

RFP Document updated on January 5, 2021

Northern States Power Company-Minnesota

2021 Sherco Solar Resource Solicitation

Request for Proposals



RFP Issue Date: January 4, 2021

Proposals Due: February 2, 2021

RFP Website: xcelenergy.com/ShercoSolarRFP

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Notice of Disclaimer

The information contained in this Request for Proposals ("RFP") has been prepared solely to assist bidders in deciding whether or not to submit a proposal. Northern States Power Company, a Minnesota corporation, ("NSPM" or "Company") does not represent this information to be comprehensive or to contain all of the information that a respondent may need to consider in order to submit a proposal. The Company, its affiliates, or their respective employees, directors, officers, customers, agents and consultants makes, now or in the future, any representation, promise or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained herein, or in any document or information made available to a respondent, whether or not the aforementioned parties knew or should have known of any errors or omissions, or were responsible for their inclusion in, or omission from, this RFP.

The Company reserves the right to modify, supplement or withdraw this RFP at any time, whether due to changes in law or otherwise, and issue one or more addenda to this RFP during this solicitation. No part of this RFP and no part of any subsequent correspondence by the Company, its affiliates, or their respective employees, directors, officers, customers, agents or consultants shall be taken as providing legal, financial or other advice or as establishing a contract or contractual obligation. Contractual obligations on the part of the Company will arise only if and when definitive agreements have been approved by Company management, executed by the appropriate Company representatives having the authority to approve and enter into such agreements, and all required regulatory and/or governmental approvals are obtained. The Company reserves the right to request from a bidder information that is not explicitly detailed in this document, obtain clarification from bidders concerning proposals, conduct contract development discussions with selected bidders, conduct discussions with members of the evaluation team and other support resources as described in this RFP and in compliance with all FERC Code of Conduct rules.

The Company will, in its sole discretion and without limitation, evaluate proposals and proceed in the manner the Company deems appropriate, which may include deviation from the Company's expected evaluation process, the waiver of any requirements and the request for additional information. The Company in its sole discretion may accept any proposal or reject any, all or portions of any proposal.. The Company also may decline to enter into any agreement with any bidder, terminate negotiations with any bidder or abandon the RFP process in its entirety at any time, for any reason and without notice thereof. Respondents who submit proposals agree to do so without legal recourse against the Company, its affiliates, or their respective employees, directors, officers, customers, agents or consultants for failure to select or rejection of their proposals or for failure to execute an agreement for any reason. The Company and its affiliates shall not be liable to any respondent or other party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. Except as otherwise provided in the rules and orders of the Public Utilities Commission of the state of Minnesota ("Commission"), by submitting its proposal, each respondent waives any right to challenge any aspect of the Company's evaluation of its proposal. By submitting its proposal, each respondent waives any right to challenge any determination of the Company to select or reject its proposal. Each respondent, in submitting its proposal, irrevocably agrees and acknowledges that it is making its proposal subject to and in agreement with the terms of this RFP.

Each respondent shall be liable for all of its costs incurred to prepare, submit, respond or negotiate its proposal and any resulting agreement and for any other activity related thereto, and the Company shall not be responsible for any of the respondent's costs.

Northern States Power Company - Minnesota Sherco Solar Resource RFP

Section 1. Introduction

Northern States Power Company, a Minnesota corporation ("NSPM" or the "Company"), is issuing this Request for Proposals ("RFP") to seek proposals for solar generation projects. All proposed projects will be required to interconnect to the Sherburne County ("Sherco") 345 V substation. Selected projects under this RFP will utilize interconnection service for the Company owned Sherburne County Generating Station in accordance with Attachment X of the Midcontinent Independent System Operator (MISO) tariff. The addition of solar power near its Sherco site is part of NSPM's proposal to jump-start the economy by creating jobs and speeding the clean energy transition while keeping bills low.

Through this RFP process, NSPM is targeting to procure solar generation ("RFP Projects") via Build Transfer ("BT") Agreements.

NSPM is asking that proposals be submitted by 5:00 pm (CT) on February 2, 2021.

