



Open Solicitation Information Memorandum

TransWest Express Transmission Project



June 7, 2021



Disclaimer

This Information Memorandum is intended solely to provide participants with relevant information about the TransWest Express Transmission Project (TWE Project or Project) and the TWE Project Open Solicitation process. This Information Memorandum does not address all possible factors that potential transmission service customers may deem important. Potential transmission service customers must undertake their own analysis, including making further inquiries as appropriate.

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Glossary and Acronyms

BLM – Bureau of Land Management

CAISO – California Independent System Operator

EPC – Engineering, Procurement and Construction agreements

FERC – Federal Energy Regulatory Commission

HVAC or AC – High Voltage Alternating Current

HVDC or DC – High Voltage Direct Current

ISM – Independent Solicitation Manager

LADWP – Los Angeles Department of Water and Power

NERC – North American Electric Reliability Corporation

OASIS – Open Access Same-Time Information System

OATT - Open Access Transmission Tariff

OEM – Original Equipment Manufacturer

Open Solicitation – The open solicitation process that FERC approved for the TWE Project in FERC’s Order Granting Application for Authorization to Charge Negotiated Rates, Subject to Condition, and Granting Waivers. 174 FERC ¶ 61,160, Docket No. ER21-645-000.

PA – PA Consulting

PCW – Power Company of Wyoming LLC

POD – Points of Delivery

SCE – Southern California Edison

TAC – The Anschutz Corporation

TSA - Transmission Service Agreement

WAPA – Western Area Power Administration

WECC – Western Electricity Coordinating Council

I. Executive Summary

TransWest Express LLC (TransWest) intends to solicit interest in and allocate transmission capacity on the TransWest Express Transmission Project (TWE Project or Project) through an Open Solicitation process (Open Solicitation) approved by FERC on February 26, 2021 (FERC Order on TransWest’s Application).¹

This memorandum provides information about the TWE Project and describes the Open Solicitation process and procedures.

A. TransWest Express Transmission Project

The TWE Project is a new high-voltage interregional transmission system primarily designed to deliver renewable wind energy from Wyoming to the Desert Southwest region (California, Nevada, and Arizona). The Project’s benefits include enhancing the stability of the existing transmission system, providing greater access to location-constrained generation resources, and assisting western states in meeting their renewable portfolio standards.

The Project’s developer, TransWest Express LLC, is a wholly owned subsidiary of The Anschutz Corporation, located in Denver, Colorado. General information about TransWest and the TWE Project is provided in Section II below and on TransWest’s website at <http://www.transwestexpress.net/index.shtml>.

B. Available Transmission Service Products

TransWest is offering two primary long-term firm transmission service products through this Open Solicitation: up to 1,500 MW Wyoming to Utah point-to-point service; and up to 1,500 MW Wyoming to Nevada point-to-point service, with several delivery points available (Transmission Service Products or Products). Each of these Products will provide transmission service from Wyoming to market off-take points in Utah and Nevada. The Project can be built in stages generally defined by each of the two primary Products with the first stage expected to be in service in 2025.

C. FERC-approved Capacity Allocation Process

On February 26, 2021, FERC approved TransWest’s application to allocate up to 100 percent of the TWE Project’s capacity pursuant to an Open Solicitation managed by an Independent Solicitation Manager (ISM).

PA Consulting (PA) will serve as the ISM and will manage the TWE Project Open Solicitation, including sharing relevant information with potential customers and identifying and ranking “eligible” customers based on a set of objective criteria approved by FERC.

After PA identifies and ranks the eligible entities, TransWest will conduct phased bilateral negotiations with the highest-ranked eligible entities. This initial capacity allocation may result in either the full or near-full subscription of both of the primary Products.

More detailed information about the Open Solicitation, including the eligibility and ranking criteria that will be applied to both affiliates and non-affiliates, is described in Section III.

¹ Order Granting Application for Authorization to Charge Negotiated Rates, Subject to Condition, and Granting Waivers. 174 FERC ¶ 61,160, Docket No. ER21-645-000.

II. TransWest Express Transmission Project

A. Project Overview

The TWE Project is an overhead high-voltage transmission system that will extend 732 miles from Wyoming to Nevada and will interconnect to existing bulk power systems in Wyoming, Utah, and Nevada. The Project includes a 3,000 MW high-voltage direct current (HVDC) system that will extend from Carbon County, Wyoming to the existing Intermountain Power Project (IPP) 345kV switchyard near Delta, Utah, and a 1,500 MW high-voltage alternating current (HVAC) system that will extend from the HVDC terminal in Utah to several delivery points in southern Nevada.

