4.3 Proposal Content Requirements

This section outlines the content and format requirements for all proposals submitted in response to this RFP. Unless the Company in its sole discretion elects otherwise, proposals that do not include the information requested in this section will be ineligible for further evaluation, unless the information requested is not applicable or relevant to a given proposal. The Company reserves the right to conduct any further due diligence it considers necessary to fully understand and evaluate proposals.

Proposal Format

The first section of each proposal must contain an Executive Summary that provides an overview of the proposed generating resource characteristics, including any unique aspects or benefits. The second section of the proposal must include a completed set of applicable forms included in Appendix A. These forms will contain essential information about each proposal. A separate set of forms and related information must be submitted with each proposal. The third section of the proposal must include additional information presented in narrative form under specific topic headings.

A complete proposal will include the following components:

1. Executive Summary
2. Complete set of applicable forms
3. Form attachments (as necessary to elaborate on form information)
4. Narrative Topics Discussion
5. Requested maps and electronic data
6. Land rights contracts and all supporting documentation, i.e. ALTA survey, title commitments, etc.

The proposal forms and topic headings are listed below.

Proposal Forms

Form A	Notice of Intent to Respond
Form B	Bid Certification Form
Form C	Bid Cover Sheet
Form D1	Pricing
Form D2	Electrical Interconnection Cost Estimates
Form E	Construction Milestones
Form F1	Contract Capacity
Form F2	Facility Performance
Form F3	Heat Rates
Form F4	Heat Rate Degradation
Form F5	Energy Storage Projects
Form F6	Section 123 Qualifications
Form G	Natural Gas and Backup Fuel Supply
Form H	Emission Rates
Form I	Interconnection Information Forms

The individual forms in Appendix A include additional instructions for completion.

Narrative Topics

Narrative topics should be organized under the following headings (with reasonably equivalent information provided for proposals involving existing generation assets):

- Development Experience
- Financial Information
- Project Description and Development Schedule
- Equipment Description
- Real Property Acquisition Description and Plan
- Permitting Plan
- Transmission Plan
- Community/State Reaction Assessment
- Operations and Maintenance Plan
- Exceptions to Model PPA
- Beneficial Contributions/Section 123 Resources
- Employment Metrics

Development Experience. All proposals must describe the respondent's qualifications and experience in developing, constructing, commissioning and operating generation facilities similar to the proposed facility, including the experience, qualifications and safety record of key personnel who will manage development and an overview of utility scale and utility grade projects the respondent has developed during the last 5 years. If an EPC team is in place, the proposal should identify the members of the team; if such a group is not in place, the proposal must set forth the respondent's plan for assembling such team (including process and timing).

Financial Information. All proposals must provide detailed financial information about the proposed project. This information shall include two years of audited financial statements or the equivalent for respondents and other responsible parties (including any entities that would provide parent guaranties of the respondents' obligations), whether the project will be financed as a recourse or non-recourse project, the percentages of debt and equity financing, and the expected cost of debt. In addition, respondents shall provide a detailed plan for financing the proposed project during construction and operation including the financing commitments that the respondent has obtained. Proposals shall also explain in detail the plan for meeting the security requirements outlined in the Model PPA and must set forth the credit rating (if any) of any entities that would provide parent guaranties of the respondents' obligations. Proposals must include an organization chart showing the entities that own the respondent’s organization and a description of the respondents' organization structure (including primary and secondary businesses). Financial information may be provided primarily in electronic format so long as at least one (1) hard copy of the financial information is provided with each proposal.