1.1 Purpose and Scope

The Company is requesting proposals for solar resources to achieve commercial operation prior to December 31, 2024. The Company has a target to procure approximately 500 MW from one or multiple solar projects, but will evaluate all proposals received through this RFP and is open to exceeding this target depending on the proposals received. The amount of generation that the Company may acquire from this RFP depends on, among other things, the quality of bids received in response to this solicitation and the economic value to NSP customers.

1.2 Regulatory Context

The Company is initiating this request for proposals consistent with the Company's response to the Minnesota Public Utilities Commission ("MPUC") Inquiry into Utility Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic (Docket No. E,G999/CI-20-492). In response to this inquiry¹, the Company proposed to accelerate its plans to add solar generation capacity at the Sherco site. This proposal is consistent with both the Company's 2020-2034 Upper Midwest Integrated Resource Plan² – currently before the MPUC – as well as the Order approving the Company's previous 2016-2030 Resource Plan.³

Docket E002/RP-04-1752 from the Minnesota Public Utilities Commission ("MPUC") requires that an Independent Auditor ("IA") conduct an independent review of the Company's evaluation and selection process in response to this solicitation. The Company will work cooperatively with the

¹ See Docket No. E,G999/CI-20-492 COVID-19 Relief & Recovery Report (June 17, 2020), Attachment A at 8.

² See Docket No. E002/RP-19-368.

³ 1 See Docket No. E002/RP-15-21. ORDER APPROVING PLAN WITH MODIFICATIONS AND ESTABLISHING REQUIREMENTS FOR FUTURE RESOURCE PLAN FILINGS (January 11, 2017) at Order Point 4a.

IA and shall provide the IA immediate and continuing access to all documents and data reviewed, used, or produced by the utility in this solicitation and evaluation. The IA will provide a written report regarding their assessment of the Company's evaluation and selection process, which will be filed with the MPUC.

1.3 Contacts and Communications

The primary point of contact for all communications between the Company and potential bidders is the RFP Project Manager who may be contacted at:

ShercoSolarRFP@xcelenergy.com.

Any questions should be submitted to the RFP Project Manager at the above email address before the deadline indicated in section 4.1.

The NSPM 2021 Sherco Solar Solicitation webpage can be found at:
xcelenergy.com/ShercoSolarRFP

Section 2. Eligible Project Information

2.1 Eligible Project Structure

1. Build-Transfer (BTs)

BTs will allow the Company to take 100% ownership of the RFP Project on the Commercial Operation Date ("COD") or prior to that date through an early purchase option at the Company's election, as outlined in the Purchase and Sale Term Sheet ("TS") which is attached to this RFP in Appendix A.

All BT proposals shall include a bid price that is fully compliant with the conditions and requirements stated in NSPM's Solar Farm Technical Requirements, which are attached to this RFP in Appendix B, and NSPM's TS. Proposals may also include any written exceptions from those stated in NSPM's Solar Farm Technical Requirements and to the TS along with the accompanying price reduction for each written exception the bidder would like the Company to consider.

As further discussed below, the Company plans to use interconnection service at the Sherco site to interconnect this project to our system. Therefore all proposals shall be "interconnection request ready"⁴ in accordance with MISO Attachment X *Generator Interconnection Procedures* and meet all technical requirements per MISO Attachment X: Appendix 6 *Generator Interconnection Agreement*. Project bids shall include the full cost for all transmission upgrades necessary to deliver energy from the Project to the specified Point of Interconnection ("POI"), including the gen tie line to the designated POI options near the Sherco 345 kV substation. That

⁴https://docs.misoenergy.org/legalcontent/Attachment_X-Appendix_1_-_Interconnection_Request_for_a_Generating_Facility.pdf

said, projects need not submit MISO generator interconnection requests to participate in this RFP, as the project will utilize Company Owned interconnection service.

The Company seeks an RFP Project that utilizes labor covered by a collective bargaining agreement for its construction and ongoing operation and maintenance and requires the bidders to provide pricing in the Bidder Form 4 that assumes the use of such labor.

The Company furthermore has a strong preference for projects that utilize contractors and/or suppliers that are classified as certified Diverse Suppliers and will add a premium to the score of any Solicitation Projects utilizing certified Diverse Suppliers. The Company requests all proposals to include a subcontracting plan that breaks down the subcontracting value by subcontractor and that identifies which subcontractors are considered certified Diverse Suppliers. A template Subcontracting Plan is provided in Appendix C for completion in the RFP proposal.