TransWest will provide Wyoming to Utah service using half of the capacity on the 3,000 MW HVDC system. It will provide Wyoming to Nevada service using the other half of the capacity on the 3,000 MW HVDC system, and the capacity on the 1,500 MW HVAC system. The Wyoming terminal is the point of receipt for both Products being offered.

Figure 1 is a map of the TWE Project transmission system.

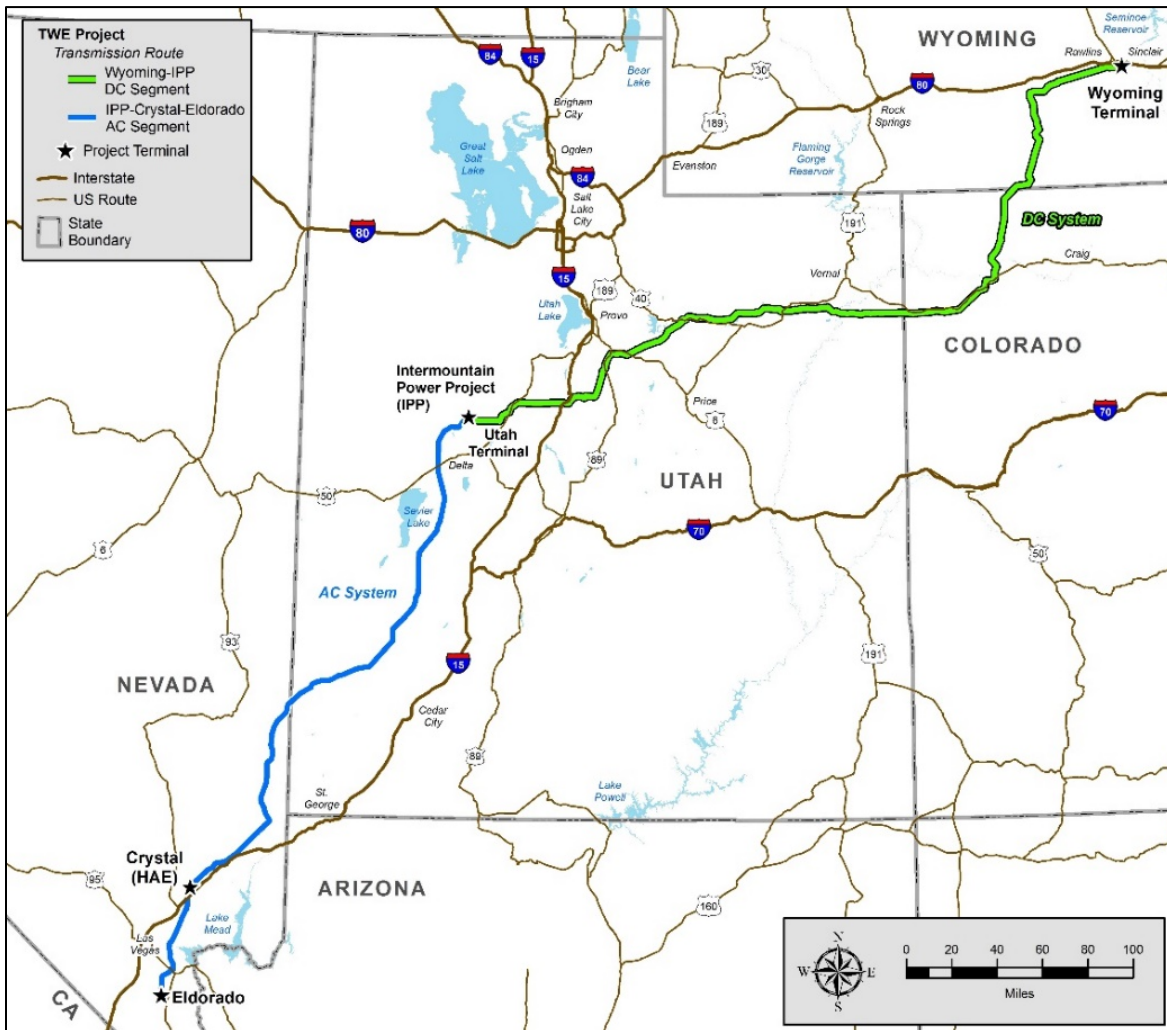


Figure 1. TWE Project Transmission System Map

Prior to this Open Solicitation, TransWest engaged in an extensive outreach process highlighting the benefits of the TWE Project to potential customers and the general public. TransWest's outreach efforts to date have included:

- During the TWE Project's 13-year permitting process, TransWest engaged in public outreach efforts at the federal, state, and local levels, taking advantage of the outreach opportunities presented by many public meetings with government agencies and other stakeholders in all four states traversed by the TWE Project.
- During the permitting process, the federal permitting agencies published numerous public notices in the Federal Register that described the TWE Project, including notices related to the Draft Environmental Impact Statement, Final Environmental Impact Statement, and Records of Decision issued by the Bureau of Land Management, U.S. Forest Service, and WAPA.
- Since the TWE Project's inception, TransWest has actively participated in regional and state energy planning processes to advocate for and highlight the benefits of the TWE Project. These processes included the Regional Transmission Expansion Planning process conducted by WECC; the Regional Planning Processes and Inter-Regional Transmission Planning Coordination processes of each of the three Regional Transmission Planning Groups whose systems the TWE Project will span; resource and transmission planning proceedings conducted by the California Public Utilities Commission; and other formal and ad hoc regional transmission planning processes.
- TransWest has commissioned two comprehensive economic studies highlighting the benefits of the TWE Project. These studies are described in the "California–Wyoming Grid Integration Study" completed by the National Renewable Energy Laboratory in 2014, as well as the "Regional Transmission Expansion Assessment" completed by PA Consulting in 2016.
- TransWest has had a project website since 2009 that provides detailed information about the TWE Project, including but not limited to: project purpose, benefits, timeline, maps and visuals, history, public responsibility, news and updates on the TWE Project beginning in July 2008, regional planning and reports, and contact information.

B. Technical Description

1. HVDC Facilities (Applicable to both Products)

The TWE Project's 405-mile HVDC segment will include terminals near Sinclair, Wyoming (Wyoming Terminal) and Delta, Utah (Utah Terminal). The HVDC segment is a 3,000 MW, ± 500 kV, two-terminal, bi-directional, bipole configured, line commutated converter (LCC) HVDC transmission system extending from Carbon County, Wyoming to the existing Intermountain Power Project (IPP) 345kV switchyard near Delta, Utah. The HVDC facilities will be capable of transmitting, in either direction, the full Project capacity in bipole configuration. Full capacity for the HVDC system is 3,000 MW measured at the Utah Terminal's point of interconnection. Of this,

1,500 MW will be allocated to the Wyoming to Utah Product, and 1,500 MW will be allocated to Wyoming to Nevada Product.

The HVDC conductor is a triple-bundled 1,949.6 kcmil Athabaska/TW conductor installed on overhead lattice steel structures.

The Wyoming Terminal includes a 3,225 MW, HVDC Converter Station, a 230 kV substation, two 500/230 kV autotransformers, reactive power equipment including synchronous condensers, and interconnection facilities. The Wyoming Terminal will connect to the following transmission facilities:

- TWE Project Wyoming-IPP DC Segment transmission line;
- TWE Project Wyoming Ground Electrode;
- Existing PacifiCorp Platte-Latham 230 kV transmission line;
- Existing PacifiCorp Aeolus-Anticline (Gateway West) 500 kV transmission line; and
- Planned Aeolus-Clover (Gateway South) 500 kV transmission line².

The Wyoming Terminal is located in Carbon County, Wyoming, south of the town of Sinclair. Specifically, the Wyoming Terminal is located on private land at 41° 44' 56"N, 107° 9' 20"W.

The Utah Terminal includes a 3,000 MW, HVDC Converter Station, a 345 kV substation, reactive power equipment including synchronous condensers, and interconnection facilities. The Utah Terminal will connect to the following transmission facilities:

- TWE Project Wyoming-IPP DC Segment transmission line;
- TWE Project Utah Ground Electrode;
- TWE Project IPP-Crystal AC Segment; and
- Existing IPP 345 kV Switchyard.

Both Terminals have interconnection capacities of at least 1,500 MW. The Wyoming Terminal will interconnect with the PacifiCorp Wyoming system at an interconnection minimum capacity of 1,500 MW and a planned capacity of 3,000 MW to accommodate both Products. In addition, generators or other transmission facilities can interconnect directly with the Wyoming Terminal facilities at either 500 kV or 230 kV.