Project Description and Development Schedule. All proposals for the construction of new

generation facilities must set out a description of the proposed project, including a description and plans for the proposed site and rights of way, utilities services, equipment configuration, transmission and interconnection construction and procurement, supply of spare parts, opportunities for future expansion of the project, required permits, the nameplate capacity of the resource in MW, the respondent's key consultants (if known) for meteorological studies and permitting studies, and the respondent's construction contractors and prime subcontractors (if known). Such proposals must provide a detailed Gantt chart of project development activities developed using Microsoft Project or similar software (note that .pdf file-type is preferred for submittal) that includes (at a minimum) entering major equipment and construction subcontracts, target completion dates for financing, engineering, permitting, equipment procurement, construction, startup and commissioning, and guaranteed dates for substantial completion. Proposals must describe the overall development strategy that will ensure that the project can be developed in time to meet the proposed commercial operation date. Respondents proposing Section 123 resource generation projects should describe the risks associated with deploying such new technology specifically as those risks impact the proposed commercial operation date and the first years of operation.

It is the Company's expectation that it will have first rights to all proposed projects submitted into the RFP for the period during the proposal review and approval process. Respondents must also provide any and all information which would restrict the respondent from providing the Company with exclusive rights to negotiate a PPA for the proposed project. Such restrictions could include, but are not limited to, prior active submission or participation in other RFPs, exclusivity rights granted to other parties, rights of first offer or refusal, purchase options, and active auctions for the project as applicable.

Equipment Description. At a minimum, proposals should indicate for all major equipment 1) the name of the manufacturer and other vendors, 2) models, 3) key metrics and characteristics of the equipment, 4) performance history of the equipment, 5) contracting status, and 6) planned delivery dates.

Real Property Acquisition Description and Plan. Proposals must provide a description of the status of real property acquisition and land use permitting for the project that is sufficient for the Company to assess the completeness and sufficiency of the respondent's real property rights, including but not limited to:

- Copies of all of the land right contracts secured to date,
- The status of current site control necessary to build, operate, and maintain any radial transmission line dedicated principally to the project, and the form(s) of land right contract being utilized to secure the right-of-way, if applicable,
- The plan for acquiring any and all currently uncontrolled necessary real property rights for the project,
- Copy of title commitment(s) and ALTA Survey(s), if available,
- The plan for undertaking any necessary title curative work,
- Acreage of real property required for the project and a schedule for the completion of the real property acquisition process,
- A description of any subdivision or zoning modifications and all city, county, or state land use permits that will be required, such as conditional use, special use or other similar

permits and approvals, which will be required for any phase of development, construction, or operations of the project, and

- A description of existing and planned land use in all directions surrounding the proposed site.

Proposals must include a USGS-based map showing the location of the proposed site, and ESRI ArcGIS shapefiles or other industry standard format depicting the Project boundary and any radial transmission line necessary to interconnect the project. Shapefiles must be provided in Colorado NAD 83 State Plan coordinate system.

For bidder's providing copies of land rights contracts, please see specific submission instruction in section 4.6.

Permitting Plan. Proposals should include a complete list of permits required and secured for the project. If permits have not yet been secured, a schedule for submitting and obtaining the required permits must be provided.

Proposals must describe all air quality permits that will be required for the project. State whether any air permits have been secured, and if not, whether applications have been filed. Report on the status of any pending applications and any feedback from permitting agencies. Describe the expected time frame to obtain the necessary air permits after application submittal to the State.

Describe all other federal, state and local permits and approvals that will be required for the project, but not limited to:

- Federal environmental assessments under the National Environmental Policy Act ("EA/EIS"),
- Water supply,
- Wastewater discharge permits,
- Hazardous waste permits, and
- No-hazard permits/determinations from the Federal Aviation Administration.

Describe the current status of obtaining these permits and any feedback from permitting agencies.

Describe the water supply strategy for the project, including a description of water requirements, water supply source(s), discharge plans, new water pipeline requirements, and any work completed to date on the water supply plan.

Explain any expected restrictions/limitations on operations due to air and/or water permits.

If the proposed site does not currently have the appropriate zoning designation, provide any rezoning requirements, plans to obtain the rezoning, and any known issues as to rezoning.

For projects proposing to utilize an eligible energy resource[1], proposals must also provide written documentation evidencing that consultation has occurred with appropriate governmental agencies (for example, the Colorado Division of Wildlife or the U.S. Fish and Wildlife Service)

[1] Eligible energy resources are defined in the Commission's rules, section 3652, "Definitions".

responsible for reviewing potential project development impacts to state and federally listed wildlife species, as well as species and habitats of concern.