A certified Diverse Supplier means any contractor or supplier that falls into at least one of the following business groups: Small Disadvantaged Business, Woman-Owned Business, HUBZone Business, Veteran-Owned Business, Service-Disabled Veteran-Owned Business, Minority-Owned Business, LGBT-Owned Business and Disability-Owned Business.

To be eligible for classification as a certified Diverse Supplier, bidders must supply documentation confirming the status of contractors and/or suppliers as certified by a third party, including: the Small Business Administration, regional affiliates of Disability:IN, National LGBT Chamber of Commerce (NGLCC), National Minority Supplier Development Council (NMSDC), National Veteran Business Development Council (NVBDC), the Women Business Enterprise National Council (WBENC), or other national, state and local agencies as deemed acceptable by Company.

2.2 Product Description

RFP Project: A BT proposal must be for a new, to-be-built photovoltaic solar resource facility only. The proposals shall comply with the solar technical specifications outlined in the RFP Appendix B.

Product: The Company is seeking BT solar proposals that have an established development plan and that convey all energy, capacity, ancillary services including reactive supply and voltage control, and environmental benefits generated from the proposed project.

Project Size and Location: The RFP Project must be a PV solar resource with a nominal AC electrical output of at least 75 MW, and must be a complete, commercially operable, solar powered electric generating plant, including all facilities necessary to generate and deliver energy at a single point of interconnection by the commercial operation date(s) specified in your proposal(s).

Additionally, the RFP Project must be located within MISO Zone 1 ("RFP Project Location").

Interconnection: The proposal pricing should include the full interconnection costs associated with delivering energy from the project to the POI options near the Sherco 345 kV substation. Specifically, the company has designated two dead end structures – shown on the map included in Appendix D – near the existing Sherco 345kV substation.

Each RFP Project's proposal and associated costs must account for transmission infrastructure required to deliver energy from the Project site to one of the two designated dead end structures.

Expected Online Date: The RFP Proposal(s) should have an expected commercial operation date prior to December 31, 2024.

2.3 Pricing

Within the Bidder Forms (attached in Appendix E), Form 4 provides the pricing template for BT proposals. All pricing must be in terms of current year United States dollars, also referred to as escalated or nominal dollars.

The Pricing Form 4 requests pricing with assumptions that: 1) the RFP Project will qualify for federal tax incentives applicable to the proposed technology and to the proposed in-service date and, 2) that existing federal tax incentives will be applicable to the RFP Project even if those incentives are due to expire or decline by the time of the proposed in-service date. Respondents should describe the federal tax incentive assumptions made in the notes section of the form.

The BT bid price shall include the cost to fully comply with conditions and requirements stated in NSPM's Solar Farm Technical Requirements and NSPM's TS and include the cost to fully construct the proposed RFP Project.

Form 4 requests bidders to list the schedule and amounts of all payments from NSPM to the bidder. Payments can be made in a periodic or single lump sum manner, and all payments made prior to the assumption of ownership of the RFP Project by the Company require security in the form of a letter of credit in favor of the Company. The Company will add its projected costs associated with the Allowance for Funds Used during Construction ("AFUDC") to all payments made prior to the in-service date. The Company will also add its projected Construction Oversight Costs (Company costs to manage and verify the construction is completed in accordance with the Technical Requirements) to the BT bid price for evaluation. Therefore, BT bidders shall not include these Company costs in their pricing.

2.4 Relevant Bidder Experience

All proposals must describe the respondent's qualifications and experience in developing, constructing, commissioning and operating utility scale generation facilities similar to the proposed RFP Project, including the experience, qualifications and safety record of key personnel who will manage development and an overview of utility scale project(s) the respondent has

developed during the last 5 years. If a project team is in place, the proposal should identify the members of the team who will be responsible for design, siting, permitting, financing, construction, and operation of the facility; 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). If an EPC contractor or any other contractors will be utilized, the same level of information must also be provided for each separate entity, along with a clear description of their role in the RFP Project's development.