The Utah Terminal will interconnect to the IPP 345 kV Switchyard with an interconnection capacity of 1,500 MW. The IPP 345 kV Switchyard is integrated within the IPP and LADWP balancing areas, via the 2,400 MW Southern Transmission System (STS) HVDC System that connects to the Southern California transmission network, and the Northern Transmission System (NTS) that connects to the 345 kV transmission network in central Utah (PAC-East) and the 230 kV network in eastern Nevada.

2. HVAC Facilities (Applicable to Wyoming to Nevada Product)

In addition to the HVDC facilities described above, the TWE Project also includes HVAC facilities that will be dedicated to the Wyoming to Nevada Product. The HVAC facilities include a 278-mile, 1,500 MW, 500 kV HVAC, series-compensated transmission system extending from the Utah HVDC Terminal to the Crystal substation located northeast of Las Vegas, Nevada, as well as a 49-mile, 500

² PacifiCorp's Gateway West facilities are currently under construction and are expected to be in service before the TWE Project facilities. The Gateway South facilities are currently planned to be placed in service in the 2024 timeframe.

kV HVAC, 70% series-compensated transmission system that will extend from the Crystal substation to the Eldorado Substation and/or other substations in the Eldorado Valley.

The HVAC conductor is a triple-bundled 1,590 kcmil Lapwing/TW conductor per phase installed on overhead lattice steel structures. The HVAC system will include a mid-line series compensation substation near the Utah/Nevada border.

In Utah, the HVAC system will connect to the Utah Terminal with a 500/345 kV transformer and 345/345 kV phase shifting transformers.

In Nevada, the HVAC system will interconnect with the Crystal North 500 kV Switchyard, integrated within the NV Energy balancing area; the Harry Allen-Eldorado 500 kV Line transmission facilities integrated within the CAISO balancing area; and several existing 500kV facilities in the Eldorado Valley that are integrated into several balancing areas including CAISO, LADWP, WAPA, and NV Energy.

3. WECC Rating Process

TransWest has completed Phase 2 of the WECC Path Rating process. Transmission planners from CAISO, SCE, LADWP, NV Energy, WAPA, PacifiCorp, and several other WECC members have reviewed and approved TransWest's Phase 2 Study Report, which included reliability studies on all three segments of the TWE Project. On February 25, 2020, WECC granted Accepted Path Ratings, north-to-south, for each of the TWE Project HVDC and HVAC Facilities:

- HVDC Facilities 3,000 MW; and
- HVAC Facilities 1,500 MW

These Accepted Path Ratings represent the maximum north-to-south capacity as measured at the southern interconnection point of each segment. TransWest will allocate capacity on the TWE Project in accordance with these Accepted Path Ratings. The maximum south-to-north capacity of each segment will be similar to the north-to-south Accepted Path Ratings for each segment. TransWest plans to seek appropriate Path Ratings for south-to-north capacity based on the outcome of the Open Solicitation.

4. Interconnection Requests

Table 1 identifies the status of TransWest's requests for interconnection with other transmission facilities in Wyoming, Utah, and Nevada. TransWest will execute Interconnection Agreements with the transmission owners and operators based on the results of the interconnection studies and will continue to work with these entities throughout the design, construction and operation of the TWE Project.

Table 1. TWE Project Interconnection Status

Project Segment	Interconnection Points	Status of Interconnection Studies
Wyoming-IPP DC	PacifiCorp 230-kV Platte-Latham line, 500 kV Gateway West and 500 kV Gateway South	PacifiCorp System Impact Study (SIS) in progress. The assumed power flow of the interconnection is 0 MW within the SIS. However, the interconnection facilities are designed to accommodate a minimum power flow of 1,500 MW. Subsequent transmission requests on the respective systems would lead to additional interconnection studies at the appropriate capacity limit.
Wyoming-IPP DC	IPP 345 kV Switchyard	1,500 MW interconnection requested, SIS by LADWP as the IPP Operating Agent is in progress.
IPP-Crystal AC	NV Energy Crystal North 500 kV Switchyard	1,500 MW interconnection requested, NV Energy SIS in progress.
IPP-Crystal AC	Desert Link/CAISO Harry Allen—Eldorado (HAE) 500 kV line facilities near Crystal Switchyard	1,500 MW interconnection requested, Desert Link SIS in progress.
Crystal-Eldorado AC	Southern California Edison /CAISO Eldorado 500 kV Substation	1,500 MW interconnection requested, SCE SIS to be started in July 2021.

