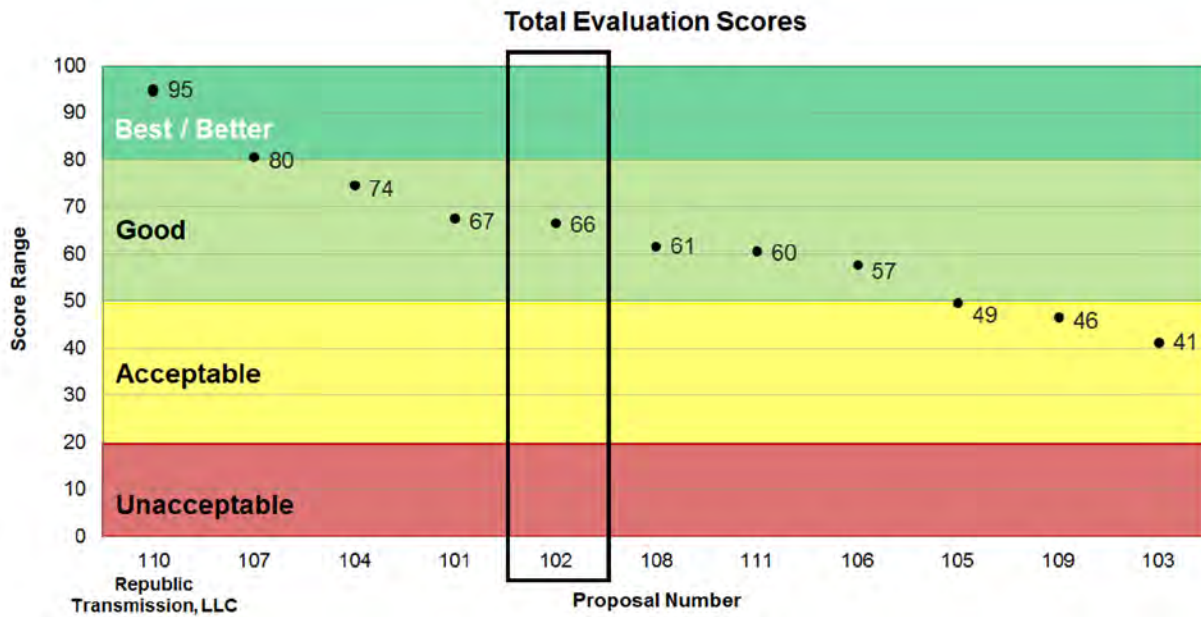


Figure 4-2: Proposal 102 Final Scoring Summary

In evaluating Proposal 102 against the four Tariff evaluation criteria, MISO categorized it as ‘Acceptable’ in cost and design, ‘Good’ in project implementation, and ‘Best’ in operations and maintenance, as compared to the other proposals (Table 4-3).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	REDACTED
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-3: Proposal 102 Criteria-Level Categorization

4.2.2 Project Cost and Design for Proposal 102

MISO evaluated Proposal 102’s cost and design, and found Proposal 102 to be ‘Acceptable’ compared to other proposals, as depicted in Table 4-3.

MISO evaluated Proposal 102’s estimated project cost and rigor. Proposal 102 submitted the highest implementation cost estimate, at \$55.7 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. Proposal 102 offered a construction cost cap of \$47.0 million, which covered some (but not all) implementation costs. The cost cap covers inflation and excludes AFUDC. Construction and materials related implementation costs are generally covered on a “per unit” basis, while the conductor material, right-of-way, and permitting related costs were excluded from the cap. The cap was fixed for engineering and project management related costs. Proposal 102 provided specific project details and submitted relevant materials, but provided limited vendor information to support its cost estimates.

MISO evaluated Proposal 102’s estimated ATRR and rigor. Proposal 102 submitted an ATRR estimate of \$49 million, which was lower than the median of \$56 million, due mainly to lower-than-average project depreciation cost estimates during the 40-year time frame of the required estimate. Proposal 102 did offer to cap the base return on equity for the project at 10.32% and the equity percentage of the capital structure at 50%, enhancing certainty. In the analysis described in Section 2.6.6.1, Proposal 102 consistently finished among the higher-cost proposals for estimated ATRR, due mainly its high implementation cost estimate. Proposal 102 supported its ATRR cost estimates with relevant ATRR cost caps, narrative, and detail, especially with respect to the tax and debt estimates.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-4: Proposal 102 Cost Cap Summary

MISO evaluated Proposal 102's facility design quality and rigor. The project route for Proposal 102 would be 29 miles long, which is comparatively one of the shorter routes proposed. Proposal 102 would use a well-defined structure family consisting of light, medium and heavy weathering steel monopole tangent structures with direct-embedded and drilled pier foundations. The line design for Proposal 102 was based on publicly available terrain data (which was comparable to other proposals), and included specific line design criteria.

Proposal 102 provided approximate sizes for structure foundations, but did not provide foundation design criteria or explain how these values were determined. RFP Respondent 102 had performed a preliminary geotechnical desktop study using topographical and geological data to summarize general subsurface conditions along the proposed route.

Proposal 102 included plan and profile drawings, which showed structure proximity to objects along the right-of-way, structure height and location, and clearances, but overall lacked the specificity seen in other proposals. Also, the area near the Coleman EHV substation was not shown in the plan and profile drawings. The project right-of-way throughout the route would be 130 feet wide, which was average among proposals.

The selected conductor would be ACSR Cardinal in a two-bundle configuration. Based on the line rating parameters provided in Proposal 102, the maximum conductor emergency summer stressed conductor rating is proposed to be 3,090 amps at 302°F (150°C) maximum conductor temperature. The estimated line loss value was average among proposals.

To cross the Ohio River, the project would use structure heights more than 200 feet tall, which would require increased coordination with the Federal Aviation Administration. Proposal 102's planned clearance above the water surface was 75 feet, which was among the lowest clearances of any proposal. RFP Respondent 102 did indicate that it had contacted representatives of an airport near the route for clearance information.

Proposal 102 gave an overall count of crossings along the route and showed crossings in plan and profile drawings, but with limited specificity. Apart from the river crossing and the need to pass under an existing 765 kV transmission line (where Proposal 102 specified types of structures), narrative treatment of crossing issues was minimal.

Proposal 102 included information on lightning protection (including a smaller shield angle than most other proposals), but did not specify lightning performance targets. The discussion of grounding was thorough, and included specific grounding procedures. RFP Respondent 102 indicated target ground resistance value that was average among proposals.

Proposal 102 included a detailed discussion of galloping and vibration, although the galloping mitigation portions were less specific than several other proposals. Proposal 102 contemplated vertical clearance buffers above the NESC minimum, which could provide some additional construction tolerances, but was less than several other proposals.

Details on substation tie-in at either end of the line were lacking compared to other proposals, particularly because the area leading into the Coleman EHV substation was not shown in plan and profile drawings.

4.2.3 Project Implementation for Proposal 102

MISO evaluated Proposal 102's project implementation plan and abilities, finding it to be 'Good' overall, as compared to other proposals.

MISO evaluated Proposal 102's project schedule, which appeared sufficient, however was less detailed than some other proposals, particularly in the areas of surveying and construction intervals. The schedule as a whole was comparable to those submitted in other proposals, but was inconsistent and had less breakout information and fewer milestones than other proposals. The schedule provided sufficient time for engineering and allowed three months of float during project development and two months of float during construction.

The project management portion of Proposal 102 was heavily focused on engineering and had good organizational charts, but was less specific than several other proposals. It included a risk register with some high-level mitigation discussion, but did not address schedule or cost impacts as thoroughly as some other proposals. The proposal outlined tasks for various segments the project team, discussed the project crossing under existing 765 kV lines, and touched on a public outreach program. The overall construction plan was not very detailed and did not address haul routes.

Proposal 102 provided maps that showed the route study area, opportunities and constraints, study segments, natural environment, land use, historic resources, the Ohio River crossing, and a potential preferred route with explanation of some decisions made in selecting the route, with particular focus on the Ohio River and 765 kV transmission line crossings. The route selected was more directly diagonal than most other proposals, therefore requiring more new right-of-way and potentially increasing risk related to permitting and land acquisition in comparison to other proposals.

RFP Respondent 102 discussed obtaining regulatory approvals in Indiana and Kentucky. RFP Respondent 102 expected to form a new entity for project-related purposes in Kentucky, but did not address how that entity would obtain eminent domain rights in Kentucky. Proposal 102 did not describe any early consultation with state agencies to discuss the proposed project route, but in general Proposal 102 demonstrated relevant knowledge and staff experienced with the applicable regulatory processes.

Proposal 102 included a matrix that identified the agency, required action, time frame, and approach for required permits. RFP Respondent 102 had done some initial outreach to landowners in the river crossing area and proposed to coordinate with the U.S. Army Corps of Engineers early in the process. There was also limited treatment of railroad crossing and no discussion of pipelines. Proposal 102 identified affected parcels and landowners, but did not lay out a clear plan for acquiring necessary land rights for the right-of-way along the project route.

Other proposals addressed this task with more specificity and certainty. Land acquisition staff appeared appropriate, with demonstrated experience in both Indiana and Kentucky.

Proposal 102 contained a cursory discussion on material procurement and quality assurance programs, and referenced existing contractor relationships, laydown yards, staffing levels, and materials inspection upon arrival, but did not address material ordering or staging. The level of specificity in this area was less than other proposals. The construction plan provided with the proposal was general, addressed topics such as the vegetation plan, equipment and staffing levels, but did not address wire pull plans or pull sites, access plans, areas of concern, or weather impacts to construction. Discussion of construction at the Ohio River crossing, project commissioning and energization was less specific than found in other proposals.

Proposal 102 provided good information on safety history, which showed performance comparable to other utility industry participants, but other proposals provided a more robust and project specific safety plan.

RFP Respondent 102 demonstrated strong financing capabilities, as supported by its credit ratings and track record with past projects. RFP Respondent 102 demonstrated significant previous experience in 345 kV transmission construction that was comparable to other participants. The financial plan for Proposal 102 mitigated the risk of higher capital costs for ratepayers and was specific to this project.

4.2.4 Operations and Maintenance for Proposal 102

MISO evaluated Proposal 102's description of RFP Respondent 102's operations and maintenance abilities, and found it to be the 'Best' overall among the 11 proposals received.

MISO evaluated Proposal 102's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. The proposal contemplated a memorandum of understanding to integrate the project into an existing Local Balancing Authority within MISO. RFP Respondent 102 would perform real-time monitoring for the project through a remote transmission operations center, supported by data exchange with the owners of the Coleman EHV and Duff substations. RFP Respondent 102 also detailed its switching plan for the project where it again envisioned a memorandum of understanding that recognized the Coleman EHV and Duff substation owners' responsibility for switching within the substations to place the line in and out of service. Proposal 102 also included a switching and tagging manual from RFP Respondent 102 and described the switching procedures it currently has in place, along with information showing very high switching accuracy.

MISO evaluated Proposal 102's information on forced outage response and emergency repair and testing abilities. Proposal 102's discussion of forced outage response showed significant detail and specificity, relying on local presence for outage patrols and assessments and an incident command system to streamline decision making during forced outages. The plan covered the number of crews, vehicle assistance groups, extensive use of helicopters for assessment, and noted a state-of-the-art training center. However, Proposal 102 did not explain

the process for finding fault locations. The emergency repair plans for RFP Respondent 102 featured an incident commander, experienced line crews, and pre-approved contract crews that could be redirected as needed. Local presence would facilitate crew response for repairs within two hours, with helicopter support for rapid restoration. The incident command system streamlines decision-making, optimizes use of resources, and coordinates access to multiple mutual aid groups.

MISO evaluated Proposal 102's discussion of predictive and preventive maintenance and testing abilities as well as its access to spare parts, structures, and equipment. Proposal 102 provided significant detail about its preventive and predictive maintenance programs. RFP Respondent 102 would deploy resources from multiple locations in Indiana (except for contractors to provide vegetation management and aerial inspections), which it anticipated could reduce maintenance-related costs. Aerial vegetation inspections would occur twice a year (spring and fall), using internal resources to develop work plans based on inspection findings. Aerial inspections for line condition would occur once each year.

Proposal 102 provided comprehensive discussion of its asset management program, along with internal guidelines for inspections and policies for assessment, prioritization, funding, staffing, scheduling, and oversight of its maintenance programs. RFP Respondent 102 indicated maintenance programs are supported by a state-of-the-art training facility for internal resources with both theory and hands-on training. RFP Respondent 102 explained its spare parts strategy in significant detail, which included an "integrator" supplier coordinating with other second-tier suppliers. RFP Respondent 102 would source from multiple warehouses within four to six hours of the project area, and would rely on its own inventory (which includes spare wood poles for temporary emergency use), a company-wide sharing program, and strategic partnerships with other suppliers.

MISO evaluated Proposal 102's major facility replacement capabilities and financial strategy for replacements and rebuilds. RFP Respondent 102 cited similar capabilities for major facility rebuilds, supplemented by a transmission circuit hardening and optimization tool to assess line condition and prioritize necessary rebuilds, as well as maintaining replacement inventory.

MISO evaluated Proposal 102's previous applicable experience. RFP Respondent 102 described, in detail, its experience and abilities with owning, operating, and maintaining 345 kV transmission lines.

MISO evaluated Proposal 102's safety performance. Proposal 102 described a robust safety program, which includes a safety manager, a human performance program, and minimum qualifications for all contractors. Contractors are required to maintain OSHA recordable rates of less than 3.0. RFP Respondent 102 also provided safety history showing its lost-time rate relative to transmission hours worked.

4.2.5 Planning Participation for Proposal 102

MISO evaluated planning participation for Proposal 102, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.3 Proposal 103

4.3.1 Overview of Proposal 103

The Executive Committee assigned Proposal 103 a total evaluation score of 41 and found it to be generally acceptable, as compared to the other proposals (Figure 4-3).

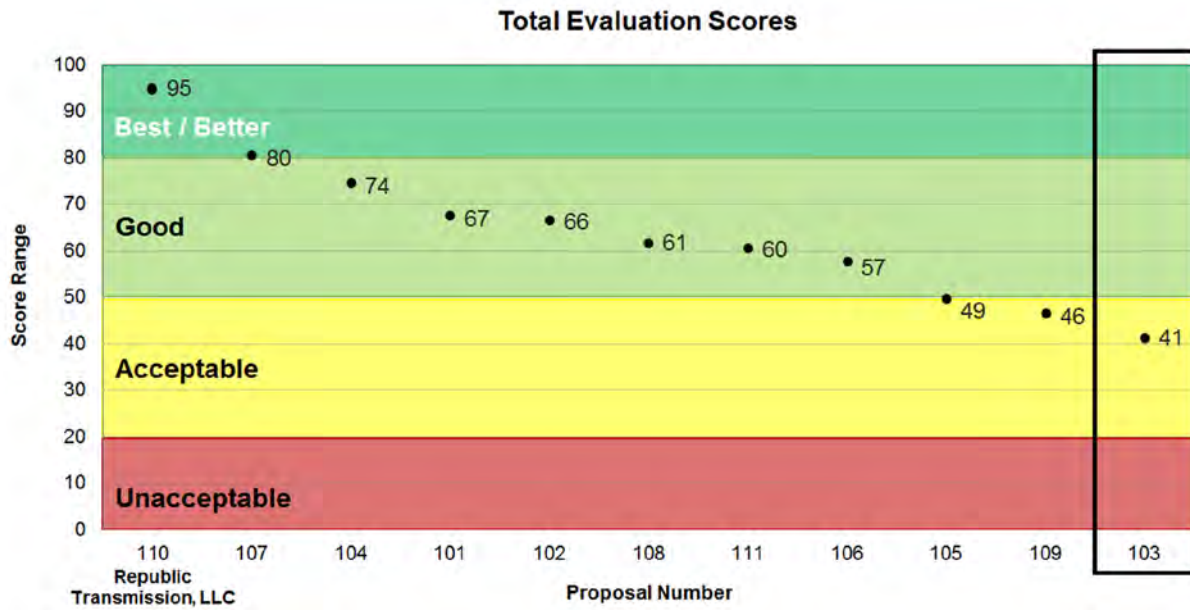


Figure 4-3: Proposal 103 Final Scoring Summary

In evaluating Proposal 103 against the four Tariff evaluation criteria, MISO categorized it as ‘Acceptable’ in cost and design, ‘Acceptable’ in project implementation, and ‘Acceptable’ in operations and maintenance, as compared to the other proposals (Table 4-5).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-5: Proposal 103 Criteria-Level Categorization

4.3.2 Project Cost and Design for Proposal 103

MISO evaluated Proposal 103’s cost and design, and found it to be ‘Acceptable’ compared to other proposals, as depicted in Table 4-5.

MISO evaluated Proposal 103’s estimated project cost and rigor. Proposal 103 submitted an implementation cost estimate of \$48.0 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. It submitted a construction cost cap of \$44.0 million, with a separate cap on AFUDC of \$4 million such that the cap was set at its implementation cost estimate. There was an exclusion to the cap for additional costs stemming from schedule delays due to interconnecting utilities’ substation delays. Proposal 103 provided specific project details and submitted relevant supporting information for the cost estimates.

MISO evaluated Proposal 103’s estimated ATRR and rigor. Proposal 103 submitted an ATRR estimate of \$61 million, which was higher than the median of \$56 million. The submitted ATRR estimates for Proposal 103 were higher than other proposals due to the shortest estimated depreciation schedule and higher-than-average tax estimates. Proposal 103 provided no cost containment measures or forgone rate incentives specific to its ATRR estimate to enhance certainty. In the analysis described in Section 2.6.6.1, Proposal 103 consistently finished among the average-cost proposals for estimated ATRR. Proposal 103 had the lowest estimated cost of debt of the 11 proposals but did not provide the narrative and supporting information for this estimate as requested in the RFP’s proposal template instructions.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-6: Proposal 103 Cost Cap Summary

MISO evaluated Proposal 103's facility design quality and rigor. Proposal 103 had an estimated route length of 29 miles, which was one of the shortest routes proposed, and would use direct-embedded, weathering steel light and heavy tangent H-frame structures.

RFP Respondent 103 performed a geotechnical desktop study, using publicly available terrain data, to support the proposal phase of the project, which was fairly typical among the 11 submitted proposals. Proposal 103 provided a high-level project design (including load and design drawings), as well as plan and profile drawings that showed anticipated structures and elevations along the proposed route, but were lacking in certain aspects.

The proposed right-of-way for the project was 150 feet wide, which was above average among proposals. For the Ohio River crossing, Proposal 103 would use structure heights more than 200 feet tall, which would require increased coordination with the Federal Aviation Administration. Proposal 103 planned clearance above water surface of 118 feet, which was among the highest of the proposals. Proposal 103 did not discuss consulting with the U.S. Army Corps of Engineers, how clearances for the river crossing would be determined, or how the proposed structure heights were derived.

Unlike most of the other proposals, Proposal 103 did not discuss structure types or management of optical ground wire where the project would cross under an existing 765 kV transmission line. And, although Proposal 103 showed crossings on the route selection table it provided (as well as providing a count of total crossings and calling the major crossing out in the plan and profile drawings), there was limited specificity of the river crossing strategy.

The proposed conductor for Proposal 103 would be a two-bundle ACSS Cardinal conductor. The discussion of conductor selection was brief and lacked specificity compared to other proposals. The Ohio River crossing would also use higher-strength conductor and high-strength suspension, but the proposal lacked specificity in its discussion of conductor ratings.

Proposal 103 lacked narrative discussion of minimum electrical clearances, as well as insulator and assembly details. The plan and profile drawings showed only clearance line without labeling it.

Proposal 103 proposed an average shielding angle value. There was no indication that RFP Respondent 103 had performed a preliminary lightning study, and, unlike several other proposals, Proposal 103 lacked specificity in the lightning performance criteria. Proposal 103 stated an average maximum ground value.

The discussion of galloping and vibration in Proposal 103 was less detailed than other proposals. Optical ground wire was shown in drawing notes, but these differed from descriptions included in the proposal and there were no manufacturer specifications.

Proposal 103 described how the project would tie into the substations at either end of the line, and reflected this information in plan and profile drawings. RFP Respondent 103 said it intended to work with the substation owners to complete the interconnection process.

4.3.3 Project Implementation for Proposal 103

MISO evaluated Proposal 103's project implementation plan and abilities, finding it to be 'Acceptable' overall.

Proposal 103 submitted a project schedule that provided ample time for construction and restoration and showed understanding of basic permitting and regulatory time frames. Detailed scheduling diagrams at times were inconsistent with narrative discussion, and appeared to assume regulatory processes would conclude without appeals. These conflicts and assumptions produced a higher risk profile than found in other proposals schedules.

Proposal 103 supplied detailed schedules for tree clearing and construction which were more specific than other proposals, however the proposed dates may have an increased risk profile due to potential impacts on wildlife, and the apparent completion of land acquisition, engineering, procurement, and design before regulatory permits are approved. The proposal recognized the impacts of weather on the construction schedule, however did not provide background regarding how float was allocated or a discussion of potential schedule mitigation measures to the degree of detail that was found in other proposals.

In general, discussion of project implementation in Proposal 103 offered high-level summaries. It was not as well supported by initial investigation and research as many of the other proposals, particularly with respect to project routing. Proposal 103 deferred providing specific plans on various segments of the project until a future date, and anticipated the potential for changes in the final design process. Proposal 103 provided a generalized discussion of what would typically occur on a project. Many other proposals provided more specific information regarding project management tools and capabilities such as project risk register, however, 103 did not. At times, information in one portion of the proposal would conflict with information elsewhere. This increased the risk profile of the proposal in comparison to other proposals that provided more detailed, specific and certain implementation, project and construction management plans.

Proposal 103 anticipated overseeing project implementation from a remote base of operations. Though a field office would be located centrally along the project route, monthly project management meetings would be conducted at the out-of-region office, rather than at or near the work site. Proposal 103 did not designate a single project manager to oversee construction, emphasizing instead its expectation to hire reputable contractors and rely on them to bring the necessary expertise. The organization chart illustrating project management capabilities primarily identified categories of roles and functions, rather than identifying specific individuals with relevant qualifications. Proposal 103 provided less specificity and certainty than other proposals.

Proposal 103 included a list of proposed project permits and the accompanying discussion relied more on general process descriptions, rather than detailing a clear plan tailored to this project that was found in many other proposals. RFP Respondent 103 did not fully explain its approach to regulatory approvals in Kentucky. There was good discussion of outreach programs

and environmental issues, but more uncertainty regarding permitting needs than was found in other proposals.

Proposal 103 proposed structure heights more than 200 feet tall on the Kentucky side of the Ohio River; however they did not mention coordination with the Federal Aviation Administration or addressed consultation with the U.S. Army Corps of Engineers. Other proposals provided more specific information regarding these consultations. Some information provided in tabular form seemed to differ from information on maps of the river crossing area, and was difficult to correlate because of inconsistent labeling conventions.

MISO found the plan and profile drawings for Proposal 103's preferred route helpful, but they did not fully reflect the constraints and routing issues that were identified in detailed tables elsewhere in the proposal. RFP Respondent 103 considered more than 50 routing alternatives. RFP Respondent 103 self-imposed a constraint to keep the route less than 29.25 miles, but did not explain the basis for this cutoff. The preferred route for Proposal 103 followed a comparatively direct diagonal path between the Coleman EHV and Duff substations. MISO recognized this could yield distance and materials efficiencies, but thought it might present greater permitting and land acquisition challenges than routes proposed by other RFP Respondents. In the main, Proposal 103 outlined procedures for most aspects of the project, but less clear in explaining how the project would ultimately be routed and constructed than other proposals.

Proposal 103 provided ample time for right-of-way acquisition, 22 months, but the schedule seemed to begin the acquisition process before receiving regulatory approvals. Proposal 103 did not identify parcels or landowners, and did not explain how it would obtain necessary land rights in Kentucky. Other proposals provided this specificity.

Proposal 103 provided a high-level discussion of materials procurement and inspections and the need for quality assurance and quality control programs, however there was no indication that RFP Respondent 103 had sought or obtained preliminary bids from potential vendors. Proposal 103 would rely on local contractors for most construction elements, but none were identified and the construction process was described in less detail than other proposals. There was no information on construction access routes or laydown yards, and, although the proposal mentioned a plan for roughly 20 structures per wire pull, additional details were sparse. Other proposals provided much greater specificity and certainty in construction and commissioning than Proposal 103.

Proposal 103 provided a high-level narrative of how they would address safety on the project, but did not include a project-specific safety plan, reserving this as a task to follow project award. Although there was some discussion of safety, particularly in connection with the Ohio River crossing, there was no safety plan for the proposed construction subcontractor. In general, although Proposal 103 addressed safety in many areas, it was address in less detail than most of the other proposals.

RFP Respondent 103 demonstrated sufficient financing capabilities, as supported by its credit ratings and track record with past projects. The financial plan submitted with Proposal 103

was less specific and provided less risk mitigation than some other proposals; however Respondent 103 provided information showing significant experience with prior transmission projects and included good descriptions of previous projects.

4.3.4 Operations and Maintenance for Proposal 103

MISO evaluated Proposal 103's description of RFP Respondent 103's operations and maintenance abilities and found it 'Acceptable'. As with other areas, Proposal 103 met all requirements of the RFP for operations and maintenance, but provided less detail and rigor than many of the other proposals.

MISO evaluated Proposal 103's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. RFP Respondent 103 said it would negotiate an arrangement with an existing Local Balancing Authority to serve the project. It would explore potential coordination with local utilities to install supervisory control and data acquisition (SCADA) capabilities to enable project operation from its existing control facilities. Proposal 103 conveyed good understanding of the significance of interconnected switching in a multi-owner environment. RFP Respondent 103 described pre-arranged procedures with other utilities for remote-end switching coordination for lines that adjoin other transmission systems, and would use a similar approach for the project.

MISO evaluated Proposal 103's forced outage response and emergency repair and testing abilities. RFP Respondent 103 stated that it can monitor transmission line conditions and clearances remotely. It would address emergency repair and testing, as well as forced outages, through its company-wide incident management system and award-winning electric emergency response plan. RFP Respondent 103 said it would create a new program with high-level oversight to manage project maintenance if it were chosen as the Selected Developer. Like almost all of the other proposals, RFP Respondent 103 would use contractors to perform actual maintenance work. Both oversight and contractor bases of operations would be remote from the project.

MISO evaluated Proposal 103's information on predictive and preventive maintenance and testing abilities, as well as RFP Respondent 103's access to spare parts, structures, and equipment. Proposal 103 recognized the underlying goal of maintaining and inspecting is to minimize service interruptions. The project maintenance program would comply with NERC standards for transmission vegetation management by performing vegetation inspections at least once every calendar year, and never further apart than 18 months. Infrared and aerial inspections are important for detecting and preventing maintenance issues (as are inspections of steel structure foundations), but Proposal 103 did not fully explain what these inspections look for, how resulting data are reported, or how decisions to prioritize maintenance tasks are made. There was some discussion of the staffing and capabilities of a primary maintenance contractor. Proposal 103 described a spare parts program and inventory very similar to those of other proposals (including an expectation that necessary spare parts be available within an hour), but did not elaborate on associated policies and procedures or explain how this would be accomplished.

MISO evaluated Proposal 103's major facility replacement capabilities and financial strategy for replacements and rebuilds. Proposal 103 explained its existing project management procedures and guidelines for facility replacement; however, Proposal 103 was less detailed and rigorous than many of the other proposals.

MISO evaluated Proposal 103's previous applicable experience. While Proposal 103 was less detailed than several of the other proposals, RFP Respondent 103 demonstrated a long history of successful utility operations with the personnel, experience, and capability to complete the project.

MISO evaluated Proposal 103's safety performance. Although Proposal 103 discussed safety performance in the context of operations and maintenance, most of the supporting information (such as contractor safety requirements and safety performance metrics) appeared to relate to transmission construction activities, rather than operations and maintenance.

4.3.5 Planning Participation for Proposal 103

MISO evaluated planning participation for Proposal 103, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.4 Proposal 104

4.4.1 Overview of Proposal 104

The Executive Committee assigned Proposal 104 a total evaluation score of 74 and found it to be generally good, as compared to the other proposals (Figure 4-4).

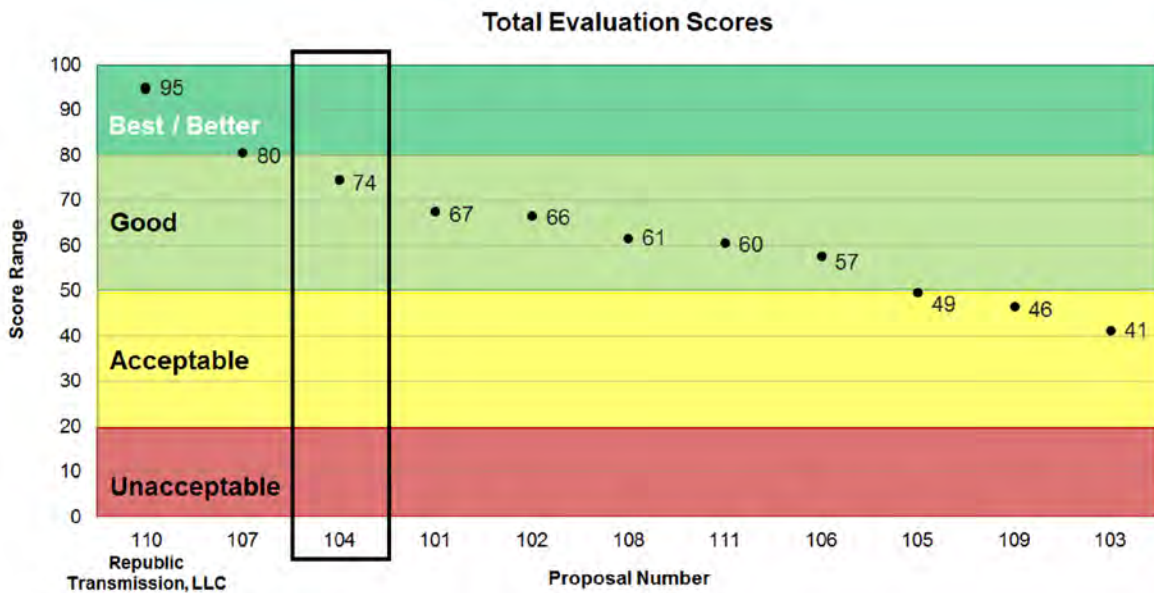


Figure 4-4: Proposal 104 Final Scoring Summary

Proposal 104 earned the third-highest total evaluation score of the 11 proposals MISO evaluated, based on its categorization in each of the four Tariff evaluation criteria. In evaluating Proposal 104, MISO categorized it as 'Better' in cost and design, 'Good' in project implementation, and 'Good' in operations and maintenance, as compared to the other proposals (Table 4-7).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-7: Proposal 104 Criteria-Level Categorization

4.4.2 Project Cost and Design for Proposal 104

In evaluating Proposal 104's cost and design, MISO found it to be 'Better' compared to other proposals, as depicted in Table 4-7.

MISO evaluated Proposal 104's estimated project cost and rigor. Proposal 104 submitted the second-lowest implementation cost estimate, at \$35.2 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. Proposal 104 included a construction cost cap, equal to its cost estimate of \$32.2 million, which excluded AFUDC. This cap was set at a level notably lower than that of the other proposals, including Republic Transmission's proposal. There were some noteworthy elements to the cost cap provisions—among them, a cost cap less than the costs RFP Respondent 104 expected to incur, an exclusion if the route length increased and resulted in higher costs beyond a \$1 million “dead band,” and an adjustment to inflation greater than Proposal 104's assumed level of 2.5%, based on a relevant industry escalation index. For these reasons, the construction cost cap provided less certainty than that of Republic Transmission's proposal. Proposal 104 submitted a fixed-price engineering, procurement, and construction contract with its primary contractor and highly detailed supporting information for its cost estimates.

MISO evaluated Proposal 104's estimated ATRR and rigor. Proposal 104 submitted the lowest ATRR estimate, at \$37 million, which was lower than the median of \$56 million. The submitted ATRR estimate for Proposal 104 was lower than other proposals due to the low implementation cost and the longest depreciation schedule proposed. RFP Respondent 104 offered to cap several ATRR cost elements. RFP Respondent 104 would cap equity in capital structure (at 50%) for the life of the project. Proposal 104 also offered five-year caps on base return on equity (capped at 10%, not including any adders) and operations and maintenance costs. Republic Transmission's proposal capped the equity in capital structure at 45% for the life of the project, and return on equity (including adders) at 9.8%. In the analysis described in Section 2.6.6.1, Proposal 104 consistently finished among the lower-cost proposals for estimated ATRR, as did Republic Transmission's proposal. Proposal 104 submitted relevant project details and information in support of its estimates.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-8: Proposal 104 Cost Cap Summary

MISO evaluated Proposal 104’s facility design quality and rigor. Proposal 104 provided for a project route length of 31.2 miles, which was average among the 11 proposals. The line would feature direct-embedded weathering steel H-frame tangent structures.

The proposed right-of-way for the project would be 150 feet wide, which is above average among proposals. The project would follow existing easements for part of the route. Preliminary desktop geotechnical analysis was verified with some fieldwork.

Proposal 104 included a crossing report table, which gave a crossing count, but was not accompanied by drawings. The proposal recognized the need to cross under an existing 765 kV transmission line, but lacked some specificity relative to other proposals. Information on other utility lines and crossing types was also limited.

Proposal 104 proposed to use ACSS/TW Fraser in a two-bundle configuration. The conductor for the span across the Ohio River would be ACCR/TW Curlew conductor in the same two-bundle configuration. The conductor size proposed by Proposal 104 is smaller relative to Republic Transmission’s proposal. The maximum conductor emergency summer rating is proposed to be 3,002 amps at 426°F (219°C) maximum conductor temperature. The estimated line loss value was average among the proposals received, and higher than that of Republic Transmission’s proposal.

The crossing at the Ohio River would use structure heights less than 200 feet tall, reducing the need to coordinate with the Federal Aviation Administration. Proposal 104 planned conductor clearance above the water surface of approximately 100 feet, which is average among proposals. The design criteria document submitted with Proposal 104 specified a buffer

over NESC minimum ground clearance requirements that was average among proposals but slightly more than Republic Transmission's proposal.