2.5 Environmental Approvals, Permitting, and Compliance

The Company will evaluate whether the bidder's proposal includes the required environmental approvals and permits for construction of the RFP Project and whether the appropriate timelines have been included in the project schedule. The Company is committed to supporting pollinator friendly habitat at our solar facilities. We require bidders to provide a pollinator habitat scorecard assessment form⁵ with their proposed bid package.

2.6 Regulatory Approvals

At the completion of the bid evaluation and contract negotiation process, the Company will file the signed transactional agreements with the necessary regulatory commissions in the states in which the Company operates for all necessary review and approvals.

2.7 Early Purchase Option

The TS (Appendix A) includes a purchase option that, subject to specific conditions, may be exercised by the Company. The purchase option provides the Company with the ability, in its sole discretion, to acquire the RFP Project prior to COD as further detailed in the TS. Regardless of the acquisition timing, the bidder will continue to be responsible for construction of the RFP Project through COD. Bidders should submit their proposals, including all pricing and payment forms, assuming the purchase option is not being exercised. The impact of the Company exercising the purchase option will be further negotiated with those parties advancing to contract negotiations.

2.8 Contract Accounting

All contracts proposed to be entered into as a result of this RFP will be assessed by the Company for appropriate accounting and/or tax treatment. Respondents shall be required to supply promptly to the Company any and all information that the Company requires in order to make such assessments.

By submitting a proposal, each respondent agrees to make available to the Company at any point in the bid evaluation process any financial data associated with the respondent and its proposed RFP Project so the Company may independently verify the respondent's information in the above matters. Financial data may include, but shall not be limited to, data supporting the economic life

⁵ <https://bwsr.state.mn.us/sites/default/files/2019-02/Project%20Planning%20As..essment%20Form.pdf>

(both initial and remaining) of the facility, the fair market value of the facility, and any and all other costs and financing arrangements (including debt specific to the asset being proposed) associated with the respondent's proposal. The Company may also use financial data contained in the respondent's financial statements (e.g. income statements, balance sheets, etc.) as may be necessary.

Section 3. Interconnection Requirements

3.1 General information

The Company will only consider RFP Projects located within the RFP Project Location.

The Company plans to use interconnection service at the Sherco site to interconnect this project to our system. Projects shall include the full cost for all necessary transmission facilities necessary to deliver energy from the Project to the specified POI. For the purposes of this RFP, the POI will be one of two dead end structures near the the Sherco 345 kV substation, per the diagram in Appendix D. Bidders shall include all the applicable interconnection information in their proposal including the Gen Tie design, routing, regulatory approval and permitting information required for connection to one of these dead end structures in proximity to the Sherco 345 kV substation, and all associated costs.

3.2 Interconnection information

All proposals shall be "interconnection request ready"⁶ in accordance with MISO Attachment X *Generator Interconnection Procedures* and meet all technical requirements per MISO Attachment X: Appendix 6 *Generator Interconnection Agreement*. As noted previously, however, the Project does not need to submit a MISO generator interconnection request to participate in the RFP, as any RFP Project(s) selected will utilize existing Company-owned interconnection service.

⁶Bidders are required to provide all data needed to complete Appendix 1 of the GIP, which can be found at: https://docs.misoenergy.org/legalcontent/Attachment_X-Appendix_1_-_Interconnection_Request_for_a_Generating_Facility.pdf

Section 4. Content Requirements and Submission Procedure

4.1 Schedule Estimate

NSPM's objective is to complete proposal evaluations, selections, and contract negotiations as set forth below:

NSPM 2021 SHERCO SOLAR RFP SCHEDULE

RFP Issued	January 4, 2021
Bidder deadline to submit questions	January 15, 2021
Responses to bidder questions posted	January 22, 2021
Bids due, 5 p.m. CT	February 2, 2021
Bid evaluation and selection	February 22, 2021
Contract negotiation complete	March 15, 2021

By submitting proposals, bidders acknowledge there will be a short period of time to complete negotiation of a contract following selection, and understand failure to timely complete those negotiations is likely to result in the proposed project not moving forward in the subsequent regulatory approval process.