C. Open Solicitation Transmission Service Products

Through this Open Solicitation, TransWest is offering two primary long-term firm Transmission Service Products. The two Products are:

- 1,500 MW Wyoming to Utah point-to-point service; and
- 1,500 MW Wyoming to Nevada point-to-point service.

Each of these Products will provide transmission service from Wyoming to market off-take points in Utah and Nevada. Several Nevada points of delivery (POD) are available, including the Crystal (NV Energy), Harry Allen (LS Power/CAISO), and Eldorado (SCE/CAISO) substations. TransWest has pending interconnections requests for each POD. TransWest does not own or control transmission service on the existing grid beyond the TWE Project interconnection points. The TWE Project can be built in stages generally defined by each of the primary Products with the first stage in service in 2025. The capacity of the two Products (consisting of the three segments described in II.B above) is the upper limit for each segment for purposes of the capacity allocation process. TransWest does not intend to seek to increase the capacity of the TWE Project as a result of the Open Solicitation due to the delays that would result from determining how to expand the TWE Project beyond its current configuration in a manner that complies with North American Electric Reliability (NERC) and WECC reliability standards.

TAC has developed the TWE Project to provide transmission for wind generation development from Wyoming to load centers in California and the Desert Southwest. The two Transmission Service

Products will provide greater access to location-constrained resources and assist in meeting market demand for renewable energy. The customer commitments resulting from the initial capacity allocation will be used to secure funds for the initial build-out of the TWE Project.

Western Area Power Administration (WAPA) has been a partner with TransWest in the development of the TWE Project. WAPA and TransWest entered into a Development Agreement in September 2011 that was amended in March 2019. Under the amended Development Agreement, WAPA has the right to own 25% of the all-digital fiber communications system on the Project and an option to own 1% of the transmission capacity.

Prior to commencing service, TransWest will file an Open Access Transmission Tariff (OATT) with FERC that will provide third parties with a transparent and uniform practice for requesting electrical interconnection and transmission service for remaining capacity, if any. TransWest will maintain an Open Access Same-Time Information System (OASIS) to ensure uniformity of customer treatment.

D. Project Ownership

The TWE Project is owned by TransWest, a limited liability company organized in Delaware to hold, develop, construct, and operate transmission assets. TransWest is a wholly owned affiliate of The Anschutz Corporation (TAC), a privately held company based in Denver, Colorado. Through its affiliates, TAC has been actively involved for more than 75 years in energy development in the western United States.

TAC has extensive experience in developing, constructing and financing and operating numerous infrastructure projects worth billions of dollars in the natural resource, real estate, sports, and entertainment industries. For example, TAC developed, financed, and constructed the Pacific Pipeline, a 132-mile crude oil pipeline that extends from Kern County, California, to refineries in the Los Angeles basin; an 18,500-mile national fiber optic network (Qwest Communications); and major sports arenas and entertainment districts including the Staples Center sports and entertainment arena in Los Angeles; the LA Live entertainment district adjacent to the Staples Center; the O2 arena and entertainment district in London, England, and the Mercedes-Benz arena and entertainment district in Berlin, Germany.

E. Development Status

TransWest has completed a majority of the development work required to commence construction of the TWE Project in early 2022 and to place the Wyoming to Nevada Product into service as early as 2025. TransWest has satisfied the major land use permitting requirements and has secured more than 95 percent of the rights-of-way for the Project's 732-mile route across federal, state, and private lands, with over 99 percent of the private land easements secured.

TransWest has secured a Right-of-Way Grant from the Bureau of Land Management (BLM), an Electric Transmission Line Easement from the U.S. Forest Service, and a License for the Electric Transmission Line from the U.S. Bureau of Reclamation in Nevada. TransWest has also secured both of the two necessary state permits from Nevada and Wyoming (a Nevada Utilities Environmental Protection Act Permit and a Wyoming Industrial Siting Permit), as well as the county conditional use permits (or equivalent authorization) from the 14 counties traversed by the TWE Project. TransWest has secured over 99% of the private land easements and is currently completing acquisition of easements across state lands in Wyoming, Colorado, and Utah.