Proposal 104 discussed lightning protection only with respect to shield angle, which was average relative to other proposals and smaller than that of Republic Transmission. The proposal lacked specificity in lightning performance criteria. The ground resistance target would be the lowest among proposals, which would help to minimize line outages due to lightning strikes. Submitted drawings showed some grounding information. Proposal 104 also included a specification sheet for optical ground wire.

Proposal 104 had very brief discussion of galloping and vibration considerations. The proposal lacked specificity on how the project would tie into the Coleman EHV and Duff substations

4.4.3 Project Implementation for Proposal 104

MISO evaluated Proposal 104's project implementation plan and abilities, finding it to be 'Good' in comparison to other proposals.

MISO evaluated Proposal 104's project schedule, which included details and discussions on regulatory permitting, land acquisition, procurement and construction. The engineering aspects of the schedule appeared short and comparatively were less certain than other proposals. Information on construction durations lacked relevant details such as weather assumptions and wire-pulls plans, but the construction schedule address minimization of crop damages during construction. Durations for tree clearing and the obtaining railroad permits were shorter than other proposals, and the schedule provided no time for as-built work. The proposed schedule supplied less specificity and certainty than other proposals, including that provided by Republic Transmission (Proposal 110).

MISO evaluated Proposal 104's project management plan and experience. Proposal 104 lacked a detailed project plan, which was something most other proposals included. There was a risk register that identified 40 possible risk items, but did not address associated costs or mitigation efforts that were found in other proposals.

Proposal 104 designated a potential preferred route and an alternate route, supported by a complete routing report and maps, stakeholder meetings, field verified desktop analysis and a helicopter survey of the proposed route. Proposal 104 provided a good explanation of its routing development. It would locate structures for the Ohio River crossing adjacent to existing facilities, avoiding a known cultural site on the Indiana side, and, in general, use existing rights-of-way as feasible along the project route. The specifics supplied and the risk mitigation efforts involved in the routing process compared favorably to other proposals, although they were not as detailed as those supplied by Republic Transmission (Proposal 110).

Proposal 104's permitting process was well explained. RFP Respondent 104 stated it had met with local, state, and federal regulators in person or through scoping letters and identified supporting staff and legal counsel with relevant permitting experience to assist with the process. The specificity supplied in the proposal provided certainty and presented a lower permitting risk

than other proposals. Proposal 104 identified parcels and landowners for new right-of-way. As previously noted, RFP Respondent 104 has secured options on portions of the proposed route, which was something other respondents had not completed. RFP Respondent 104 anticipated having the right of eminent domain in Kentucky, but did not explain how it would obtain this right, which was addressed by other proposals.

Proposal 104 provided a high-level quality assurance and quality control plan but did not otherwise discuss procurement to the depth and specificity found in other proposals. RFP Respondent 104 submitted a fully negotiated, fixed-price engineering, procurement, and construction (EPC) contract with a reputable contractor who would be responsible for providing a construction plan upon award. Proposal 104 had fewer construction details than many other proposals in such areas as helicopter stringing, wire pull plans, access and haul routes, location of laydown yards, approach at the Ohio River crossing, designation of a construction liaison, responsibility for environmental compliance during construction, and mitigation plans. In contrast, Republic Transmission had most of these details included. The fixed-priced EPC contract provided some certainty that was not present in some other proposals; however, the lack of specificity and certainty in the construction plan increased the implementation risk profile higher than other proposals. This increased the implementation risk and outweighed the cost containment attributes of the fixed-priced EPC contract. Proposal 104's discussion of commissioning and energization was thorough, including tests of grounding arrangements and optical ground wire and was more specific than many proposals in this area.

MISO evaluated Proposal 104's safety performance. The proposal appended a complete safety manual used by the primary construction contractor, which discussed job hazard analysis and included sample rescue plans. RFP Respondent 104 did not provide safety information specific to this project, but explained its internal safety recognition program, committed to designate a site safety manager before breaking ground on the project, and supplied examples of safe work plans and safety documentation.

RFP Respondent 104 demonstrated a good history and familiarity with 345 kV transmission projects and construction, supported by example projects and information from several previous 345 kV transmission projects. Proposal 104 showed strong financing capability, with high investment grade credit ratings, and included a solid financial plan for the project.

4.4.4 Operations and Maintenance for Proposal 104

MISO evaluated Proposal 104's description of RFP Respondent 104's operations and maintenance abilities, and found it to be 'Good' overall compared to the other proposals received. Proposal 104 met all requirements of the RFP for operations and maintenance, but specificity varied across different subject areas—with more detail in some, less in others. There was also frequent mention of unexecuted term sheets that RFP Respondent 104 had negotiated with local utilities to provide services. These fully negotiated but unexecuted terms sheets increased certainty as compared to some proposals, but were less certain than proposals with executed agreements, such as that furnished by Republic Transmission (Proposal 110).

MISO evaluated Proposal 104's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. RFP Respondent 104 proposed to engage an entity that does not currently operate in MISO to serve as the Local Balancing Authority for the project. From MISO's perspective, the discussion did not appear to fully reflect the distinctions between operating a NERC-registered Balancing Authority and the functions of a Local Balancing Authority within the MISO system. Proposal 104 anticipated the Local Balancing Authority would monitor line status in real time, relying on data exchange with the owners of the Coleman EHV and Duff substations. Switching would likewise be coordinated with the substation owners, but Proposal 104 provided fewer specific details than furnished by Republic Transmission (Proposal 110).

MISO evaluated Proposal 104's forced outage response and emergency repair and testing abilities. Proposal 104 contemplated forced outage response through its unexecuted term sheets with local utilities and arrangements with its primary maintenance contractor, which could dispatch from a large equipment fleet according to the closest resources. Expected response time was less than an hour. The local utilities' role would include patrolling the line to assess damage and determine repair plans. RFP Respondent 104 described its experience, restoration process, and associated operational plan for emergency repair and testing. Coordination with local utilities and contractors would be integral to emergency response, using the same arrangements as for forced outages.

MISO evaluated Proposal 104's description of predictive and preventive maintenance and testing abilities as well as access to spare parts, structures, and equipment. The proposal outlined RFP Respondent 104's preventive and predictive maintenance program, supported by a letter of intent with a primary provider of maintenance services. The proposal noted anticipated response times of an hour or less, but did not identify a specific base of operations. RFP Respondent 104 would hire an asset manager, to be stationed in Indiana. The vegetation management program would require yearly inspections, including trimming and applying herbicide. This portion of the proposal provided good detail, including use of video cameras, and, in MISO's view, would meet the applicable NERC transmission vegetation management standard. Proposal 104 also described a yearly aerial inspection program, with good details on video, ultraviolet sensor, LiDAR, high-resolution still-frame photography, and radiometric thermographic capabilities. Findings would be captured and analyzed to facilitate prioritization, scheduling, and event response. RFP Respondent 104 specifically mentioned capability for hot-line maintenance and a plan to repair access roads to allow vehicle passage.

RFP Respondent 104 anticipated its line design would minimize the need for a large spare parts inventory, and did not intend to carry spare structure assemblies. Conductors, insulators, and fiber optics would be stored locally, with temporary wood replacement poles readily available. The designated asset manager would coordinate spare parts inventory with local utilities and regionally with the primary maintenance contractor, as needed.

MISO evaluated Proposal 104's major facility replacement capabilities and financial strategy for replacements and rebuilds. RFP Respondent 104 would rely on its primary construction and maintenance contractors (including specific teams and tools designated for

storm damage assessment) to manage any major facility replacement or rebuild. The locally stationed asset manager would coordinate activities. Proposal 104's discussion around funding for major facility rebuilds and replacements was the most robust among proposals. RFP Respondent 104 indicated that its leadership team and staff, as well as the local utilities and contractors with which it would coordinate for operations and management, had extensive relevant experience.

MISO evaluated Proposal 104's previous applicable experience. Proposal 104 provided information detailing the maintenance experience of its primary contractor with utilities in the area of the project.

MISO evaluated Proposal 104's safety performance. As noted in the Project Implementation section, RFP Respondent 104 submitted an entire safety manual for its primary construction contractor, together with examples of safety recognition and near-miss programs for itself. Proposal 104 included information on OSHA reporting frequency rate by calendar year, showing a declining trend, but it was unclear whether the information was company-wide or specific to transmission.

4.4.5 Planning Participation for Proposal 104

MISO evaluated planning participation for Proposal 104, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.5 Proposal 105

4.5.1 Overview of Proposal 105

The Executive Committee assigned Proposal 105 a total evaluation score of 49 and found it to be generally acceptable, as compared to the other proposals (Figure 4-5).

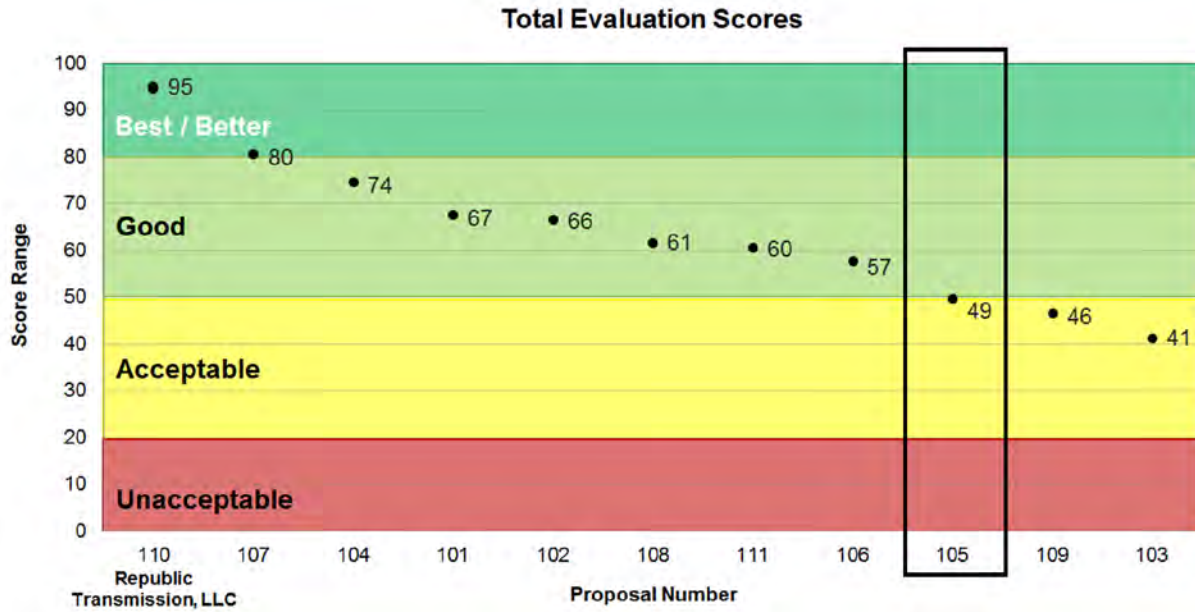


Figure 4-5: Proposal 105 Final Scoring Summary

In evaluating Proposal 105 against the four Tariff evaluation criteria, MISO categorized it as 'Acceptable' in cost and design, 'Acceptable' in project implementation, and 'Good' in operations and maintenance, as compared to the other proposals (Table 4-9).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-9: Proposal 105 Criteria-Level Categorization

4.5.2 Project Cost and Design for Proposal 105

In evaluating cost and design, MISO found Proposal 105 to be ‘Acceptable’ compared to other proposals, as depicted in Table 4-9.

MISO evaluated Proposal 105’s estimated project cost and rigor. Proposal 105 submitted the lowest implementation cost estimate of \$34.0 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. This estimate, however, appeared to be based primarily on RFP Respondent 105’s past experience, rather than on inputs specific to this project. For example, Proposal 105 identified no specific vendors for this project, and provided less supporting information for its cost estimates than most other proposals. Proposal 105 was the only proposal that did not offer cost caps or containment measures in any form. Given the relatively preliminary nature of much of the cost estimate information, together with the absence of any cost containment commitments, MISO was less confident that Proposal 105’s actual implementation costs would be as low as its estimates.

MISO evaluated Proposal 105’s estimated ATRR and rigor. Proposal 105 submitted an ATRR estimate of \$47 million, which was lower than the median of \$56 million. In the analysis described in Section 2.6.6.1, Proposal 105 consistently finished among the lower-cost proposals for estimated ATRR. However, RFP Respondent 105 cited strong reliance on internal cost containment measures, but nothing inherent in Proposal 105 would protect ratepayers from ultimately shouldering greater ATRR costs if the assumptions on which the cost estimates were based prove incorrect. As previously noted, the low ATRR estimate of \$47 million was without commitment to constrain any of the underlying inputs (such as implementation costs, the debt-to-equity ratio for capital structure, return on equity, or operations and maintenance costs).

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-10: Proposal 105 Cost Cap Summary

MISO evaluated Proposal 105's facility design quality and rigor. Proposal 105 specified a 29.8-mile-long transmission line, supported by direct-embedded galvanized monopole and H-Frame tangent structures. The project right-of-way would be 150 feet wide throughout the route, which is above average for all proposals. RFP Respondent 105 completed a geotechnical desktop study based on publicly available and historical information, along with preliminary foundation designs.

Proposal 105 would use structure heights less than 200 feet tall for the Ohio River crossing, reducing the need for coordination with the Federal Aviation Administration. Minimum conductor clearance over the water surface would be 100 feet, which was average among proposals. The plan and profile drawings for Proposal 105 illustrated how the project would cross under an existing 765 kV transmission line, but discussion of optical ground wire configuration and supporting narrative lacked specificity.

The project conductor would be an ACSS Drake in a two-bundle configuration, one of the smallest proposed. The conductor is proposed to have an emergency summer rating of 3,018 amps at the maximum allowable conductor temperature of 410°F (210°C). The estimated line losses for this conductor type were comparatively high versus other proposals.

The plan and profile drawings for Proposal 105 showed ground clearance buffers above NESC minimums, and they were above average relative to other proposals. All other clearances would be based on NESC minimum requirements.

Proposal 105 included good discussion of galloping and vibration mitigation. Proposal 105 discussed lightning protection in terms of shield angle, which was comparatively smaller relative to other proposals, but lacked specificity in lightning performance criteria. Proposal 105 proposed an average ground resistance target value.

Proposal 105 recognized the need to coordinate project interconnection with the substation owners at either end of the line, and illustrated proposed tie-in configurations in its plan and profile drawings.

4.5.3 Project Implementation for Proposal 105

MISO evaluated Proposal 105's project implementation plan and abilities finding it to be 'Acceptable' overall.

Proposal 105 included a project schedule detailing necessary project elements, including routing, permitting, land acquisitions, material procurement, construction, and commissioning. The pre-construction durations appear adequate however lacked the specificity found in other proposals. The accompanying narrative laid out the thought process behind the schedule, which, on the whole, appeared sufficient, including time for field surveys and habitat assessments. The proposed construction schedule lacked specificity and allocated only seven months to complete approximately 30 miles of transmission line construction, and the schedule did not discuss weather assumptions or identify float time for unexpected delays. The lack of specificity regarding float and weather assumptions in conjunction with the aggressive construction schedule presents a higher risk profile than other proposals.

MISO reviewed Proposal 105's project management plan and experience. Proposal 105 supplied résumés for its project implementation team, including a project manager with 30 years of experiences and proposed a plan in which some members of the team were based remotely. Proposal 105 did not submit a project execution plan or a risk register, committing instead to formulate a plan and undertake a number of other tasks following project award. The lack of this information decreased the certainty of this proposal's project management capability in comparison to other proposals that supplied additional specificity and detail.

Proposal 105 states that RFP Respondent 105 conducted detailed studies of potential line routes, evaluating 103 different routing alternatives and provided a good discussion of the relevant issues. However, RFP Respondent 105 elected not to submit a complete routing study, but used a weighted analysis, desktop evaluation, site visits and a LiDAR survey of the preferred route to support permitting.

Proposal 105 provided a good overview of many permitting needs and processes, along with a matrix of environmental permits identifying the applicable agency, requirements, permit time requirements, time needed to prepare and submit applications, and agency review and approval times frames. Whereas other proposals had already begun early coordination with regulatory agencies, Proposal 105 did not indicate early consultation with federal or state regulators and agencies, and did not address permitting issues at the county level, but included good background discussion and a detailed process for post-award permitting work

Proposal 105 provided detailed maps, including pole placement, for both the preferred and alternate routes, both of which appear to follow existing transmission line corridors for at least one-third of their length, and had alignment similar to other proposals. Supporting information may not have encompassed all known issues, but adequately identified risks and constraints.

Proposal 105 identified affected parcels and landowners for new project right-of-way in Indiana and Kentucky and listed a vendor for the right-of-way acquisition process, but did not identify specific team members or designate a construction liaison. Other proposals supplied this level of information and specificity and certainty. Proposal 105 showed good practices and a sound overall plan for right-of-way acquisition, expecting continued involvement throughout the construction process, but did not explain how eminent domain rights would be granted in Kentucky if needed. This issue was more thoroughly addressed in other proposals.

MISO evaluated the materials procurement, construction, and commissioning plan supplied by Proposal 105. Proposal 105's discussion of material issues and concerns was thorough and compared very well to other proposals, and was well supported by supply chain documentation and auditing. Proposal 105 did not identify a principal construction contractor, intending instead to solicit bids after project award. Discussion of the construction process was generally high level, and did not address wire pull plans, access routes, potential weather impacts, or equipment needs. Proposal 105 submitted less specific information than other proposals and the lack of an identified contractor increased the risk profile of the project. Proposal 105 provided a comprehensive commissioning plan that compared to other proposals provided good specificity and understanding of the commissioning process.

MISO evaluated Proposal 105's safety materials. RFP Respondent 105 supplied general safety documentation, pointing primarily toward future tasks to be undertaken after project award. Among the safety practices RFP Respondent 105 noted were job hazard analysis, lockout and tagout procedures, and incident investigation. Information on safety metrics was consistent with industry norms, but related only to the performance of RFP Respondent 105 and not the proposed construction contractor. The discussion of safety was not as specific as other proposals and the lack of an identified contractor with safety metrics increased the risk profile of Proposal 105 in comparison to other more specific proposals.

RFP Respondent 105 provided several examples to demonstrate its previous experience with 345 kV transmission construction projects, but did not submit corresponding information and background for key contractors. Proposal 105 included an acceptable financial plan, and demonstrated that RFP Respondent 105 had strong financing capability with high investment-grade credit ratings.

4.5.4 Operations and Maintenance for Proposal 105

MISO evaluated Proposal 105's operations and maintenance abilities, and found it to be 'Good' overall compared to the other proposals. Proposal 105's discussion of operations and maintenance highlighted RFP Respondent 105's knowledge base from existing utility operations. It featured good detail on an overall preventive maintenance plan, outage response, and general operations abilities, as well as an innovative strategy to maintain and deploy spare parts inventory. RFP Respondent 105 would leverage its current major storm response capabilities for any emergency repairs or major facility rebuilds needed for the project.

MISO evaluated Proposal 105's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. RFP Respondent 105 said it would contract with one of the substation owners to provide Local Balancing Authority services for the project. RFP Respondent 105 also proposed to open a new operations center in the immediate vicinity of the project, to be staffed by an on-call high-voltage specialist and a manager, with support from a large and reputable contractor with which it already has existing agreements. Switching would be the responsibility of the owners of the substations to which the project is connected, but line status would be monitored from a remote control center, supported by advance fault location capabilities. There would be cameras at the river and critical road crossings.

MISO evaluated Proposal 105's forced outage response and emergency repair and testing abilities. Proposal 105 described a forced outage response strategy supported by systems that send staff at the local operations center text messages with fault locating information. Patrols would be dispatched within an hour to form a plan for repair, with contractors to follow within two to three hours to begin repairs. RFP Respondent 105 would coordinate with local utilities as needed, and follow up on outages through an event response process to determine root cause.

MISO evaluated Proposal 105's predictive and preventive maintenance and testing abilities as well as access to spare parts, structures, and equipment. Proposal 105 included good documentation of RFP Respondent 105's overall maintenance framework, describing many different types of inspections, event response, and an asset management system.

Contractors would perform aerial and ground inspections on a yearly basis (including thermovision capability), with testing of all grounding elements incorporated into the ground patrols. Proactive maintenance would be performed based on inspection results and analysis of issues found in the field. Based on the service provider it would retain, RFP Respondent 105 anticipated maintenance response time of one to two hours, with supplemental contractor assistance available within four hours. Discussion of maintenance staffing did not extend much beyond the contractor RFP Respondent 105 would propose to use. Proposal 105's treatment of vegetation management was brief, and, although Proposal 105 did not mention the NERC vegetation management standard, it did commit generally to comply with NERC requirements.

RFP Respondent 105 would use a risk-based approach to manage spare parts inventory, which considered cascading. The goal is to maintain sufficient inventory to cover 2 miles of line, as well as a spare tangent structure. Some spare parts (such as insulators, guys, splices, connectors) would be stored in boxes and ready for easy transportation. Additional resources would be available through a sharing program across RFP Respondent 105's corporate family (although none are currently based close to the project area), as well as through participating vendors.

MISO evaluated Proposal 105's major facility replacement capabilities and financial strategy for replacements and rebuilds. RFP Respondent 105 would rely on its existing vendor agreements and corporate-wide major storm response plan, which it views as industry best, to manage emergency repair and testing and well as major facility replacement. RFP Respondent 105 reported prior experience with a broad range of natural disasters.

MISO evaluated Proposal 105's previous applicable experience. RFP Respondent 105 summarized its experience of operating and maintaining thousands of miles of transmission lines.

MISO evaluated Proposal 105's safety performance. RFP Respondent 105's safety assurance program covered operations and grounding practices, included descriptions of general safety practices as well as those specific to transmission, and mentioned better-than-industry-average safety history. A substantial number of RFP Respondent 105's operating sites have received OSHA recognition for exemplary achievement and continuous improvement of its safety and health management systems.

4.5.5 Planning Participation for Proposal 105

MISO evaluated planning participation for Proposal 105, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.6 Proposal 106

4.6.1 Overview of Proposal 106

The Executive Committee assigned Proposal 106 a total evaluation score of 57 and found it to be generally good, as compared to the other proposals (Figure 4-6).

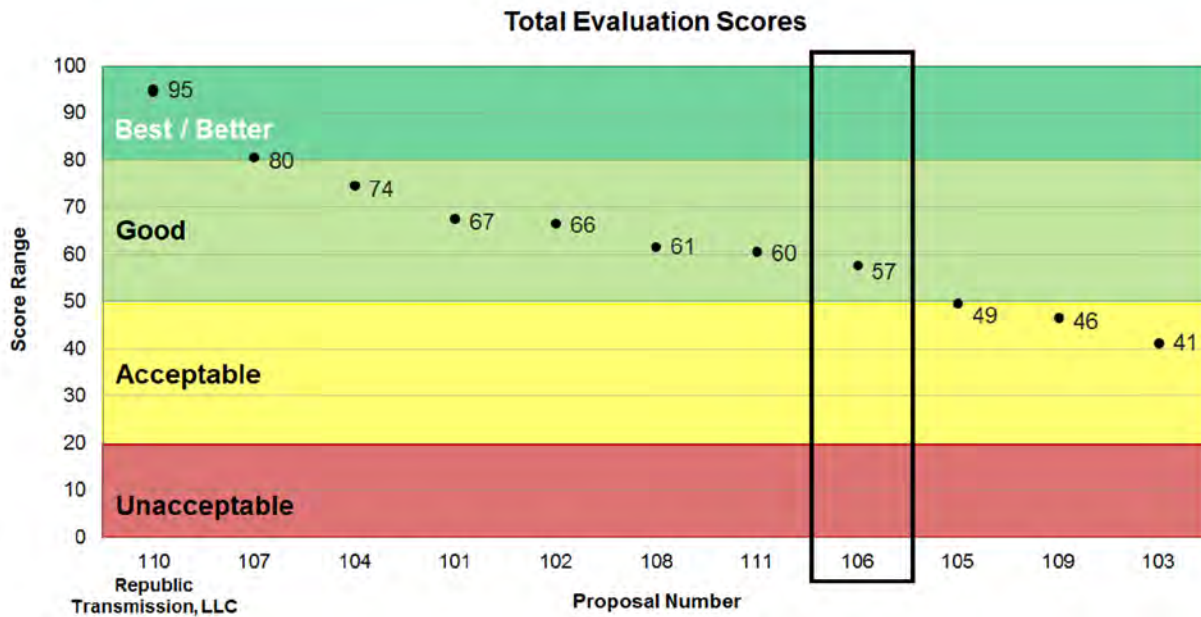


Figure 4-6: Proposal 106 Final Scoring Summary

In evaluating Proposal 106 against the four Tariff evaluation criteria, MISO categorized it as ‘Good’ in cost and design, ‘Acceptable’ in project implementation, and ‘Good’ in operations and maintenance, as compared to the other proposals (Table 4-11).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	REDACTED
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-11: Proposal 106 Criteria-Level Categorization

4.6.2 Project Cost and Design for Proposal 106

In evaluating cost and design, MISO found Proposal 106 to be ‘Good’ compared to other proposals, as depicted in Table 4-11.

MISO evaluated Proposal 106’s estimated project cost and rigor. Proposal 106 submitted an implementation cost estimate of \$40.0 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. It submitted a construction cost cap of \$40.0 million set at its cost estimate and the cap includes AFUDC. This was the second-lowest binding construction cost cap on implementation costs. There was an exclusion to the cap for additional costs resulting from changes that would increase route mileage above 31 miles. Proposal 106 submitted cost information for materials vendors and route analysis in support of its cost estimates.

MISO evaluated Proposal 106’s estimated project cost and rigor. Proposal 106 submitted an ATRR estimate of \$70 million, which was higher than the median of \$56 million. The submitted ATRR estimates for Proposal 106 were higher than other proposals due to a capital structure greater than 50% equity and higher-than-average estimates for cost of debt and return on equity. Proposal 106 did not offer a cap on any specific ATRR component, but proposed to apply a 3% discount in its ATRR rate filings. In the analysis described in Section 2.6.6.1, Proposal 106 consistently finished among the lower-cost proposals for estimated ATRR. Proposal 106 demonstrated relevant experience and capabilities in support of its ATRR estimates.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-12: Proposal 106 Cost Cap Summary

MISO evaluated Proposal 106's facility design quality and rigor. RFP Respondent 106 proposed a 30-mile long transmission line to connect the Coleman EHV and Duff substations, which is average for proposals. Proposal 106 would use direct-embedded weathering steel monopole tangent structures.

The proposed right-of-way for the project would be 150 feet wide throughout the route, which was above average. The preferred route was neither the shortest nor the longest, but apparently geared toward lowering risk. Proposal 106 would make use of shared corridors for roughly a quarter of the route. RFP Respondent 106 performed a desktop analysis, using historical and publicly available information, but lacked some specificity.

The conductor for the project would be an ACSR Drake with four sub-conductors per phase. The maximum conductor emergency summer rating is proposed to be 3,016 amps at 236°F (113°C) maximum conductor temperature. The estimated line losses were lower compared to other proposals.

The Ohio River crossing would use structure heights less than 200 feet tall, reducing the need for coordination with the Federal Aviation Administration. Although the narrative portions of Proposal 106 do not discuss the river crossing clearance, the plan and profile drawings show clearance over the water surface that would be less than that of most other proposals.

Proposal 106 included a list of crossings, but did not necessarily incorporate this information into plan and profile drawings or provide thorough supporting discussion. The plan and profile drawings show the point at which the project would cross under an existing 765 kV transmission line, but Proposal 106 did not address optical ground wire transition from overhead to underground at the crossing. While many other proposals separately called out crossing issues at Interstate Highway 64, Proposal 106 did not do so.

Proposal 106 discussed mitigation of conductor galloping and vibration in detail. Proposal 106's stated lightning performance goal was less than one outage per 100 miles per year, but this was not substantiated by a preliminary lightning study. Optical ground wire shielding angle was larger than average for other proposals. Proposal 106 indicated a lower target ground resistance value relative to other proposals.

The design criteria document included with Proposal 106 indicated vertical ground clearance parameters well above NESC minimum ground clearance requirements, which is one of the highest among submitted proposals. Proposal 106 also provided good certainty for how the project would tie into the substations at either end of the line.

4.6.3 Project Implementation for Proposal 106

MISO evaluated Proposal 106's project implementation plan and abilities, finding it to be 'Acceptable' compared to other proposals.

MISO evaluated Proposal 106's project schedule, which included information on regulatory permitting, environmental permits, routing, right-of-way clearance, and land acquisition. Overall the project schedule, which was laid out in a single page, did not address

any major planning issues and lacked detail compared to most other proposals. Engineering details were sparse, and construction durations and other information given in different portions of Proposal 106. Proposal 106 provided significantly less detail on the construction schedule than other proposals.

There were several aspects of project management most other proposals addressed, but Proposal 106 did not. These included, a project plan, a risk register, the change order process, a staffing chart, access planning and examples of project tracking documentation. Staffing levels for the project were unclear, although Proposal 106 provided time estimates for staffing. There was a high-level discussion of the resources and experience RFP Respondent 106 could bring to the project, but little to demonstrate what that would mean for this particular project.

RFP Respondent 106 identified a potential preferred route and attached a routing study with good tables of route comparisons. The preferred route parallels existing transmission lines for approximately a quarter of its length, with the stated goal of minimizing impacts to resources identified in the study. Maps accompanying the routing study were not as detailed as those submitted by other proposals, but did identify archaeological issues and flag existing transmission lines, airports, roadways, railroads, residences, cemeteries, churches, schools, communication towers, parks and forests, wetlands, and municipal boundaries. In general, Proposal 106 provided less specific information on regulatory permitting processes than other proposals. Proposal 106 did not identify any specific staff to oversee the permitting process, but did provide a table identifying relevant regulatory permits, but not siting permits. RFP Respondent 106 described significant prior experience with siting 345 kV transmission facilities.

RFP Respondent 106 proposed to apply for utility status in Indiana. MISO found discussion of permitting in Kentucky less certain than other proposals, calling for both a construction certificate and a Certificate of Public Convenience and Necessity for eminent domain. The minimal detail on crossing the Ohio River and suggested clearance of 55 feet over the river surface presented a higher risk in permitting than other proposals.

Proposal 106 identified parcels and landowners along the new, 150-foot right-of-way for the project, but did not reflect the parcels on accompanying maps. Proposal 106 provided a general process overview, including outreach programs, but did not identify right-of-way staff. Other proposals submitted substantially more specific information that provided more certainty regarding the land acquisition process and related risk mitigation.

Proposal 106 submitted a list of preferred vendors, but did not designate any particular vendors from among them. There was minimal treatment of material procurement issues, no discussion of quality assurance or quality control. The discussion of field inspections was limited to specifying a number of field inspectors and their cumulative experience. There was no mention of staging or final inspections. Details on the construction phase of the project were likewise scant. Although Proposal 106 identified a proposed construction contractor, there was no construction plan, no equipment list, no staffing lists, no risk table, no discussion of weather assumptions, and no identification of wire pull sites. There was no discussion of testing (other than for optical ground wire) or inspections or cleanup. The information provided by Proposal

106 for materials, construction and testing was comparatively less specific and provided less certainty in the constructability of the project.

Unlike other proposals, the safety materials and supporting documentation submitted with Proposal 106 were not related specifically to the Duff-Coleman EHV 345 kV project and project site. RFP Respondent 106 did not identify a safety manager and did not address job safety analysis or stop-work authority. There was no information on reporting to OSHA or other job safety oversight authorities. Other proposals supplied much more robust and specific safety and risk mitigation information.

RFP Respondent 106 demonstrated good financing capability, with high investment-grade credit ratings, and provided a good financial plan for the project. RFP Respondent 106 provided information showing considerable past experience with high-voltage transmission projects, and submitted short descriptions of five previous example projects.

4.6.4 Operations and Maintenance for Proposal 106

MISO evaluated Proposal 106's description of RFP Respondent's operations and maintenance abilities, and found it to be 'Good' overall compared to the other proposals.

MISO evaluated Proposal 106's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. Proposal 106 contemplates that the owner of one of the substations to which the project will interconnect (already operating a Local Balancing Authority) would provide Local Balancing Authority services for the project, with a fallback option for an operating utility within RFP Respondent 106's corporate family to provide these services. There were few supporting details. RFP Respondent 106 would perform real-time monitoring for the project from an existing transmission control center, relying on data exchange with the Coleman EHV and Duff substation owners. Proposal 106 did not provide much specificity on the process for coordinating switching with the substation owners.

MISO evaluated Proposal 106's forced outage response and emergency repair and testing abilities. As was the case with some of the other proposals, Proposal 106 treated forced outage response and emergency repair and testing as essentially a combined topic. RFP Respondent 106 would develop a coordinated plan with one of the substation owners, supported by its incident command system to prioritize decisions and timely response for forced outages and emergencies, with access to mutual aid groups as needed.

MISO evaluated Proposal 106's predictive and preventive maintenance and testing abilities, as well as its access to spare parts, structures, and equipment. Proposal 106 provided a general overview on preventive and predictive maintenance and testing, which met the requirements of the RFP, but lacked specificity in several areas. Proposal 106 identified a primary maintenance contractor and its base of operations. Supporting discussion covered anticipated staffing levels (eight linemen, three foremen), as well as outage performance and safety records (with best-in-class recognition in numerous reliability and safety metrics), but did not address training or explain which maintenance tasks RFP Respondent 106 would perform, the criteria it would apply, or how it makes decisions.

Proposal 106 provided a good plan for vegetation management and recognized the need to meet the applicable NERC reliability standard. RFP Respondent 106 would target one aerial inspection per year (with not more than 18 months between inspections) and ground inspections once every three years, but the proposal did not elaborate further. Proposal 106 touched on several other areas, such as hotline maintenance capability (though not specifically for 345 kV facilities) and work related to vehicle access, but did not detail any training programs related to maintenance.

MISO evaluated Proposal 106's major facility replacement capabilities and financial strategy for replacements and rebuilds. RFP Respondent 106 would manage its spare parts from multiple warehouses in multiple states. It would also locate resources strategically along the project route to provide critical parts for minor restoration activities (not involving structural damage to towers). RFP Respondent 106 would maintain sufficient inventory to replace 2 miles' worth of facilities, including conductor, fiber optic line, and at least two dead-end and 12 tangent structures. RFP Respondent 106 would integrate the project into its capital maintenance program, which provides for systematic upgrades of aging or obsolete equipment. RFP Respondent 106 would rely on a major facility replacement program to provide the necessary resources and plans to timely respond to a widespread damage to the project, supplemented by mutual aid groups. RFP Respondent 106 would use its emergency operations plan as the framework for responding to and recovering from all emergencies.