4.2 Minimum Requirements for Proposals

This section describes the minimum requirements that all proposals must satisfy to be eligible for consideration in this solicitation. Unless the Company in its sole discretion elects otherwise, proposals that do not comply with these requirements will be deemed ineligible and will not be considered further. The Company reserves the right to reject any bid and all bids.

- Proposals must include all applicable content requirements described in Section 4.6, including clear and complete written descriptions of all information requested and completed forms.
- Proposals must clearly specify all pricing terms in accordance with Section 4.6.
- Proposals must demonstrate an acceptable level of development and technology risk, as determined by the Company's evaluation team.
- Proposals must clearly demonstrate any financing requirements and an indicative financing structure (construction and permanent) for any proposed resources that will be delivered under the proposals. Respondents should include a description of how current financial markets are likely to impact the respondent's ability to access the debt and tax equity markets.
- Each respondent must present clear and sufficient proof that it has or can secure an adequate and confirmed supply of all equipment and materials necessary to construct and

commission a complete, commercially operable, solar powered electric generating plant sufficient (at a minimum) to meet the RFP requirements.

- Respondents must provide the required bid fee (described in Section 4.5) for each proposal submitted.
- All respondents are expected to provide truthful and accurate statements as part of their bids. Any false statements will result in project disqualification.
- No respondent may act through partnership, joint venture, consortium, or other association or otherwise act in concert with any other person unless it provides written notification of such to the Company as part of its proposal.
- Proposals must clearly confirm that the respondent is assuming to use labor covered by a collective bargaining agreement for the construction of the RFP Project and that the pricing provided in Form 4 is based on this assumption.

4.3 Proposal Submission Deadline

All proposals will be accepted until 5:00 P.M. Central Time on the date indicated in Section 4.1. All proposals must be transmitted electronically, via email, to the RFP Project Manager at:

ShercoSolarRFP@xcelenergy.com

Any proposals, or documents included therein, that exceed 35 MB in size, shall be transmitted upon request to the RFP Project Manager, via a secure upload to the XpressDRIVE File Exchange.

Proposals received later than the due date and time indicated will be rejected and returned unopened unless the Company determines, at its sole discretion, to consider such proposals.

Each proposal submitted must be a complete and electronically signed original proposal. If a bidder submits multiple RFP Project proposals they must all be clearly marked and differentiated.

4.4 Information Policy

To obtain additional information about this RFP, potential respondents as well as all other parties may only submit inquires via email at:

ShercoSolarRFP@xcelenergy.com

Potential respondents as well as all other parties should not attempt to acquire information through any other means including telephone calls to the Company. The Company will maintain a log of all inquiries and coordinate the preparation of written responses. The Company will periodically post responses to questions on the RFP website and these responses will be filed as addendums to the RFP. The deadline for submitting questions is indicated in Section 4.1.

Questions may no longer be accepted after this deadline. All filed addendums will be posted by Company on the RFP website. Bidders are responsible for monitoring the RFP website for updated addendums. The Company has established this information policy to ensure that all respondents have the same timely access and knowledge about the bidding and evaluation process.

4.5 Bid Evaluation Fees

Each bidder shall pay by wire transfer on or before the Proposal Due Date a fee of \$5,000 for each proposal submitted. A separate bid evaluation fee is required for project proposals with different COD, pricing, equipment type, or MW size. RFP Projects on *different* sites, regardless of similarities in size or COD also require a separate bid fee for proposal evaluation and due diligence through Solicitation completion. Bid fees shall be paid by wire transfer to NSP. In response to a bidder sending an email to the RFP email address, ShercoSolarRFP@xcelenergy.com, no earlier than 10 business days prior to the Proposal Due Date, the Company will email a response with wire transfer instructions. No cashier's checks will be accepted.

The Company will not refund any bid fees associated with any bid, regardless of the success or failure of that bid.

4.6 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 deemed ineligible for further consideration, 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.

Bidders are encouraged to provide as much information as possible to assist in the evaluation of their proposals. A complete proposal will include a complete, electronically-signed original proposal, assembled in the following format:

Section 1 – Executive Summary

Bidders shall provide an RFP Project summary and overview including narrative that addresses why their proposal provides value to NSPM and its customers. Bidder shall also provide detail on background and experience in developing similar projects as well as any applicable references (including contact name, contact number and project name) from projects where the bidder has completed development and construction of a similar facility.