Generally, the remaining pre-construction work is limited to completing right-of-way acquisition; completing the environmental surveys and mitigation plans required by BLM as pre-requisites to

issuance of its Notice to Proceed; completing the negotiation, execution, and regulatory approval of interconnection agreements; contracting with engineering, procurement, and construction contractors; negotiating agreements with customers resulting from the initial Open Solicitation and entering into agreements with customers.

F. Construction and Operations

TransWest will finalize the scope and design of the initial build-out of the TWE Project based upon the results of the Open Solicitation for the Transmission Service Products. TransWest has flexibility to build the Project in stages corresponding to the two Products being offered in the Open Solicitation.

TransWest plans to construct the Project under at least two prime Engineering, Procurement and Construction (EPC) agreements. Construction of the entire TWE Project is estimated to take approximately 40 to 48 months from the date TransWest issues a notice to proceed pursuant to any EPC agreements.

TransWest plans to enter into an EPC agreement with an HVDC technology original equipment manufacturer (OEM). The EPC agreement will cover the design and construction of the HVDC converter stations as well as the dynamic reactive control devices for the Wyoming-IPP DC Segment. TransWest will conduct a competitive request for proposals process among at least three HVDC OEMs.

TransWest plans to enter into one or more EPC agreements for construction of the transmission line, HVAC substation, and other system components. These EPC contractors will likely rely on construction and engineering contractor teams, with separate scopes of work for the transmission line and station equipment for each of the three Project segments. Again, TransWest will conduct a competitive tendering process among at least three pre-qualified contractors or teams of contractors. TransWest has exchanged information with a number of interested contracting teams.

In addition to the EPC agreements, TransWest plans to contract with an owner's engineer, construction inspectors, environmental monitors, and other construction management entities to supervise the final design and construction of the TWE Project.

III. Open Solicitation Process

Generally, as outlined below and in its FERC filings, the Open Solicitation will be conducted in three steps. In the first step, TransWest and the ISM are broadly soliciting interest in the TWE Project from potential customers by issuing the Notice announcing the Open Solicitation and soliciting Statements of Interest from entities meeting certain eligibility criteria. In the second step, the ISM will screen the Statements of Interest against the eligibility criteria to determine eligibility of the entities. Once the ISM determines all eligible entities, the ISM will rank eligible entities using the ranking criteria. The third and final step will include phased bilateral negotiations between TransWest and the highest-ranked eligible entities resulting from the ISM screening and ranking process. These negotiations will take place during the defined negotiation window. TransWest will demonstrate in a post-allocation compliance filing that will include a report from the ISM that its customer selection is consistent with the process approved in FERC's Order on TransWest's Application.

A. Role of Independent Solicitation Manager

PA Consulting will serve as the ISM for the Open Solicitation.

PA will be the primary point of contact with potential customers during the Open Solicitation. PA's role will include widely publishing the Notice of Open Solicitation; managing the TWE Project Open Solicitation website; providing Project and process information to interested parties; screening potential customers based on the previously disclosed eligibility criteria; ranking eligible customers based on previously disclosed ranking criteria; and preparing a comprehensive post-allocation disclosure report to FERC for inclusion in TransWest's compliance filing.

Potential customers with questions about the TWE Project or the Open Solicitation may email their questions to PA. PA will respond individually to such emails and will also post anonymized versions of the questions and answers on the website for the benefit of others.

B. Non-Discriminatory Treatment of Affiliated and Non-Affiliated Bidders

PA, as the ISM, will manage the Open Solicitation to ensure that all potential customers will have equal access to information, and will fairly apply the eligibility and ranking criteria. PA will manage the Open Solicitation in a manner that is consistent with FERC's 2013 Policy Statement and FERC's order approving TransWest's application, 174 FERC ¶ 61,160, Docket No. ER21-645-000.

As disclosed in TransWest's application to FERC, an affiliate of TransWest, Power Company of Wyoming LLC (PCW), intends to participate as a potential customer in the Open Solicitation process. PCW will be required to meet the same eligibility criteria as other potential customers, as determined by the ISM. If PCW meets the eligibility criteria and submits a Statement of Interest, it will also be subject to the same ranking criteria and procedures as other potential customers. Finally, TransWest will offer the same rates, terms, and conditions to both affiliated and non-affiliated potential customers for similar-length transmission service agreements resulting from the capacity allocation process.