MISO evaluated Proposal 106's discussion of previous applicable experience. RFP Respondent 106 stated that it participates in the ownership, operation, and maintenance of many miles of transmission line, including 345 kV, with the goal of complying with NERC standards and achieving top quartile reliability performance.

MISO evaluated Proposal 106's safety performance. Proposal 106 described its overall safety assurance program, including on-site safety observations conducted by internal and third-party independent safety consultants. RFP Respondent 106 stated that it is a top safety performer among companies in its peer group and in the best-performing 10% for lost workday and recordable incident rates.

4.6.5 Planning Participation for Proposal 106

MISO evaluated planning participation for Proposal 106, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.7 Proposal 107

4.7.1 Overview of Proposal 107

The Executive Committee assigned Proposal 107 a total evaluation score of 80 and found it to be generally better, as compared to the other proposals (Figure 4-7).

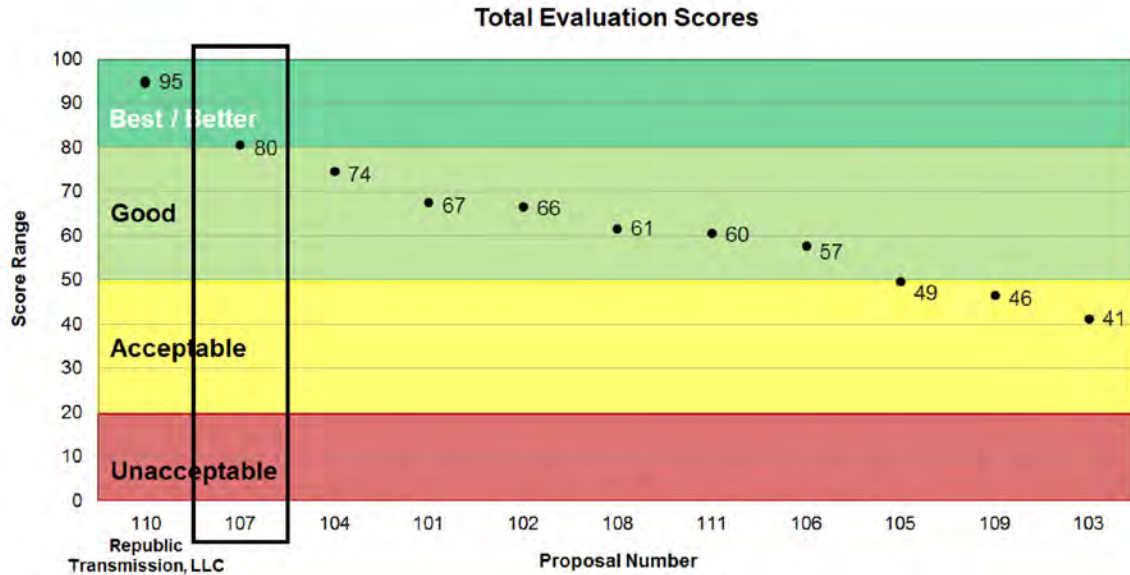


Figure 4-7: Proposal 107 Final Scoring Summary

Proposal 107 earned the second-highest total evaluation score of the 11 proposals MISO evaluated, based on its categorization in each of the four Tariff evaluation criteria. Proposal 107 is therefore the Alternate Selected Proposal. In evaluating Proposal 107, MISO categorized it as ‘Good’ in cost and design, ‘Better’ in project implementation, and ‘Good’ in operations and maintenance, as compared to the other proposals (Table 4-13).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	
107	Good	Better	Good	
104	Better	Good	Good	REDACTED
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-13: Proposal 107 Criteria-Level Categorization

4.7.2 Project Cost and Design for Proposal 107

In evaluating cost and design, MISO found Proposal 107 to be 'Good' compared to other proposals, as depicted in Table 4-13.

MISO evaluated Proposal 107's estimated project cost and rigor. Proposal 107 submitted an implementation cost estimate of \$53.7 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. Proposal 107 submitted a construction cost cap equal to its cost estimate of \$53.7 million, which includes AFUDC. This cap was at an implementation cost higher than that of most other proposals, including Republic Transmission's proposal. The cap had exclusions for any increase to the proposed route length, land acquisition cost above a certain threshold, and sub-surface contingencies. With these exclusions the cap offered less cost certainty than many other proposals, including Republic Transmission's proposal. Proposal 107 identified the vendors it planned to use and half of the estimated costs reflected firm quotes.

MISO evaluated Proposal 107's estimated ATRR and rigor. Proposal 107 submitted the highest ATRR estimate, at \$83 million, which was higher than the median of \$56 million. Republic Transmission submitted an ATRR estimate of \$45 million, which was notably less than that submitted by Proposal 107. The submitted ATRR estimates for Proposal 107 were higher than other proposals due to its higher implementation costs and conservative tax estimates, which were more than double the median value. RFP Respondent 107 also proposed a higher equity percentage in its capital structure than most other proposals. In comparison, Republic Transmission's proposal capped its equity at 45% for the life of the project. In the analysis described in Section 2.6.6.1, Proposal 107 consistently finished among the higher-cost proposals for estimated ATRR. Proposal 107 offered to cap return on equity at 10.32%, including a 50 basis-point adder for RTO participation. Republic Transmission's proposal capped return on equity at 9.8%. Proposal 107 demonstrated relevant experience and capabilities in support of its ATRR estimates. In addition, RFP Respondent 107's estimated debt costs were lower than most other proposals (including Republic Transmission's proposal) and were accompanied by explanations of approach and assumptions.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-14: Proposal 107 Cost Cap Summary

MISO evaluated Proposal 107’s facility design quality and rigor. Proposal 107 provided better specificity in most areas of design—beyond what most other proposals had done—and below-average risk. This proposal envisions a 33-mile line to connect the Coleman EHV and Duff substations, which was the same length planned in Republic Transmission’s proposal. The project would use direct-embedded weathering steel H-frame tangent and small angle structures.

RFP Respondent 107 explained how it has selected the H-frame design, and discussed materials and provided drawings for each kind of structure proposed. Proposal 107 performed a desktop geotechnical study based on historical and publicly available information and provided a detailed report, including well-defined foundation design parameters.

Proposal 107 provided complete plan and profile and load and design drawings for the project. The structure outline drawings showed embedment for all structure types, accompanied by an explanation of how embedment depths would be determined. The proposal included a list of embedment depths for all structure types, based on the desktop geotechnical study. The right-of-way throughout the project route would be 150 feet wide, which was above average for the proposal submitted, and less than that planned in Republic Transmission’s proposal.

The Ohio River crossing would use structure heights less than 200 feet tall, which would reduce the need for coordination with the Federal Aviation Administration. The design called for 93 feet of clearance between the conductor and the water surface, which was slightly less clearance than some other proposals, including Republic Transmission’s proposal.

Proposal 107 did not explain how it determined river-crossing clearance values or mention consultation with relevant federal agencies.

With respect to other utility crossings, Proposal 107 provided aerial imagery. Narrative discussion recognized crossing challenges and laid out plans to address them. The plan and profile drawings showed crossing locations and clearances, including where the project would cross under an existing 765 kV transmission line. The proposal assumed the heights of the wires at the 765 kV crossing and did not discuss the transition of optical ground wire from overhead to underground. The design portion of Proposal 107 had limited detail on road and highway crossings.

Proposal 107 included a detailed conductor selection study that compared long-term costs for several conductors using variables such as line losses, upfront conductor and structure costs, and other considerations. The conductor selected was an ACSS Curlew in a two-bundle configuration. The maximum emergency summer rating for the line is proposed to be 3,152 amps at 392°F (200°C) maximum conductor temperature. The estimated line loss value was the second lowest among the 11 proposals. Republic Transmission's proposal had the lowest estimated line loss value. The design for Proposal 107 would provide a small vertical ground clearance buffer, just over NESC requirements.

RFP Respondent 107 furnished information on optical ground wire and proposed to incorporate a shield angle that was average among proposals, and smaller than that specified in Republic Transmission's proposal. Proposal 107 lacked specificity with regard to lightning performance criteria. The proposal indicated a mid-range ground resistance target value, but did not discuss methods to achieve these targets.

Proposal 107 discussed galloping and vibration protection in detail. RFP Respondent 107 said it would analyze vibration as part of the final design process. Narrative discussion of substation tie-in was limited and general, but plan and profile drawings showed how the project would interconnect with the substations at each end of the line.

4.7.3 Project Implementation for Proposal 107

MISO evaluated Proposal 107's project implementation plan and abilities, finding it to be 'Better' overall.

MISO evaluated Proposal 107's project schedule, which included details on regulatory permitting, land acquisition, materials procurement, construction, commissioning, energization and restoration. The project implementation schedule submitted with Proposal 107 was specific and well thought out. RFP Respondent 107 identified nine months of float time for unexpected delays, and broke out anticipated project lost weather days based on average weather conditions in the project area. Weather assumptions were discussed in depth and well sourced from historical records. Engineering tasks and timelines for Proposal 107 were ample and some of the most detailed among proposals. There was specific discussion of outages, LiDAR and land surveying, pertinent crossings, and possible areas of schedule risk. The permitting time

frames appeared appropriate. The proposed schedule compared favorably to the majority of proposals in rigor, certainty, specificity, and risk mitigation.

MISO evaluated Proposal 107's project management plan and experience. RFP Respondent 107 stated that its project team had recent, extensive experience with EHV transmission projects. The risk register was detailed, with qualitative and quantitative risk analysis and reasonable mitigation options specific to this project. The proposal discussed communications, public relations, and reporting efforts.

The proposed route for Proposal 107 was one of the strongest submitted, with substantial detail and explanation of the routing criteria applied. Although routes in a number of other proposals were shorter, RFP Respondent 107's approach sought to proactively addressing constraints and risks, which reduced the risk of implementing the route as proposed. RFP Respondent 107 considered 30 routing alternatives, and supplemented desktop route analysis with three site visits to validate results. Proposal 107 included a detailed comparative matrix, along with segment and routing maps, and laid out a plan for a full study of the project route. In contrast, Republic Transmission (Proposal 110) provided more routing selection details by providing a full routing study in its proposal.

Proposal 107 included a comprehensive description on regulatory permitting, including a thorough discussion of Section 10 permitting for the Ohio River crossing. RFP Respondent 107 had started early coordination with state regulators and implemented some resulting recommendations. RFP Respondent 107 provided a specific plan to obtain necessary regulatory permits in Indiana and Kentucky, and retained local legal counsel to support the process. Proposal 107 identified railroad and pipeline crossings in a risk table. RFP Respondent 107 would designate an environmental compliance officer for the project construction phase. Discussion in this area was more specific and certain than most proposals.

Proposal 107 identified landowners and parcels associated with new right-of-way, and would rely on an experienced team to support the land acquisition process. The proposal included a plan to address uncertainty related to eminent domain rights in Kentucky.

Proposal 107 listed out the materials needed to complete the project, together with manufacturer lead times for various components, showing good alignment with project scope and noting existing relationships with vendors. The specificity of contained in this discussion provided a higher level of certainty than in other proposals. Although the proposal referred to quality assurance and quality control procedures and documentation, there was less detail than some other proposals about how these procedures would be implemented for this project.

The construction plan for Proposal 107 was detailed and demonstrated due diligence during proposal development, which was much more specific and provided a lower risk plan for construction of the project than most other proposals. The construction plan featured detailed maps outlining all proposed wire pull sites and laydown yards, a day-by-day work schedule, clear explanation of proposed staffing levels, a well-defined access plan with good discussion of matting needs, outages, utility crossings, and road crossings needed to complete the project, and allocated time for restoration work. Proposal 107 identified key contractors and proposed to

designate one of its employees with extensive previous experience to serve as a full-time, on-site construction manager. Separate discussion of construction for the Ohio River crossing was less detailed than some other areas. With respect to commissioning, RFP Respondent 107 provided a good history of its prior experience, but did not provide significant detail on the process it would follow for this project.

RFP Respondent 107 submitted high-level information about its safety manual, and laid out a specific plan for safety practices for the project, including designation of a dedicated safety manager. The proposed safety plan was more specific than the majority of other proposals.

Proposal 107 also provided detailed history of RFP Respondent 107's work on 345 kV transmission and substation projects, and highlighted the experience of the team it would assign to this project. The proposal showed strong financing capability, supported by high investment-grade credit ratings, and included a strong financial plan for the project that was comparable to other proposals.

4.7.4 Operations and Maintenance for Proposal 107

MISO evaluated Proposal 107's operations and maintenance abilities, and found it to be 'Good' overall.

MISO evaluated Proposal 107's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. The proposal provided a thorough explanation of the process to integrate the project into MISO, including arrangements with the Coleman EHV and Duff substation owners necessary for real-time monitoring and coordinated operations, switching, and grounding. Proposal 107 described clearance procedures and a process to prepare and submit switching orders.

MISO evaluated Proposal 107's forced outage response and emergency repair and testing abilities. Proposal 107 described the proximity of resources for forced outage response and emergency repair and testing, along with experience, risk plans, and arrangements with other utilities and its primary maintenance contractor. RFP Respondent 107 also documented its rankings in transmission performance indices. RFP Respondent 107's forced outage response plan was not as specific as that provided by Republic Transmission (Proposal 110).

MISO evaluated Proposal 107's predictive/preventive maintenance and testing abilities as well as its access to spare parts, structures, and equipment. RFP Respondent 107 said it uses an asset management system to process data and make decisions about maintenance. Proposal 107 identified a contractor to provide preventive and predictive maintenance services, along with details on outage coordination, aerial and ground inspections (including foundations), and vegetation management (including use of LiDAR and meeting the NERC standard on transmission vegetation management).

MISO evaluated Proposal 107's major facility replacement capabilities and financial strategy for replacements and rebuilds. Proposal 107 described its storm response and major facility replacement capabilities to a level of detail that exceeded most other proposals, noting in-house civil engineering staff, contractor support, mutual aid arrangements, and industry

awards. Proposal 107 noted a history of limited damage to steel structures and the use of dead-end structures in the project to limit exposure to cascading. With this as background, the proposal identified storage locations and specific information on spares inventory (enough to replace a mile of line, including temporary wood poles of various heights, spare conductor, and H-frame assemblies), as well as sharing agreements with vendors and other utilities. RFP Respondent 107's spare parts plan was not as detailed as that provided by Republic Transmission (Proposal 110).

MISO evaluated Proposal 107's previous applicable experience. The proposal provided multiple examples of restoration activities in concert with key contractors, covering a range of events and facility types.

MISO evaluated Proposal 107's safety performance. RFP Respondent 107 outlined its safety program (for capital projects and operations) and supplied details on its transmission-related safety history, along with the company's overall safety history.

4.7.5 Planning Participation for Proposal 107

MISO evaluated planning participation for Proposal 107, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.8 Proposal 108

4.8.1 Overview of Proposal 108

The Executive Committee assigned Proposal 108 a total evaluation score of 61 and found it to be generally good, as compared to the other proposals (Figure 4-8).

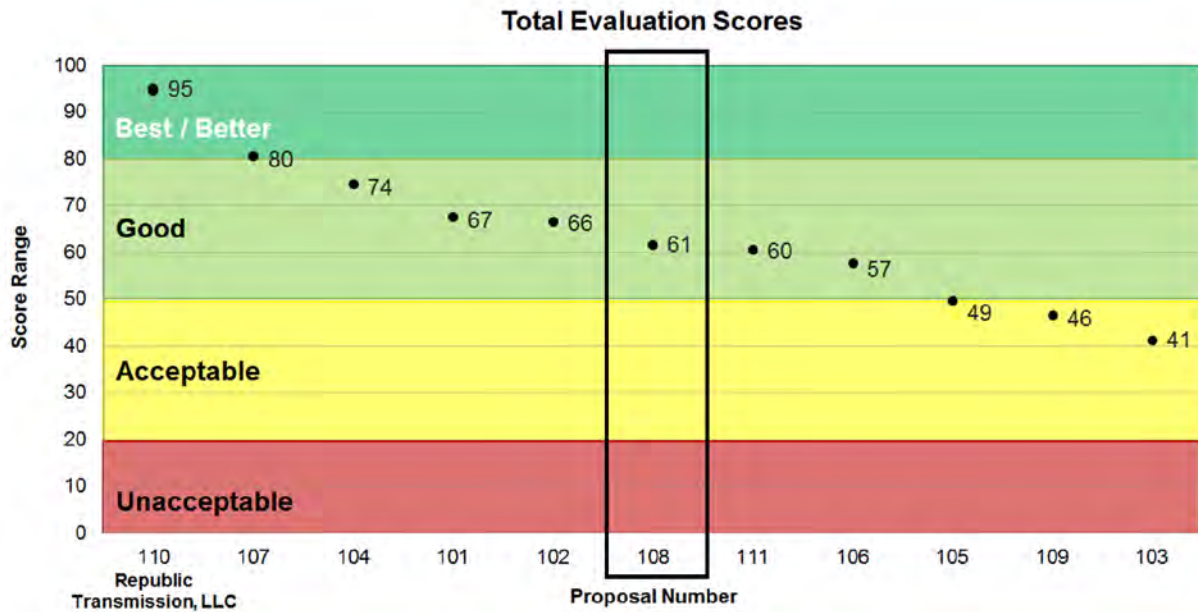


Figure 4-8: Proposal 108 Final Scoring Summary

In evaluating Proposal 108 against the four Tariff evaluation criteria, MISO categorized it as 'Good' in cost and design, 'Good' in project implementation, and 'Acceptable' in operations and maintenance, as compared to the other proposals (Table 4-15).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-15: Proposal 108 Criteria-Level Categorization

4.8.2 Project Cost and Design for Proposal 108

In evaluating cost and design, MISO found Proposal 108 to be ‘Good’ compared to other proposals, as depicted in Table 4-15.

MISO evaluated Proposal 108’s estimated project cost and rigor. Proposal 108 submitted an implementation cost estimate of \$43.3 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. Proposal 108 submitted a construction cost cap in nominal dollars (versus 2016 dollars) of \$49.6 million, which is roughly \$2 million above its cost estimate in nominal dollars. The cap included AFUDC and inflation. Proposal 108 proposed to limit construction costs through “per unit” caps, rather than fixed caps for specified elements. Proposal 108 had cap exclusions related to land acquisition and changes to the Ohio River crossing. Proposal 108 provided cost estimate details related to route selection.

MISO evaluated Proposal 108’s estimated ATRR and rigor. Proposal 108 submitted an ATRR estimate of \$56 million, which was the median value of estimate ATRR. The depreciation timeline was shorter than most other proposals and the estimated equity percentage of the capital structure was greater than 50%. Proposal 108 offered to impose a five-year cap on its weighted cost of capital for ATRR at 7.9%, which would operate as a constraint on the combined effects of return on equity, cost of debt, and the debt-to-equity ratio. In the analysis described in Section 2.6.6.1, Proposal 108 consistently finished among the average-cost proposals for estimated ATRR. Proposal 108 demonstrated relevant experience and capabilities in support of the ATRR estimates.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-16: Proposal 108 Cost Cap Summary

MISO evaluated Proposal 108's facility design quality and rigor. RFP Respondent 108 would construct an approximately 28-mile-long transmission line to connect the Coleman EHV and Duff substations, which was one of the shortest among proposals. The structure design would use direct-embedded, wood H-frame tangent structures.

RFP Respondent 108 provided considerable design specificity in its proposal, including preliminary foundation design, structure drawings, maps, and details on guying arrangements, guy anchoring, and insulator and hardware assemblies. Although not required, Proposal 108 was the only proposal to include a Google Earth "KMZ" file (an interactive graphical representation of project elements superimposed over satellite pictures of the relevant terrain), which enhanced certainty for its proposal evaluation.

The proposed right-of-way throughout the route for the project would be 132 feet wide, which was near the average among proposals. Proposal 108 provided a desktop geotechnical study based on historical and publicly available information.

The Ohio River crossing for the preferred route would use structure heights less than 200 feet tall, which would reduce the need for coordination with the Federal Aviation Administration. The minimum conductor clearance above the water surface would be 120 feet, which is one of the highest values among proposals. Proposal 108 was among several proposals to specify different conductor types at the river-crossing span than for the remainder of the project.

Proposal 108 discussed and showed on plan and profile drawings how the project would cross under an existing 765 kV transmission line, including the need to lower the optical ground wiring between the phases. Proposal 108 did not explain the method for lowering the optical ground wire and did not indicate whether there would be any unique structure types for this crossing. Other crossings (highways, roads, railroads, other utilities) were not specifically addressed, but Proposal 108 included them in a clearance table and showed some of them (unlabeled) in plan and profile drawings.

The conductor for the majority of the route would be ACSS Drake in a two-bundle configuration, one of the smallest conductor proposed. The conductor for the river crossing section would be ACSS Canvasback in a two-bundle configuration. The maximum conductor summer emergency rating for the ACSS Drake conductor is proposed to be 3,027 amps at 455°F (235°C). The estimated line losses for the proposed conductor were relatively high compared to other proposals.

Proposal 108 addressed galloping and vibration concerns in detail, and provided a galloping study with a list of weather cases. Vertical clearances would be designed for a minimal buffer over NESC minimum requirements. This was one of the smallest clearance buffer used by any of the proposals.

Treatment of grounding considerations was thorough, accompanied by detailed drawings. RFP Respondent 108 had performed a preliminary lightning study, and proposed an average ground resistance target value. The shield angle value for Proposal 108 would be one of the largest proposed.

Proposal 108 touched briefly on how the project would tie into the substations at either end of the line, and reflected this information in plan and profile drawings. RFP Respondent 108 stated that it expected to work with the substation owners to complete the interconnection process.

4.8.3 Project Implementation for Proposal 108

MISO evaluated Proposal 108's project implementation plan and abilities, finding it to be comparatively 'Good' overall.

MISO evaluated Proposal 108's project schedule, which included details and discussions on regulatory, siting, permitting, land acquisition and construction. The project schedule allowed float time for unexpected delays for each task on the project schedule, along with sufficient times for engineering and procurement, supplemented by supporting details, such as breakdown of interconnection agreements. Construction float and tree clearing durations appeared to be ambitious and may increase the project's risk profile.

RFP Respondent 108 included a project plan that was less detailed than those in several other proposals and at times contained contradictory information within the proposal. Proposal 108 indicated that RFP Respondent 108 is well known and experienced in the utility industry, but some proposed resources for the project did not have as much experience with 345 kV construction as was present in other proposals. The proposal also explained RFP Respondent 108's project management methodology and use of construction look-aheads, progress trackers, project monitoring, and other elements to mitigate risk including a robust public outreach program however lacked some of the specificity and certainty that were found in other proposals.

RFP Respondent 108 included a desktop routing study, which used suitability analysis to identify potential preferred and alternate routes. The proposal provided good discussion of the route selection process, but the preferred route in the attached study appeared to differ from the preferred route identified in narrative sections. The preferred and alternate routes identified in Proposal 108 were among the shortest routes submitted in any of the proposals, envisioning a nearly diagonal path between the Coleman EHV and Duff substations. The resulting acquisition of new right-of-way may increase the risk profile of the proposal higher than other proposals; however the submitted land acquisition plan contained more specificity than other proposals.

The discussion of the regulatory permitting process in Proposal 108 was mixed, providing helpful discussion in some areas while lacking specificity in others. RFP Respondent 108 had started early coordination with Indiana and Kentucky state regulators about obtaining necessary regulatory approvals. Accompanying maps were not as detailed or specific as those for some other proposals, however RFP Respondent 108's pre-engagement with regulatory authorities was good compared to other proposals.

Although Proposal 108 did not provide lists or maps showing parcels and landowners, the KMZ file submitted with the proposal did identify affected parcels. Proposal 108 had a detailed land acquisition plan, providing for training, adequate staffing with relevant knowledge in each

state, and an agent to monitor construction and overall was better than many other proposals in the specificity of its land acquisition plan.

Proposal 108 provided a full discussion and documentation for quality assurance and quality control during the procurement process, accompanied by detailed cost assumptions. RFP Respondent 108 included information on potential contractors' capabilities to manage procurement and materials in the field, and had gathered some preliminary bids. The proposal outlined a registration and certification process for suppliers, but did not designate a specific materials vendor. The information supplied compared favorably to other proposals.

RFP Respondent 108's Google Earth KMZ file incorporated many details relevant to the construction process, though the information in the KMZ was not always accompanied by supporting narrative. The KMZ showed access routes, silt fencing, helicopter wire-pull sites, wire setups, guard structure location, and other relevant details throughout the route. The presence of the detailed KMZ file helped mitigate the lack of specificity in the narrative. Proposal 108 supplied detailed construction plans, with staffing and production levels MISO considered appropriate for the amount of work and the schedule provided. RFP Respondent 108 had identified reputable firms to perform construction work and demonstrated good experience with 345 kV work and included project-specific details on the commissioning and energization processes, including full testing and cleanup.

Proposal 108 included a full safety plan for itself and its primary construction contractors. These plans highlighted common themes such as job hazard analysis and other safety practices. Proposal 108 referred to a dedicated safety officer, but did not address stop-work authority or name a specific person to act as safety lead on the project. The proposal included safety metrics for RFP Respondent 108 but not for primary construction contractors or subcontractors. Other proposals supplied this additional specificity.

RFP Respondent 108 showed good financing capability, with investment-grade credit ratings. The proposal laid out a good financial plan for the project, and described RFP Respondent 108's history with 345 kV projects, including complete résumés and background information on the project team. RFP Respondent 108 indicated that it and its proposed contractors have experience throughout the United States.

4.8.4 Operations and Maintenance for Proposal 108

MISO evaluated Proposal 108's operations and maintenance abilities, and found it to be 'Acceptable' overall as compared to the other proposals.

MISO evaluated Proposal 108's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. RFP Respondent 108 suggested that MISO should make the decision about the Local Balancing Authority operator for the project. RFP Respondent 108 would perform real-time monitoring for the project from an existing transmission control center, relying on data exchange with the Coleman EHV and Duff substation owners. Proposal 108 anticipated working with functional and jurisdictional authorities to accomplish switching,

however it provided less detail than most of the other Proposals. It was unclear where the post-energization base of operations for the project would be.

MISO evaluated Proposal 108's forced outage response and emergency repair and testing abilities. Proposal 108's discussion of forced outage response had few details, but included a letter of support from a maintenance contractor and reported good response times. RFP Respondent 108 said its control center would develop a protocol with the Coleman EHV and Duff substation owners for outage response. The repair plan included in Proposal 108 was less specific than the other proposals.

MISO evaluated Proposal 108's predictive/preventive maintenance and testing abilities as well as its access to spare parts, structures, and equipment. Proposal 108 provided significant detail on proposed inspection programs and staffing for vegetation management (with appropriate recognition of the applicable NERC reliability standard), as well as an overall line inspection program designed to provide early warning of potential problems. RFP Respondent 108 explained that it does aerial inspections two times per year for NERC-reportable circuits, along with visual inspections, and results are recorded in a database. However, there was limited information submitted in the proposal on its plans, procedures, and policies for predictive and preventive maintenance and testing. As noted above, RFP Respondent 108 was the only entity to propose wood poles for the project, which MISO anticipated would be more maintenance-intensive than for steel structures. Proposal 108's operations and maintenance costs were higher than most other proposals, but not the highest. Although RFP Respondent 108 reported good experience with spare parts programs and provided significant detail, MISO considered some spare parts levels (conductor and optical ground wire) to be less than other proposals, and not fully explained.

MISO evaluated Proposal 108's major facility replacement capabilities and financial strategy for replacements and rebuilds. RFP Respondent 108 described its approach to major facility replacement as condition-based assessment (rather than time-based replacement). RFP Respondent 108 said it had experience with responding to many kinds of natural disasters.

MISO evaluated Proposal 108's previous applicable experience. RFP Respondent 108 outlined its operations and maintenance philosophy, expecting the project would integrate easily into the MISO footprint. RFP Respondent 108 stated that it regularly dispatches crews to support other utilities, and saw itself as a leader in areas of new standards, best practices, and event reviews.

MISO evaluated Proposal 108's safety performance. RFP Respondent 108 provided an operational safety history with some detail, and included safety policies in such areas as work near energized systems and clearance procedures. Safety performance for Respondent 108 seemed typical for industry participants.

4.8.5 Planning Participation for Proposal 108

MISO evaluated planning participation for Proposal 108, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.9 Proposal 109

4.9.1 Overview of Proposal 109

Executive Committee assigned Proposal 109 a total evaluation score of 46 and found it to be generally acceptable, as compared to the other proposals (Figure 4-9).

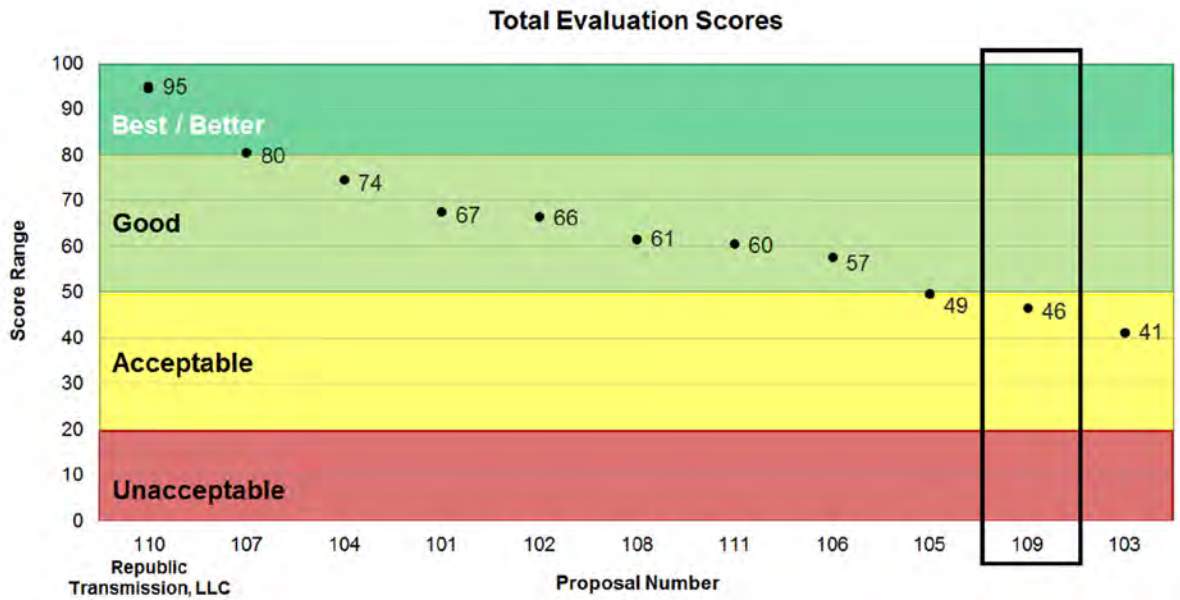


Figure 4-9: Proposal 109 Final Scoring Summary

In evaluating Proposal 109 against the four Tariff evaluation criteria, MISO categorized it as 'Acceptable' in cost and design, 'Acceptable' in project implementation, and 'Acceptable' in operations and maintenance, as compared to the other proposals (Table 4-17).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-17: Proposal 109 Criteria-Level Categorization

4.9.2 Project Cost and Design for Proposal 109

In evaluating cost and design, MISO found Proposal 109 to be ‘Acceptable’ compared to other proposals, as depicted in Table 4-17.

MISO evaluated Proposal 109’s estimated project cost and rigor. Proposal 109 submitted the second-highest implementation cost estimate, at \$53.8 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. Proposal 109 submitted a construction cost cap equal to its construction cost estimate of \$50.0 million, which excluded AFUDC. Proposal 109’s construction cost cap has a number of exclusions (some of which are seen in other proposals) for items outside its control. Proposal 109 submitted budgetary quotes from vendors in support of its implementation cost estimates but provided minimal cost-related detail around the chosen route and no discussion of alternate routes.

MISO evaluated Proposal 109’s estimated ATRR and rigor. Proposal 109 submitted an ATRR estimate of \$56 million, which was the median value of estimated ATRR. The submitted ATRR estimate for Proposal 109 included a relatively high estimated cost of debt. In the analysis described in Section 2.6.6.1, Proposal 109 consistently finished among the higher-cost proposals for estimated ATRR. Proposal 109 did not include any ATRR-related cost cap or containment to enhance certainty, and some of the narrative and supporting information provided was not as directly relevant to the project as seen in other proposals.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-18: Proposal 109 Cost Cap Summary

MISO evaluated Proposal 109's facility design quality and rigor. Proposal 109 has an average estimated project length of 31 miles, supported primarily by direct-embedded weathering steel monopole structures.

The proposed the right-of-way for the project is 130 feet wide, which was near average among proposals. Proposal 109 did not include geotechnical study information (even on a desktop basis) or discuss relevant publicly available data, but relied instead on assumed soil design parameters for foundation design.

The structure heights at the Ohio River crossing were more than 200 feet tall, increasing the need for coordination with the Federal Aviation Administration. Proposal 109 planned for clearance above the water surface of 123 feet, which was higher than most other proposals.

Proposal 109 addressed the 765 kV transmission line crossing, specifying structure type and other pertinent details. While Proposal 109 had good discussion of the 765 kV transmission line and river crossings and provided a clearance table, there was less specificity for other crossing issues, although there was a list and count of total crossing.

The proposed conductor—two-bundle ACSS Drake conductor—is one of the smaller conductors proposed and is proposed to have an emergency summer rating of 3,018 amps at 392°F (200°C) maximum conductor temperature. The estimated line losses for this conductor were comparatively higher than many other proposals.

Proposal 109 indicated a relatively smaller vertical clearance buffer over NESC minimum requirements, which was average among other proposals provided. Proposal 109 addressed line galloping and vibration mitigation with adequate specificity. Proposal 109 provided specific lightning performance criterion. Proposal 109 planned a resistance grounding target value that was among the highest of the submitted proposals. Proposed ground wire shielding angle value was mid-range relative to other proposals. Proposal 109 lacked details on plans for substation tie-in.

4.9.3 Project Implementation for Proposal 109

MISO evaluated Proposal 109's project implementation plan and abilities, finding it to be 'Acceptable' overall.

MISO evaluated Proposal 109's project schedule, which included information on routing, regulatory filings, permitting, land acquisition and construction. The proposal contained areas in which the proposed schedule and narrative were conflicting. The implementation schedule addressed float appropriately, but some elements of the schedule, including permitting, structure setting and framing, appeared to be potentially higher risk than other proposals.