Section 2 – Standard Bidder Forms (Appendix B)

Bidders shall complete all forms in Appendix B (Forms 1-11) and provide all information that is applicable to bidders' respective RFP Project(s). Standard Bidder Forms will be made available on the Company's website at the following link:

xcelenergy.com/ShercoSolarRFP

Below is a list and brief description of each form:

Form 1: Confidentiality Agreement: Any person that receives confidential information belonging to the Company shall be required to execute the confidentiality agreement set forth in Form 1.

Form 2: Bid Certification: Bidders must certify that:

- a. All statements and representations made in bidder's proposal are true,
- b. The bidder accepts as applicable the TS (Appendix A) and NSPM's Solar Farm Technical Requirements (Appendix B) except as specifically noted in writing,
- c. The proposal pricing submitted in Form 4 includes the full cost for the use of labor covered by collective bargaining agreements for construction and all transmission interconnection costs, except as specifically noted in Section (D) of the same Form, and that
- d. The bidder identifies and accepts all RFP addenda issued by NSPM.

Form 3: Cover Sheet: Bidders will provide basic RFP Project description and company information including contact information, RFP Project name, location, nameplate capacity, etc.

Form 4: Pricing: For all proposals, bidders must complete Form 4 and provide expected generation levels for each year of the RFP Project's expected life, net of expected degradation impacts, if any. Expected generation shall be estimated at the POD. Bidders shall also provide a schedule of payments from NSP to the bidder that separately identifies payments for, 1) engineering, procurement & construction costs, 2) all transmission interconnection costs related to the delivery of energy from the RFP Project to the POI/POD, 3) optional items available for selection at NSP's discretion, and 4) all other Solicitation Project related payments to be made by NSP. If bidder proposes more than one pricing option, a separate bid and attendant bid fee must be submitted. All pricing is expected to be fully compliant with NSP's Solar Farm Technical Requirements and model TS (Appendix A) unless otherwise noted.

Bidders must offer firm pricing valid through February 2, 2021, the projected RFP completion date, or, if proposal is selected for negotiations, either the completion of negotiations or the issuance of an Order from the appropriate state regulatory commission approving the contract resulting from their proposal, whichever is later. Indicative pricing in a proposal will not be acceptable.

Form 5: Construction: Bidders are to provide proposed dates for each significant construction milestone, as shown on a detailed development schedule provided with the proposal. Milestones should be based on the requirements to achieve the proposed commercial operation date. The dates for the major milestones should also be indicated on Bidder Form 5. Bidder shall also provide onsite construction execution details, including anticipated personnel sizes for construction labor and management, expected on site manpower labor curves, construction union labor trade compositions, and required equipment laydown or other warehousing sizes and locations.

Form 6: Technical Descriptions: The proposal must include all pertinent technical information for the RFP Project including detailed equipment and facility information. Bidders are requested to attach or provide detail from any third party pre-construction energy production reports for proposed solar site.

Equipment Description

At a minimum, proposals should indicate for all major equipment, 1) the name of the manufacturer, 2) model, 3) key metrics and characteristics of the equipment, 4) PVSYST performance model, 5) terms of warranties and/or guarantees, 6) contracting status, 7) site plan of solar array and collector substation, 8) electrical one line diagram, and 9) availability of equipment and planned delivery dates. In addition, completion of Standard Proposal Form 6 - Technical Description is required.

Operations and Maintenance Plan

Respondents shall describe their operations and maintenance plans or services for the generation facilities associated with their proposals.

QA/QC Plan

Respondents to provide a Quality Assurance/Quality Control plan for review.

Form 7: Energy Production Profile: Proposals must include the average expected hourly generation from the RFP Project for each month. Estimated Annual Energy Production should be as delivered to the POD and net of any expected plant degradation over time. Time is hour ending, Central Standard Time; do not adjust for daylight savings time. Explain fully the meteorological data, and source, used for the annual estimates. Provide all losses assumed in the generation of the energy production profile. Provide energy production report if available.