C. Open Solicitation Website

Through the TWE Project Open Solicitation website, PA will share information with participants in the Open Solicitation. The website includes a public section that contains general information about the TWE Project and about the Open Solicitation, as well as instructions for registering to participate. The registration process includes completing a registration form and executing a Mutual Confidentiality Agreement with TransWest.

Participants who complete the registration process (Registered Participants) have access to a confidential section of the website. The confidential section includes the Statement of Interest form, the form of Customer Agreement, and a table providing indicative rates (\$/kW-Month) and the customer deposit and termination payment (\$/MW) for each Product.

D. Registered Participants

To seek transmission capacity on the TWE Project, a Registered Participant must complete and submit a Statement of Interest that addresses the eligibility and ranking criteria described below along with a red-lined version of the form of Customer Agreement form. The Registered Participant may provide any additional supporting material that it believes may be relevant. A Registered Participant may apply for capacity on one or both Transmission Service Products by submitting a separate Statement of Interest for each Product.

Any potential transmission customer can be a Registered Participant. However, PA will reject registration requests from non-customers (e.g., consultants, regulatory agencies, academic institutes, and other transmission developers without a TWE Project nexus).

The identities of potential customers and Registered Participants will remain confidential during the Open Solicitation process. However, those customers who enter into a Customer Agreement with TransWest will be identified in the publicly available ISM Open Solicitation Report prepared after conclusion of the process.

E. FERC-Approved Eligibility and Ranking Criteria

In its Order approving TransWest's proposed capacity allocation process, FERC approved the specific eligibility and ranking criteria that will apply in this Open Solicitation. These criteria, as defined in the FERC Order, are set forth below.

1. *Eligibility Criteria*

FERC has approved five eligibility criteria, and a Registered Participant must demonstrate in its Statement of Interest that it meets all five of these criteria. The eligibility criteria with respect to the two Transmission Service Products being offered are:

- a. Readiness to commit, i.e., the Registered Participant's commitment to pursue a customer agreement within TransWest's designated negotiation window as set forth in the Notice;
- b. Commitment to pay a non-refundable deposit upon execution of a customer agreement;
- c. A firm transmission service request for at least 300 MW of capacity of either primary product for at least 20 years;
- d. The ability of the entity to directly interconnect to a TWE Project interconnection point, or interconnection with a third-party system and the ability to secure third-party firm transmission service on an existing transmission system to deliver to or receive from a TWE Project interconnection point; and
- e. An investment-grade credit rating or alternative evidence of creditworthiness.

2. *Ranking Criteria*

FERC has approved seven ranking criteria. PA will rely on these ranking criteria to rank those Registered Participants that meet all of the eligibility criteria. If numerous Registered Participants meet all of the eligibility criteria, then TransWest may limit its negotiations to only the highly ranked Registered Participants and may allocate up to 100% of both Transmission Service Products to a subset of those highly-ranked Registered Participants. The ranking criteria are:

- a. Level of Creditworthiness: Reduction in counterparty risks by entering into contracts with customers with the highest level of creditworthiness and/or credit support;
- b. Larger Capacity Reservations: Maximize support for the full project by executing larger capacity reservations that utilize the HVDC segment and one or two of the linked HVAC segments;
- c. Longer Term of Service: Securing of long-term revenues by obtaining customer commitments with longer terms;
- d. Project Risk-Sharing: Ability to provide financial commitments during the TWE Project development cycle and the term of any customer agreement;

- e. Access to TWE Project Substation: Reduction of the risk that customers will not be able to access the TWE Project by selecting customers that can directly interconnect to a TWE Project interconnection point or have secured transmission service agreements to a TWE Project interconnection point;
- f. Generation Customers: Reduction of project-on-project development risk by entering into contracts with customers based upon completion of generation development milestones and generation commercial operation date (under construction or shovel-ready); and
- g. Non-Generator Customers: Reduction of development risk by evidence of need for capacity, ability to obtain any required regulatory approvals, and the timing of transmission service commencement date.