Transmission Plan. Provide a detailed description of the Point of Delivery to the Public Service electric system, including the location and voltage level of such point. All proposals should include a description of the respondent's plan to transmit power from the Project to the proposed Point of Delivery on the Public Service transmission system as described in Appendix C. The information should include a description and expected route of any radial transmission line dedicated principally to the Project if known, including a summary of the status of obtaining requisite easements and alternatives.

If any new FERC-regulated transmission or any upgrades to non-Public Service transmission will be required to deliver power from the Project to the proposed point of delivery ("New Transmission"), the proposal also should include a complete description of the required New Transmission including:

- The owner and developer of the New Transmission,
- The complete expected route for the New Transmission,
- The voltage and capacity of the New Transmission,
- The status of planning, permitting, financing and construction of the New Transmission, to the extent known to the respondent,
- The location of the interconnection of the Project into the New Transmission, and
- Whether the respondent's Project, if successful, would be sufficient for the New Transmission to be built without the participation of other power projects, and if not, what other projects would need to be built and in what time frame to allow the New Transmission to be built in time for the respondent to meet its scheduled in-service date.

For proposals that will require third-party transmission service(s) to deliver, on a firm transmission service basis, the capacity and energy to the Point of Delivery specified above, provide a detailed description of the interconnection, electric losses, transmission and ancillary service arrangements, by provider, that will be required, including:

- the identity of all third party providers,
- the location and voltage level of the interconnection point to the interconnection service provider's facilities,
- any interconnection facilities that bidder owns or intends to construct and own,
- the specific services provided by each provider, and
- the line losses, point(s) of receipt and point(s) of delivery associated with each third party transmission service.

Provide documentation that the third party services discussed in the paragraph above will be available to bidder during the proposed contract term. This should include:

- any associated transmission studies that directly examined delivery of the proposed energy to the point of delivery,
- detailed information on any and all new transmission facilities and/or upgrades to existing facilities that will be required to deliver the proposed energy to the point of delivery, and
- a detailed discussion of the schedule for siting, permitting, and construction of such new

facilities and/or upgrades.

Attach a USGS-based map that shows the location of the interconnection point with the third-party and the generation facility.

Community/State Reaction Assessment. Each respondent must present a current assessment of, and a plan for continuing to monitor, local community and state reaction to the project, and a plan to work with the local community on project issues. Such plan might include the following elements:

- A list of the references used to assess the community reaction, and the methodology used to draw conclusions,
- A list of key local contacts interviewed and their opinions,
- An assessment of the local community reaction at the time of the proposal,
- An action plan for working with the local community/state to successfully complete the project, and
- A description of the respondent's proposed conflict resolution methodology.

Operations and Maintenance Plan. Respondents shall summarize their operations and maintenance plans and labor arrangements for the generation facilities associated with their proposals.

Exceptions to Model PPA. In support of the Company's efforts to complete project evaluation, and contract negotiations in a timely manner, respondents shall review and provide exceptions and/or comments to the Model PPA. To the extent that the validity of a respondent's proposal and/or the respondent's ability to execute a PPA is contingent upon material changes to the language in the Model PPA, respondents should specifically identify the terms in the Model PPA they propose to change and should summarize their proposed changes to such terms. To the extent that a respondent wishes to propose changes to the Model PPA that, if accepted by the Company, would reduce the respondent's proposed pricing the proposal should specifically identify such changes and the associated price reduction. To the extent practicable, respondents should develop exhibits, schedules, attachments and other supplemental documents required by the Model PPA.

Exceptions taken to model PPA terms must be clearly expressed such that the Company can reasonably understand the bidder's concerns. Statements containing language such as "To be discussed" do not provide the Company sufficient information to understand the bidder's concerns. Bidder's providing such comments will be required to more fully explain their concerns so that the Company can adequately conduct its due diligence activities.