Form 8: Interconnection Details: Proposals must include a summary of all anticipated costs related to the delivery of energy from the RFP Project to the POI/POD included in their proposal pricing including financial analyses related to any costs expected to be incurred with regard to interconnection. This may include the cost of installing the generator tie-line and any interconnection facilities. Projects shall provide confirmation that they are "interconnection request ready" in accordance with MISO Attachment X *Generator Interconnection Procedures* and will meet all technical requirements per MISO Attachment X: Appendix 6 *Generator Interconnection Agreement*.

Form 9: Creditworthiness: Proposals must include detail and address all questions regarding financial aspects of all projects including financing information, credit history, and legal claims. The most recent three fiscal year-end financial statements need to be provided; preference will be given to audited statements but unaudited will be accepted.

Form 10: Siting Environmental: Proposals must provide all requested details regarding site control, permitting, environmental studies, and legal claims.

Proposals must describe the impact of the project on wildlife including any direct or indirect impacts to State and Federal-listed species. Report on any reviews, assessments or studies performed by the DNR, USFWS, or other relevant agencies or consultants on wildlife or cultural resources impacted by the project. Proposals shall provide a characterization of the site and surrounding areas including proximity to nearby wetlands, prime farm land (as referenced in Federal Regulations 1980, title 7, section 657.5, paragraph (a)) and endangered, threatened, or critical species and critical habitat for threatened and endangered species.

The Company is committed to supporting pollinator friendly habitat at our solar facilities. We require bidders to provide a pollinator habitat scorecard assessment form⁷ with their proposed bid package.

Section 3 – Term Sheet Exceptions (Appendix A)

In this section, respondents are required to clearly document any exceptions to the TS by providing a redline version of the document with their Proposal and reason for taking each exception(s). Bidders should also provide the information highlighted in yellow on the TS for their project.

4.7 Clarification of Proposals

While evaluating proposals, the Company may request clarification or additional information about any item in the proposal. Such requests will be sent via email to respondents identified on Form 3 by the RFP Project Manager, typically, and respondents are required to provide a written or electronic response back to the RFP Project Manager within two (2) business days, or the Company may deem the respondent to be non-responsive and either suspend or terminate evaluation of the associated proposal. Respondents are encouraged to provide an alternate point of contact to ensure a timely response to clarification questions.

Any amendment, modification, addenda, or clarification to a bid are binding and will be treated the same as any original RFP proposal. The Company will only accept amendments, modifications, or addenda to a bid in response to a request for clarification from the Company.

Bidders are responsible for carefully examining and understanding all RFP documents and requirements, nature of the work to be performed, and any other requirements listed in this RFP

⁷ <https://bwsr.state.mn.us/sites/default/files/2019-02/Project%20Planning%20Assessment%20Form.pdf>

document. A lack of understanding or ignorance of these requirements will in no way relieve the bidder of obligations of their bid or of any resulting contract.

4.8 Confidentiality

Respondents are allowed to identify any information in their proposals that respondents claim should be considered to be confidential or proprietary. Nonetheless, the Company reserves the right to release all proposals to its affiliates and such affiliates' agents, advisors, consultants for purposes of proposal evaluation. The Company will, to the extent required by law, advise each agent, advisor or consultant that receives such claimed confidential information of its obligations to protect such information. In addition, all information, regardless of its confidential or proprietary nature, will be subject to review by the MPUC and other governmental authorities and courts with jurisdiction, and may be subject to legal discovery. It is not the Company's intent to enter into any separate confidentiality, non-disclosure, or similar agreements as a condition to receiving a respondent's proposal.

Bidders should clearly identify each page and piece of information claimed by bidder to be confidential, trade secret or non-public information. Bidders must provide written justification for any such claim(s). Bidders acknowledge and agree that notwithstanding its designation of certain materials as confidential, trade secret or non-public, NSPM will have the right in its sole discretion to disclose such materials provided to it by a bidder in any regulatory proceeding or as required by law.

4.9 Addenda to RFP

Any additional responses required from respondents as a result of an Addendum to this RFP shall become part of each proposal. Respondents must list all Addenda issued by NSPM at the bottom of the Bid Certification Form (Form 2).

