

NSPM 2021 SHERCO SOLAR RFP ADDENDUM 3 FREQUENTLY ASKED QUESTIONS

JANUARY 22, 2020

1	Given the interconnect aspiration listed in RFP, is NSP providing site control for the project?	Bidders are expected to provide a bid that includes site control for the RFP Project, although site control does not need to be fully secured at the time of the bid. To the extent Gen Tie line routing would require use of Company-owned land, Bidders should provide best estimates of the cost to reach the dead-end structures to be used for the POI. Siting details shall be documented in the RFP Standard Bidder Form - Appendix B Form 10.
2	Are the proposals Xcel is seeking for projects to be built within the "Sherco Boundary" as indicated on the Point of Interconnection Map, or on adjacent or nearby land close enough to reasonably interconnect at the location indicated?	The Sherco Boundary map is intended to show the area surrounding the interconnection site, and does not represent the boundary limit of the solar development. Bidders will need to secure land for the development of the proposed RFP project. The bidder does not need to have site control secured at the time of submitting its proposal, however evidence needs to be included that show a clear path to site control for the development of the RFP Project.
3	The documents filed last year with the PUC mentioned a 460MW solar project and a 10MW storage component. I assume the RFP coincides with the 460MW of proposed solar. Will the battery storage be addressed through a separate RFP?	Yes, we continue to examine the potential for adding battery energy storage paired with solar at or near the Sherco site, and we expect to undertake a separate acquisition process for that battery at a later date.
4	Is the "Sherco Boundary" in Appendix D the land area that is expected to be used for the solar project?	See response to question 2.

5	Is the developer to assume that all of the land in the “Sherco Boundary” has been secured by Northern States Power Company/Xcel Energy and will be made available to the developer to construct the project?	See response to question 2.
6	Have any environmental studies been performed that could aid bidders in their preliminary siting of project infrastructure?	No. This is the responsibility of the developer on the land they have selected for the RFP Project.
7	Will any portion of the existing coal plant be demolished to allow for construction of the solar farm? If so, which portions?	The Sherco Boundary map is intended to show the area surrounding the interconnection site, and does not represent the boundary limit of the solar development. The RFP project should include plans and an estimate of associated costs to interconnect at one of the two dead-end structures on the Sherco site. Demolishing portions of the existing coal infrastructure is out of scope for this RFP.
8	Will the coal stockpile to the northeast of the plant be removed or have its footprint reduced? If removed, will the surrounding railroad also be decommissioned and removed?	See response to question 7. Coal pile removal and railroad decommissioning is out of scope for this RFP
9	If possible, if Appendix D could be edited to show areas that will be demolished/removed/available for solar that would be helpful.	See response to question 7.

10	For any demolition/removals, should the developer assume that Northern States Power Company/Xcel Energy will be responsible for having this completed prior to the commencement of construction of the solar park?	See response to question 7.
11	Please confirm NSPC/Xcel is responsible for administering the MISO interconnection study process, including submitting the applicable interconnection request.	The Company will take all responsibility for administering the MISO interconnection study process including submitting the applicable interconnection request(s). However, as detailed in the RFP, the Bidder will be required to provide all data necessary to complete Attachment X - Appendix 1 of the GIP to support the interconnection request.
12	Does NSPC/Xcel expect all interconnection studies to be completed and a GIA to be secured to support a 2023 COD?	The Company will be utilizing existing interconnection service granted to the Sherco Generating Plant for interconnecting the projects as allowed under Attachment X of the MISO tariff. Requests utilizing existing interconnection service are not required to proceed through the Definitive Planning Phase cycle in the same manner as an interconnection request for a new generating facility. As such, the interconnection process will be completed, and a GIA executed to support a 2024 COD.
13	Do we need to execute / update an NDA prior to submitting our response and/or completing Form 1? If so, please send a form NDA and we will review and execute.	Please make sure to include a signed copy of Bidder Form 1 in your proposal. At this time there is no need to sign a separate or different Non-Disclosure Agreement other than Bidder Form 1.
14	Could you grant us access to the XpressDRIVE File Exchange, in the event our submission exceeds 35 MB?	The XpressDRIVE File Exchange is accessed through a link that is active for a limited duration. Please submit a request for the XpressDRIVE File Exchange link within 24 hours of the intended proposal submission.

15	Can the solar farms be located anywhere in Minnesota?	The solar farms must be located within the boundaries of MISO Zone 1 ("RFP Project Location") and must interconnect at one of the dead-end structures indicated in the Point of Interconnection Map (Appendix D).
16	Can we submit a proposal for just Solar Storage alone?	As per section 2.2 of the RFP Document, an eligible RFP Project proposal is for a new, to-be-built photovoltaic solar resource facility only. A solar storage proposal is not eligible under this RFP.
17	Would Xcel Energy be willing to partner with a Native Indian Tribe?	Xcel Energy would be happy to consider partnering with any project developer, including Native Indian Tribes, who submits an eligible RFP Project proposal.
18	Will the Company consider leasing property in support of a solar project or does the bidder need to have site control on property in proximity to the Sherco site.	The Sherco Boundary map is used to show the area surrounding the interconnection site, this is not the boundary limit of the solar development. The Company does not consider leasing property in support of a solar project under this RFP. The bidder does not need to have site control secured at the time of submitting its proposal, however evidence needs to be included that show a clear path to site control for the development of the RFP Project.
19	What evidence of site control is required for submission?	The bidder does not need to have site control secured at the time of submitting its proposal, however evidence needs to be included that show a clear path to site control for the development of the RFP Project.
20	Is there a PPA option or just Build Transfer?	As per section 2.2 of the RFP Document, the Company is seeking Build Transfer 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. This RFP is limited to Build Transfer proposals only in order to utilize existing Company-owned interconnection service. PPA proposals are not eligible under this RFP.