Proposal 109 had fewer details on project management than many other proposals. At times information in narrative passages appeared inconsistent with information provided elsewhere in the proposal, such as in the exhibits. Proposal 109 included a fairly well-developed risk register, as well as examples of daily and monthly reporting documentation typically used for similar projects, and described the steps to be taken during the project close-out phase. The

breakdown of implementation process and supporting details were limited in areas such as: permitting, right-of-way acquisition, engineering and design, and materials procurement. Rather than providing a detailed project plan, Proposal 109 outlined how RFP Respondent 109 would approach development of a project plan, whereas other proposals supplied project specific processes and plans tailored to the project.

Proposal 109 submitted a set of preliminary route alternatives, which were shown on a small map without details. Proposal 109 had no routing study, but did discuss desktop analysis and field review used to develop preliminary routes and provided an example environmental and engineering features comparison table. This table included two potential routes, but labeling was not sufficient to determine whether these corresponded to any of the routes on the preliminary route map. Much of the discussion on routing and site evaluation described the process RFP Respondent 109 would use to determine a final route. Other proposals provided more certainty related to routing.

Proposal 109 listed the federal, state, and local permits needed to complete the project, as well as expected timeframes for regulatory review. Proposal 109 described relevant expertise needed to support the process, but did not identify specific staff for routing and permitting work. Proposal 109 discussed Section 10 permitting required to cross the Ohio River in general terms, but other proposal provided more specificity in this area, and with respect to permitting plans and risk mitigation in the regulatory process as a whole.

Unlike several of the other proposals, Proposal 109 did not identify any parcels or landowners associated with project right-of-way, did not discuss implications for eminent domain in Kentucky if the project relied on a Construction Certificate, and did not identify associated timeframes. RFP Respondent 109 would use internal staff to manage the right-of-way acquisition process, supplemented by outside experts as needed, and did not identify individuals in the proposal.

Proposal 109 relied on publicly available data for pre-design survey information, but performed LiDAR evaluation on portions of the route, including the site where the project would cross under an existing 765 kV transmission line. Proposal 109 listed consultants and different types of conventional surveys RFP Respondent 109 would typically perform, but there was less detail on cultural and right-of-way surveying, and LiDAR was mentioned only in connection with significant routing obstacles. The discussion of engineering and surveying provided more certainty than other proposals.

Discussion of materials and associated procurement was minimal, with only brief mention of protocols for quality control and quality assurance. Proposal 109 identified a reputable primary contractor for construction work and discussed construction methods, but did not address equipment utilization or maintenance, need for specialized drilling techniques, access routes, or laydown sites. There were no wire pull plans, but the proposal contemplates conventional conductor stringing techniques. The construction plan was very general, apart from discussion of crossings at the Ohio River crossing and existing 765 kV transmission line. Lack of a recommended route made it difficult for MISO to assess the reasonableness of its construction approach, as well as a number of other factors. The portion of Proposal 109 that

addressed project-specific testing and commissioning work (which included discussion of optical ground wire) stood out as particularly thorough and detailed and well supported by previous projects. Although 109 provided a more detailed project specific testing discussion than many other proposals, the construction plan lacked the specificity and certainty found in many other proposals.

Proposal 109's safety discussion was high-level, ranging across topics from nuclear safety to crane inspection to executive sponsorship. RFP Respondent 109 submitted complete work practices manuals (along with discussion of the primary construction contractor's internal safety programs) and proposed to assign one field safety representative for every 100 field personnel. The proposal described a basic crisis communications plan, which included use of job hazard analysis, daily on-site meetings, and reporting procedures. All were appropriate to the types of work needed, but not specific to the project. There were minimal details on safety metrics, and no statistics on safety reporting to regulatory authorities, but overall the safety discussion was good compared to other proposals.

Proposal 109 demonstrated good relevant history and the capability to complete 345 kV transmission projects. RFP Respondent 109 had strong financing capability, with high investment-grade credit ratings, and provided an acceptable financial plan for the project.

4.9.4 Operations and Maintenance for Proposal 109

MISO evaluated Proposal 109's operations and maintenance abilities, and found it to be 'Acceptable' overall compared to the other proposals.

MISO evaluated Proposal 109's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. RFP Respondent 109 indicated prior experience coordinating with facility owners in MISO. Like many other portions of Proposal 109, however, much of the operations and maintenance discussion was very high level. This made it more difficult for MISO to identify and evaluate distinguishing factors. RFP Respondent 109 would perform real-time monitoring from its existing transmission control center through data exchanges with the substation owners. Proposal 109 also recognized that switching for the project would be implemented by the owners of the substations at either end of the project and mentioned prior experience coordinating operations with other substation owners. Proposal 109 did not discuss the other substation owner. Proposal 109 appended a copy of RFP Respondent 109's tagging manual.

MISO evaluated Proposal 109's forced outage response and emergency repair and testing abilities. Proposal 109's submissions on operations and maintenance demonstrated strong local presence in the project region, enabling 45-minute response time for maintenance issues.

MISO evaluated Proposal 109's predictive/preventive maintenance and testing abilities as well as its access to spare parts, structures, and equipment. Proposal 109 outlined a predictive and preventative maintenance plan, with internal staff responsible for assessment, prioritization, funding, scheduling, and oversight. When problems arise, RFP Respondent 109's program will

review for underlying systemic issues that might be implicated, along with the particular problem at hand. Proposal 109 did not elaborate much beyond this basic framework.

There was minimal mention of vegetation management. Proposal 109 called for two aerial inspections per year and one from the ground, noting what these inspections look for, but with little supporting explanation. These high-level descriptions complied with the RFP requirements, but were less informative than more in-depth discussions provided in other proposals. Likewise, Proposal 109's treatment of spare parts, as well as forced outage response and emergency repair and testing, was brief, offering limited discussion of associated risk plans or experience.

MISO evaluated Proposal 109's major facility replacement capabilities and financial strategy for replacements and rebuilds. Proposal 109 lacked the specificity and risk analysis associated with major facility replacement capabilities when compared to the other proposals received. RFP Respondent specified that it would develop plans once the project is constructed.

MISO evaluated Proposal 109's previous applicable experience. Proposal 109 cited examples of major projects completed, but offered limited discussion of major facility replacement capabilities or associated risk plans (though it described experience with actual events).

MISO evaluated Proposal 109's safety performance. Discussion of RFP Respondent 109's safety assurance was more extensive, providing safety manuals and showing good experience, but with limited depth, other than in the area of grounding procedures. There was no mention of safety records associated with operations and maintenance activities or safety training or standards for contractors.

4.9.5 Planning Participation for Proposal 109

MISO evaluated planning participation for Proposal 109, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

4.10 Proposal 110 (Selected Proposal)

During the Competitive Developer Selection Process, the Selected Proposal submitted by Republic Transmission was designated as Proposal 110. Information about Proposal 110, and why the Executive Committee chose it as the Selected Proposal, is provided in Section 3 of this report.

4.11 Proposal 111

4.11.1 Overview of Proposal 111

The Executive Committee assigned Proposal 111 a total evaluation score of 60 and found it to be generally good, as compared to the other proposals (Figure 4-10).

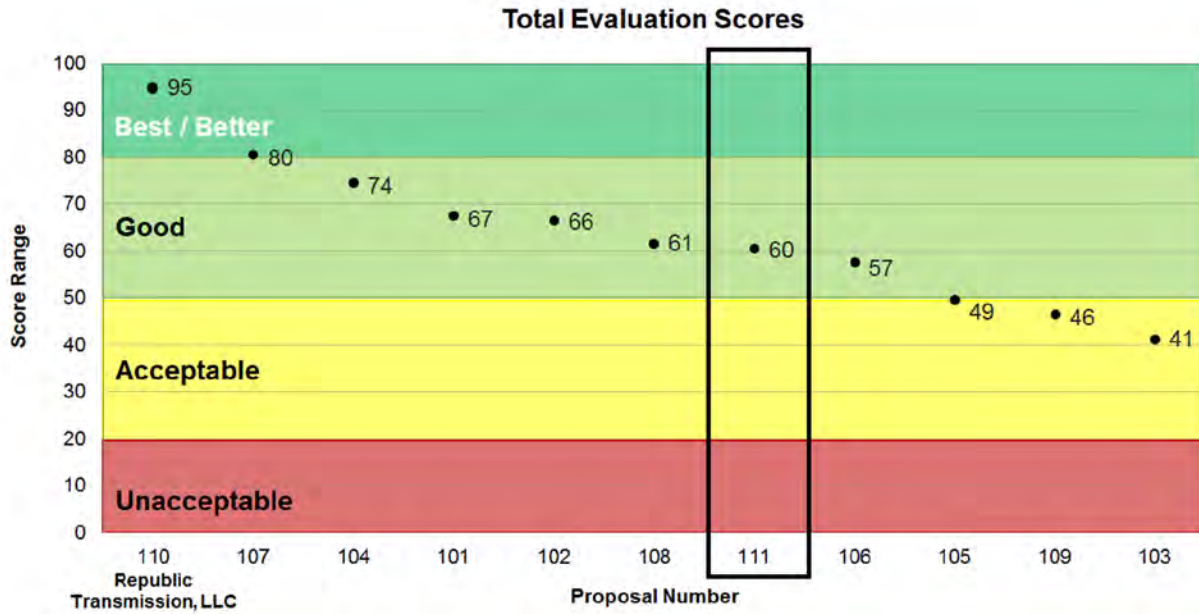


Figure 4-10: Proposal 111 Final Scoring Summary

In evaluating Proposal 111 against the four Tariff evaluation criteria, MISO categorized it as 'Good' in cost and design, 'Good' in project implementation, and 'Acceptable' in operations and maintenance, as compared to the other proposals (Table 4-19).

Proposal ID #	Cost and Design (30%)	Project Implementation (35%)	Operations and Maintenance (30%)	Planning Participation (5%)
110	Best	Best	Better	REDACTED
107	Good	Better	Good	
104	Better	Good	Good	
101	Good	Acceptable	Good	
102	Acceptable	Good	Best	
108	Good	Good	Acceptable	
111	Good	Good	Acceptable	
106	Good	Acceptable	Good	
105	Acceptable	Acceptable	Good	
109	Acceptable	Acceptable	Acceptable	
103	Acceptable	Acceptable	Acceptable	

Table 4-19: Proposal 111 Criteria-Level Categorization

4.11.2 Project Cost and Design for Proposal 111

In evaluating cost and design, MISO found Proposal 111 to be ‘Good’ compared to other proposals, as depicted in Table 4-19.

MISO evaluated Proposal 111’s estimated project cost and rigor. Proposal 111 submitted an implementation cost estimate of \$49.6 million (in 2016 dollars). The median implementation cost estimate for the 11 proposals was \$48.8 million. Proposal 111 submitted a construction cost cap of \$44.8 million. The cap excluded AFUDC and inflation. Proposal 111 submitted detailed staffing information and a detailed risk register, among other relevant project details, in support of its implementation cost estimate.

MISO evaluated Proposal 111’s estimated ATRR and rigor. Proposal 111 submitted the second-highest ATRR estimate, at \$72 million, which was higher than the median of \$56 million. The submitted ATRR estimates for Proposal 111 were higher than other proposals due to the highest estimated operations and maintenance costs and the highest estimated return on equity and equity as a percentage of capital structure. These were offset somewhat by lower tax estimates, a longer depreciation timeframe, and a nominal \$1.3 million per year rate concession for the first 10 years the project is in service. In the analysis described in Section 2.6.6.1, Proposal 111 consistently finished among the average-cost proposals for estimated ATRR. Proposal 111 had less specificity than average for some elements of its ATRR estimates.

Summary of Cost Caps, Concessions, and Commitments											
Uncertainty	101	102	103	104	105	106	107	108	109	110	111
ROE		✓		✓ ⁱ			✓	✓ ⁱⁱ	✓ ⁱⁱⁱ	✓	
Capital Structure		✓		✓						✓	
Implementation Costs	✓ ^{iv}	✓ ^v	✓	✓ ^{iv}		✓	✓	✓	✓ ^{iv}	✓	✓ ^{iv}
Operations and Maintenance Costs				✓							
Inflation Rate			✓	✓		✓		✓		✓	
Rate Concessions						✓					✓

- i Limited duration ROE cap
- ii Cap on weighted average cost of capital (includes ROE), limited duration
- iii No ROE cap, but will forego ROE incentive adders in initial FERC filing
- iv AFUDC is not included in the cap
- v Only a portion of construction costs are capped

Table 4-20: Proposal 111 Cost Cap Summary

MISO evaluated Proposal 111's facility design quality and rigor. The length of the project route for Proposal 111 would be approximately 36 miles long, which was the longest among the 11 proposals submitted to MISO. Proposal 111 specified direct-embedded galvanized steel H-Frame tangent structures. Proposal 111 included plan and profile drawings, which provided some specificity, but were less detailed than those found in other proposals.

The proposed right-of-way for the project would be 140 feet wide, which was mid-range relative to other submitted proposals. Proposal 111 provided a desktop geotechnical study based on historical data and publicly available information.

For the Ohio River crossing, Proposal 111 would use structure heights at or above 200 feet, which would increase the need for coordination with the Federal Aviation Administration. Proposal 111 planned a conductor clearance above water surface of 120 feet, which is among the highest clearance values proposed. The plan and profile drawings show where the project would cross under an existing 765 kV transmission line, but Proposal 111 lacked some specificity on optical ground wire transition at the crossing point.

The conductor for Proposal 111 would be an ACSS Cardinal in a two-bundle configuration and ACSS Cardinal high-strength conductor where the project crosses the Ohio River. The conductor's maximum emergency summer rating is proposed to be 3,436 amps at 482°F (250°C) maximum conductor temperature. Estimated line losses for this conductor were low compared to other proposals.

RFP Respondent 111 took the additional step of performing an electrical effect study (electric and magnetic field, audible noise) and included a report showing acceptable results in its proposal. No other proposal went into this level of detail on electrical effects. The plan and profile drawings for Proposal 111 show an average vertical ground clearance buffer above NESC minimum requirements.

Proposal 111 discusses galloping and vibration protection in detail, and provided a galloping study for the entire line with defined criteria and load cases. For lightning protection, Proposal 111 called for a maximum shield angle value in the mid-range, and specified lightning performance criterion. The ground resistance target proposed was among the lowest values planned. Proposal 111 showed substation tie-in on plan and profile drawings, but did not provide supporting narrative discussion.

4.11.3 Project Implementation for Proposal 111

MISO evaluated Proposal 111's project implementation plan and abilities, finding it to be 'Good' in comparison to other proposals.

MISO evaluated Proposal 111's project schedule, which included details and discussions on regulatory permitting, land acquisitions, material procurement, construction, commissioning and energization. Proposal 111 provided a project schedule that allocated sufficient time for the various tasks required to develop, construct, and commission the project. Proposal 111 allowed time for public outreach and identified parcels, railroad and other utility crossings, tree-clearing needs, and threatened and endangered species requirements. Engineering tasks for Proposal

111 were broken out well, with sufficient time and float for all development and construction activities. The schedule compared favorably to other proposals, but was not as specific as some of the stronger proposals.

RFP Respondent 111 submitted a standardized project implementation plan and a reasonably detailed risk register, which described probabilities, consequences, and possible mitigation efforts, but did not include a cost allocation breakdown that was found in other proposals. Proposal 111 addressed project staffing needs in detail, including designation of a project manager in the field. The discussion of project management capabilities was more robust than other proposals.

RFP Respondent 111 started early route coordination with 44 federal, state, and local agencies and included a routing study, which identified a preferred route and two alternative routes, along with maps and response letters from some of the agencies consulted. Proposal 111 included a regulatory permit table with estimated acquisition time frames and identified the need for Section 10 permit to cross the Ohio River, but the narrative surrounding this process was less robust than found in other proposals. RFP Respondent 111 identified parcels and landowners along the 140-foot-wide right-of-way for the project, approximately 89% of which is routed along roadways or transmission corridors. The land acquisition team was adequately qualified and staffed to obtain the necessary property rights. However, Proposal 111 did not explain how it would obtain eminent domain rights in Kentucky.

Proposal 111 provided publicly available data for the pre-design engineering and surveying work, with aerial survey information and good discussion of further survey needs to complete the project. The limited details on right-of-way and cultural survey needs were not as specific as that found in other proposals, and the proposal did not mention any as-built survey requirements.

Proposal 111 included some discussion of the material lead times and its overall procurement process, but lacked details found in other proposals. Although Proposal 111 discussed briefly the need to address discrepancies found upon delivery, as well as testing concrete and rebar, there was no information on vendors, and the discussion on quality control was not as thorough as other proposals and as such increased the risk profile of the proposal.

RFP Respondent 111 would retain a large, well-known engineering and procurement contractor, on a fixed-price basis, to oversee the project construction process and act as a regulatory liaison. Proposal 111 included a discussion on the crew sizes needed to complete the project, as well as maintenance and equipment needs, but did not address access roads, wire pull plans, construction techniques, or strategy for the Ohio River crossing. Overall this proposal's construction plan was good, but lacked some of the specificity and certainty found in other proposals.

Proposal 111 included a comprehensive safety document from its primary construction contractor and discussed applicable safety regulations. RFP Respondent 111 designated a project-specific safety manager and described a proactive safety culture, but did not address areas such as "stop work authority." Much of the safety discussion was high level and not as

specific to the project as was found in other proposals. The proposal did not supply the level of detailed information on OSHA reports or other safety oversight agencies that were included in other proposals.

Proposal 111 presented a good financing plan and financing capabilities, supported by high investment-grade credit ratings, and a proven past experience with completing 345 kV transmission projects.

4.11.4 Operations and Maintenance for Proposal 111

MISO evaluated Proposal 111's operations and maintenance abilities, and found it to be 'Acceptable' overall compared to the other proposals. Proposal 111's operations and maintenance plan included a good asset management system for record keeping. The proposed maintenance contractor would be within 50 miles of the project. Estimated operations and maintenance costs were the highest among all proposals, without distinguishing features that would account for the higher costs.

MISO evaluated Proposal 111's Local Balancing Authority, real-time operations monitoring and control, and switching abilities. RFP Respondent 111 proposed to engage an existing MISO member to provide Local Balancing Authority services, and included a sample agreement, as well as templates of procedures and reference to applicable NERC standards. Proposal 111 provided a good summary of coordinated switching and data exchange for real-time monitoring with the owners of the Coleman EHV and Duff substations, and furnished an example operations manual.

MISO evaluated Proposal 111's forced outage response and emergency repair and testing abilities. Proposal 111 included a limited risk plan for forced outages and emergency repair and testing, with adequate proximity and significant detail. There would be an initial call within 30 minutes, with forced outage response or emergency repair and testing within two to 12 hours, depending on travel and crew availability.

MISO evaluated Proposal 111's predictive/preventive maintenance and testing abilities as well as its access to spare parts, structures, and equipment. RFP Respondent 111 explained that it would perform periodic maintenance inspections and record results (condition of inspected facilities) in a database. The information would then be used to predict component failures, and maintenance schedules are constructed using the intervals indicated by the predictive model. RFP Respondent 111 would also administer a NERC-compliant vegetation management program. RFP Respondent 111's spare parts program was comparable to those of several other proposals.

MISO evaluated Proposal 111's major facility replacement capabilities and financial strategy for replacements and rebuilds. Plans included tangent structures designed to minimize cascading and sufficient inventory to replace 1 mile of transmission line. Proposal 111 envisioned support from and a sharing agreement with the primary maintenance contractor, which also has comprehensive experience with restoring and rebuilding. RFP Respondent 111 did not submit a specific restoration policy or plan.

MISO evaluated Proposal 111's previous applicable experience and safety performance. RFP Respondent 111 has less prior experience than some other RFP Respondents, but its leadership team had many years of experience and Proposal 111 emphasized the goal of promoting a culture of safety.

4.11.5 Planning Participation for Proposal 111

MISO evaluated planning participation for Proposal 111, as described in Section 2.6.6.4 of this report; however, the results of this analysis are being redacted to maintain the confidentiality of all RFP Respondents.

Attachment 1

Glossary

Introductory notes:

- (1) Any capitalized terms used in this document for which definitions are not provided in this glossary are as defined in the MISO Tariff or the applicable MISO Business Practices Manuals.
- (2) For some terms defined in the MISO Tariff, definitions provided in this glossary have been adapted to make them easier to understand when separated from the Tariff, but the formal Tariff definitions are controlling for all purposes.
- (3) For readability, many of the terms defined below are not capitalized when used in the body of this report.

Term	Meaning for Purposes of Selection Report
ACSR	Aluminum conductor, steel reinforced.
ACSS	Aluminum conductor, steel supported.
Annual Transmission Revenue Requirement (ATRR)	<p>The sum total of the revenues required to pay all operating and return on rate base costs of providing transmission service. Generally, this term is used in the calculation of the Attachment O revenue requirement of a transmission owner within MISO.</p> <p>For purposes of the RFP, a proposal is to include an aggregate ATRR value determined by combining the annual transmission revenue requirements of each individual RFP Respondent and each individual Proposal Participant identified in a proposal, as provided in Attachment FF of the Tariff.</p> <p>All statements in this report describing Proposals' ATRR estimates are referring to the net present value, in 2016 dollar, of estimated ATRR over a 40-year period.</p>
Business Practices Manual (BPM)	<p>A MISO Business Practices Manual consists of instructions, rules, policies, procedures, and guidelines established by MISO for the operation, planning, accounting, and settlement requirements of the MISO region.</p> <p>For purposes of the RFP, BPM-027 provides further background information, business rules, processes, and guidelines for the Competitive Transmission Process (including the roles and responsibilities of MISO, Transmission Owners, Members, and any other non-MISO Members and other interested parties).</p>

Term	Meaning for Purposes of Selection Report
CEII	Critical Energy Infrastructure Information, as described in 18 C.F.R. § 388.113(c)(1), as it may be amended from time to time.
Competitive Developer Selection Process	MISO's process to certify Qualified Transmission Developers, identify Competitive Transmission Projects, solicit proposals, evaluate proposals, and designate a Selected Proposal and Selected Developer in accordance with Attachment FF of the Tariff.
Competitive Transmission Executive Committee (Executive Committee)	The Competitive Transmission Executive Committee consists of three or more MISO executives, including at least one officer, who are charged with overseeing MISO staff and consultants involved in implementing the MISO Competitive Transmission Process. The MISO Tariff provides that the Executive Committee has exclusive and final authority to approve or reject Transmission Developer Applications and certify Transmission Developer Applicants as Qualified Transmission Developers.
Competitive Transmission Process	The process used to certify Qualified Transmission Developers, identify Competitive Transmission Projects, solicit proposals, evaluate proposals, and designate a Selected Developer and Selected Proposal, all in accordance with the MISO Tariff. The Competitive Transmission Process includes the Competitive Developer Qualification Process and the Competitive Developer Selection Process.
EHV	Extra-high voltage.
EPRI	Electric Power Research Institute.
Evaluation Criteria	The four FERC-approved criteria the Tariff requires MISO to use for the Competitive Developer Selection Process: (1) cost and design, (2) project implementation, (3) operations and maintenance, and (4) planning participation.
Evaluation Principles	The four evaluation principles specified in Section 8.1 of BPM-027, which MISO uses to guide and influence the collective application of the MISO evaluation criteria. The evaluation principles are: (1) certainty, (2) risk mitigation, (3) cost, and (4) specificity.
Evaluation Team	Designated members of MISO management and staff responsible, together with independent consultants retained by MISO to assist management and staff, responsible for administration of the MISO Competitive Developer Selection Process, subject to oversight by the Executive Committee.
FERC	The Federal Energy Regulatory Commission.
LiDAR	Shorthand for "light detection and ranging," analogous to radar, except using laser light rather than radio waves.

Term	Meaning for Purposes of Selection Report
Local Balancing Authority	An operational entity or a “Joint Registration Organization” (as defined by NERC) that is (a) responsible to NERC for compliance with the subset of NERC Balancing Authority Reliability Standards defined in the Balancing Authority Agreement for its local area within the MISO Balancing Authority Area, (b) a Party (other than MISO) to the MISO Balancing Authority Agreement, and (c) shown in Appendix A to the Balancing Authority Agreement.
MISO	Midcontinent Independent System Operator, Inc.
MISO Tariff (Tariff)	MISO’s Open Access Transmission, Energy and Operating Reserve Markets Tariff (including all of its schedules or attachments), as amended from time to time.
MTEP	<p>MISO’s Transmission Expansion Plan, which is a long-range plan used to identify expansions or enhancements to the MISO transmission system to (a) support efficiency in bulk power markets, (b) facilitate compliance with documented federal and state energy laws, regulatory mandates, and regulatory obligations, and (c) maintain reliability.</p> <p>The MTEP is developed biennially or more frequently, and subject to review and approval by MISO’s Board of Directors.</p>
MTEP15	MISO’s 2015 Transmission Expansion Plan, which was the transmission plan in which the project was approved for the Competitive Developer Selection Process.
NESC	National Electrical Safety Code, which sets the ground rules and guidelines for practical safeguarding of utility workers and the public during the installation, operation, and maintenance of electric supply and communication lines and associated equipment.
NDA	A Non-Disclosure Agreement established between MISO and affected parties governing the disclosure of confidential information.
OSHA	The U.S. Occupational Safety and Health Administration.
Project	The Duff-Coleman EHV 345 kV Competitive Transmission Project, consisting of a new single-circuit alternating current 345 kV transmission line, initially estimated for MTEP15 purposes at approximately 28 miles in length, to be constructed in southern Indiana and western Kentucky (used in lower-case form in this report).
Proposal Cure Period	The period of time (ten business days) allowed for an RFP Respondent to correct deficiencies MISO identified in its previously submitted proposal. This period begins when MISO notifies the RFP Respondent of deficiencies in its proposal.

Term	Meaning for Purposes of Selection Report
Proposal Participant	<p>For purposes of this project, a Proposal Participant is an entity that is involved in a proposal and is not the RFP Respondent, but will co-own the project and rely on the RFP Respondent to be responsible for constructing and implementing the project. A proposal may designate a Proposal Participant as responsible for one or more aspects of operations, maintenance, repair, or restoration, on terms comparable to those that would apply if the RFP Respondent intended to rely on a third-party contractor.</p> <p>Every proposal must specify whether the RFP Respondent plans to convey any interests in the project to one or more Proposal Participants.</p>
Proposal Submission Deadline	<p>The date and time by which proposals responding to an RFP must be delivered to MISO—in the case of this project, 5:00 p.m. Eastern Time on July 6, 2016.</p>
Proposal Template Workbook	<p>An Excel spreadsheet template, included as part of the RFP materials, for each RFP Respondent to use in submitting financial information for its proposal.</p>
Qualified Transmission Developer	<p>A MISO Transmission Owner, independent transmission company, or non-owner Member of MISO that submits a Transmission Developer Application and is subsequently determined by MISO to meet the minimum requirements for a Qualified Transmission Developer as outlined in Attachment FF of the Tariff.</p>
RFP	<p>A request for proposals issued by MISO, which constitutes an invitation (including associated requirements) for Qualified Transmission Developers to submit proposals to construct, implement, own, operate, maintain, repair, and restore a Competitive Transmission Project.</p> <p>The RFP for this project, which was issued on January 8, 2016, is posted at https://www.misoenergy.org/layouts/MISO/ECM/Redirect.aspx?ID=215833</p>
RFP Respondent	<p>Any one or more of the Qualified Transmission Developers that elected to submit proposals responding to the RFP.</p>
SCADA	<p>Supervisory Control and Data Acquisition.</p>
Section 10 Permit	<p>A permit issued by the U.S. Army Corps of Engineers under Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. § 403). Section 10 requires prior authorization from the U.S. Army Corps of Engineers for structures or work in or affecting United States navigable waters.</p>
Selected Developer	<p>The RFP Respondent designated by the Executive Committee as having submitted the Selected Proposal, and therefore selected to implement the project according to the Selected Developer Agreement.</p>

Term	Meaning for Purposes of Selection Report
Selected Developer Agreement	The form of agreement, as set forth in Appendix 1 to Attachment FF of the Tariff, to be executed between the Selected Developer and MISO. The Selected Developer Agreement establishes the terms and conditions under which the Selected Developer will construct and implement the project as specified in its Selected Proposal.
Selected Proposal	The proposal selected by the Executive Committee (in accordance with the Competitive Developer Selection Process) as the highest-scoring proposal submitted in response to the RFP.
Switching Order	<p>A switching order is a written set of instructions, using three-way communications during implementation, to ensure that an electrical facility is de-energized and put into an electrically safe condition before maintenance is performed. It would typically include at least the following elements:</p> <ul style="list-style-type: none"> • switching activities step by step, • estimated times, • responsibility assignments, • applicable safety measures, and • necessary personal protective equipment for each step.

Attachment 2

Design-Related Terminology

Term	Explanation
ACSR	Aluminum conductor, steel reinforced. With ACSR conductor, both the primary conducting material (aluminum) and steel strands contribute to overall conductor strength. Because the aluminum is important as a supporting material, system operators must be careful not to allow the conductor to become so hot that the aluminum starts to soften (referred to as annealing). Extended operation at higher temperatures could cause ACSR to start losing its strength, increasing risk of low clearance or conductor failure.
ACSS	Aluminum conductor, steel supported. ACSS conductors use fully annealed aluminum supported on high-strength steel. Because the steel is the primary source of conductor strength, ACSS conductor usually can be operated at higher temperatures than ACSR.
Canvasback	Canvasback is a trade name for a conductor variety of a specific gauge (as measured in kcmil), with a particular combination of steel and aluminum strands—in this case, 954 kcmil 30/19, denoting 30 aluminum strands surrounding 19 steel strands in each conductor bundle.
Cardinal	Cardinal is a trade name for a conductor variety of a specific gauge (as measured in kcmil), with a particular combination of steel and aluminum strands—in this case, 954 kcmil 54/7, denoting 54 aluminum strands surrounding seven steel strands in each conductor bundle.
Counterpoise	The term counterpoise describes measures, such as lengths of conductive line or other material, used to further dissipate electrical charge when primary methods used for grounding around transmission structures (such as driven ground rods) are not sufficient to achieve a desired target level of ground resistance.
Curlew	Curlew is a trade name for a conductor variety of a specific gauge (as measured in kcmil), with a particular combination of steel and aluminum strands—in this case, 1,033.5 kcmil 54/7, denoting 54 aluminum strands surrounding seven steel strands in each conductor bundle.

Term	Explanation
<p>Dead-end structures (also failure containment, containment, or storm structures)</p>	<p>Dead-end or failure containment transmission structures are designed to withstand more mechanical stress than standard “tangent” or “running angle” structures (explained below). They are used at heavy-angle turns along transmission routes (where the forces created by the high degree of the angle in conjunction with the conductor weight and tension make it harder for support structures to remain upright). They are also placed at specified intervals along a transmission line so that, if something seriously damages or destroys some of the supporting structures, the structure failure will not cascade through many miles of transmission line. Instead, the dead-end structures on either side of the damaged area will arrest the structure failures.</p>
<p>Direct embed</p>	<p>Transmission structures that are direct embedded are generally anchored by extending the structure shaft below grade, relying on the surrounding earth and backfill material for support. To place direct-embedded structures, construction workers excavate a hole of sufficient depth, place the structure in it, and then refill the space around the structure. (The fill material may be gravel, engineered material or replacement of the excavated backfill. A bearing plate may be engineered into the design of the foundation as needed.)</p>
<p>Drake</p>	<p>Drake is a trade name for a conductor variety of a specific gauge (as measured in kcmil), and a particular combination of steel and aluminum strands—in this case, 795 kcmil 26/7, denoting 26 aluminum strands surrounding seven steel strands in each conductor bundle.</p>
<p>Drilled pier</p>	<p>A drilled pier is a concrete pier foundation with steel reinforcement and anchor bolts. Depending on soil conditions installation may be with or without casing. Either permanent or temporary casing may be used. Installation may require specialized techniques and drilling fluids.</p>
<p>Fraser</p>	<p>Fraser is a trade name for a conductor variety of a specific gauge (as measured in kcmil), with a particular combination of steel and aluminum strands—in this case, 946.7 kcmil 35/7, denoting 35 aluminum strands surrounding seven steel strands in each conductor bundle.</p>

Term	Explanation
Galloping	Galloping is a term for how overhead power lines will oscillate (generally, but not exclusively, in a vertical direction) in a low-frequency, high-amplitude motion due to wind and the formation of a thin layer of ice on the wire. Sustained or severe galloping can damage or cause failure of transmission line components and supporting structures.
Galvanized steel	A galvanized steel transmission structure is one in which the steel has been coated in zinc to prevent corrosion. This gives it a shiny appearance, as distinguished from “weathering steel” (described below).
Guying	Guying is the practice of attaching tensioned cables (typically steel) to transmission structures to increase their stability.
Kcmil	Kcmil is an abbreviation for thousands of circular mils, a measurement of wire gauge (a mil is 1/1000 inch).
Lapwing	Lapwing is a trade name for a conductor variety of a specific gauge (as measured in kcmil), with a particular combination of steel and aluminum strands—in this case, 1,590 kcmil 45/7, denoting 45 aluminum strands surrounding seven steel strands in each conductor bundle. The designation of “HS” with the term Lapwing indicates a high-strength variant of this conductor type.
Monopole	A monopole is a single primary structure (typically, either wood or steel) that supports an overhead transmission line—as distinguished, for example, from H-frame, three-pole, or lattice tower structures. Tangent monopole structures typically have davit arms to position conductor assemblies a minimum distance away from the structure.
Optical ground wire	Optical ground wire is composed of optical fiber surrounded by conductive material (steel and aluminum). It is used in conjunction with overhead transmission lines to combine the functions of grounding (see the explanation of shield angle below) and communications.
Running angle (structure)	Running angle structures are structures used for portions of a transmission line route that have light- or medium-angle turns. Typically, the suspension assemblies for attaching the conductor to the structures will permit the insulators to swing away from the support structure.

Term	Explanation
Shield (or shielding) angle	The terms shield angle or shielding angle describe the position of optical ground wire secured on a transmission structure in relation to the position of the conductor below for which it provides shielding. (Because the optical ground wire is positioned above the conductor, it will attract lightning strikes that might otherwise strike the conductor, and safely conduct the resulting electrical charge along grounding material on the structure to grounding rods or other devices below.) Specifically, shield angle describes the angle between (a) an imaginary vertical line drawn from the attachment point of the optical ground wire and (b) an imaginary line drawn between the attachment point for the optical ground wire and the attachment point (on the same structure) for the shielded conductor. A smaller shield angle more effectively protects the conductor beneath.
Tangent (structure)	Tangent structures are structures used for portions of a transmission line route that are mostly straight or have very minor turns).
Weathering steel	A weathering steel transmission structure is one that, with prolonged exposure to weather, will develop a stable coating of oxidation over the steel. The coating, which is a rusty brown color, protects the steel from corrosion and eliminates the need for painting.