Section 5. Evaluation Objectives and Approach

The objective of the Company's evaluation is to identify a proposal that meets the resource objectives identified in the solicitation in a reliable and cost-effective manner and which is likely to be successfully developed and ultimately placed into commercial operation under ownership of The Company.

An evaluation team, made up of various groups within 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, via email, at any point during the evaluation process for the purposes of clarifying proposals.

The Company will use a three phased approach to evaluating bid proposals offered in the RFP. The three phases include:

- a. Completeness review
- b. Threshold review
- c. Key parameters review and scoring

Based upon the results of the complete evaluation, the Company will determine which proposals will be included in the final selection. The Company may conclude that no offered resource meets the Company's objectives of the solicitation and no proposal will be selected.

5.1 Completeness Review

The completeness review ensures compliance with all bid submittal requirements (fees, sufficient information provided in bid responses, submission of all required information and forms, etc.). The Company reserves the right to reject any, all or portions of any proposal received for failure to meet any criteria set forth in this RFP.

5.2 Threshold Review

The threshold review ensures the bidder and RFP Project complies with all specific bid requirements including:

- a. RFP Project type
- b. RFP Project size
- c. RFP Project location
- d. RFP Project anticipated commercial operation date
- e. Transmission and Interconnection requirements
- f. Solar Technical Specification compliance
- g. Use of union labor for RFP Project construction
- h. Bidder creditworthiness
- i. Bidder experience
- j. Term Sheet compliance

Any proposal that does not meet the above threshold requirements, based on an analysis of all supporting information and data in the bid forms, will be excluded from further evaluation.

5.3 Key Parameters Review and Scoring

The Company has identified the following key parameters to evaluate the RFP Projects with:

- a. Pricing
 - b. Certified Diverse Suppliers
 - c. Pollinator habitat scorecard assessment
 - d. Bidder Financial Strength
- a. **Pricing:** The Company will evaluate proposals' pricing using a Levelized Cost of Electricity (LCOE) methodology based on RFP project pricing and energy production projections. The proposal pricing score will constitute 70% of the overall evaluated value of each proposal.
- b. **Certified Diverse Suppliers:** The Company will provide a score to each proposal based on the proposal's intended use of certified Diverse Suppliers during construction and operations of the Solicitation Project, noting the Company's preference for the use of certified Diverse Suppliers. The score will constitute 10% of the overall evaluated value of each proposal.
- c. **Pollinator habitat assessment:** The Company will provide a score to each proposal based on the proposal's pollinator habitat scorecard assessment form, noting the Company's commitment to supporting pollinator friendly habitat at our solar facilities. The score will constitute 10% of the overall evaluated value of each proposal.
- d. **Bidder Financial Strength:** The Company will provide a score to each proposal based on the level of financial strength of the bidder. The Bidder Financial Strength score will constitute 10% of the overall evaluated value of each proposal.

5.4 Final Project Selection and Bidder Notification

NSPM plans to complete the evaluation of bids and provide notification to bidders of the status of their proposal in February 2021

Appendix A

NSPM's Purchase and Sale Term Sheet
See file titled **Solar Purchase & Sale Term Sheet.docx**

Appendix B

NSPM's Solar Farm Technical Requirements
See file titled ***NSPM Solar Farm Technical Requirements.pdf***

Appendix C

NSPM Template Subcontractor Plan
See file titled ***NSPM Template Subcontractor Plan.pdf***

Appendix D

Point Of Interconnection Map

See file titled ***Point Of Interconnection Map.pdf***

Appendix E

Proposal Forms and Instructions

See file titled **2021 NSPM Solar RFP_Bidder Forms.xlsx**

As discussed in Section 4, the completed forms, attachments and narrative topic discussions, will comprise a complete proposal. The contents of each form and any special instructions for completing the forms are described in section 4.6. These forms can be downloaded from the RFP web site and are expected to be completed and submitted in Microsoft Excel format.

If additional space is needed to elaborate on information requested on any form, please attach additional sheets with the heading "Form [___] – Additional Information."

If certain information is requested that does not apply to the proposal, the respondent must indicate that the information is not applicable. If appropriate, the respondent should explain why the information is not applicable.