21	If it is only BT, is Xcel expecting fully financed projects with structured debt and tax equity off-takers ready to go?	The BT transaction will be structured as an entity acquisition in which 100% of the ownership interest will be acquired by the Company. The acquired entity will be free and clear of debt and not have any tax equity in place.
22	What is needed for site control if we are assuming that we can use Xcel land? Is there a cost assumption that we should build in?	See response to question 2.
23	Given the existing transmission infrastructure and substation, does Xcel have an indicative interconnection cost? Or is the exercise to show that we can make an estimate and be prepared to go through the full MISO study process?	The project pricing should include all interconnection costs required to deliver energy from the project to the point of interconnection, which for the purpose of this RFP, is one of the two dead end structures located near the existing Sherco 345kV substation. The locations of the dead-end structures are shown on the map included in Appendix D of the RFP. The Company will be responsible for transmission facilities between the dead-end structures and the Sherco 345 kV substation along with any upgrades required at the Sherco substation to connect the project to the MISO transmission system. As such, the Seller does not need to include any costs in their proposal for these facilities.
24	If we are seeking to use Xcel's land for this project, is it acceptable to show an environmental permitting plan, since we will not have the approvals by February?	The project should be proposed on land that the developer has selected and for which it can obtain site control for their proposed project. Bidders will need to secure land for the development of the proposed RFP project. The bidder does not need to have site control secured at the time of submitting its proposal, however evidence needs to be included that show a clear path to site control for the development of the RFP Project. Since the RFP requested that proposed projects meet a specific commercial operations date, to the extent that permitting is still a future activity to meet that deadline, a proposed permitting plan including tasks and milestones is acceptable.

25	Is there an opportunity for a site walk?	The Sherco Boundary map is used to show the area surrounding the interconnection site, this is not the boundary limit of the solar development.
26	Is there an assumption that we could be the O&M manager after sale? This is particularly relevant for the pollinator friendly vegetation component.	An O&M plan, including any descriptions and assumptions, should be included in the RFP proposal. However, an O&M contract with the bidder is not expected after the transfer of ownership of the RFP Project.
27	Is there interest in other agrivoltaic project elements?	Agrivoltaic project elements can be included in proposals, however bidders are requested to include sufficient evidence in their proposals to confirm that the relevant landowner(s) are on board and understand the impacts on projects costs prior to, during and after construction of the RFP Project.
28	Will Xcel also be bidding to develop and construct any projects itself?	Pursuant to Docket Number E,G999/CI-20-492, the Company is moving forward with proposed plans to procure a large-scale solar generation facility (or facilities) that will be able to re-use interconnection service made available when our Sherco 2 coal unit is taken out of service. We are following a competitive bid process approved by the Minnesota Public Utilities Commission, which includes a process for the Company to submit a self-build bid in addition to third-party bids.
29	How will the Certified Diverse Suppliers section be scored? Are there specific thresholds needed to qualify in this section?	As per section 5.3 of the RFP Document, the Company will provide a score to each proposal based on the proposal's intended level of using certified Diverse Suppliers during construction and operations of the RFP 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.

30	Is NSPM providing the land at the existing Sherco site for the 500MW of solar projects or does the bidder need to secure land for the solar projects?	See response to question 2.
31	do we need to secure site control to bid or will we be using a NSP site?	See response to question 2.
32	I saw that the RFP document was updated on January 5th. Is there a redline to show what changed?	The January 5, 2021 version of the RFP Document extends the expected Commercial Online Date requirement in sections 1.1 and 2.2 by one year, to December 31, 2024.
33	Will you consider energy storage as an alternative to solar for this RFP?	As per section 2.2 of the RFP Document, an eligible RFP Project proposal is for a new, to-be-built photovoltaic solar resource facility only. An energy storage proposal is not eligible under this RFP.
34	Is the submission required to prove a) connection to 1 of 2 ‘dead end structures’ b) lead up to Xcel land or c) nearby transmission line in the area (possibly north of HWY 10)?	See response to question 23.
35	Is full site control required? Could a small batch of contiguous land, perceived to host 75MW, enough? Would 4-5 scattered properties suffice?	The project should be proposed on land that the developer has selected and for which it can obtain site control for their proposed project. Bidders will need to secure land for the development of the proposed RFP project. The bidder does not need to have site control secured at the time of submitting its proposal, however evidence needs to be included that show a clear path to site control for the development of the RFP Project. Sites do not need to be contiguous.

36	What should the submission assume for full interconnection costs associated with delivering energy from the project to the POI options near the Sherco 345 kV substation, this is a fuel switch, correct. So should the submission just capture costs to get to the dead-end structures?	Correct, bidders should provide best estimates of the cost to connect the project to one of the dead end structures to be used for the POI.
37	I reviewed the RFP docs, having seen the announcement of the 500 MW procurement online, and I see it is a Build-Transfer (BT) format. I am curious to ask: Is this structure mandated by the Minnesota PUC for all procurements under the new UMIRP, or is this unique to this procurement for 500 MW at the Sherco injection location? I am curious to know what the longer-term opportunities are in MN for genuine IPP's who want to bid, develop, own and operate facilities in Minnesota.	The Company is using a build-transfer for this project because we are planning to re-use existing interconnection service that will be made available from planned retirements at our Sherburne County coal generating facility. Under the MISO generating facility replacement processes, the Company is required to replace the existing facility with its own, company-owned resource in order to reuse the interconnection service. That said, we anticipate running future competitive acquisition processes that would not be similarly limited to a specific interconnection point.