Attachment 3

Finance and Rate Terminology

Term	Explanation
AFUDC	AFUDC is an abbreviation for “allowance for funds used during construction.” In the context of transmission rate regulation, it refers to a request by the owner of a transmission facility to be allowed to capitalize, and earn a permitted rate of return on, the net cost of borrowed funds used during construction, as well as equity funding. Recovery of AFUDC is not available until after the facility has been placed in service.
CWIP	CWIP is an abbreviation for “construction work in progress.” In the context of transmission rate regulation, it refers to a request by the owner of a transmission facility to be allowed to include costs of facility construction in rate base before the corresponding transmission facility has been placed in service. Under FERC rules, CWIP funding is limited to amounts that would otherwise qualify for AFUDC.
Net plant	In the context of MISO transmission rates, the term net plant refers to remaining plant balance for transmission facilities (referred to as “plant”) not yet depreciated.
Project-based financing	Project-based financing refers to financing that is to be repaid from cash flows specific to the project, and therefore does not involve third-party financial support or financial resources. Accordingly, security interests for project financing provide recourse only to project assets (not to any unrelated or general corporate assets of the borrower).
Project Implementation Cost	For purposes of this report, project implementation cost (or simply “ implementation cost ”) refers to the cost estimate (in 2016 dollars) for fully implementing the proposal and placing the project into service. Project implementation cost is calculated in the Proposal Template Workbook based on required inputs for sixteen cost categories explained in Section C.4 of “Part 2: Proposal Instructions” in the RFP package.

Attachment 4

Correlation Tables

Factors from RFP: Cost and Design - 30%

TARIFF		PROPOSAL INFORMATION
CRITERIA	SUBCRITERIA	FACTOR
Cost and Design	Reasonably Descriptive Facility Design and Rigor	Proposed Conductor Selection
		Flexibility of Proposed Design
		Galloping and Vibration Consideration
		Geotechnical Investigation Consideration
		Proposal Grounding Consideration
		Lightning Protection and Reliability Considered
		Line Rating Information Considered
		Foundation Types Identified and Considered
		Estimated Positive Sequence Line Impedence & Pi-Equivalent Susceptance
		OPGW or Communication System Provided and Considered
		Project Line Length Considered
		Structure Materials Considered
		Structure Types Identified
		Substation Tie-in And Upgrades Considered
		Road Crossing and Potential Crossing Problems Considered
		Utility Crossing and Potential Crossings Considered
		Ohio River Crossing Identified
Line Losses & Nomalized Loss Value		

Factors from RFP: Cost and Design - 30% (continued)

TARIFF		PROPOSAL INFORMATION
CRITERIA	SUBCRITERIA	FACTOR
Cost and Design	Project Cost Estimate and Rigor	Engineering and Project Management Costs
		Route Evaluation ROW and Permitting Costs
		Material Costs
		Construction Costs
	Estimated Annual Transmission Revenue Requirement	Project Construction Cost (including ongoing Capex if any)
		Return on Equity
		Cost of Debt
		Taxes
		Operations and Maintenance Costs (including G&A)

Factors from RFP: Project Implementation - 35%

TARIFF		PROPOSAL INFORMATION
CRITERIA	SUBCRITERIA	FACTOR
Project Implementation	Project Implementation Schedule	Schedule Included (Route, Permitting, Engineering and Design, Materials, etc.)
	Project Management	Project Management Experienced
	Route and Site Evaluation	Potential Route Identified and is Acceptable
		Reasonableness of Route Provided
	Regulatory Permitting	Summary of Regulatory Permitting and Staff Provided
		Ohio River Crossing and Regulatory Permitting
	Right of Way and Land Acquisitions	Right of Way Acquisitions Identified
	Engineering and Surveying	Survey Included
	Material Procurement	Material Quality Assurance / Control
	Construction	Constructability (Access, matting, hauling, etc.)
	Commissioning and Energization	Commissioning Experience
Safety Assurances	Bidder has Safety Plan Outlined in Proposal	
	Bidder has Proven Safety Reputation	

Factors from RFP: Project Implementation - 35% (continued)

TARIFF		PROPOSAL INFORMATION
CRITERIA	SUBCRITERIA	FACTOR
Project Implementation	Capital Resources and Financing Plan	Plan of Finance - Breadth and Thoughtfulness
		Capital Markets Access
		Management Experience
		Cost Containment- Equity
		Cost Containment - Debt
		Respondent Proposal Contingencies
		Formation Documents and Conveyance of Interest
		Corporate Finance: Credit Quality
		Corporate Finance: Capital Reserves
		3% Project Deposit Access
		Financial Statements
		Parental Support or Guarantee
		Project Pro-Forma
	Previous Applicable Experience and/or Demonstrated Ability	Previous Experience Provided and Evaluated

Factors from RFP: Operations and Maintenance - 30%

TARIFF		PROPOSAL INFORMATION	
CRITERIA	SUBCRITERIA	FACTOR	
Operations and Maintenance	Local Balancing Authority	Description of Proposed plan to incorporate Transmission into MISO Local Balancing Authority Area	
	Switching - Coordinatnoi with Substation Owners	Description of current capabilities, resources, processes and switching operational plan	
	Preventative and/or Predictive Maintenance and Testing		Current and/or futue capabilities and resources to perform overall maintenance program
			Proximity of internal and external maintenance staff relative to proposed line
			Vegetation management program - capabilities and policies
			Aerial inspection / patrol program - capabilities and policies
			Hot line maintenance - capabilities and policies
			Transmission Line access road maintenance program - capabilities and policies
			Policies, processes and procedures for overall maintenance program s
	Spare Parts, Structures and/or Equipmet		Detailed maintenance staffing plan
			Current and/or future capabilities and resources
			Spare materials operational plan and policies / procedures
			Description of sparing strategy and invesntory levels for spare parts, structures, and equipment.

Factors from RFP: Operations and Maintenance - 30% (continued)

TARIFF		PROPOSAL INFORMATION
CRITERIA	SUBCRITERIA	FACTOR
Operations and Maintenance	Forced Outage Response	Current and/or Future capabilities and resources
		Forced outage operational plan and policies / procedures
		Forced outage response time and proximity of resources
		Reliability metrics
	Emergency Repair and Testing	Current and/or future capabilities and resources
		Emergency Repair and Testing Operational Plan and proximity of resources
		Emergency Repair and Testing Response time and proximity of resources
	Major Facility Replacement Capabilities	Current and/or Future capabilities and resources
		Catastrophic restoration policies and operational plan description
	Financial Strategy for Facility Rebuilds and/or Replacement	Major facility replacement financial plan description
	Safety Assurance and Risk Management Plan	Safety Plan Outlined in Proposal
		Proven Safety Reputation
Previous Applicable Experience and/or Demonstrated Ability	Previous Experience Provided and Evaluated	

Factors from RFP: Planning Participation - 5%

TARIFF		VERIFICATION
Planning Participation	Proposals shall include documentation regarding relevant planning studies performed by the RFP Respondents or Proposal Participants and the results supplied to the Transmissino Provider during the planning process, as well as documentation of transmission project ideas submitted by the RFP Respondents or Proposal Participants to the Transmission Provider to address the samve Transmission Issues being addressed by the Competitive Transmission Project for which the Proposal(s) is/are being submitted.	Did the RFP Respondent or RFP Respondent participate in the 2015 North-Central Market Congestion Planning Study by demonstrating a timely submission of a Transmission Issue Solution Idea Submittal form?

About MISO

Midcontinent Independent System Operator, Inc. (commonly referred to as “MISO”) is an independent, non-profit 501(c)(4) membership-based organization responsible for ensuring the reliable operation of, and equal access to, the electric high-voltage power system in 15 U.S. states and the Canadian province of Manitoba. As a federally approved Regional Transmission Organization (“RTO”), MISO manages one of the world’s largest electric energy markets, which in 2015 cleared \$24.7 billion dollars in gross market charges, covered approximately 965,000 square miles, and delivered approximately 646 terawatt-hours of electric energy to millions of consumer homes. Membership in MISO is voluntary and is supported by MISO’s vision to be the most reliable, value-creating RTO. Further information about MISO can be found on the MISO website at: www.misoenergy.org

MISO’s current scope of operations includes:

- 65,800 miles of transmission
- 42 million end-use consumers
- Historic Peak Load (July 20, 2011)
 - 127,125 MW (market)
 - 130,917 MW (reliability)
- Generation Capacity
 - 176,559 MW (market)
 - 191,985 MW (reliability)
- Historic Wind Peak
 - 13,700 MW (December 8, 2016)



SELECTED DEVELOPER AGREEMENT

BY AND BETWEEN

REPUBLIC TRANSMISSION, LLC

AND

MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.

**PROJECT: DUFF-COLEMAN EHV 345kV
COMPETITIVE TRANSMISSION PROJECT**

Dated: February 7, 2017



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APPENDICES

- Appendix A – Project Details, Implementation Schedule, & Costs
- Appendix B – Change Request Form
- Appendix C – Change Order Form
- Appendix D – Irrevocable Standby Letter of Credit Template
- Appendix E – Cash Deposit Agreement
- Appendix F – Interconnection Requirements and Standards
- Appendix G – Project Construction Completion Notice



SELECTED DEVELOPER AGREEMENT

REPUBLIC TRANSMISSION, LLC

MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.

THIS SELECTED DEVELOPER AGREEMENT (“Agreement”) is made between Republic Transmission, LLC, organized and existing under the laws of the State of Delaware (“Selected Developer”), and the Midcontinent Independent System Operator, Inc., a non-profit, non-stock corporation organized and existing under the laws of the State of Delaware (“Transmission Provider” or “MISO”). Selected Developer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Transmission Provider exercises functional control over the Transmission System; and

WHEREAS, Transmission Provider identified the Duff-Coleman EHV 345kV Competitive Transmission Project (“Project”) from the list of projects approved by the Transmission Provider Board on December 10, 2015; and

WHEREAS, Transmission Provider developed and posted on its website a Request for Proposals for the Project (collectively with any amendments, the “RFP”) inviting Qualified Transmission Developers to submit Proposals to construct, implement, own, operate, maintain, repair, and restore all Competitive Transmission Facilities associated with the Project on January 8, 2016; and

WHEREAS, Selected Developer, in consideration of the posted RFP, submitted a Proposal to Transmission Provider on July 6, 2016 (collectively with any approved amendments, the “Proposal”) to construct, implement, own, operate, maintain, repair, and restore all Competitive Transmission Facilities associated with the Project consisting of transmission facilities identified in Appendix A to this Agreement; and

WHEREAS, Transmission Provider evaluated submitted Proposals associated with the Project and pursuant to the Tariff in Section VIII.E of Attachment FF, and notified the Selected Developer on December 20, 2016 that it had been designated the Selected Developer for the Project; and

WHEREAS, Selected Developer accepted the Transmission Provider’s Selected Developer designation for the Project and therefore has the obligation to construct, implement, own, operate, maintain, repair, and restore all Competitive Transmission Facilities associated with the Project pursuant to the Tariff and this Agreement; and

WHEREAS, if applicable, Selected Developer will seek to interconnect the Project to the Transmission System or other transmission facilities, as applicable, from the Interconnecting Transmission Owner(s) and any other entity in accordance with the requirements provided in this Agreement; and

WHEREAS, the Selected Developer will enter into the ISO Agreement to become a Transmission Owner or ITC, if it is not already a Transmission Owner or ITC, effective upon energization of the Project, and will turn functional control of all Competitive Transmission Facilities associated with the Project over to the Transmission Provider; and

WHEREAS, the Parties recognize that the Selected Developer has certain rights and obligations related to the Project that arise prior to the date upon which: (1) the Selected



Developer will transfer functional control of the Project to the Transmission Provider; and (2) the Selected Developer executes the ISO Agreement and becomes effective as a Transmission Owner, if Selected Developer is not currently a signatory to the ISO Agreement.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

ARTICLE 1. DEFINITIONS

When used in this Agreement, a term with initial capitalization shall have the meaning set forth in this Article 1 (“*Definitions*”) or the meaning set forth in the Article in which it is used. Any capitalized term not defined in this Agreement, shall have the meaning set forth in Module A of the Tariff (“*Common Provisions*”).

Acknowledgment of Support shall mean a document that the Transmission Provider provides to RFP Respondents for submission with Proposals, which: (1) is executed by an Affiliate of an RFP Respondent; (2) lists specific personnel, material, technical, financial, and/or other support that the Affiliate commits to provide to the RFP Respondent if that RFP Respondent’s Proposal is selected for a Competitive Transmission Project; and (3) authorizes the RFP Respondent to represent to the Transmission provider during proposal submission and evaluation that such RFP respondent will have access to the specified support if selected as the Selected Developer.

Additional Insured shall mean the Transmission Provider and the Transmission Provider’s respective directors, officers, agents, servants and employees.

Agreement shall mean this Selected Developer Agreement together with the Agreement Documents.

Agreement Documents shall mean the documents, including any attachments, appendices, exhibits, schedules, or amendments, incorporated into this Agreement.

Applicable Reliability Standards shall mean the reliability standards approved by the Federal Energy Regulatory Commission under Section 215 of the Federal Power Act.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party shall mean a Party that is in Breach of this Agreement.

Cash Deposit Agreement shall mean a document in a form substantially as set forth in Appendix E of this Agreement.

Change Order shall mean the Transmission Provider’s written authorization to the Selected Developer to make changes in the Work or to provide extra Work pursuant to Article 6.4.

Change Request Form shall mean the document provided in Appendix B of this Agreement that the Selected Developer must use to detail and submit a change request to the Transmission Provider.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article Article 12 (“*Default*”) of this Agreement.

Disputing Party shall have the meaning provided in Article Article 21 (“*Disputes*”) of this Agreement.

Effective Date shall have the meaning specified in Article 2.1 (“*Effective Date*”) of this Agreement.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

Force Majeure Event(s) shall have the meaning set forth in Article 11.1 (“add title”) of this Agreement.

Indemnified Party shall have the meaning provided in Article Article 21 (“*Disputes*”) of this Agreement.

Indemnifying Party shall have the meaning provided in Article Article 21 (“*Disputes*”) of this Agreement.

Interconnecting Transmission Owner shall mean any Transmission Owner or ITC, other than the Selected Developer, that owns or is building transmission facilities to which the Project will interconnect as part of the Transmission Provider’s Transmission System.

Interconnection Standards shall mean the transmission facility interconnection standards and requirements established from time to time by the Interconnecting Transmission Owner(s). Standards in effect as of the date this Agreement is executed are listed in Appendix F of this Agreement.

Irrevocable Standby Letter of Credit shall mean a letter of credit naming Transmission Provider as beneficiary in a form substantially as set forth in Appendix D of this Agreement.

Local Furnishing Bonds shall mean the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code.

Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, but shall not include loss of profits.

Notice of Dispute shall have the meaning provided in Article Article 21 (“*Disputes*”) of this Agreement.

Other Party Group shall have the meaning provided in Article 13.3.1.5 (“*Additional Insured*”) of this Agreement.

Party or Parties shall mean the Transmission Provider, the Selected Developer, or the applicable combination of the above.

Planning Authority for the Project, as defined by NERC, shall mean the Transmission Provider from the time that the Project is identified in the Transmission Provider’s MISO Transmission Expansion Plan (the “MTEP”) and the MTEP is approved by the Transmission Provider Board, regardless of the status of Project construction or energization. As such, the Selected Developer shall be subject to the rights and obligations set forth in the Tariff that are applicable to Transmission Owners or ITCs as they pertain to the Project.

Project shall mean the Duff-Coleman EHV 345kV Competitive Transmission Project included as part of the MTEP approved by the Transmission Provider Board on December 10, 2015 including the details, specifications, timelines, details, drawings and representations contained in the RFP and accepted Proposal.

Project Confidential Information shall have the meaning set forth in Article 16 (“*Project Confidential Information*”) of this Agreement.

RFP shall mean the RFP posted on the Transmission Provider’s website on January 8, 2016 associated with the Project inviting Qualified Transmission Developers to submit Proposals to construct, implement, own, operate, maintain, repair, and restore the Project.

Proposal shall mean the Proposal submitted to the Transmission Provider on July 6, 2016, including any subsequently submitted and approved amendments or modifications, by the Selected Developer in consideration of the posted RFP to construct, implement, own, operate, maintain, repair, and restore the Project.

Work shall mean the performance of the Selected Developer’s obligations relating to the development, construction, maintenance, operation and repair of the Project in accordance with the Tariff and this Agreement, including the specifications, timelines, details, drawings and representations contained in the RFP and Proposal.

Written Notice shall mean a document meeting the requirements of Article 20 (“*Notices*”). All notices required to be in writing shall contain: (1) a statement that the document is a “*Notice*” pursuant to this Agreement; (2) a concise description of the fact(s) or circumstance(s) that are the subject matter of the Written Notice and what action the Party sending the Written Notice seeks performed; (3) if the Written Notice is tendered pursuant to a specific Article or requirement of this Agreement, an identification of that Article or requirement; (4) the name and contact information of a specific person that the Party receiving the Notice may contact for additional

information, and (5) any other information required to be included in such Written Notice under the provisions of this Agreement.

ARTICLE 2. EFFECTIVE DATE, TERM, AND TERMINATION

2.1. Effective Date

This Agreement shall become effective (the “Effective Date”) on such date as this Agreement is executed by the Parties and the Selected Developer has fulfilled the requirements of *Article 3* (“*Financial Security*”) of this Agreement, subject to acceptance by FERC (if applicable). The Selected Developer shall submit its signed copy of this Agreement to the Transmission Provider no later than sixty (60) Calendar Days of the date in which Transmission Provider notified Selected Developer that its Proposal has been selected. The Selected Developer and Transmission Provider may execute this Agreement prior to the Selected Developer satisfying the requirements of Article 3 and the Agreement shall become provisionally effective for a period of up to thirty (30) Calendar Days thereafter. In such event, the Selected Developer shall have up to thirty (30) Calendar Days from the date that this Agreement was executed to satisfy the requirements of Article 3. If the Selected Developer has not satisfied the requirements of Article 3 within thirty (30) Calendar Days from the date of execution, then this Agreement shall terminate and be treated as the Agreement having not become effective. The Transmission Provider shall promptly file this Agreement with FERC upon execution in accordance with Article 4.1 (“*Filing*”) of this Agreement, if required.

2.2. Term of Agreement

This Agreement shall remain in effect as of the Effective Date, until it is terminated consistent with Article 2.3 (“*Agreement Termination*”) of this Agreement (the “Term”).

2.3. Agreement Termination

This Agreement shall terminate at the earlier of the following:

2.3.1. Project Completion

Except for the obligations set forth in Article 2.5 (“*Survival*”) of this Agreement, this Agreement shall terminate when functional control of the Project is turned over to the Transmission Provider and all other obligations of this Agreement have been satisfied.

2.3.2 Default

Subject to the Provisions of Article IX of Attachment FF of the Tariff, a Party may terminate this Agreement in accordance with Article Article 12 (“*Default*”) of this Agreement by sending a Written Notice.

2.3.3 Project Cancellation

In the event that pursuant to Section IX.E.4 of Attachment FF of the Tariff (“*Project Cancellation*”), the Transmission Provider elects to cancel the Project, the Transmission Provider will terminate this Agreement by providing Written Notice to the Selected Developer, which shall become effective upon receipt of such Written Notice, subject to the provisions of Article 2.5 (“*Survival*”) of this Agreement, unless FERC establishes another date for the termination.

2.3.4 Reassignment

In the event that, pursuant to Section IX.E.3 of Attachment FF of the Tariff (“*Reassignment*”), the Transmission Provider elects to reassign the Project to another entity, the Transmission Provider will terminate this Agreement, by providing Written Notice of termination to the Selected Developer, which shall become effective upon receipt of such Written Notice of termination, subject to the provisions of Article 2.5 (“*Survival*”) of this Agreement, or upon such other such date that FERC may establish for the reassignment.

2.3.5 Compliance with Applicable Laws and Regulations and FERC Acceptance

Notwithstanding Articles 2.3.1 (“*Project Completion*”), Article 12 (“*Default*”), 2.3.3 (“*Project Cancellation*”), and 2.3.4 (“**Reassignment**”) of this Agreement, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination and, if applicable, FERC has accepted the Written Notice.

2.4. Termination Responsibilities

In the event a Party terminates this Agreement, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages, charges, and expenses arising as a consequence of the termination. Upon receipt of a termination notice, Selected Developer shall, unless otherwise agreed between the Parties or ordered by FERC, perform the following:

- A. With respect to any portion of the Project that has not yet been constructed or installed, the Selected Developer shall:

1. Within fifteen (15) Business Days after receiving Written Notice of termination, tender to the Transmission Provider a summary of all pending contracts, orders, procurements or other written agreements (collectively “Pending Contracts”) relating to the unfinished or uninstalled portions of the Project. For each Pending Contract so identified, the Selected Developer shall provide a narrative description of the goods or services to be provided, the amount of money to be paid and any amounts already paid by the Selected Developer pursuant to the Pending Contract, the timing of such payments, the timing of when goods or services are to be delivered pursuant to the Pending Contract, and such other information as the Selected Developer deems useful or relevant. In the event that the Project is to be reassigned pursuant to the Variance Analysis provisions of the Tariff, the Selected Developer shall cooperate in good faith with the entity to which the Project is to be assigned and with any applicable third parties to facilitate the transfer of the Project, including the transfer of any contracts relating to the Project that the incoming developer desires to procure.
- B. If a Selected Developer terminates this Agreement or the Agreement is terminated by the Transmission Provider due to a Default by the Selected Developer, the Selected Developer shall be responsible for all costs incurred as a result thereof, including any cancellation or reassignment costs incurred by the Transmission Provider. In the event that the Transmission Provider terminates this Agreement other than due to a Default by the Selected Developer, the Transmission Provider shall bear its own costs incurred as a result thereof and recover the same in accordance with the Tariff.
- C. With respect to any portion of the Project already installed or constructed pursuant to the terms of this Agreement, Selected Developer shall be responsible for, and bear all costs associated with, storing and/or returning, preserving, maintaining, and rendering safe and reliable, all materials, equipment, or facilities associated with the Project pending further disposition of the same pursuant to Section IX of Attachment FF of the Tariff.
- D. Keep the Transmission Provider fully informed about all actions taken or intended to be taken as a result of the termination. Within ten (10) Business Days of the Written Notice, the Selected Developer shall submit an itemized list of all actions taken or intended to be taken. Such list shall be updated both at regular intervals and upon request.

2.5. Survival

The rights and obligations of the Parties in this Agreement shall survive the termination, expiration, or cancellation of this Agreement to the extent necessary to provide for the determination and enforcement of said obligations arising from acts or events that occurred while this Agreement was in effect. The liability and indemnity provisions in Article 13 also shall survive termination, expiration, or cancellation of this Agreement until such time as the Selected Developer has executed the MISO ISO Agreement and included the Competitive Transmission Facilities in Appendix H of the ISO Agreement. In the event this Agreement is terminated by reassignment prior to the Selected Developer executing the ISO Agreement, the obligation of the Selected Developer to fulfill the functions of a Transmission Owner pursuant to Articles 6.5 (“*Generator Interconnection Study Process*”) and 6.6 (“*Transmission Service Request Process*”) shall survive until reassignment is completed.

ARTICLE 3. FINANCIAL SECURITY

The Selected Developer shall submit financial security to the Transmission Provider in the amount of \$1,615,452.51 (U.S. dollars), which shall be three percent (3%) of the Project cost provided by the Selected Developer in their Proposal as specified in Appendix A of this Agreement. In accordance with Article 2.1 of this Agreement, the Selected Developer can submit the financial security concurrently with the submission of its signed copy of this Agreement or within thirty (30) Calendar Days of its execution of this agreement if needed to secure the funds to do so. Security for the Selected Developer’s performance in accordance with this Agreement shall be in the form of: (a) an Irrevocable Standby Letter of Credit in a form substantially as set forth in Appendix D to this Agreement; or (b) a refundable Cash Deposit accompanied by a Cash Deposit Agreement in a form substantially as set forth in Appendix E to this Agreement.

3.1. Irrevocable Standby Letter of Credit

If an Irrevocable Standby Letter of Credit is provided as financial security, the Irrevocable Standby Letter of Credit shall be drawn on a commercial bank or trust organized under the laws of the United States, or a political subdivision thereof, with: (i) a Credit Rating of at least (a) “A-” by S&P or (b) “A3” by Moody’s or (c) “A-” by Fitch or (d) an equivalent short-term debt rating by any of these agencies at the time of issuance and at all times the Irrevocable Standby Letter of Credit is outstanding.

The Selected Developer shall maintain the Irrevocable Standby Letter of Credit in full force and effect for the term of this Agreement as specified in Article 2.2 (“*Term of Agreement*”) of this Agreement and for an additional period of sixty (60) Calendar Days following the date of termination of this Agreement to secure the performance of any surviving obligations in

accordance with Article 2.5 (“*Survival*”) of this Agreement. If the Irrevocable Standby Letter of Credit provides for a shorter term, the Selected Developer shall renew or replace the Irrevocable Standby Letter of Credit as needed to maintain it in continual effect for the period required herein.

3.2. Cash Deposit

If a Cash Deposit is provided as financial security, Selected Developer shall also execute a Cash Deposit Agreement with the Transmission Provider. Cash Deposit shall be wired to a segregated account designated by Transmission Provider in a Written Notice to Selected Developer. The Transmission Provider shall hold the Cash Deposit for the term of this Agreement as specified in Article 2.2 (“*Term of Agreement*”) and for an additional period of sixty (60) Calendar Days following the date of termination of this Agreement to secure the performance of any surviving obligations in accordance with Article 2.5 (“*Survival*”) of this Agreement. Upon return of a Cash Deposit, the Transmission Provider shall pay to the Selected Developer the total Cash Deposit minus any funds drawn pursuant to Article 3.3 (“*Right to Draw on Financial Security*”) plus interest at the Transmission Provider’s overnight bank rate from and including the date of deposit to, but excluding, the date such funds are returned to the Selected Developer.

3.3. Right to Draw on Financial Security

Transmission Provider shall have the right to draw on the Irrevocable Standby Letter of Credit or the Cash Deposit Agreement if the Transmission Provider invokes Variance Analysis based on a Default under this Agreement:

3.4. Distribution of Financial Security

In the event that the Transmission Provider draws upon the Irrevocable Standby Letter of Credit or the Cash Deposit Agreement in accordance with Article 3.3 (“*Right to Draw on Financial Security*”) of this Agreement, Transmission Provider shall utilize such funds to offset any costs reasonably incurred by the Transmission Provider in reevaluating the Project and/or Selected Developer, transitioning the Project to a new Selected Developer/Transmission Owner, and or otherwise distribute such funds as determined by FERC. Such costs may include reasonable consultant fees, attorneys’ fees, costs of litigation/regulatory proceedings, and staffing costs directly attributable to taking actions under the Variance Analysis provisions of the Tariff. The Transmission Provider shall provide the Selected Developer with a detailed and itemized description of how any Project Financial Security has been used within thirty (30) days after submitting a filing to terminate this Agreement. In the event that the Transmission Provider, in accordance with the Variance Analysis procedure set forth in Attachment FF, Section IX, elects to address Default through a decision to take no action or through requiring a mitigation plan without terminating the Agreement, the Transmission Provider shall provide a detailed and itemized description of how Project Financial Security has been used within 30 days after the

Transmission provider and Selected Developer complete implementation of the mitigation plan or the Transmission Provider determines to take no action.

3.5. Maintenance of Acknowledgement of Support

In the event that the Transmission Provider reasonably determines at any time that an entity that has provided an Acknowledgement of Support for a Selected Developer no longer is capable of providing the support described therein, (due to insolvency, transfer of assets, repudiation of commitments, or any other such reason that would cause the Transmission Provider to question the viability of commitment), the Transmission Provider shall have the right to require the Selected Developer to promptly: (1) obtain a substitute Acknowledgement of Support for the described items or (2) explain to the reasonable satisfaction of the Transmission Provider why: (a) such substitute Acknowledgement of Support should not be required, or (b) that some alternate arrangement would prove equally or more effective in ensuring that the Selected Developer continues to meet its obligations. Failure to provide a substitute Acknowledgement of Support, explanation acceptable to the Transmission Provider, or alternate arrangement acceptable to the Transmission Provider, shall be a Breach of this Agreement and, if uncured, grounds for conducting a Variance Analysis pursuant to Section IX of Attachment FF of the Tariff.

ARTICLE 4. REGULATORY FILINGS AND TARIFF COMPLIANCE

4.1. Filing

The Transmission Provider shall file this Agreement (and any amendment hereto) with FERC and if required, any other appropriate Governmental Authority. The Selected Developer may request that any information included in such filing be subject to the confidentiality provisions of Article Article 16 (“*Project Confidential Information*”). If the Selected Developer has executed this Agreement, or any amendment thereto, the Selected Developer shall reasonably cooperate with the Transmission Provider with respect to such filing and provide any information reasonably requested by the Transmission Provider needed to comply with applicable regulatory requirements.

4.2. Selected Developer subject to Tariff

The Selected Developer shall comply with all applicable provisions of the Tariff.

4.3. Relationship between this Agreement and the Tariff

If and to the extent a provision of this Agreement is inconsistent with the Tariff and dictates rights and obligations between the Transmission Provider and the Selected Developer, the Tariff shall govern.

4.4. Transmission-To-Transmission Interconnection Agreements

Unless the Project connects solely to the facilities of the Selected Developer, the Selected Developer shall: (1) execute a Transmission-to-Transmission Interconnection Agreement with each Interconnecting Transmission Owner(s); and (2) complete all requirements and execute all agreements or contracts required by each non-MISO entity to whose facilities the Project will interconnect.

The Selected Developer and Interconnecting Transmission Owner(s) shall take commercially reasonable efforts to finalize and execute the required Transmission-to-Transmission Interconnection at least one hundred and twenty (120) Calendar Days before the scheduled In Service Date of the Project. Any delays in the execution of a Transmission-To-Transmission Interconnection Agreements will not automatically be construed against the Selected Developer in consideration of the Variance Analysis pursuant to Article 10 (“*Variance Analysis*”) of this Agreement.

If requested, the Transmission Provider shall facilitate the coordination between the Selected Developer and the Interconnecting Transmission Owner(s) and any other non-MISO entities to whose facilities the Project will interconnect.

All necessary Transmission-to-Transmission Interconnection Agreements associated with the Project shall be executed by an authorized officer or duly authorized official of the Selected Developer, Interconnecting Transmission Owner(s), and Transmission Provider with the authority to bind their respective organizations, or filed unexecuted with FERC, prior to the energization of any Competitive Transmission Facilities defined in the Project.

4.5. ISO Agreement and Requirement to Become a Transmission Owner

The Selected Developer agrees that the Project shall be placed under the functional control of the Transmission Provider upon completion and placement of the Project in service to the Transmission System.

To the extent the Selected Developer is not already a Transmission Owner or ITC, the Selected Developer further agrees that it shall execute the ISO Agreement in sufficient time for its execution to become effective as of the date of energization of the Project and that it has met or shall meet all other Tariff requirements to become a Transmission Owner or ITC and an Owner in accordance with Article Two, Section V of the ISO Agreement. If the Selected Developer is already a Transmission Owner or ITC, it shall add the Project to the list of facilities transferred to the list of facilities comprising the Transmission Provider’s Transmission System pursuant to Appendix H to the ISO Agreement.

4.6. Commitment to Operate within a Local Balancing Authority

Selected Developer shall operate all Competitive Transmission Facilities associated with the Project within the boundaries of a Local Balancing Authority (“LBA”) and shall certify to the Transmission Provider that it has done so prior to the in-service date for the Competitive Transmission Facility.

4.7. NERC Registration & Reliability Standards

Selected Developer agrees to (1) register with NERC, or any successor entity serving as the Electric Reliability Organization (ERO) in accordance with NERC’s registration requirements, (2) comply with all applicable NERC and regional entity reliability standards, and (3) perform the reliability functions of a NERC transmission owner (TO), transmission operator (TOP), and transmission planner (TP) in accordance with NERC’s registration guidelines, for all Competitive Transmission Facilities associated with the Project. Prior to the In Service Date for the Competitive Transmission Facility, the Selected Developer shall certify to the Transmission Provider that it has complied with all such standards that are applicable to the Selected Developer prior to the In Service Date for the Competitive Transmission Facility.

4.8. Interconnection and Reliability Criteria, Requirements, or Standards

The Selected Developer shall comply with the interconnection requirements and/or standards regarding the interconnection of transmission facilities of each and every entity to whose facilities the Project will interconnect. This includes, but is not limited to, those standards and requirements required for compliance with applicable NERC Facilities Design, Connections, and Maintenance (“FAC”) reliability standards published by each Transmission Owner or ITC, as such requirements and standards exist from time to time. The Selected Developer shall also comply with the FERC Form 715 Part 4, Transmission Planning Reliability Criteria (“TPRC”) as filed with FERC by each Interconnecting Transmission Owner.

The interconnection requirements and/or standards applicable to the Selected Developer that are in effect as of the Effective Date of this Agreement shall be included or referenced in Appendix F of this Agreement.

ARTICLE 5. SCOPE OF SERVICE

5.1. Commencement of Project Construction and associated Competitive Transmission Facilities

The Selected Developer shall commence construction of the Project as soon as practicable after the Effective Date of this Agreement.

5.2. Exclusive Responsibility of Selected Developer

The Selected Developer shall be solely responsible for all planning, design, engineering, procurement, construction, installation, management, operations, safety, and compliance with Applicable Laws and Regulations associated with the Project, including but not limited to obtaining all necessary permits, siting, and other regulatory approvals.

The Selected Developer shall perform its obligations of this Agreement in accordance with the terms of this Agreement, including the accepted Proposal and other Agreement Documents; Applicable Laws and Regulations; Applicable NERC Reliability Standards; transmission facility interconnection standards and requirements, established and provided by the Transmission Owner(s) or ITC(s) in Appendix F to this Agreement to which the Project's Competitive Transmission Facilities will interconnect; the requirement(s) or qualification criteria(s) specific to the state(s) where the Competitive Transmission Facilities are to be located in provided in Appendix G of this Agreement; the Tariff; the ISO Agreement; applicable MISO Business Practice Manuals; and Good Utility Practice.