Beneficial Contributions/Section 123 Resources. Respondents should indicate whether or not they believe their project meets the requirements of a Section 123 resource. Bidders claiming Section 123 status must complete Form F6. Regardless of claimed Section 123 status, **all bidders must provide information concerning the beneficial contributions of their proposed technology** including benefits associated with Colorado's 1) energy security, 2) economic prosperity, 3) environmental protection, and 4) insulation from fuel price increases.

This information is needed from **all bidders** in order to allow the Commission to consider whether certain benefits are common across proposals and whether certain benefits tie specifically to the implementation of a particular new and clean energy technology.

Employment Metrics. Respondents shall include descriptions of each best value employment metric described below as it relates to the bid project.

- The availability of training programs, including training through apprenticeship programs registered with the United States Department of Labor, Office of Apprenticeship and Training,
- The employment of Colorado workers as compared to importation of out-of-state workers,
- Long-term career opportunities, and
- Industry-standard wages, health care, and pension benefits.

Section 5. Evaluation and Criteria

The objective of the Company's Solicitation evaluation is to identify portfolios of proposals that meet the resource needs identified in the solicitation in a reliable and cost-effective manner, while achieving the resource goals of the Commission-approved ERP.

As described below, the evaluation process will include an assessment of both economic and non-economic criteria.

5.1 Evaluation Process

An evaluation team, made up of various groups within Xcel Energy Services and the Company will evaluate proposals; however, the Company reserves the right to retain the services of outside experts to assist in the evaluation of proposals. The RFP Project Manager may contact respondents directly at any point during the evaluation process for the purposes of clarifying proposals. The Company will also cooperate with, and provide access to information provided by respondents to, the Independent Evaluator as required by RP Rule 3612. All bidders as well as all parties in the resource plan proceeding other than the utility are restricted from initiating contact with the IE.

Proposals will be evaluated using a multi-step process as follows:

Step 1 – Bid Eligibility Screening

Each proposal will be reviewed to ensure it meets the minimum requirements outlined in Section 4.2. The Company will notify each proposal respondent within 15 days of bid receipt as to the Company's bid eligibility evaluation.

Step 2 – Interconnection Assessment and Initial Economic Evaluation

While not entirely concurrent, the activities described in Steps 2.A., 2.B. and 2.C. below will overlap to some extent.

A. Electric Interconnection Cost Estimates

The Company will determine or verify electric interconnection cost estimates provided by bidders. If substantial differences occur, the Company will provide its cost estimates to the applicable bidders so that they can update their bid pricing, as they deem appropriate. Such bidders must submit final bid pricing back to the Company within 5 calendar days of the date the interconnection cost estimates are provided.

B. Transmission and Distribution Upgrade Schedule Assessment

Some or all of the proposals will also be evaluated to assess the general siting, permitting, and construction time requirements associated with Public Service transmission and/or distribution network upgrades, including network upgrades for interconnection, that may be needed for each proposal to:

- Interconnect the proposed generation with the Public Service transmission or distribution

system,

- Deliver the entire proposed capacity and energy to the Company's customers, and/or
- Deliver the entire proposed capacity and energy from a third party transmission system to the Public Service electric system.

The impact of these analyses on a respondent's proposed schedule will be a factor in the evaluation of its proposal.

C. Initial Economic Screening

The primary purpose of the initial economic screening is to rank each bid by technology so that the most promising bids can be forwarded to the subject matter experts for their review as quickly as possible and to identify those bids likely to be moved forward for computer modeling of bid portfolios. The initial economic screening consists of calculating an "all-in" levelized cost of energy ("LEC"). Calculations are shown on the "LEC" tab of the bid forms (Appendix A).

In addition to the costs provided in the bid, the Company will estimate incremental costs or benefits, as necessary, such as:

- Electrical interconnection costs and network upgrades not included in Form D1 pricing. These incremental capital costs are converted to a variable rate by assuming a levelized fixed charge rate of 0.12. and an annual capacity factor based on the type of generator proposed.
- Projects that propose to interconnect to the Public Service distribution system will be credited with an avoided line loss assumption in their LEC calculations.
- Estimates of the Company's cost to deliver fuel (e.g., natural gas) to a tolled facility.
- Bids for energy storage will be credited with wind curtailment benefits, as applicable.