As provided in TransWest's Application to FERC these criteria are weighted differently based on the needs of the TWE Project. PA as the ISM will apply the criteria in a not unduly discriminatory manner, and Registered Participants with identical ranking characteristics will be afforded the same weight for that particular characteristic. In the absence of any other distinction between prospective customers, the highest ranking will be accorded to the largest-capacity customer bids based on the understanding that larger-sized generation resource developments will benefit from larger-scale transmission developments. Therefore, TransWest does not intend to prorate capacities of potential customers if the TWE Project is potentially "over-subscribed." It may be necessary to refine these criteria based on market circumstances, in which case PA and TransWest will provide public notice of any changes and apply any changes equally to all Registered Participants.

PA will score and rank Statements of Interest with the criteria weighted as follows: (1) Level of Creditworthiness and Project Risk-Sharing (10%); (2) Larger Capacity Reservations (10%); (3) Longer Term of Service (10%); (4) Access to TWE Project Substation (35%); and (5) Reduction of Risk (35%).

F. Evaluation of Statements of Interest

PA Consulting will review the Statements of Interest as they are submitted to verify completeness and screen for eligibility according to the eligibility criteria. If PA determines that a Statement of Interest is incomplete or unclear, PA will contact the Registered Participant and allow it a limited opportunity to supplement the Statement of Interest without altering key details.

After the deadline for submitting Statements of Interest, PA will rank the Registered Participants it has deemed eligible, using the ranking criteria set out above. Based on the Statements of Interest, PA will provide TransWest with scoring and ranking for all eligible Registered Participants, together with the corresponding Statements of Interest, to TransWest.

G. Negotiation of Customer Agreements

TransWest will engage in phased bilateral negotiations with the highest-ranked eligible Registered Participants, with the goal of entering into one or more Customer Agreements that account for up to 100% of the capacity of the TWE Project Transmission Service Products. These negotiations will take place during a defined negotiation window. The relevant dates within which the negotiations will occur will be posted on the Open Solicitation website, and highly-ranked eligible Registered Participants will receive individual notice.

TransWest will negotiate the contractual terms directly with the highest ranked eligible Registered Participants whom PA has identified. Depending on the market response, TransWest may elect to negotiate with multiple Registered Participants simultaneously regarding both primary Products.

Although FERC does not require non-affiliates to receive the same rates, terms, and conditions as affiliates, TransWest has committed to offer non-affiliates the same rates, terms, and conditions as any affiliate for similar-length TSAs resulting from the allocation. The terms and conditions for the initial capacity will require sufficient commitments from customers to fund the initial build-out of the TWE Project, regardless of whether the customer is an affiliate or non-affiliate of TransWest.

PA Consulting will support TransWest as necessary during the negotiation process. TransWest will inform PA Consulting of the results of the negotiations, and PA will update the Open Solicitation Website with these results. TransWest will also disclose the final results of the negotiations, including the parties' rankings and explanations for the rankings, in its final compliance report to FERC. TransWest will protect the confidentiality of the identities of unsuccessful parties by reporting this information to FERC in a non-public submission.

During the bilateral negotiations, the parties will negotiate the terms of a Customer Agreement, based on the form of Customer Agreement, that will remain in effect until the parties execute a Transmission Service Agreement. The form Customer Agreement outlines the customer deposit and credit support required. It also provides a Transmission Service Agreement term sheet that outlines the adjustments to the indicative rates provided as part of the Open Solicitation will occur. Registered Participants will have access to templates of both the Customer Agreement and the Transmission Service Agreement term sheet.

H. Open Solicitation Schedule

The anticipated schedule for the Open Solicitation process is posted on the Open Solicitation website. The 60-day time period to submit a Statement of Interest will not be shortened.

I. Post-Allocation Report and TransWest's Compliance Filing

At the completion of bilateral negotiations, PA Consulting will post a report documenting the results of the capacity allocation process on the Open Solicitation website. TransWest will file a post-allocation compliance filing with FERC demonstrating that its customer selection is consistent with FERC's Order on TransWest's Application. TransWest's compliance filing will include a report from PA outlining how it fulfilled its responsibilities to widely publish the Notice of the Open Solicitation; managed the TWE Project Open Solicitation website; provided Project and process information to interested parties; screened potential customers based on the previously disclosed eligibility criteria; and ranked eligible customers based on previously disclosed ranking criteria, applying the same eligibility and ranking criteria to both affiliates and non-affiliates.

IV. Contact Information and Useful Links

- PA Consulting contact information: 2021TransWestOS@paconsulting.com
- TransWest Express Transmission Project Open Solicitation website: <https://transwestexpress-os.com/>
- TransWest Express Transmission Project website: www.transwestexpress.net

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