All modifications to the Project must be approved by the Transmission Provider in accordance with Article 6.4 ("*Modification*") of this Agreement. Unless otherwise agreed to by the Parties, the Selected Developer shall develop and construct the Project in accordance with the specifications and implementation schedule set forth in the Proposal as accepted by the Transmission Provider, and such dates shall be set forth in Appendix A of this Agreement.

Except as provided in Article 5.4 ("*Transmission Provider Support*") of this Agreement, the Transmission Provider shall have no responsibility or right to manage, supervise, or direct the day-to-day operations of the Selected Developer, or to dictate the specific manner of the Selected Developer's compliance with the requirements of this Article. The Selected Developer shall report all violations of Applicable Laws and Regulations and safety standards to the Transmission Provider promptly upon reporting such violation to, or receiving notice of such violation from, a Governmental Authority. After receiving notice of a violation from the Selected Developer pursuant to this paragraph, the Transmission Provider may require the Selected Developer to provide supporting information regarding such violation, including information regarding the nature of the violation, its anticipated impact on the Project, and the Selected Developer's plans for addressing the violation as such information becomes available to the Selected Developer.

5.3. Performance Standards

Each Party shall perform all of its obligations under this Agreement in accordance with all Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. To the extent a Party, through no fault of its own, is required to take, or is prevented from, or is

limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its lack of compliance therewith.

5.4. Transmission Provider Support

Upon request from the Selected Developer and pursuant to Section VI.D of Attachment FF of the Tariff, Transmission Provider shall assist the Selected Developer in justifying the need for, and obtaining certification of, any facilities required by the Project by preparing and presenting testimony in any proceedings before state or federal courts, regulatory authorities, or other agencies as may be required.

ARTICLE 6. FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

6.1. General

The Selected Developer shall, at its expense, design, procure, construct, and own, and install the Project, as set forth in Appendix A to this Agreement. The Selected Developer shall comply with all applicable requirements of law and shall assume responsibility for the design, procurement, and construction of the Project using Good Utility Practice and the standards and requirements provided by the Interconnecting Transmission Owner or other interconnecting entity, as applicable. The Project shall be based on the assumed accuracy and completeness of all technical information and data received by the Transmission Provider from the Selected Developer and by technical information received by the Selected Developer from any Interconnecting Transmission Owner or other interconnecting entity(ies) providing Transmission Interconnection Service. Any Modifications to the Project design provided in Appendix A to this Agreement must be approved by the Transmission Provider in accordance with Article 6.4 (“*Modification*”) of this Agreement. Unless otherwise agreed by the Parties, the Selected Developer shall develop and construct the Project consistent with the Selected Developer’s Proposal that was selected by the Transmission Provider, and such dates shall be set forth in Appendix A of this Agreement.

6.2. Variance Analysis & Project Status Reporting

The Selected Developer and Transmission Provider shall be bound by the Variance Analysis Provisions of Attachment FF of the Tariff and shall report the status of the Competitive Transmission Project to the Transmission Provider pursuant to the provisions in Attachment FF of the Tariff and Business Practices Manual BPM-020.

6.3. Project Monitoring

The Transmission Provider shall have the ongoing right to monitor the progress of the Selected Developer's Work on the Project, Project costs, schedule and milestones, compliance with the accepted Proposal and the Selected Developer's qualifications, to determine whether any action is appropriate under the Variance Analysis provisions of Section IX of Attachment FF of the Tariff. The Selected Developer agrees to provide the Transmission Provider with any documents or information reasonably requested for this purpose subject to the confidentiality provisions of Article Article 16 ("*Project Confidential Information*") of this Agreement.

6.4. Modification

Selected Developer shall be bound by its accepted Proposal and may not modify the Project or its Proposal without prior written consent of Transmission Provider as provided in Section 6.4.1. The Transmission Provider's written consent shall be subject to the provisions of this Agreement and the Tariff and shall not be unreasonably withheld, conditioned, or delayed.

6.4.1 Change Order Procedures

All modifications to this Agreement seeking to change the scope, timing or type of Work to be performed, shall be made and processed according the procedures set forth in this Article.

If the Selected Developer desires to undertake any modification to the Work, it shall submit a Change Request Form in the form of Appendix B to this Agreement. The Selected Developer shall provide the Change Request Form to the Transmission Provider at least ninety (90) Calendar Days in advance of the commencement of the work or within such shorter period upon which the Parties may agree. The Transmission Provider shall determine if a modification is in accordance with the original Project criteria and intent and whether to approve the modification through the issuance of a Change Order in the form of Appendix C of this Agreement within sixty (60) Calendar Days after the Selected Developer's submission.

The Transmission Provider may initiate a change in the scope, type, or manner of performance of the Work under this Agreement by issuing a Change Order with the agreement of the Selected Developer. Change Orders initiated by the Transmission Provider shall be effective upon such date as is agreed between the Transmission Provider and Selected Developer. In the event that a Transmission Provider-initiated Change Order increases the total cost of the Work or the time necessary to complete the Work, the Selected Developer shall be entitled to an adjustment to the Project schedule and/or total Project cost to account for the Change Order on terms to be agreed between the Transmission Provider and Selected Developer. If the Selected Developer has agreed

to cost cap or cost containment provisions in its Proposal, the Transmission Provider and Selected Developer shall adjust such cost cap or cost containment provisions to account for the Change Order.

No Change Order shall be effective until executed by a duly authorized employee of the Transmission Provider and an officer of the Selected Developer. Except in the case of a Change Order initiated by the Transmission Provider, any request for a Change Order shall be initiated using the Change Request Form as set forth in Appendix B of this Agreement.

6.4.2 Approved Modifications

Any additions, modifications, or replacements made to the Project shall be designed, constructed, and operated in accordance with this Agreement, Applicable Laws and Regulations, and Good Utility Practice.

6.4.3 Modifications ordered by a Governmental Authority

Any modifications to the Project's facilities ordered by a Governmental Authority are not subject to Transmission Provider's approval. However, this approval exception shall not prejudice the rights of the Transmission Provider to conduct a Variance Analysis of the Project. The Selected Developer is required to notify the Transmission Provider within thirty (30) Calendar Days after the Governmental Authority has issued an order directing Project modifications.

6.5 Generator Interconnection Study Process

Any request(s) for generator interconnection to the Project and its Competitive Transmission Facilities submitted to the Selected Developer following the Effective Date of this Agreement shall be directed to the Transmission Provider's Generator Interconnection Procedures (GIP) as specified in Attachment X of the Tariff. The Selected Developer shall assume the functions of a Transmission Owner in accordance with Attachment X of the Tariff, including the performance of any analysis for generator interconnection requests requesting interconnection with the Project. The Selected Developer will be reimbursed the actual costs incurred for the analysis to the same extent a Transmission Owner or ITC through the Tariff.

Any Generator Interconnection Agreements for interconnection to the Project shall be executed consistent with the relevant terms and conditions of the Tariff.

6.6 Transmission Service Request Process

Any request(s) for Transmission Service utilizing the Project and its Competitive Transmission Facilities submitted to the Selected Developer following the Effective Date of this Agreement

shall be directed to the Transmission Provider's Transmission Service protocols as specified in Module B of the Tariff. The Selected Developer shall assume the obligations of a Transmission Owner in accordance with Module B of the Tariff, including the performance of any analysis for Transmission Service utilizing the Project. The Selected Developer will be reimbursed the actual costs incurred for the analysis to the same extent a Transmission Owner or ITC through the Tariff.

6.7 Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's or the Selected Developer's tax exempt status with respect to the issuance of bonds, including Local Furnishing Bonds, if any.

ARTICLE 7. RIGHT TO INSPECT

The Transmission Provider shall have the right, but not the obligation, to inspect the Project for the purposes of assessing the progress of the Project and compliance with the terms of this Agreement and Agreement Documents at the Transmission Provider's expense. The Transmission Provider may exercise these rights from time-to-time, as it deems necessary upon reasonable advance notice to the Selected Developer. The exercise or non-exercise by the Transmission Provider of any such rights shall not be construed as an endorsement or approval by the Transmission Provider of any design, standards, construction practices, protective equipment or the operation thereof, used by the Selected Developer or the condition, fitness, safety, desirability, reliability, or warranty of the Project. Any information that Transmission Provider obtains through the exercise of any of its rights under this Article Article 7 ("*Right To Inspect*") shall be deemed Project Designated Confidential Information and treated pursuant to Article Article 16 ("*Project Confidential Information*") of this Agreement. The Transmission Provider agrees to indemnify the Selected Developer in accordance with Article 13.2 to the extent allowed by the Tariff for any claims arising from actions of the Transmission Provider, including its employees and agents, in completing such inspections.

ARTICLE 8. OPERATIONS

The Selected Developer shall not energize the Project with the Interconnecting Transmission Owner's or other entity's transmission system(s) until it has met the obligations detailed in the respective Transmission-to-Transmission Interconnection Agreement(s), the ISO Agreement, and any other similarly-executed agreements for entities outside the Transmission Provider's Transmission System unless prior written approval is given by each entity.

ARTICLE 9. COST RECOVERY, BILLING, AND PAYMENT

9.1 Cost Recovery

The ISO Agreement, Schedule 7 (“*Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service*”), Schedule 8 (“*Non-Firm Point-To-Point Transmission Service*”), Schedule 9 (“*Network Integration Transmission Service*”), Schedule 26 (“*Network Upgrade Charge from Transmission Expansion Plan*”), Schedule 26A (“*Multi-Value Project Usage Rate*”), Attachment O (“*Rate Formulae*”), Attachment GG (“*Network Upgrade Charge*”), Attachment MM (“*MVP Charge*”) of the Tariff, including company-specific Schedules 7, 8, 9, 26, and 26A, and Attachments O, GG and MM, and any other provisions of the Tariff that become accepted by FERC shall govern the Selected Developer’s recovery of costs associated with the Project and its associated Competitive Transmission Facilities, including costs for interconnection and transmission service related studies.

The provisions of this Article Article 9 (“*Cost Recovery, Billing, And Payment*”) of this Agreement shall survive termination of this Agreement in accordance with Article 2.5 (“*Survival*”) of this Agreement.

9.2 Binding Cost Cap or Cost Containment Measures and Forgone Rate Incentives or Rate Recovery

If the Selected Developer submitted any binding cost cap or cost containment measures, or committed to forego any kind of rate incentives or rate recovery as part of the Proposal, such commitments shall be detailed in Appendix A of this Agreement.

Selected Developer committed to some kind of binding cost cap or cost containment measures or to forego specific rate incentives or rate recovery.

Selected Developer did not commit to any binding cost cap or cost containment measures or forego any kind of rate incentives or rate recovery.

If the Selected Developer has committed to binding cost cap or cost containment measures, the Selected Developer agrees that it shall not seek to recover, through its Transmission Revenue Requirement or through any other means, higher costs than the maximum costs specified in Appendix A to this Agreement, or determined in accordance with, any cost cap or other binding cost containment measures as specified in Appendix A to this Agreement except for costs incurred to comply with any additional specifications of the Transmission Provider or Interconnecting Transmission Owner(s) beyond the functional requirements for the Project as specified in Appendix F to this Agreement. The Selected Developer shall not seek recovery through its Transmission Revenue Requirement of any incentives or other costs that it has agreed to forego, as specified in Appendix A to this Agreement. The provisions of this Article 9.2

(“*Binding Cost Cap or Cost Containment Measures and Forgone Rate Incentives or Rate Recovery*”) of this Agreement shall survive termination of this Agreement in accordance with Article 2.5 (“Survival”) of this Agreement.

9.2.1 Approved Deviations from Binding Cost Cap or Cost Containment and Incentive Rate Commitments

Notwithstanding the provisions of Article 9.2 (“*Binding Cost Cap or Cost Containment Measures and Forgone Rate Incentives or Rate Recovery*”) of this Agreement, the Selected Developer shall be entitled to seek recovery for costs in excess of an agreed cost cap or that deviate from other agreed cost containment measures specified in Appendix A of this Agreement to the extent that such excess costs result from:

- A. A material change in the scope of Work, agreed to in writing by the Transmission Provider, for Work that: (1) was not contemplated by the RFP; and (2) is not made necessary by any failure to perform, negligent performance of, or inaccurate cost estimate of, the Work that the Selected Developer agreed to complete in its Proposal. In order to invoke the exception outlined in this Paragraph, the Selected Developer must obtain from the Transmission Provider a signed Change Order, stating the scope of the Work covered by said Change Order and the estimated or capped costs charged to accomplish the Work contemplated by the Change Order. The execution of a Change Order conforming to the requirements of this paragraph shall not authorize the receipt or retention of any excess recovery for elements of the Project not expressly covered by the executed Change Order;
- B. A requirement imposed by an Interconnecting Transmission Owner which was not foreseen at the time that the Selected Developer’s Proposal was submitted and which requirement increases Project costs, scope or schedule. In order to invoke the exception outlined in this paragraph, the Selected Developer must obtain from the Transmission Provider a signed Change Order describing the requirement imposed by the Interconnecting TO and stating the estimated costs of compliance with that requirement. The execution of a Change Order conforming to the requirements of this paragraph shall not authorize the receipt or retention of any excess recovery for elements of the Project not expressly covered by the executed Change Order; or
- C. An increase in an element of Project cost expressly authorized by or exempted from the terms of the Selected Developer’s agreed cost cap or cost containment proposal.

9.3 Tariff Billing and Payment Provisions

The Transmission Provider and Selected Developer shall comply with the billing and payment provisions set forth in the Tariff.

9.4 Refund Obligation

The Selected Developer, whether or not it is subject to FERC rate jurisdiction under Section 205 and Section 206 of the Federal Power Act, shall make all refunds, adjustments to its recovered costs from Attachment O (“*Rate Formulae*”), Attachment GG (“*Network Upgrade Charge*”), and Attachment MM (“*MVP Charge*”) of the Tariff, including company-specific Attachments O, GG and MM, and do all other things required to implement any FERC order related to the Tariff, including any FERC order of which the implementation necessitates the Transmission Provider to make payment adjustments, issue refunds, or to receive prior period overpayments from, the Selected Developer. All such refunds and adjustments shall be made, and all other actions taken, in accordance with the Tariff, unless an applicable FERC order requires otherwise. These obligations under this Article 9.4 (“*Refund Obligation*”) of this Agreement shall survive termination of this Agreement in accordance with Article 2.5 (“*Survival*”) of this Agreement.

ARTICLE 10. VARIANCE ANALYSIS

Selected Developer acknowledges and agrees that it is subject to the Variance Analysis provisions specified in Attachment FF, Article IX of the Tariff (“*Variance Analysis*”).

ARTICLE 11. FORCE MAJEURE EVENT

11.1 Force Majeure Events

“Force Majeure Events” shall refer to fire, flood, earthquake, other extreme elements of nature or acts of God, war, terrorism, riots, rebellions, revolutions, civil disturbances, court or agency ordered injunctions, industry-wide or national labor disputes, criminal acts, and any other cause beyond a party’s control to the extent these events: (a) prevent a party from discharging its obligations under the Tariff or this, Agreement, or Agreement Documents or otherwise prevent all, or a portion of, the Project from being completed by the required in-service date; (b) are outside the control of the party whose performance is to be affected by the Force Majeure Event; and (c) could not reasonably be foreseen or prevented by the Party whose performance is to be affected by the Force Majeure Event.

11.2 No Default

Except for the payments of monies, a party shall not be considered to be in Default with respect to any obligation hereunder if: (1) the party experiences a Force Majeure Event as defined in this

Agreement and (2) the party experiencing the Force Majeure Event strictly follows the procedures set forth in this Article 11.

11.3 Initial Notice of Force Majeure

A Party that is unable to fulfill any obligation under this Agreement or whose performance will be delayed as a result of a Force Majeure Event shall notify the other Party by Written Notice or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices, given pursuant to this Article 11.3 (“*Initial Notice of Force Majeure*”), shall be confirmed with Written Notice as soon as reasonably possible. Written Notices shall provide the following information, to the extent known: (1) the time and date when the Force Majeure Event occurred, (2) the nature of the Force Majeure Event; (3) the specific obligations that the Force Majeure Event is likely to impact and how those obligations will be impacted; (4) the steps that have or will be taken to mitigate the Force Majeure Event; and (5) the anticipated duration of the Force Majeure Event.

11.4 Status Reports

In addition to the initial notice required by Article 11.3 (“*Initial Notice of Force Majeure*”), the party declaring a Force Majeure Event shall provide a written status report at least every seven (7) Calendar Days for the duration of the Force Majeure Event and any applicable recovery period. The status report shall provide the latest available information regarding: (1) the specific obligations that the Force Majeure Event is likely to impact and how those obligations are being impacted; (2) the anticipated duration of the Force Majeure Event; (3) the steps that have or will be taken to mitigate the Force Majeure Event and the current status of those steps; and (4) the anticipated duration of the Force Majeure Event.

11.5 Duration of Force Majeure & Recovery Period

In the event that a Party declares a Force Majeure Event, such party shall be allowed a reasonable period of time, not to exceed three (3) months, after the Force Majeure Event ceases to recover and resume performance of its obligations. A Party shall be excused from whatever performance is affected only for the duration of the Force Majeure Event and while the Party exercises Reasonable Efforts to alleviate such situation. As soon as the non-performing Party is able to resume performance of its obligations excused because of the occurrence of the Force Majeure Event, such Party shall resume performance and give prompt Written Notice thereof to the other Party. The Transmission Provider and Selected Developer shall confer as soon as possible after a Force Majeure Event occurs to develop a mutually acceptable schedule for recommencing performance. The Party whose performance will be affected by a Force Majeure Event shall be obligated to use all commercially reasonable efforts to alleviate the impacts of the Force Majeure Event and to minimize disruptions to the development schedule.

11.6 Modification of Agreement due to a Force Majeure Event

If required, the Parties shall revise this Agreement following a Force Majeure Event including, but not limited to any Agreement Documents, appendices, attachment, or exhibit to this Agreement, to account for the Force Majeure Event.

11.7 Variance Analysis and Force Majeure Events

No provision of this Article Article 11 (“*Force Majeure*”) shall be construed to prejudice or interfere with Transmission Provider’s rights to conduct a Variance Analysis of the Project and/or a Selected Developer and to take any actions allowed under the provisions in Section IX of Attachment FF of the Tariff and MISO Business Practice Manual BPM-027. A termination or reassignment of this Project pursuant to the reevaluation provisions of the Tariff following a Force Majeure Event does not imply or depend upon any finding of fault, Breach, or Default by the Selected Developer. Nor shall the fact that Selected Developer is found not to be at fault, in Breach, or in Default of this Agreement following a Force Majeure Event: 1) operate to bar Transmission Provider from reassigning or cancelling the Project or 2) give rise to any claim of entitlement to compensation or damages against Transmission Provider flowing from such reassignment or cancellation. However, in the event the Transmission Provider takes any action pursuant to Section IX of Attachment FF of the Tariff based on the occurrence of a *Force Majeure* Event where the Selected Developer has not Defaulted under this Agreement, the Transmission Provider shall bear all such costs and shall not be entitled to draw upon the Irrevocable Standby Letter of Credit or Cash Deposit.

ARTICLE 12. DEFAULT

No Default shall exist where failure to discharge an obligation, other than the payment of money, is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party.

12.1 Notice of Breach

Upon the occurrence of a Breach, the affected non-Breaching Party shall give Written Notice of such Breach to the Breaching Party. Provided the breach is curable, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Written Notice of Breach within which to cure such Breach or provide the non-Breaching Party with a written cure plan. If the Breaching Party provides the non-Breaching Party with a written cure plan within thirty (30) Calendar Days from receipt of the Written Notice of Breach, the Breaching party shall have ninety (90) Calendar Days from receipt of the Written Notice of Breach to either cure the Breach or obtain the non-Breaching Party’s consent to a cure plan providing for a different deadline. The non-Breaching Party shall not unreasonably withhold, delay, or condition its acceptance of a cure plan. However, no provision of this Article shall be read to require the non-Breaching Party to accept a

written cure plan that (i) does not fully cure the Breach, (ii) materially alters Project, (iii) delays the completion of the Project past the scheduled In Service Date, or (iv) increases the total cost of the Project, provided that the non-Breaching Party shall not be permitted to consider cost increases as a factor in evaluating a cure plan to the extent that the Breaching Party has agreed to internally absorb such increases.

If a Breach is not cured within such ninety (90) Calendar Day period, but during such period the breaching Party and non-breaching Party have agreed to a written cure plan that (1) describes the actions the Breaching Party intends to take to effect the cure of the Breach, and (2) provides a timeline for curing the Breach, then the cure period shall be extended for such period as is provided in the agreed written cure plan and the Breaching Party shall not be held in Default provided it continuously and diligently works to complete such cure during the period provided in the written cure plan. In the event that the Breaching Party fails to timely perform all actions agreed to in the written cure plan, the non-Breaching Party may send a Written Notice informing the Breaching Party that it is in Default and that the Agreement shall be terminated. The Breaching Party shall not be entitled to any additional cure period to cure failures to perform under the written cure plan.

12.2 Notice to Financing Parties

If, as contemplated by Article 14.4.1 (“*Assignment to Project Finance Entity*”), the Selected Developer has provided notice to the Transmission Provider of an assignment of this Agreement for collateral security purposes to aid in providing financing for the Project, then: (a) if such notice of collateral assignment so indicates and contains notice information for the collateral assignee, the Transmission Provider shall provide a copy to collateral assignee identified in such notice of any notice of Breach given by the Transmission Provider to the Selected Developer; and (b) such collateral assignee shall have the right, but no obligation, to effect cure of the Breach on behalf of the Selected Developer within the original cure period, and any performance of any obligations under this Agreement by such collateral assignee shall be accepted by the Transmission Provider to the same extent as though the Selected Developer had directly performed such obligations. Nothing herein shall be construed to allow a Project Finance Entity to effect a cure outside of the cure period afforded to the Selected Developer.

12.3 Default & Right to Terminate

A Default may be declared immediately upon the occurrence of the following events:

- (1) The Breaching Party fails to cure its Breach or provide a written cure plan within thirty (30) Calendar Days from receipt of the Written Notice of Breach,
- (2) The Breaching Party submits a cure plan within thirty (30) Calendar Days from receipt of the Written Notice of Breach but fails to secure the non-breaching Party’s agreement

to a written cure plan within ninety (90) Calendar Days from receipt of the Written Notice of Breach,

- (3) The Breaching Party fails to timely perform any obligation set forth in the written cure plan; or
- (4) The Breaching Party sends Written Notice to the non-Breaching Party stating that it does not intend to cure the Breach or offer a written cure plan.

If a Breach is not cured as provided in this Article Article 12 (“*Default*”), or if a Breach is not capable of being cured within the period provided for herein, the affected non-Breaching Party shall have the right: (i) to declare a Default and terminate this Agreement by Written Notice in accordance with Section IX of Attachment X of the Tariff at any time until cure occurs and be relieved of any further obligation hereunder and, (ii) whether or not such Party terminates this Agreement, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. Upon Default by Selected Developer, Transmission Provider may draw upon the Selected Developer’s Letter of Credit or retain the cash security. Nothing in this Article Article 12 (“*Default*”) is intended in any way to affect the rights of a third-party to seek any remedy it may have in equity or at law from the Selected Developer resulting from Selected Developer’s Default of this Agreement.

If the Breaching Party cures its Breach in accordance with the provisions of this this Article Article 12 (“*Default*”), then the Breach shall cease to exist. If the Breaching Party was the Selected Developer, successful cure of the Breach according to the provisions of this Article shall preclude the Transmission Provider from conducting a Variance Analysis based on the existence of such Breach.

The provisions of this Article Article 12 (“*Default*”) shall survive termination of this Agreement in accordance with Article 2.5 (“*Survival*”) of this Agreement.

12.4 Remedies Cumulative

No remedy conferred by any provision of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

ARTICLE 13. LIMITATION OF LIABILITY, INDEMNITY, AND INSURANCE

13.1 Limitation of Liability

Neither Party shall be liable to the other for any damages arising out of the performance of any obligation imposed by this Agreement, except as provided in the Tariff or this Agreement. The provisions set forth in the Tariff shall be additionally applicable to any Party acting in good faith to implement or comply with its obligations under this Agreement, regardless of whether the obligation is preceded by a specific directive.

13.2 Indemnity

13.2.1 Claims or Losses to the Transmission Provider to which Indemnity Applies

To the extent permitted by law, the Selected Developer shall indemnify, defend and hold the Transmission Provider, including its employees and agents, harmless from all losses and claims that arise from:

- A. The Selected Developer's performance or failure to perform any obligation imposed by this Agreement or any subsequently executed agreement;
- B. Any claim by an employee or independent contractor of the Selected Developer for payment of monies for work or materials;
- C. Any claim by an employee, independent contractor or third party alleging harm or injuries as a result of the design or construction of the Project, including claims for personal injury or death;
- D. Any claim arising from the construction of the Project, maintenance of Project worksites and construction areas, and safety precautions of procedures, including claims alleging personal injury, property damage, or death;
- E. Any claims or losses resulting from Selected Developer's violations of any law or regulation applicable to the development, construction, or operation of the Project, including claims arising from obligations to obtain permits, licenses or approvals or comply with the terms of any permit license or approval;
- F. Any claim asserting vicarious liability against the Transmission Provider for the actions or inactions of the Selected Developer or any employee or independent contractor of the Selected Developer;

- G. Any claim alleging that the Transmission Provider improperly selected, supervised or monitored the Selected Developer, its employees or independent contractors, but only to the extent such claim is based on a negligent act or omission by the Selected Developer, its employees or independent contractors for which the Transmission Provider is alleged to be liable; and

- H. Any claims by the Selected Developer for monetary damages under this Agreement or relating to the Project except for claims that have been presented to and approved by FERC in accordance with the Tariff and this Agreement.

13.2.1.1 Claims or Losses to Selected Developer to which Indemnity Applies

The Transmission Provider shall indemnify, defend, and hold the Selected Developer, including its employees and agents, harmless from any losses or claims arising from the Transmission Provider's performance or failure to perform any of its obligations imposed by this Selected Developer Agreement due to gross negligence or intentional misconduct to the same extent as provided in Section 10.3(b) of the Tariff.

13.2.2 Extent of Indemnification

If a party (the "Indemnifying Party") is obligated to indemnify and hold the other Party ("Indemnified Party") harmless pursuant to Article 13.2.1 ("*Claims or Losses to the Transmission Provider to which Indemnity Applies*") or 13.2.1.1 ("*Claims or Losses to Selected Developer to which Indemnity Applies*"), the amount owing to the Indemnified Party shall be the amount of Indemnified Party's actual loss, reasonable legal costs and fees and the cost of complying with any equitable or non-monetary orders, directives, or judgments, net of any insurance or other recovery ("*Actual Loss*"). In the event that FERC or any other court or tribunal with jurisdiction over the dispute finally determines that the indemnities provided in Article 13.2.1 are unenforceable, the Indemnified Party shall be entitled to seek recovery of its Actual Loss through its Tariff.

13.2.3 Indemnification Procedure

Promptly after receipt by the Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect the Indemnifying Party's indemnification obligation unless and except to the extent that such failure or delay is materially prejudicial to the Indemnifying Party.

13.2.4 Participation in Legal/Administrative Proceedings

13.2.4.1 Indemnifying Party Participation

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the Indemnified Party and Indemnifying Party are both named as defendants in any such action and if the Indemnified Party concludes that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall be required to pay the fees and expenses of such attorney(s) hired to represent the Indemnified Party.

13.2.4.2 Indemnified Party Participation

The Indemnified Party shall be entitled, at its own expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party: (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the reasonable opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party or any of its agents or employees, or there exists a conflict or adversity of interest between the Indemnifying Party and Indemnified Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party; and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

13.2.4.3 Failure to Defend

If the Indemnified Party is entitled to indemnification under this Agreement as a result of a claim by a non-Party, and the Indemnifying Party fails, after notice and reasonable opportunity, to assume the defense of such claim, the Indemnified Party may, at the expense of the Indemnifying Party, contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim without further notice to, or the consent of, the Indemnifying Party.

13.3 Insurance

The Selected Developer shall obtain and maintain in full force and effect insurance for the Project, including the development and construction of the Project, in accordance with Good Utility Practice and this Article 13.3 (“*Insurance*”). Such insurance policies shall name the

Transmission Provider as an additional insured in accordance with the provisions of Article 13.3.1.5

13.3.1 Selected Developer Insurance

Subject to the provisions of Article 13.3.1.9 (“*Project Specific Insurance*”), the Selected Developer shall, at its own expense, obtain and maintain in full force and effect throughout the period of this Agreement, the following default minimum insurance coverages for the Project, with insurers authorized to do business or an approved surplus lines carrier in each state where the Competitive Transmission Facilities associated with the Project are located:

13.3.1.1 Employers’ Liability and Workers’ Compensation Insurance

Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state(s) in which the Competitive Transmission Facilities included in the Project is/are located.

13.3.1.2 Commercial General Liability Insurance

Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and punitive damages to the extent normally available where allowed by law and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

13.3.1.3 Comprehensive Automobile Liability Insurance

Comprehensive Automobile Liability Insurance, for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers licensed for travel on public roads, with a minimum combined single limit of one million dollars (\$1,000,000) each occurrence for bodily injury, including death, and property damage.

13.3.1.4 Excess Public Liability Insurance

Excess Public Liability Insurance (also known as umbrella liability insurance) over and above the Employer’s Liability, Commercial General Liability, and Comprehensive Automobile Liability Insurance coverage, with a minimum combined

single limit of twenty million dollars (\$20,000,000) per occurrence/twenty million dollars (\$20,000,000) aggregate.

13.3.1.5 Additional Insured

The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance (also known as umbrella liability insurance) policies shall name the Transmission Provider and the Transmission Provider's respective directors, officers, agents, servants and employees ("Other Party Group") as Additional Insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) Calendar Days' advance written notice to the Other Party Group prior to anniversary date of cancellation.

13.3.1.6 Primary Provisions

The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered where allowed by law.

13.3.1.7 Tail Coverage and Extended Reporting Period Coverage

The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies, if written on a Claims Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by Transmission Provider and Selected Developer. The obligations under this Article 13.3.1.7 ("*Tail Coverage And Extended Reporting Period Coverage*") shall survive termination of this Agreement in accordance with Article 2.5 ("*Survival*") of this Agreement.

13.3.1.8 No Limitation or Excuse to Procure Necessary Insurance Coverage

The requirements contained herein as to the types and limits of all insurance to be maintained by Selected Developer are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by Selected Developer under



this Agreement. Nor shall the listing of some types and limits of insurance coverage be read to excuse Selected Developer from obtaining any other types and limits of insurance coverage required by Good Utility Practices, Applicable Laws and Regulations, or by any other legal obligations, whether arising by contract, statute, or regulations.

13.3.1.9 Project Specific Insurance

If the Transmission Provider determines that different types of insurance, different coverage amounts, or additional insurance terms are desirable for a specific Competitive Transmission Project (“Project Specific Insurance”), the Transmission Provider may require that such insurance be procured by stating such requirements in the RFP for the Project. If such Project Specific Insurance is specified in the RFP for the Project, such requirements shall be deemed incorporated into this Agreement and shall supersede the default terms provided in Articles 13.3.1.1 – 13.3.1.4 to the extent of any conflict.

- Project Specific Insurance is not required for this Project**
- Project Specific Insurance is required for this Project**

Additional Coverage Types, Amounts & Terms Applicable to Project

Not Applicable

13.3.1.10 Certification of Insurance

Within ten (10) Business Days following the Effective Date of this Agreement and, as soon as practicable after the end of each fiscal year thereafter or at the renewal of the insurance policy, and in any event within ninety (90) Calendar Days thereafter, Selected Developer shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer, to the Transmission Provider.

13.3.1.11 Self-Insurance

Notwithstanding the foregoing, the Selected Developer may self-insure to meet the minimum insurance requirements of Articles 13.3.1 (“*Selected Developer Insurance*”) through 13.3.1.9 (“*Project Specific Insurance No*”) of this Agreement, to the extent Selected Developer’s senior secured debt is rated at investment grade, or better, by Standard & Poor’s, Moody’s, or Fitch and that its self-insurance program meets minimum insurance requirements under Articles 13.3.1 (“*Selected Developer Insurance*”) through 13.3.1.9 (“*Project Specific Insurance*”) of this Agreement. If senior secured debt ratings are not available, the Transmission Provider may consider senior unsecured debt and issuer ratings.

For any period of time that a Selected Developer’s senior secured debt is unrated by Standard & Poor’s, Moody’s, or Fitch or is rated at less than investment grade by Standard & Poor’s, Moody’s, or Fitch, such Party shall comply with the insurance requirements applicable to it under Articles 13.3.1 (“*Selected Developer Insurance*”) through 13.3.1.10 (“*Certification of Insurance*”) of this Agreement.

In the event that a Selected Developer is permitted to self-insure pursuant to Article 13, it shall notify the Transmission Provider that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 13.3.1.10 (“*Certification of Insurance*”) of this Agreement.

13.3.1.12 Reporting of Accidents or Occurrence Resulting in Injuries

Selected Developer agrees to report to the Transmission Provider by Written Notice as soon as practical all accidents or occurrences resulting in injuries to any person, including death that are reportable under OSHA and to provide notice of any property damage in excess of \$50,000.00 arising out of this Agreement.

13.3.2 Contractor and Subcontractor Insurance Requirements

In accordance with Good Utility Practice, each Selected Developer shall require each of its contractors and subcontractors to maintain and, upon request, provide Selected Developer and Transmission Provider evidence of insurance coverage of types, and in amounts, commensurate with the risks associated with the services provided by the contractor or subcontractor. Bonding and hiring of contractors or subcontractors shall be at the Selected Developer’s sole discretion, but regardless of bonding or the existence or non-existence of insurance, the Selected Developer shall be responsible for the performance or non-performance of any contractor or subcontractors it hires.

13.4 Continuity of Obligations

Subject to Article 13.3.1, the obligations and liability limitations under this Article Article 13 (“*Limitation Of Liability, Indemnity, And Insurance*”) shall survive termination of the Agreement in accordance with Article 2.5 (“*Survival*”) of this Agreement.