LECs for dispatchable generation resources are calculated by converting fixed costs to variable $/MWh costs by assuming an annual capacity factor and by assuming an average annual heat rate with which to estimate fuel volumes and costs. Gas-fired, peaking resources (defined as units with base capacity heat rates over 8,000 Btu/kWh) will be screened with an assumption of a 5% annual capacity factor. Gas-fired, intermediate resources (defined as units with base capacity heat rates of 8,000 Btu/kWh or lower) will be screened with an assumption of a 40% annual capacity factor. The average annual heat rate utilized in the LEC calculations will be the base capacity heat rates (i.e., heat rates without supplemental capacity) supplied on Form F3.

Start charges are converted to a variable $/MWh cost by assuming a set number of hours that a unit will run at full output once started; full output is defined as the net capability of the unit without supplemental capacity (e.g., duct firing on a combined-cycle power plant). For peaking resources, the Company assumes a four (4) hour run time per unit per start. For intermediate resources, the Company assumes a twelve (12) hour run time per unit per start and that all combustion turbines are started.

To the extent a project proposes to wheel tolled capacity and energy across another utility's transmission system prior to delivery to the Company's system, estimated wheeling losses will be imposed against the full load heat rate which will effectively increase the variable cost component

of the LEC. Such an adjustment is necessary since the heat rates are calculated at the generation unit (which resides on another utility's system), whereas the other components of the LEC are all based on capacity and energy delivered to the Company's system.

The Company will assume a 5% EFOR rating in its LEC estimates of capacity payments regardless of the EFOR rating provided on Form E2 or the calculation shown in the Monthly Capacity Payment section of Form D1. Bids proposing secondary fuel sources (e.g., fuel oil) will be screened utilizing primary fuel parameters only. No incremental benefits for quick start or faster ramp rates are provided in the LEC calculations.

Regardless of their LEC calculations all eligible bids from existing generators, all Company self-build projects, and any bid claiming Section 123 status that is unopposed by the Company or, if opposed by the Company but later qualified as Section 123 by the Commission, will be advanced to computer modeling of bid portfolios.

***Step 3* – Non-Price Factor Analysis**

The Company will assess the non-price characteristics of the proposals. Non-price factors that will be assessed include, as applicable and without limitation, the following:

- Financial strength of the respondent
- Financing plan, including ability to utilize tax advantages
- Development, construction and operation experience
- Generator technology, availability, and warranties
- Environmental permitting and compliance
- Land use permitting and zoning
- Other permitting
- Real property acquisition/site control progress and plan
- Project operational characteristics
- Scale of the project
- Community support for the project
- Transmission access plan feasibility and arrangements
- Transmission upgrade schedule assessment
- Construction and equipment supply plans and arrangements
- Project execution planning
- Accredit ability of capacity to meet reliability needs
- Accounting assessment

***Step 4* – Bidder Notification**

Contingent upon the existence of sufficient bids passing through bid eligibility and due diligence screening, the Company shall pass forward to the computer modeling of bid portfolios a sufficient quantity of bids across the various resource types such that resource plans can be created that conform to the Commission's Phase I decision.

Pursuant to rule 3613(a), within 45 days after bids are received the Company will email each bidder and indicate whether its bid has or has not been advanced to computer-based modeling of bid portfolios and provide each bidder the modeling inputs and assumptions that reasonably relate to that potential resource or to the transmission of electricity from that facility to the Company.[2] For those bids not advanced to computer modeling, the Company will provide the reason(s) why the project will not be evaluated further.

***Step 5* – Computer-Based Modeling of Bid Portfolios**

The costs and operational characteristics of any Company self-build proposal and each remaining bid equal to or greater than 10 MW will be input into the Company's Strategist™ planning model.[3] The Strategist™ model will be used to construct portfolios of bids that meet the capacity and energy projections of the Public Service system, as well as the various objectives of the resource plan and Commission decisions. The Strategist™ model simulates operation of proposals together with the Company's existing resources (and to an extent, the regional power market), while keeping track of all associated fixed and variable costs of the Company's entire system.