ARTICLE 14. ASSIGNMENT

A Party may assign its rights, duties, and obligations under this Agreement to another entity in accordance with this Article Article 14 (“*Assignment*”). Prior to a successful assignment, the Selected Developer is responsible for all its rights, duties, and obligations under this Agreement, including but not limited to, all aspects and commitments contained in its Proposal.

14.1 Written Consent

No Party may assign this Agreement without prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed. Any such assignment or delegation made without such written consent shall be null and void.

14.2 Partial Assignments

Except for assignments described in Article 14.4 (“*Project Finance Entity Assignments*”) of this Agreement that may not result in the assignment of all rights, duties, and obligations under this Agreement to a Project Finance Entity, no partial assignments will be permitted. However, the Selected Developer may make a complete assignment of all rights, duties, and obligations under this Agreement if such assignment is properly disclosed in Selected Developer’s accepted Proposal.

14.3 Selected Developer Assignments

The Transmission Provider’s express written consent to a proposed assignment by the Selected Developer (the “Assignor”) to another entity (the “Assignee”) will not be unreasonably withheld, conditioned, or delayed and shall be contingent upon, prior to the effective date of the desired assignment, the following conditions, except as provided in Article 14.4 (“*Project Finance Entity Assignments*”) of this Agreement:

- A. Assignee is a MISO Transmission Owner or Non-owner Member in good standing;
- B. Assignee is a Qualified Transmission Developer, as certified by the Transmission Provider, pursuant to the Tariff;
- C. Assignee shall demonstrate to the Transmission Provider’s reasonable satisfaction that:

- i. Assignee possesses sufficient financial, project implementation, operations and maintenance, and legal capabilities in order to comply with the terms of this Agreement and to construct the Project consistent with the Assignor's Proposal, cost estimates and schedule for the Project that are equal to or better than those possessed by the Assignor; and
 - ii. Assignee possesses financial, project implementation, legal, and operations and maintenance capabilities that are equal to or better than those possessed by the Assignor. If a proposed Assignee cannot demonstrate to the satisfaction of the Transmission Provider that it independently possesses equal or greater financial, project implementation, operations and maintenance, and legal capabilities as compared to the Selected Developer, the Transmission Provider may approve the assignment subject to the imposition of reasonable conditions, such as guarantees or evidence of continuing support from the Assignor, in order to enable the Assignee to meet the requirements of this Article 14.3.C.ii ("*Selected Developer Assignments*") of this Agreement.
- D. Assignee shall be an Affiliate of the Selected Developer;
- E. Assignee shall assume this entire Agreement, including all Agreement Documents and any other agreements that Selected Developer has executed or is required to execute in connection with the Project and Proposal without material modification, including but not limited to any cost containment and cost-recovery provisions included in the Proposal, resulting in an assignment of all rights, duties, and obligations under this Agreement and related agreements. No partial assignments shall be allowed. Nor shall any novations be allowed, whether partial or full;
- F. Assignee agrees to pay the Transmission Provider any actual, documented costs reasonably incurred by the Transmission Provider in evaluating the proposed assignment;
- G. Assignee and Assignor execute the Transmission Provider's Consent to Assignment;
- H. The Transmission Provider provides its express written consent of the assignment through the execution of a Consent to Assignment, which will not be unreasonably withheld, conditioned, or delayed;

Except as provided in Article 14.4 ("*Project Finance Entity Assignments*") of this Agreement, for all assignments by any Party, the Assignee must assume in a writing, to be provided to the other Party, all rights, duties, and obligations of the Assignor arising under this Agreement. Any

assignment described herein shall not relieve or discharge the Assignor from any of its obligations hereunder absent the written consent of the other Party, such consent shall not be unreasonably withheld, delayed or conditioned. In no circumstance, shall an assignment of this Agreement or any of the rights, duties, and obligations under this Agreement diminish the rights of the Transmission Provider under this Agreement, the Tariff, or the ISO Agreement. Any Assignees that will construct, maintain, or operate the Project shall be subject to, and comply with the terms of this Agreement, the Tariff and the ISO Agreement.

14.4 Project Finance Entity Assignments

14.4.1 Assignment to Project Finance Entity

If an arrangement between the Selected Developer and a Project Finance Entity provides that the Project Finance Entity may assume any of the rights, duties and obligations of the Selected Developer under this Agreement or otherwise provides that the Project Finance Entity may cure a Breach of this Agreement by the Selected Developer, the Project Finance Entity may be assigned this Agreement or any of the rights, duties, or obligations hereunder only upon written consent of the Transmission Provider, which consent shall not be unreasonably withheld, conditioned, or delayed. In no circumstance, shall an assignment of this Agreement or any of the rights, duties, and obligations under this Agreement diminish the rights of the Transmission Provider under this Agreement, the Tariff, or the ISO Agreement.

14.4.2 Assignment by Project Finance Entity

A Project Finance Entity that has been assigned this Agreement or any of the rights, duties, or obligations under this Agreement or otherwise is permitted to cure a Breach of this Agreement, as described pursuant to Article 14.4.1 (“*Assignment to Project Finance Entity*”) above, may assign this Agreement or any of the rights, duties or obligations under this Agreement to another entity not a Party to this Agreement only under the following conditions:

- A. Upon the Breach of this Agreement by the Selected Developer; and
- B. With the written consent of the Transmission Provider, which consent shall not be unreasonably withheld, conditioned, or delayed.

Any such assignment by a Project Finance Entity shall be subject to the requirements of Article 14.3 of this Agreement, except that Article 14.3D shall not apply. In no circumstance, shall an assignment of this Agreement or any of the rights, duties, and obligations under this Agreement alter or diminish the rights of the Transmission Provider under this Agreement, the Tariff, or the ISO Agreement. Any Assignees that

will construct, maintain, or operate the Project shall be subject to, and comply with this Agreement, the Tariff, and ISO Agreement.

14.5 Effect of Failure to Meet Assignment Requirements

If and to the extent that a Selected Developer's proposed assignment fails to meet all of the requirements of this Article Article 14 ("*Assignment*") and/or fails to receive written consent from the Transmission Provider, which consent shall not be unreasonably withheld, conditioned, or delayed, the Selected Developer remains responsible for all its rights, duties, and obligations under this Agreement.

14.6 Effect of Assignment

Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof.

14.6.1 Effect of Improper Assignment

Any assignment in violation of Article Article 14 ("*Assignment*") is void and ineffective. At the Transmission Provider's election, an assignment in violation of Article 14 is grounds for conducting a Variance Analysis and potentially invoking the Transmission Provider's rights pursuant to Attachment FF of the Tariff.

ARTICLE 15. SEVERABILITY

If any provision in this Agreement is finally determined to be invalid, void, or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement, or covenant of this Agreement.

ARTICLE 16. PROJECT CONFIDENTIAL INFORMATION

16.1 Definition of Project Confidential Information

"Project Confidential Information" shall mean: (1) the categories of information set forth in Section VIII.D.9.a ("*Confidential Information*") of Attachment FF of the Tariff regardless of whether such information is submitted in a Proposal or conveyed after execution of this Agreement, and (2) any amendments, revisions, or updates to the categories of information listed in Section VIII.D.9.a of Attachment FF of the Tariff to the extent not publically available. Project Confidential Information shall not include: (1) the categories of information set forth in Section VIII.D.9.b ("*Non-confidential Information*") of Attachment FF of the Tariff regardless of whether such information is submitted in a Proposal or conveyed after execution of this

Agreement; (2) any amendments, revisions, or updates to the categories of non-confidential information listed in Section VIII.D.9.b of Attachment FF of the Tariff; (3) any information specifically required to be disclosed by: (a) another provision of the Tariff, (b) by FERC order, or (c) by order of any other court, tribunal or agency with authority to compel such disclosure. The manner in which the Selected Developer communicates information to the Transmission Provider—whether orally, in writing, or by inspection—shall not affect the designation of such information as Project Confidential Information except as provided in Article 18.2 of this Agreement, below.

16.1.1 Procedure for Designating Certain Information as Project Confidential Information

If confidential information is communicated to the transmission provider orally or through inspection, the Selected Developer shall promptly submit to the Transmission Provider a written confirmation outlining the portions of such documents or elements of information for which that the Selected Developer seeks treatment as Project Confidential Information.

If the Selected Developer invokes Section VIII.D.9(a)(iv), regarding designation of information as confidential, of Attachment FF of the Tariff as the basis for asserting that information should be treated as Project Confidential Information, the Transmission Provider shall provide in writing the basis for asserting that such information warrants confidential treatment, and the Transmission Provider may shall disclose such writing to the appropriate Governmental Authority.

16.2 Term of Project Confidential Information

During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article Article 16 (“*Project Confidential Information*”), the Transmission Provider shall hold in confidence and shall not disclose Project Confidential Information to any person. Project Confidential Information shall be treated in accordance with FERC policy and regulations. The Transmission Provider shall return to the Selected Developer or destroy all Project Confidential Information at the expiration of three calendar years from the date that this Agreement expires or is terminated.

16.3 Release of Project Confidential Information

Except as provided below, the Transmission Provider shall not release or disclose Project Confidential Information to any other person, except to its employees, consultants, and subcontractors, on a need-to-know basis in connection with this Agreement, and then only after such person has first been advised of the confidentiality provisions of this Article Article 16 (“*Project Confidential Information*”) and has agreed to comply with such provisions. The

Transmission Provider shall protect Project Confidential Information from unauthorized disclosure using the same standard of care as it uses to protect its own confidential information.

Subject to the exceptions set forth in Articles 16.5 (“*Required Disclosure*”) and 16.6 (“*Disclosure to FERC, its Staff, or a State*”) of this Agreement, Project Confidential Information shall not be disclosed by the Transmission Provider to any person not employed or retained by the Transmission Provider, except to the extent disclosure is: (i) required by law; (ii) reasonably deemed by the Transmission Provider to be required to be disclosed in connection with a dispute between the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by written consent of the Selected Developer, which consent not to be unreasonably withheld, conditioned, or delayed; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission service provider or a Balancing Authority, including disclosing the Project Confidential Information to a regional or national reliability organization. Prior to any disclosures of another Party’s Project Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this Article 16, the Transmission Provider shall promptly notify the other Party in writing and shall assert confidentiality and cooperate with the other Party in seeking to protect the Project Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

16.4 Rights

The Selected Developer retains all rights, title, and interest in the Project Confidential Information disclosed to the Transmission Provider.

16.5 Required Disclosure

If a court or another Government Authority or entity with the right, power, and apparent authority to do so requests or requires the Transmission Provider, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Project Confidential Information, the Transmission Provider shall provide the Selected Developer with prompt notice of such request or requirement so that the Selected Developer may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Transmission Provider may disclose such Project Confidential Information, which in the opinion of its counsel, the Transmission Provider is legally required to disclose. The Transmission Provider shall use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Project Confidential Information so furnished.

16.7 Disclosure to FERC, its Staff, or a State

Notwithstanding anything in this Article Article 16 (“*Project Confidential Information*”) to the contrary, and pursuant to 18 C.F.R. Section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from the Transmission Provider that is otherwise required to be maintained in confidence pursuant to this Agreement, the Transmission Provider shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Transmission Provider must, consistent with 18 C.F.R. Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Unless the Transmission Provider is specifically prohibited by FERC from notifying the Selected Developer prior to the release of Project Confidential Information to FERC or its staff. The Transmission Provider shall notify the Selected Developer when it is notified by FERC or its staff that a request to release Project Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

16.8 Remedies

The Parties agree that monetary damages would be speculative and inappropriate to compensate the Selected Developer for the Transmission Provider’s breach of its obligations under this Article Article 16 (“*Project Confidential Information*”). The Parties therefore agree that the Selected Developer shall be entitled to seek equitable relief, by way of injunction or otherwise, if the Transmission Provider breaches or threatens to breach its obligations under this Article Article 16 (“*Project Confidential Information*”), which equitable relief shall be granted without bond or proof of damages. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for monetary damages, including direct, indirect, incidental, consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article Article 16 (“*Project Confidential Information*”).

ARTICLE 17. PROJECT SAFETY

The Selected Developer shall take all reasonable precautions necessary to protect from personal injury, death, or occupational disease, all workers and all other persons who may be on or about that portion of the Project upon which the Work is being done. Selected Developer shall be responsible for ensuring that all Work done, materials used, and safeguards employed in connection with the Project shall be in compliance with the Safety and Health Standards

promulgated under the Occupational Safety and Health Act of 1970 as amended, 29 U.S.C. 651 et. seq. (“OSHA”) and all other applicable Federal, State, County, and Municipal laws, regulations, ordinances, and standards.

Selected Developer shall take all necessary precautions necessary to prevent harm and or damage to the property of any third party in its performance of the contract.

ARTICLE 18. INFORMATION ACCESS AND AUDIT RIGHTS

18.1 Information Access

Each Party (the “Disclosing Party”) shall make available to the other Party information that is in the possession of the Disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the Disclosing Party for which the other Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 18.1 (“*Information Access*”) and to enforce their rights under this Agreement. Nothing in this Article 18.1 (“*Information Access*”) shall obligate the Transmission Provider to make available to a Party any third party information in its possession or control if making such third party information available would violate a Tariff restriction on the use or disclosure of such third party information.

18.2 Reporting of Legal Violations and Non-Force Majeure Events

Each Party (the “Notifying Party”) shall notify the other Party when the Notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure Event. The Selected Developer further agrees to immediately inform the Transmission Provider if it receives any notice from a Governmental Authority regarding a violation of Applicable Laws and Regulations or safety standards or reports such a violation to a Governmental Authority. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation, or information provided under this Article 18.2 (“*Reporting of Legal Violations and Non-Force Majeure Events*”) shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

18.3 Audit Rights

Subject to the requirements of confidentiality under Article Article 16 (“*Project Confidential Information*”) of this Agreement, the Transmission Provider’s audit rights shall include

Transmission Provider's right to audit the Selected Developer's costs pertaining to performance or satisfaction of obligations under this Agreement.

18.3.1 Transmission Provider's Audit Rights

The Transmission Provider, or its duly authorized representative, shall have the right, but shall have no obligation, during normal business hours, and upon prior reasonable notice to the Selected Developer, to audit at its own expense the accounts and records pertaining to satisfaction of obligations under this Agreement. Such audit rights shall include, but are not limited to, the costs pertaining to performance or satisfaction of obligations under this Agreement.

Any audit authorized by this Article 18.3 ("*Audit Rights*") shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to performance and satisfaction of obligations under this Agreement. The Selected Developer shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 18.4 ("*Audit Rights Period for Construction-Related Accounts and Records*") of this Agreement.

18.3.2 Selected Developer's Audit Rights

Notwithstanding anything to the contrary in this Agreement, the Selected Developer's rights to audit the Transmission Provider's accounts and records shall be as set forth in the Tariff.

18.4 Audit Rights Period for Construction-Related Accounts and Records

Accounts and records related to the design, engineering, procurement, and construction of the Project constructed by the Selected Developer shall be subject to audit and verification by the Transmission Provider for a period of twenty-four (24) months following the issuance of a final cost summary.

ARTICLE 19. SUBCONTRACTORS

19.1 General

Subject to the Variance Analysis and reevaluation provisions of Section IX of Attachment FF of the Tariff governing changes in the qualifications of the Selected Developer, nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor it deems appropriate to perform its obligations under this Agreement. To the extent the Selected Developer has committed to using a specific subcontractor or subcontractors in its Proposal, any change to that subcontractor must be approved pursuant to Article 6.4 ("*Modification*"). Each

Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services, and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

19.2 Responsibility of Principal

The creation of any subcontract relationship shall not relieve a Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts or omissions of its subcontractors as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Selected Developer or its subcontractors with respect to obligations of the Selected Developer under Article 5 (“*Scope Of Service*”) of this Agreement. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

19.3 Subcontractor Insurance

The Selected Developer shall require each of its subcontractors to maintain appropriate insurance coverage types and amounts in accordance with Good Utility Practice.

ARTICLE 20. NOTICES

Unless otherwise provided in this Agreement, any notice, demand, or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered, or delivered by: (i) recognized national courier; (ii) depositing the same with the United States Postal Service with postage prepaid for delivery by certified or registered mail, addressed to the Party; or (iii) personal delivery to the Party, at the address set out in Article 20 (“*Notices*”) to this Agreement. Notwithstanding the foregoing, notices of any dispute must be made as provided in Attachment HH of the Tariff.

Either Party may change their respective notice information as information changes. A Party may change their respective notice information by providing a Written Notice to the other Party at least five (5) Business Day prior to the effective date of the change. Such changes shall not constitute an amendment to this Agreement.

20.1 Transmission Provider Addresses for Delivery of Notices

Midcontinent Independent System Operator, Inc.

Attn: Sr. Manager, Competitive Transmission Administration
2985 Ames Crossing Rd.
Eagan, MN 55121

Primary Point of Contact:

Brian Pedersen, Sr. Manager
Competitive Transmission Administration
Telephone: (651) 632-8541
Email: bpedersen@misoenergy.org

20.2 Selected Developer Addresses for Delivery of Notices

Republic Transmission, LLC

Attn: Project Director
400 Chesterfield Center, Suite 110
St. Louis, MO 63017

Primary Point of Contact:

Adam Gassaway
Telephone: (636) 532-2200
Email: agassaway@lspower.com

20.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to another and not required by this Agreement to be given using another method may be given by e-mail to the following:

Midcontinent Independent System Operator, Inc.

Matt Dorsett, Sr. Corporate Counsel
MISO
Telephone: (317) 249-5299
Email: mdorsett@misoenergy.org

Republic Transmission, LLC

Casey Brandt, Managing Counsel
Telephone: (636) 532-2200
Email: cbrandt@lspower.com

ARTICLE 21. DISPUTES

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the “Disputing Party”) shall provide the other Party (the “Non-Disputing Party”) with Written Notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the Non-Disputing Party. In the event the designated representatives of each Party are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the Non-Disputing Party’s receipt of the Notice of Dispute, such claim or dispute shall be submitted for resolution in accordance with the dispute resolution procedures specified in Attachment HH (“*Dispute Resolution Procedures*”) of the Tariff.

21.1 Disputes Regarding Indemnification

Disputes regarding indemnification shall be resolved pursuant to the procedures set forth in Attachment HH (“*Dispute Resolution Procedures*”) (“ADR Process”) of the Tariff. However, in the event that the Selected Developer invokes the ADR Process, the Selected Developer shall proceed as if required to indemnify the Transmission Provider until such time as it is finally determined that no such indemnification or defense was required. Upon such a finding, the

Selected Developer may seek to discontinue its involvement in any legal defense subject to applicable law and ethical rules. Upon a finding that indemnity was not required, the Transmission Provider shall be required to repay the Selected Developer for all funds reasonably expended and liability reasonably incurred, with interest calculated pursuant to 18 CFR § 35.19(a), as a result of the indemnification and defense.

ARTICLE 22. PROTECTION OF WORK AND PROPERTY

The Selected Developer at all times shall perform its Work in accordance with the Tariff and Good Utility Practice and shall assume the risk of loss or damage to real or personal property and to all Work.

ARTICLE 23. REGULATORY REQUIREMENTS AND GOVERNING LAWS

23.1 Regulatory Requirements

The Selected Developer shall seek and obtain all required authorizations or approvals from Governmental Authorities as soon as reasonably practicable, and by the dates set forth in Appendix A of this Agreement, as applicable.

Nothing in this Agreement shall require the Selected Developer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, or the Energy Policy Act of 2005.

23.2 Governing Law

Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

23.2.1 Choice of Law

This Agreement shall be governed by, and interpreted in accordance with the laws of the State of Indiana, the Federal Power Act, and the laws, regulations, and decisions of the FERC without regard to its conflicts of law principles, as applicable.

23.2.2 Venue

Any dispute regarding the terms of this Agreement, the Work and/or the obligations of any Party or other interested entity arising under this Agreement, or otherwise pertaining to the Project must be brought before the FERC in accordance with all applicable rules and regulations of the FERC and the provisions of the Tariff.

However, in the event that a Party properly brings a dispute before the FERC and the FERC finally determines that it does not have jurisdiction over such dispute, the Party that originally brought the dispute before the FERC may initiate any legal action authorized by this Agreement in a judicial forum specified in Article 23.2.3 of this Agreement.

23.2.3 Non-FERC Jurisdictional Dispute Venue

Any claim that FERC finally determines must be made before a state or federal court shall be brought only in the Circuit or Superior Court for the County of Hamilton, Indiana or in the United States District Court for the Southern District of Indiana, applying Indiana law.

Failure to abide by this provision shall be grounds for a dismissal of the suit without prejudice. The Party breaching the provisions of this Article shall bear the other Party's costs in obtaining dismissal or transfer.

ARTICLE 24. REPRESENTATIONS, WARRANTIES, AND COVENANTS

Each Party makes the following representations, warranties, and covenants:

24.1 Good Standing

Such Party is duly organized, validly existing, and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified or will become qualified to do business in the state or states in which the Project and transmission facilities to be developed and owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted, and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

24.2 Authority

Such Party has the right, power, and authority to enter into this Agreement, to become a Party hereto, and to perform its obligations hereunder. This Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, or other similar laws affecting creditors' rights generally and by general equitable principles, regardless of whether enforceability is sought in a proceeding in equity or at law.

24.3 No Conflict

The execution, delivery, and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

24.4 Consent and Approval

Such Party has sought or obtained, or, in accordance with this Agreement, will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery, and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

24.5 Technical Specifications Accurate

All data, including drawings and technical specifications, provided by the Selected Developer to the Transmission Provider for the Project are accurate and complete as and when provided.

24.6 Selected Developer Representations

In signing this Agreement, the Selected Developer represents and warrants that it is not relying on any statements, promises, representations, or information provided from the Transmission Provider other than what is specifically stated or identified in writing within: (i) the RFP; (ii) this Agreement, including any and all Agreement Documents; (iii) the relevant portions of the Tariff; and (iv) the relevant portions of the Transmission Provider's Business Practice Manuals.

24.7 Compliance with All Applicable Laws, Regulations and Safety Standards

The Selected Developer shall have the sole responsibility for identifying and complying with all Applicable Laws and Regulations and all safety standards applicable to the Project. The Transmission Provider may from time to time identify specific legal requirements or standards applicable to the Project and communicate the same to the Selected Developer. Such lists are not exhaustive and shall not be relied on by the Selected Developer as legal advice. No communication of such information to the Selected Developer shall relieve the Selected Developer of its obligation to identify and comply with all Applicable Laws and Regulations and safety standards.

ARTICLE 25. MISCELLANEOUS

25.1 Binding Effect

This Agreement and the rights and obligations hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

25.2 Entire Agreement

This Agreement, including all Agreement Documents attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof.

25.3 No Third Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest, and, where permitted, their assigns.

25.4 Waiver

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement shall not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement.

25.5 Headings

The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

25.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.

25.7 Amendment

By mutual agreement, the Parties may amend this Agreement by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations. Any such amendment must be consistent with the then-effective Tariff.

25.8 Modification of Appendices by the Parties

Except as described in Appendices B and C to this Agreement, the Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by all of the Parties; provided, however, that such modification is consistent with the then-effective Tariff.

25.9 Reservation of Rights

The Transmission Provider has the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to any rates, terms and conditions, charges, classifications of service, rule, or regulation. The Selected Developer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations. Each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered.

25.10 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among or between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

25.11 Joint and Several Obligations

Except as otherwise provided in this Agreement, the obligations of the Transmission Provider and the Selected Developer are several, and are neither joint nor joint and several.

25.12 Nature of the Transmission Provider's Rights

The rights and remedies reserved by the Transmission Provider in this Agreement shall be cumulative and in addition to any other rights or remedies to which the Transmission Provider may be entitled to, and the exercise of any such rights or remedies shall not exclude the exercise of any other rights or remedies to which the Transmission Provider may be entitled. Neither the exercise of the Transmission Provider's rights or remedies, nor the failure to exercise any such rights or remedies, shall create in any manner any obligation to any third person or entity.



25.13 Advertising and Use of Transmission Provider's Facilities

Neither Party nor its employees, agents, contractors, or sub-contractors shall use the other Party's photographs, logo, trademark, or other identifying characteristics without such other Party's prior written approval. The provisions of this Article 25.13 shall not be construed to prevent the Transmission Provider from identifying the Selected Developer or the Project in any report, presentation or filing.



Original Sheet No. 52

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals,
each of which shall constitute and be an original effective agreement between the Parties.

Republic Transmission, LLC

Name of authorized corporate officer or equivalent official (print):

Paul Thessen

Title of authorized corporate officer or equivalent official (print):

President

Company name (print):

Republic Transmission, LLC

Signature of authorized corporate officer or equivalent official:

Paul Thessen

Date: 2/6/17

Midcontinent Independent System Operator, Inc.

Name of authorized corporate officer or equivalent official (print):

Jennifer Curran

Title of authorized corporate officer or equivalent official (print):

Vice President, System Planning and Seams Coordination

Company name (print):

Midcontinent Independent System Operator, Inc.

Signature of authorized corporate officer or equivalent official:

Jennifer Curran

Date: 2/7/17



APPENDICES TO THE SELECTED DEVELOPER AGREEMENT

Appendix A – Project Details, Implementation Schedule, & Costs

Appendix B – Change Request Form

Appendix C – Change Order Form

Appendix D – Irrevocable Standby Letter of Credit Template

Appendix E – Cash Deposit Agreement

Appendix F – Interconnection Requirements and Standards

Appendix G - Project Construction Completion Notice

Appendix A – Project Details, Schedule, & Costs

The Selected Proposal (including all attachments) is incorporated by reference into this Agreement and, together with the other Agreement Documents and the Tariff, states the Selected Developer’s obligations with respect to the Project. This Appendix A contains certain non-confidential details, obligations, representations, and terms of the Selected Proposal but does not purport to recite all details of the Selected Proposal, which includes confidential and commercially sensitive information. The complete Selected Proposal is on file with MISO and may be made available to regulatory authorities and other authorized parties as necessary and only in accordance with the Tariff and this Agreement’s confidentiality and disclosure provisions.

A.1 – Project Details

1. Description:

On December 10, 2015, the MISO Board of Directors approved the 2015 MISO Transmission Expansion Plan, which included the Duff-Coleman expansion project (the “Project”). The Project consists of a new single-circuit 345 kV transmission line to be constructed, owned and operated between the Duff substation located in Dubois County, Indiana (the “Duff Substation”), and the Coleman Extra High Voltage (“EHV”) substation located in Hancock County, Kentucky (the “Coleman EHV Substation”). The Project is scheduled to be in service no later than January 1, 2021. The Project will be physically located in Dubois County, Indiana, Spencer County, Indiana and Hancock County, Kentucky with a crossing over the Ohio River (the “Ohio River Crossing”).

The Project will interconnect to Southern Indiana Gas & Electric Company d/b/a Vectren Energy Delivery of Indiana Inc. (“Vectren”) through the Duff Substation at the first transmission line structure located outside the Duff Substation fence. Vectren will design, engineer, install, own, operate and maintain the necessary equipment additions within the Duff Substation.

The Project will also interconnect to Big Rivers Electric Corporation (“Big Rivers”) through the Coleman EHV Substation at the first transmission line structure located outside the Coleman EHV Substation fence. Big Rivers will design, engineer, install, own, operate and maintain the necessary equipment additions within the Coleman EHV Substation.

The Selected Proposal meets the requirements of the Project as set forth in the 2015 MISO Transmission Expansion Plan and does not deviate in project components from the specifications set forth in the 2015 MISO Transmission Expansion Plan and as detailed in the Duff-Coleman EHV 345 kV Competitive Transmission Project Request for Proposals (as revised through October 3, 2016).

2. Transmission Facilities:

The Selected Developer will construct a new single circuit, 345 kV transmission line. The transmission line will connect the Duff Substation to the Coleman EHV Substation.

New right-of-way (“ROW”) will be required to construct, operate and maintain the new transmission line. The majority of ROW for the Project will have a width of 175 feet. The route length of the preferred route is approximately 33 miles, which will be subject to refinement after completing public engagement.

The Selected Developer will construct, own, operate and maintain all transmission line facilities including conductors, wires, structures, hardware and easements. The Selected Developer will not install, own or operate any station equipment at either the Duff Substation or the Coleman EHV Substation.

The Selected Developer will use 1,590 kcmil Lapwing 45/7 ACSS (Aluminum Conductor Steel Supported) conductors for the majority of the route and ACSS Lapwing HS-285 (high strength) conductor at the Ohio River Crossing. The conductor design emergency summer rating will be 3,896 amps at 347°F (175°C) maximum conductor temperature, calculated with absorptivity of 0.5 and emissivity of 0.5. The conductors will be installed on structures manufactured from galvanized steel consisting of H-frame tangent structures, H-frame running angle structures, three-pole running angle structures, and three-pole dead-end structures, subject to refinement after completing public engagement and design. At the Ohio River Crossing, the support structures will include galvanized steel H-frame tangent structures on each side of the river, subject to refinement after completing final design activities, supporting a span across the river that maintains a clearance of at least 123 feet. The conductor at the river crossing will be supported by double insulator strings.

Duff Substation Tie In:

The new single circuit, 345 kV transmission line will terminate at the 345 kV ring bus in Duff Substation. The interconnection point between the single circuit, 345 kV transmission line and the existing Duff Substation will be the first transmission line structure located outside of the Duff Substation fence. This structure (including foundations and grounding) will be provided by the Selected Developer. All insulators and hardware required to dead-end the transmission circuit conductors and OPGW (Optical Ground Wire) shield wires on the line-side of the first transmission line structure will be provided by the Selected Developer. The conductor and OPGW shield wire span located between the first transmission line structure and the substation structure inside Duff Substation will be provided by Vectren. At the first transmission line structure, all insulators and hardware required solely to dead-end the conductor and shield wire span located between the first transmission line structure and the substation structure inside Duff Substation will be provided by Vectren. The Selected Developer will provide all connectors and jumpers required to physically interconnect the transmission circuit

conductors and shield wires to the substation conductors and OPGW shield wires at the first transmission line structure.

The entry point of the new 345 kV transmission line terminating at Duff Substation will be from the east side of Duff Substation just south of the entry point of the existing Duff-Ramsey 345 kV transmission line owned by Duke Energy Indiana Inc. The first structure external to Duff Substation on the new 345 kV transmission line will be located east of the existing Duff Substation footprint approximately 200' to 300' to the south of the Duke Energy Indiana Inc. 345 kV transmission circuit. The conductors will dead-end within the substation on a structure to be located inside the substation, approximately 125' west of the east-side fence and centered approximately 115' north of the south-side fence. The phase-to-phase horizontal conductor spacing at the dead-end structure within the substation will be approximately 20' (subject to change pending the final substation design). The attachment height of the conductors will be approximately 50' (subject to change pending the final substation design). The dead-end structure will facilitate attachment points for two OPGW shield wires approximately 70' above the ground. The horizontal spacing of the attachment points for the OPGW shield wires will be approximately 60' (centered on the middle phase conductor attachment point) at a location 125' west of the east-side substation fence (subject to change pending the final substation design). Existing 138 kV and 69 kV transmission circuits run in a north-south orientation approximately 200' east of the east-side substation fence. The proposed 345 kV transmission line shall be designed to adequately clear the existing 138 kV and 69 kV lines upon entering the substation in accordance with National Electric Safety Code and other applicable clearance requirements.

Coleman EHV Substation Tie In:

The new single circuit, 345 kV transmission line will terminate at a new 345 kV ring bus in Coleman EHV Substation. The interconnection point between the new single circuit, 345 kV transmission line and the existing Coleman EHV Substation will be the first transmission line structure located outside of the Coleman EHV Substation fence. This structure (including foundations and grounding) will be provided by the Selected Developer. All insulators and hardware required to dead-end the transmission circuit conductors and shield wires on the line-side of the first transmission line structure will be provided by the Selected Developer. The conductor and shield wire span located between the first transmission line structure and the substation structure inside Coleman EHV Substation will be provided by Big Rivers. At the first transmission line structure, all insulators and hardware required solely to dead-end the conductor and shield wire span located between the first transmission line structure and the substation structure inside Coleman EHV Substation will be provided by Big Rivers. The Selected Developer will provide all connectors and jumpers required to physically interconnect the transmission circuit conductors and shield wires to the substation conductors and shield wires at the first transmission line structure.

The entry point of the Project's transmission line terminating in the Coleman EHV Substation will be from the northeast side of the Coleman EHV Substation; approximately 60' measured along the fence from the northern corner of the substation footprint and northwest of the 161 kV right of way into the substation. The first structure located outside the Coleman EHV Substation fence will be located northeast of the existing Coleman EHV Substation footprint. The conductors will dead-end within the substation in a horizontal configuration on a structure to be located inside the substation approximately 280' southwest of the northeast-side fence and centered approximately 60' southeast of the northwest-side fence. The phase-to-phase horizontal conductor spacing at the dead-end structure within the substation will be approximately 20' (subject to change pending the final substation design). The approximate attachment height of the conductors will be 66' (subject to change pending the final substation design). The dead-end structure will facilitate attachment points for two shield wires approximately 80' above the ground. The horizontal spacing of the attachment points for the shield wires will be approximately 60' (centered on the middle phase conductor attachment point) at a location 280' southwest of the northeast-side substation fence (subject to change pending the final substation design).

Notwithstanding anything to the contrary in this Section A.1.2, the interconnection requirements, interconnection points, points of entry, changes of ownership, and substation tie-in details, are subject to change pending final design and upon mutual agreement of the Selected Developer and the applicable Interconnecting Transmission Owner.

3. Network Upgrades:

Excluded from scope of Project.

4. System Protection Facilities:

Excluded from scope of Project.

5. Distribution Upgrades:

Excluded from scope of Project.

6. Affected System Upgrades:

Excluded from scope of Project.

7. Diagram of Project:

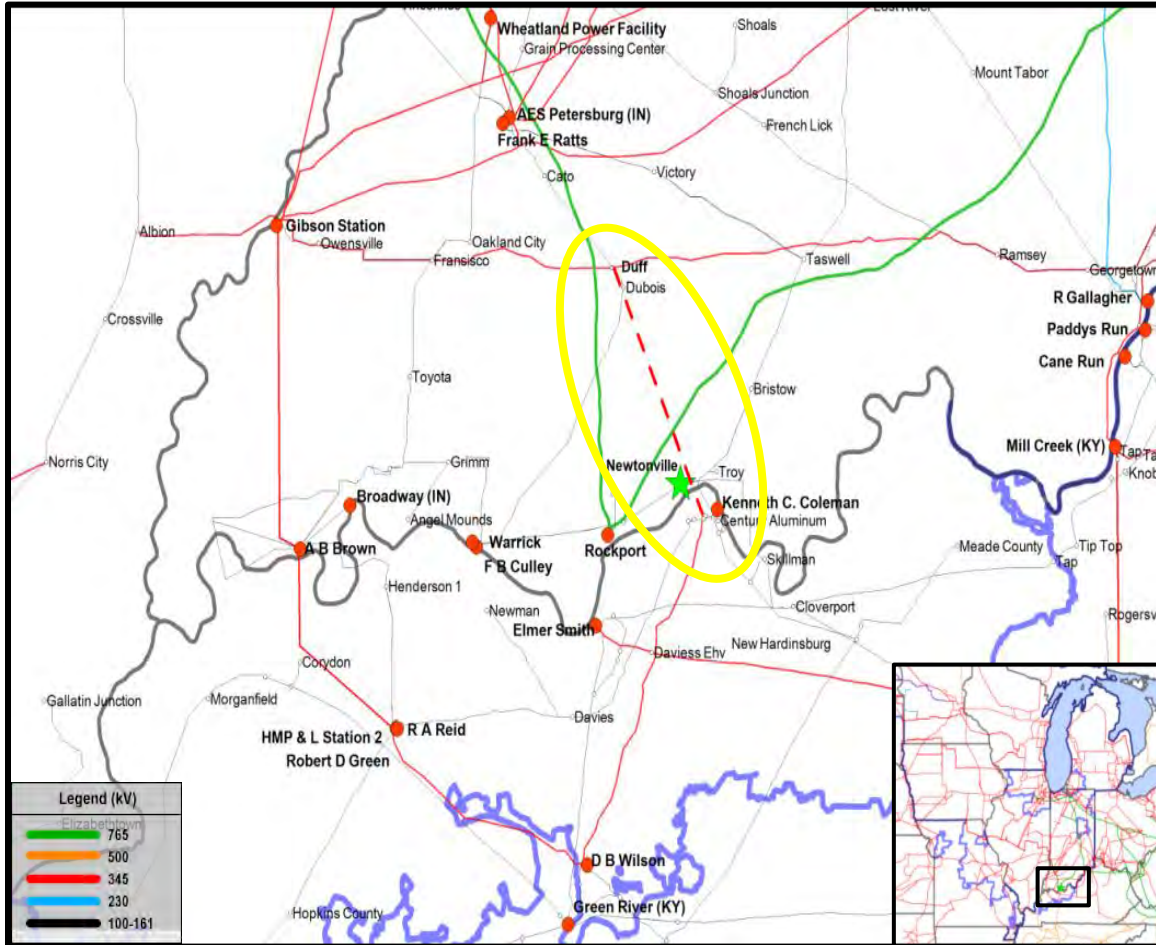


Figure A.1-1: Duff-Rockport-Coleman 345 kV Project Depiction

A.2 – Project Implementation Schedule

1. Project Implementation Schedule:

Activity	Target Start Date	Target Finish Date
Project Status Reporting (per Article 6.2 and BPM-020)	Quarterly (as of Effective Date of this Agreement)	May 2020
Route and Site Evaluation	July 2016	July 2017
Regulatory Permitting	July 2016	November 2018
Right of Way and Land Acquisition	July 2016	November 2018
Engineering and Surveying	July 2016	October 2018
Material Procurement	May 2018	October 2019
Construction	July 2018	May 2020
Energization	May 2020	No later than January 1, 2021

A.3 – Project Costs & Cost Cap / Cost Containment Commitments

1. Selected Developer’s estimated Project costs:

The cost estimate contained herein represents the Selected Developer’s estimate as of the date of the Selected Proposal based on information available to the Selected Developer at such time.

Project Costs	Nominal Dollars (\$)
Project Management	\$ [REDACTED]
Route & Site Evaluation	\$ [REDACTED]
Regulatory Permitting	\$ [REDACTED]
Right-of-Way & Land Acquisition	\$ [REDACTED]
Engineering & Surveying	\$ [REDACTED]
Structure Material Costs	\$ [REDACTED]
Conductor Material Costs	\$ [REDACTED]
Other Material Costs	\$ [REDACTED]
Structure Construction Labor Costs	\$ [REDACTED]
Conductor Construction Labor Costs	\$ [REDACTED]
Other Construction Labor Costs	\$ [REDACTED]
Commissioning & Energization	\$ [REDACTED]
Total Allowance for Contingencies	\$ [REDACTED]
Administrative & General Overhead	\$ [REDACTED]
Miscellaneous and Other Expenses	\$ [REDACTED]
Cumulative Project Specific AFUDC	\$ [REDACTED]
Total:	\$ 53,848,417

In accordance with Article 6.2 and BPM-020, the Selected Developer shall provide MISO with regular project status updates regarding cost estimates and the final cost of construction of the Project.



2. Selected Proposal estimated Annual Transmission Revenue Requirement

The estimated Annual Transmission Revenue Requirements (“ATRR”) contained herein represent the Selected Developer’s estimate as of the date of the Selected Proposal based on information available to the Selected Developer at such time.

Estimate	Project ATRR <i>(Nominal \$)</i>
CWIP - 2017	\$ -
CWIP - 2018	\$ -
CWIP - 2019	\$ -
CWIP – 2020	\$ -
2021	\$ 5,912,698
2022	\$ 5,962,896
2023	\$ 6,193,513
2024	\$ 6,051,582
2025	\$ 5,914,404
2026	\$ 5,781,568
2027	\$ 5,648,912
2028	\$ 5,514,455
2029	\$ 5,379,929
2030	\$ 5,245,640
2031	\$ 5,111,228
2032	\$ 5,000,004
2033	\$ 4,905,186
2034	\$ 4,810,675
2035	\$ 4,715,979
2036	\$ 4,657,925
2037	\$ 4,600,689
2038	\$ 4,507,188
2039	\$ 4,413,753
2040	\$ 4,320,386
2041	\$ 4,227,087
2042	\$ 4,133,859
2043	\$ 4,040,703
2044	\$ 3,947,620
2045	\$ 3,854,610
2046	\$ 3,761,677
2047	\$ 3,668,820
2048	\$ 3,576,042
2049	\$ 3,483,344
2050	\$ 3,390,727

2051	\$ 3,298,193
2052	\$ 3,205,743
2053	\$ 3,113,379
2054	\$ 3,021,103
2055	\$ 2,928,916
2056	\$ 2,836,820
2057	\$ 2,744,817
2058	\$ 2,652,908
2059	\$ 2,561,094
2060	\$ 2,469,379

3. Selected Developer’s cost cap / cost containment & rate commitments:

The Selected Developer commits to the cost cap / cost containment and rate-recovery commitments (e.g. specific forgone rate incentives) for the Project as follows:

a. Total Rate Base Cap

- i. Except in accordance with Section 9.2.1 of this Agreement, Selected Developer agrees that it will not seek, through its Annual Transmission Revenue Requirement or through any other means, recovery of or any return on any Project Costs in excess of an amount equal to the lesser of (i) the Total Rate Base Cap Amount or (ii) the aggregate amount of actual Project Costs associated with the Project (such lesser amount, the “Applicable Rate Base Amount”).
- ii. In the event the Project is impacted by an Uncontrollable Force (as defined below), and without limiting Selected Developer’s obligations under Article 11 of this Agreement upon the occurrence of a Force Majeure Event, Selected Developer shall use commercially reasonable efforts to mitigate such impact. Selected Developer shall notify MISO within a reasonable time after the occurrence of an Uncontrollable Force, which notice shall describe, in reasonable detail, the actions Selected Developer plans to take to mitigate the impact of same.
- iii. As used herein, the following terms have the following meanings:
 - 1. “Annual Transmission Revenue Requirement” means the rate determined by FERC following a filing by Selected Developer under Section 205 of the Federal Power Act and FERC’s rules and regulations thereunder and submitted to MISO for recovery pursuant to MISO’s Open Access Transmission Tariff.
 - 2. “Excluded Costs” means (i) any costs and expenses incurred as a result of an Uncontrollable Force (but, in each case, only if and to the extent such costs and expenses are in excess of the

costs and expenses that would have been incurred but for such an Uncontrollable Force) and (ii) any costs and expenses associated with the operation and maintenance of the Project.

3. “Project Costs” means any and all costs and expenses directly or indirectly incurred by Selected Developer to develop, construct, complete, start-up and commission the Project and place the Project in service in accordance with the Scope of Work, including without limitation any costs and expenses incurred by Selected Developer in connection with the following: (i) any taxes, (ii) any financing costs, including any approved Allowance for Funds Used During Construction, or similar allowance or financing cost or charge earned or accrued in connection with the Project during the period of development and construction of the Project, (iii) obtaining permits and other governmental approvals for the Project, (iv) acquiring land and land rights for the Project, (v) performing any environmental assessments or environmental mitigation activities in connection with the Project, (vi) designing and engineering the Project, (vii) procuring any equipment, supplies and other materials required to complete construction of the Project and place the Project in service, and (viii) otherwise performing or completing any and all development- and construction-related activities required in connection with the Project as part of the Scope of Work, including but not limited to all site clearing, equipment assembly and erection, testing and commissioning activities contemplated by the Scope of Work, whether performed directly by Selected Developer or by one or more third parties retained by Selected Developer (without regard to whether such third parties are affiliated or non-affiliated), but excluding in all cases Excluded Costs.
4. “Scope of Work” means the approved scope of work for the Project, as more particularly described in Appendix A and Appendix F to the Selected Developer Agreement.
5. “Total Rate Base Cap Amount” means \$58.1 million.
6. “Uncontrollable Force” means (i) any destruction of or damage to any portion of the Project, or any interruption, suspension or interference with Selected Developer’s (or any contractor’s or subcontractor’s) performance of activities required to complete the Project, which destruction, damage, interruption, suspension or interference is caused by landslides; lightning; earthquakes; hurricanes; tornadoes; typhoons; severe weather;

fires or explosions; floods; epidemic; acts of a public enemy; acts or threats of terrorism; wars; blockades; riots; rebellions; sabotage; vandalism; insurrections; environmental contamination or damage not caused by Selected Developer (or any contractor or subcontractor); strike or labor disruption or civil disturbances (or governmental actions arising from any of the foregoing), (ii) the issuance or enactment on or after the Effective Date of any statute, rule, regulation, order or other applicable law or any change in any statute, rule, regulation, order or other applicable law existing as of the Effective Date, or (iii) any Breach or Default by Transmission Provider of its obligations under this Agreement or any request by Transmission Provider to delay or suspend any activities associated with the Project.

b. Return On Equity (“ROE”) Cap

- i. Selected Developer agrees that it will not seek through its Annual Transmission Revenue Requirement or through any other means, a return on equity in excess of the lesser of (i) 9.80% (inclusive of all ROE adders/incentives) or (ii) the MISO region-wide base ROE (resulting from the proceeding in FERC Docket (EL15-45) plus the RTO ROE adder (“ROE Cap”). The ROE Cap shall apply to the initial investment of the Project for the life of the Project.

c. Equity Percentage Cap

- i. With respect to its actual or hypothetical capital structure, Selected Developer agrees to limit equity as a percentage of the overall capital structure to be no more than forty-five percent (45%) of the Applicable Base Rate Amount (the “Equity Percentage Cap”). The Equity Percentage Cap will apply to the Project as a whole, such that the aggregate amount of equity for the Project (including any portion of the Project that has been assigned, transferred or conveyed to any entity other than the Selected Developer) will not exceed forty-five percent (45%) of the Applicable Base Rate Amount.

d. Foregone Construction Work in Progress

- i. Selected Developer agrees not to seek construction work in progress (“CWIP”) as part of its Annual Transmission Revenue Requirement.

e. Schedule Guarantee

- i. Selected Developer confirms that it can meet an in-service date of January 1, 2021 (as permissibly adjusted, the “Guaranteed Completion

Date”). Selected Developer agrees to a reduction in the Project-specific ROE recovered in rates according to the following table (the “Schedule Guarantee”):

Months of Delay	Total Reduction in ROE
1	2.5 basis point
2	5 basis points
3	7.5 basis points
4	10 basis points
5	12.5 basis points
6	15 basis points
7	17.5 basis points
8	20 basis points
9	22.5 basis points
10	25 basis points
11	27.7 basis points
12 or more	30 basis points

The Schedule Guarantee is subject to a maximum reduction in the ROE of thirty (30) basis points. The Guaranteed Completion Date is subject to extension due to a Force Majeure Event (regardless of whether such event could have been reasonably foreseen by the Selected Developer), if the critical path progress of the Work is negatively impacted as a result of such Force Majeure Event. In the event the critical path progress of the Work is negatively impacted by a Force Majeure Event, Selected Developer shall use commercially reasonable efforts to mitigate such impact. Selected Developer shall notify MISO within a reasonable time after the occurrence of a Force Majeure Event, which notice shall describe, in reasonable detail, the nature of the event and the actions Selected Developer plans to take to mitigate the impact of the same. Once Selected Developer determines the length of any delay to the critical path progress of the Work, it shall notify MISO of the same, and MISO shall issue an appropriate Change Order extending the Guaranteed Completion Date as equitably required to mitigate the impact of such a Force Majeure Event on Selected Developer.

f. Priority

- i. In the event of any conflict between the terms and conditions contained in this Appendix A or elsewhere in the Selected Developer Agreement and the terms and conditions of the Selected Proposal, the terms and conditions contained in the Selected Developer Agreement, including this Appendix A, shall prevail. In the event of any conflict between the language of the Selected Proposal and the Tariff, the Tariff shall prevail.

g. Inflation

- i. The Total Rate Base Cap Amount is not subject to adjustment for inflation.
4. Selected Developer may use its discretion in allocating Project Costs to particular cost categories as needed during the term of this Agreement, and Selected Developer may adjust the amounts in each Project cost category as needed during the term of this Agreement, provided that the total Project Costs does not exceed the Total Rate Base Cap Amount.
5. After the Project has been placed into service, the Selected Developer shall provide to MISO the information required by Attachment FF Section I.C.11(a) to the Tariff in the timeframe described therein.



Appendix B – Change Request Form

Date: Click here to enter a date.

Request #: ____

Midcontinent Independent System Operator, Inc.
Attn: Sr. Manager, Competitive Transmission Administration
2985 Ames Crossing Rd.
Eagan, MN 55121

RE: [ENTER PROJECT NAME] Competitive Transmission Project

The following, including the attached supporting documentation, is a Change Request proposing to change the Project and/or the Proposal under the [ENTER PROJECT NAME] Selected Developer Agreement executed on [Publish Date] between [Enter Company Name] and the Transmission Provider (the “Agreement”). Capitalized terms used herein and not defined are defined in the Agreement.

Description of change requested and its effect on the Project Details: *(If none, so state.)*

Effect of this Change on the Project Implementation Schedule: *(If none, so state.)*

Effect of this Change on Project Cost and Cost Cap / Cost Containment: *(If none, so state.)*

Attachments: *(List any supporting documentation attached; if none, so state.)*

[Enter Company Name]

Name of authorized corporate officer or equivalent official (print):

Title of authorized corporate officer or equivalent official (print):

Signature of authorized corporate officer or equivalent official:

Date: Click here to enter a date.



Appendix C – Change Order

Change Order Date: Click here to enter a date.

Change Order #: ____

Reference is made to the [ENTER PROJECT NAME] Selected Developer Agreement executed on [Publish Date] between [Enter Company Name] and the Transmission Provider, as amended as of the date hereof (the “Agreement”). Capitalized terms used herein and not defined are defined in the Agreement.

Summary description of Change: _____

Detailed description of approved Change:

Description of approved Project cost and/or cost cap / cost containment Change:

Attachments: *(List any supporting documentation attached; if none, so state.)*

[Enter Company Name]

Signature of authorized corporate officer or equivalent official:

Name of authorized corporate officer or equivalent official (print):

Title of authorized corporate officer or equivalent official (print):

Date: Click here to enter a date.

Midcontinent Independent System Operator, Inc.

Signature of authorized corporate officer or equivalent official:

Name of authorized corporate officer or equivalent official (print):

Title of authorized corporate officer or equivalent official (print):

Date: Click here to enter a date.



Appendix D – Irrevocable Standby Letter of Credit Template

(See Attached)



[TO BE ON LETTERHEAD OF THE ISSUING BANK]

IRREVOCABLE STANDBY LETTER OF CREDIT

Irrevocable Standby Letter of Credit No. _____

Issued: [Date]

Expires at our counter (unless evergreen): [Date]

Midcontinent Independent System Operator, Inc.
720 City Center Drive
Carmel, IN 46032
Attn: Manager, Credit & Risk Management

Applicant/Account Party [INSERT NAME OF SELECTED DEVELOPER OR ITS PARENT GUARANTOR]:

Ladies and Gentlemen:

We, _____ [Fill in name of Bank] _____ (“Issuer”) do hereby issue this Irrevocable Non-Transferable Standby Letter of Credit No. _____ by order of, for the account of, and on behalf of _____ (“Account Party”) and in favor of the Midcontinent Independent System Operator, Inc. (“Beneficiary”). The term “Beneficiary” includes any successor by operation of law of the named beneficiary including without limitation any liquidator, receiver or conservator.

This Letter of Credit is issued, presentable and payable and we guaranty to the drawers, endorsers and bona fide holders of this Letter of Credit that drafts under and in compliance with the terms of this Letter of Credit will be honored on presentation and surrender of certain documents pursuant to the terms of this Letter of Credit.

This Letter of Credit is issued to secure all of the obligations of Account Party to Beneficiary arising from Account Party’s acceptance of its designation as the Selected Developer (“SD”) for a Competitive Transmission Project designated as Project No. _____ (the “Project”), for which Beneficiary and Account Party have executed a Selected Developer Agreement (“SDA”). The obligations secured by this Letter of Credit include each and every obligation of the Account Party imposed by the SDA, as supplemented or amended; each provision of Beneficiary’s Open Access Transmission, Energy and Operating Reserve Markets Tariff (“Tariff”) applicable to the Project, as amended; and pursuant to any further agreement, commitment, obligation or undertaking that Account Party has made or is



required to make by the SDA and/or Tariff (collectively the “Tariff and Agreement Documents”).

This Letter of Credit is available in one or more drafts and may be drawn hereunder for the account of _____ up to an aggregate amount not exceeding \$ _____ .00 (United States Dollars _____ and 00/100).

This Letter of Credit is drawn against by presentation to us at our office located at _____ of a drawing certificate: (i) signed by an officer or authorized agent of the Beneficiary; (ii) dated the date of presentation; and (iii) containing one (1) of the following statements:

1. “The undersigned hereby certifies to _____ (“Issuer”), with reference to its Irrevocable Non-Transferable Standby Letter of Credit No. _____, dated _____, issued on behalf of _____ (“Account Party”) and in favor of the Midcontinent Independent System Operator, Inc. (“Beneficiary”) that it has determined that said Account Party has failed to perform an obligation under, or make a payment in accordance with, the terms and provisions of the Tariff and/or Agreement Documents including all modifications, change orders, and any other documents forming a part of the Agreement Documents or required to be executed by the Tariff or Agreement Documents whether now or hereafter executed, and any replacements or substitutions thereof. The Beneficiary hereby draws upon the Letter of Credit in an amount equal to \$ _____ (United States Dollars _____ and 00/100)”; or
2. “As of the close of business on _____, 20__ (fill in date which is less than one hundred ten (110) Calendar Days before the expiration date of the Letter of Credit), Account Party has failed to renew, replace or amend the Letter of Credit in a manner acceptable to the Midcontinent Independent System Operator, Inc. (“Beneficiary”); or
3. “As of the close of business on _____, 20__ (fill in date which is more than ten (10) Business Days after the Beneficiary has requested that Account Party replace the Letter of Credit because the Issuer’s corporate debt is rated less than “A-” by S&P, “A3” by Moody’s, “A-” by Duff & Phelps, or “A-” by Fitch or an equivalent short-term debt rating), Account Party has failed to replace the Letter of Credit in a manner acceptable to the Midcontinent Independent System Operator, Inc. (“Beneficiary”).

Beneficiary shall have the right, in the event of a draw pursuant to subparagraph (2) or (3) of the immediately preceding paragraph, to draw down the entire face value of the Letter of Credit.

If presentation of any drawing certificate is made on a Business Day and such presentation is made on or before 10:00 a.m. _____ Time, Issuer shall satisfy such drawing request on the same Business Day. If the drawing certificate is received after 10:00 a.m. _____ Time, Issuer will satisfy such drawing request on the next Business Day.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless at least one hundred twenty (120) Calendar Days prior to any expiration date Issuer sends notice to Beneficiary and Account Party at the above address by registered mail that Issuer elects not to consider this Letter of Credit renewed for any such period.

This Letter of Credit may be terminated only upon Issuer's receipt of a written release from the Beneficiary releasing the Issuer from its obligations under this Letter of Credit, which Beneficiary shall provide: (a) upon full and complete performance by the Account Party of all of its obligations under the Tariff, and Agreement Documents, or (b) upon receipt by Beneficiary of a substitute or replacement letter credit for the Project in a form acceptable to Beneficiary.

Disbursements under the Letter of Credit shall be in accordance with the following terms and conditions:

1. All commissions and charges will be borne by the Account Party.
2. This Letter of Credit may not be transferred or assigned by the Issuer.
3. This Letter of Credit is irrevocable.
4. This Letter of Credit shall be governed by the International Standby Practices Publication No. 590 of the International Chamber of Commerce, including any amendments, modifications or revisions thereof (the "ISP"), except to the extent that terms hereof are inconsistent with the provisions of the ISP, in which case the terms of the Letter of Credit shall govern. This Letter of Credit shall be governed by the internal laws of the State of Indiana to the extent that the terms of the ISP are not applicable. In the event of any conflict between the ISP and such Indiana laws, the ISP shall control.
5. This Letter of Credit may not be amended, changed or modified without the express written consent of the Beneficiary and the Issuer.
6. The Beneficiary shall not be deemed to have waived any rights under this Letter of Credit, unless the Beneficiary or an authorized agent of the Beneficiary shall have signed a written waiver.

No such waiver, unless expressly so stated therein, shall be effective as to any transaction that occurs subsequent to the date of the waiver, nor as to any continuance of a breach after the waiver.

7. Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification.



8. A failure to make any partial drawings at any time shall not impair or reduce the availability of this Letter of Credit in any subsequent period or our obligation to honor your subsequent demands for payment made in accordance with the terms of this Letter of Credit.

[Authorized Signature]

[Date]

Name: _____

Title: _____

Appendix E – Cash Deposit Agreement

CASH DEPOSIT AGREEMENT

_____ (“x”) has agreed to deliver a cash deposit in the amount of _____ to the Midcontinent Independent System Operator, Inc. (“Transmission Provider”) to secure Selected Developer’s performance of its obligations arising from Selected Developer’s acceptance of its designation as the Selected Developer for a Competitive Transmission Project designated as Project No. _____ (the “Project”), for which the Transmission Provider and Selected Developer have executed a Selected Developer Agreement (“SDA”). The obligations secured by this Cash Deposit Agreement include each and every obligation of the Selected Developer imposed by the SDA, as supplemented or amended; each provision of Transmission Provider’s Open Access Transmission, Energy and Operating Reserve Markets Tariff (“Tariff”) applicable to the Project, as amended; and pursuant to any further agreement, commitment, obligation or undertaking that the Selected Developer has made or is required to make by the SDA and/or Tariff (collectively the “Tariff and Agreement Documents”), together with the Transmission Provider’s actual and reasonable costs, including reasonable attorneys’ fees and expert witness fees incurred in conducting reevaluation and/or reassigning the Project pursuant to Section XI of Attachment FF of the Tariff.

Selected Developer agrees to deliver _____, which amount represents three percent (3.0%) of the total estimated cost of the Project, to Transmission Provider (the “Project Deposit”) by wire transfer to a segregated account designated by Transmission Provider in a written notice to Selected Developer. Such account (the “Account”) shall be with a Qualified Institution (the “Custodian”) and registered in the name of Transmission Provider for the benefit of Selected Developer. Transmission Provider shall have complete and total control over the Account and the Project Deposit, provided that the Selected Developer has certain contract rights to the Project Deposit as provided under the Tariff and/or this Agreement. Qualified Institution means a commercial bank or trust company organized under the law of the United States or a political subdivision thereof, with a Credit Rating of at least “A-” by S&P or “A3” in the case of Moody’s. The Project Deposit, together with any additional amounts deposited by or at the direction of Selected Developer in the Account and any and all interest, shall be referred to herein as the “Total Project Deposit.” Transmission Provider agrees that Selected Developer shall earn interest on the Total Project Deposit at the Transmission Provider’s overnight bank rate from and including the date of deposit to, but excluding, the date such Total Project Deposit is returned (or applied as described below).

To secure its obligations under this Cash Deposit Agreement, and the Tariff and Agreement Documents, the Selected Developer hereby grants to Transmission Provider a present and continuing first-priority security interest in, and lien on and right of offset against, all of the undersigned's right, title, and interest in the Account and the Total Project Deposit (including all interest thereon), including all products and proceeds of the foregoing, any and all renewals, extensions, replacements, modifications, additions, and substitutions of the foregoing, and all rights, remedies, claims and demands under or in connection with the foregoing. Selected Developer agrees to take such action as Transmission Provider reasonably requires in order to perfect Transmission Provider's first-priority continuing security interest in, and lien on and right of offset against the Account and Total Project Deposit, including, without limitation entering into a control agreement, in form and substance acceptable to Transmission Provider to give Transmission Provider control of the Account and Total Project Deposit.

The Transmission provider shall have the right to draw upon the Account for any portion or all of the Total Project Deposit upon making a determination, pursuant to the Tariff and Agreement Documents, that Selected Developer has failed to perform an obligation under, or make a payment in accordance with, the terms and provisions of the Tariff and/or Agreement Documents including all modifications, change orders, and any other documents forming a part of the Agreement Documents or required to be executed by the Tariff or Agreement Documents whether now or hereafter executed, and any replacements or substitutions thereof ("Default Determination").

Transmission Provider agrees that it shall not have the right to sell, pledge, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business the Total Project Deposit unless and until a Default Determination has been made, provided that Transmission Provider shall have all the rights of a secured party as contemplated by the UCC. Transmission Provider further agrees that it shall be entitled to draw on all or any portion of the Total Project Deposit upon making a Default Determination and may apply such funds for any purpose authorized by the Tariff and Agreement Documents.

If additional cash deposit is required by the Tariff or Agreement Documents, and Selected Developer adds such additional cash deposit, then such cash deposit shall be added to the existing Total Project Deposit under this Cash Deposit Agreement and the security interest granted under this Agreement shall attach to such additional cash deposit.

Selected Developer hereby constitutes and appoints Transmission Provider, through any of its officers, as its true and lawful attorney-in-fact, with full power of substitution and authority in the place and stead of Selected Developer and in the name of Selected Developer or in its own name, from time to time, for the purpose of carrying out the terms of this Agreement from and after the occurrence of a Default Determination, to take any and all appropriate action and to

execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement. Such power of attorney is coupled with an interest and shall be irrevocable until such time as all of the Selected Developer's obligations under the Tariff and Agreement Documents are fully and finally performed, all of the Agreements (other than the Tariff and this Cash Deposit Agreement) have terminated and the facilities that are the subject of the SDA have been placed under the functional control of the Transmission Provider. Selected Developer hereby ratifies and approves all acts of such attorneys.

Neither Transmission Provider nor any attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law, absent gross negligence, bad faith or willful misconduct and subject to the limitations on liability set forth in the Tariff.

Until such time as Transmission Provider exercises its remedies hereunder, all income, earnings and profits with respect to the Account (and Total Project Deposit) shall be reported for state and federal income tax purposes as attributable to Selected Developer and not Transmission Provider; and Selected Developer hereby instructs Transmission Provider (and any other person authorized to report taxable income distributions) to issue, or cause to be issued, IRS Form 1099 indicating Selected Developer as the recipient of such income, earnings and profits.

Subject to the approval of Transmission Provider, the Selected Developer may substitute any portion of the Total Project Deposit deposited hereunder with a letter of credit issued by a Qualified Institution in form and substance acceptable to Transmission Provider or other form of financial security acceptable to Transmission Provider, in Transmission Provider's sole discretion.

Selected Developer hereby expressly acknowledges and agrees that this Cash Deposit Agreement shall be in effect as of the date the cash deposit is delivered to Transmission Provider and shall govern the period of time during which funds are held by Transmission Provider in the Account.

This Agreement shall terminate and any remaining portion of the Total Project Deposit shall be returned to the Selected Developer within sixty (60) days following the date of termination of the SDA to secure the performance of any surviving obligations in accordance with the SDA.



Please acknowledge your agreement to the terms hereof by signing the acknowledgement set forth below.

Very truly yours,

By: _____

Name:

Title:

ACKNOWLEDGED AND AGREED:

MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.

By: _____

Name

Title:

Appendix F – Interconnection Requirements and Standards

Interconnection Requirements and Standards

This Appendix to the Agreement contains the list of current transmission facility interconnection standards and requirements, established by the Transmission Owner(s) or ITC(s) to which the Competitive Transmission Facilities associated with the Competitive Transmission Project will interconnect to as provided by the interconnecting Transmission Owners.

1. Big Rivers Electric Corporation

See RFP, Attachment A – Facility Interconnection Requirements, CMP-FAC-01

<https://www.misoenergy.org/Planning/Pages/TransDevQualSel.aspx>

2. Vectren Energy Delivery of Indiana, Inc.

See RFP, Attachment B – Requirements for Transmission and End-User Facilities Interconnection to the Vectren Electric Transmission System

<https://www.misoenergy.org/Planning/Pages/TransDevQualSel.aspx>



Appendix G – Project Construction Completion Notice

[Date]

Midcontinent Independent System Operator, Inc.

Attn: Sr. Manager, Competitive Transmission Administration
2985 Ames Crossing Rd.
Eagan, MN 55121

Re: [ENTER PROJECT NAME] Construction Completion

Dear _____:

This letter confirms that on [Date] [Enter Company Name] has completed construction of the [ENTER PROJECT NAME] Competitive Transmission Project.

Thank you.

Signature of authorized corporate officer or equivalent official:

Name of authorized corporate officer or equivalent official (print):

Title of authorized corporate officer or equivalent official (print):

Date: [Click here to enter a date.](#)

cc: Transmission Owner

Republic Transmission, LLC
400 Chesterfield Center, Suite 110
St. Louis, MO 63017
(636) 532-2200

February 28, 2017

Big Rivers Electric Corporation
P.O. Box 24
Henderson, KY 42419

Re: *Notice of request for authority to operate as a public utility*

To whom it may concern:

Please allow this letter to service as notice under Ind. Code § 8-1-38-7(a)(4) of Republic Transmission, LLC's ("Republic Transmission") request to the Indiana Utility Regulatory Commission (the "Commission") for authority to operate as a new electric transmission owner public utility in Indiana. Specifically, Republic Transmission intends to construct, own, operate and maintain an electric transmission facility located, in part, in Indiana, which such transmission facility may connect to your existing electric transmission facility.

Republic Transmission intends to promptly file its request with the Commission to operate as a public utility in Indiana. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

By 

Adam Gassaway
Project Manager
Republic Transmission, LLC

Republic Transmission, LLC
400 Chesterfield Center, Suite 110
St. Louis, MO 63017
(636) 532-2200

February 28, 2017

Vectren Corporation
20 NW Fourth Street
Evansville, IN 47708

Re: *Notice of request for authority to operate as a public utility*

To whom it may concern:

Please allow this letter to service as notice under Ind. Code § 8-1-38-7(a)(4) of Republic Transmission, LLC's ("Republic Transmission") request to the Indiana Utility Regulatory Commission (the "Commission") for authority to operate as a new electric transmission owner public utility in Indiana. Specifically, Republic Transmission intends to construct, own, operate and maintain an electric transmission facility located, in part, in Indiana, which such transmission facility may connect to your existing electric transmission facility.

Republic Transmission intends to promptly file its request with the Commission to operate as a public utility in Indiana. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

By 

Adam Gassaway
Project Manager
Republic Transmission, LLC

Republic Transmission, LLC
400 Chesterfield Center, Suite 110
St. Louis, MO 63017
(636) 532-2200

March 6, 2017

Indiana Michigan Power Company
1 Riverside Plaza
Columbus, OH 43215-4400

Re: *Notice of request for authority to operate as a public utility*

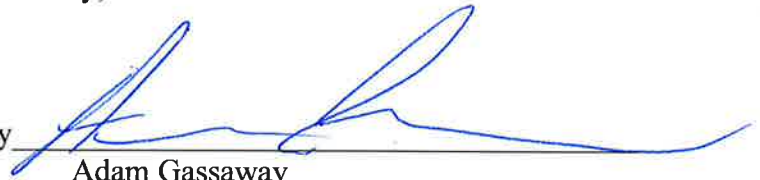
To whom it may concern:

Please allow this letter to service as notice under Ind. Code § 8-1-38-7(a)(4) of Republic Transmission, LLC's ("Republic Transmission") request to the Indiana Utility Regulatory Commission (the "Commission") for authority to operate as a new electric transmission owner public utility in Indiana. Specifically, Republic Transmission intends to construct, own, operate and maintain an electric transmission facility located, in part, in Indiana, which such transmission facility may connect to your existing electric transmission facility.

Republic Transmission intends to promptly file its request with the Commission to operate as a public utility in Indiana. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

By



Adam Gassaway
Project Manager
Republic Transmission, LLC

Republic Transmission, LLC
400 Chesterfield Center, Suite 110
St. Louis, MO 63017
(636) 532-2200

March 6, 2017

AEP Indiana Michigan Power Company Transmission Company, Inc.
1 Riverside Plaza
Columbus, OH 43215

Re: *Notice of request for authority to operate as a public utility*

To whom it may concern:

Please allow this letter to service as notice under Ind. Code § 8-1-38-7(a)(4) of Republic Transmission, LLC's ("Republic Transmission") request to the Indiana Utility Regulatory Commission (the "Commission") for authority to operate as a new electric transmission owner public utility in Indiana. Specifically, Republic Transmission intends to construct, own, operate and maintain an electric transmission facility located, in part, in Indiana, which such transmission facility may connect to your existing electric transmission facility.

Republic Transmission intends to promptly file its request with the Commission to operate as a public utility in Indiana. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

By 

Adam Gassaway
Project Manager
Republic Transmission, LLC