Strategist™ will be utilized to develop portfolios that minimize the net present value of revenue requirements through 2054. The model will also be used to develop alternative resource portfolios that represent the costs and benefits from increasing amounts of renewable technologies and/or Section 123 resources. Portfolios will be developed in accordance with the scenario analysis directives of the Commission.

To the extent initial results indicate that all bids of a specific generation resource type (e.g., all wind bids) passed to computer modeling appear in the least-cost portfolio(s), additional bids utilizing that generation resource type will be included in subsequent model runs. This iterative process will be followed until no incremental bids employing that generation resource type are selected in the least-cost portfolio. Bidders whose projects are passed forward to computer modeling of bid portfolios after the 45 day report will be notified of their project's advancement pursuant to rule 3613(a).

***Step 6* – Evaluation of Bids Between 100 kW and 10 MW**

As indicated in Step 5, bids must have nameplate capacity ratings equal to 10 MW or greater to be included in the computer-based portfolio modeling step. In general, bids between 100 kW and 10 MW ("Small Bids") will be evaluated after the computer-based portfolio modeling step.

At the conclusion of Step 5, the Company will review the least-cost portfolio from the base case run (that is, not from a sensitivity case) and determine each generation type selected in the portfolio. For each generation type selected, the Company will determine the all-in levelized energy cost of the most expensive bid. These all-in levelized energy costs will set the price

[2] See Section 5.1 Step 5 for an exception to the notification policy for bids that are included in modeling after 45 days of bid receipt. See Section 5.1 Step 6 for an exception to the notification policy for bids smaller than 10 MW.

[3] Depending upon the pool of proposed projects received, the Company may adjust the specific MW cutoff for various technologies instead of the 10 MW indicated here. Such an adjustment would be done in consultation with the Independent Evaluator.

against which Small Bids with similar generation technologies will be compared. The Company will include in all portfolios presented to the Commission each Small Bid with an all-in levelized energy cost less than the most expensive bid with similar technology selected in the least-cost portfolio.

A final check will be made to ensure that the inclusion of all cost-effective Small Bids does not provide excess capacity credit to the least-cost portfolio through the RAP to such an extent that it could replace another source(s) of capacity selected through the Strategist modeling. If it does, two additional sets of ad hoc Strategist runs will be conducted to determine which is most cost-effective: 1) include all cost-effective Small Bids in the final portfolio, or 2) include all cost-effective Small Bids and exclude the other generator(s) that could potentially be displaced. The final portfolio would be the least-cost of these two runs assuming that both runs meet all reliability metrics.

To the extent the least-cost portfolio does not include a certain generation type (e.g. solar) but bids for that generation type were passed through to computer-based modeling and lower priced Small Bids exist, an ad hoc Strategist run including these Small Bids would be conducted to see if the revenue requirements of the least-cost portfolio increases or decreases. If the revenue requirements decrease with the addition of the Small Bids, they would be included in the final portfolios.

For certain generation types (e.g. hydro or gas-fired micro-turbines), the Company would not typically expect to receive bids in excess of 10 MW. For such situations, the lowest all-in LEC proposals (up to a maximum of three per technology) would be advanced to computer modeling and portfolio development along with those bids >= 10 MW in Step 5 above. To the extent the Strategist model selected all three of the lowest all-in LEC proposals and other proposals for the same technology were also received, then ad hoc Strategist runs would be conducted to determine the cost-effectiveness of these other proposals.

Bidders whose Small Bid projects are passed forward to computer modeling of bid portfolios after the 45 day report will be notified of their project's advancement pursuant to rule 3613(a).

Step 7 **– Phase II Report to Commission**

Pursuant to rule 3613(d), the Company will file a 120-day report to the Commission describing the cost-effective resource plans that conform to the Commission's Phase I decision and other Commission decisions that impact the 2016 Phase II process.