

Northern States Power Company- Minnesota & Northern States Power Company-Wisconsin

2022 RFP

Request for Proposals



RFP Issue Date: August 1, 2022

Proposals Due: September 30, 2022

RFP Website: xcelenergy.com/NSP2022RFP

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2022 RFP

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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") and Northern States Power Company, a Wisconsin corporation ("NSPW") - or collectively the "Company" – do 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.

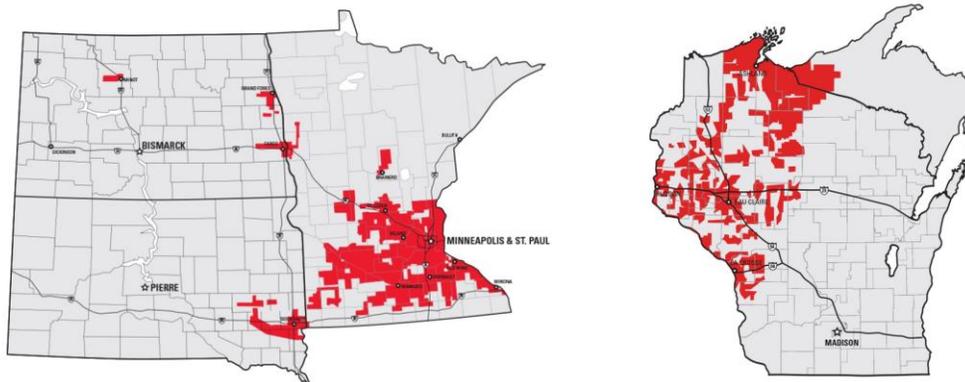
Northern States Power Company - Minnesota & Northern States Power Company - Wisconsin 2022 RFP

Section 1. Introduction

Xcel Energy Inc., headquartered in Minneapolis, Minnesota, is a U.S. investor-owned holding company parent of four major electric and natural gas utilities. The four Xcel Energy operating companies have regulated utility operations in the eight western and midwestern states of: Minnesota, Wisconsin, North Dakota, South Dakota, Michigan, Colorado, Texas, and New Mexico. The operating companies of Xcel Energy provide, collectively, energy-related products and services to approximately 4.3 million customers. More information about Xcel Energy is available at www.xcelenergy.com.

Northern States Power Company, a Minnesota corporation (“NSPM”), is the Xcel Energy operating company in North Dakota, South Dakota and Minnesota, and Northern States Power Company, a Wisconsin corporation (“NSPW”) is the Xcel Energy operating Company in Wisconsin and Michigan. NSPM and NSPW – collectively the “Company” or “NSP” – are issuing this Request for Proposals (“RFP”) to seek firm proposals for at least 900 MW of solar or solar + storage generation assets (“RFP Projects”) coming online by December 31, 2025.

Figure 1. NSPM and NSPW Retail Electric Service Territory



1.1 Primary RFP Objectives

The main purposes of the Company’s RFP are 1) to fill a need for capacity and energy as approved in the Company’s most recent Integrated Resource Plan (“IRP”) and 2) to allow the Company to reutilize an existing point of interconnection with the Midcontinent Independent Transmission System Operator (“MISO”) due to the planned retirement of the Company’s Sherburne County Generating Station.

The Company looks to fulfill these two core objectives by seeking at least 900 MW of solar or solar + storage capacity in this RFP that will achieve commercial operation by December 31, 2025. Proposals from a wide geographic range and both transmission and distribution-interconnections are allowed, as are proposals for the Company to own, enter in power purchase agreements, or self-build. While other proposal attributes may also offer benefits, the Company will evaluate all proposals received in this RFP with a focus on meeting these two core objectives.

While open to exceeding the 900 MW target, the amount of generation the Company may acquire from this RFP depends on, among other things, the quality of the bids received in response to this solicitation, the economic value to NSP customers, and regulatory approval.

1.2 Regulatory Context

The Company is initiating this request for proposals consistent with the Minnesota Public Utilities Commission (“MPUC”) recent Order in the matter of the Company’s 2020-2034 Upper Midwest Integrated Resource Plan (“IRP”).¹ The IRP Order includes approval to procure approximately 1,300 MW of solar and/or solar-storage hybrid resources by 2026; some of which could be fulfilled by the Company’s pending proposal for the Sherco Solar project in ongoing Docket No. E002/M-20-891.

Per the IRP Order, the 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 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:

NSP2022RFP@xcelenergy.com.

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

The NSP 2022 RFP webpage can be found at: **xcelenergy.com/NSP2022RFP**.

Section 2. Eligible Project Information

A summary of the eligible RFP Project types and parameters can be seen in Table 1; each major parameter is described in further detail below. Depending upon the interconnection type, RFP Projects may be located anywhere in MISO Zone 1² and/or in NSP retail electric service territory (Figure 1).

¹ ORDER APPROVING PLAN WITH MODIFICATIONS AND ESTABLISHING REQUIREMENTS FOR FUTURE FILINGS, Docket No. E002/RP-19-368, April 15, 2022 (IRP Order) .

² <https://www.misoenergy.org/>

Table 1. Summary of project types eligible for the 2022 NSP RFP.

Parameter	Project Types	
Resource Types	Solar, Solar + Storage	Solar, Solar + Storage
Approximate MW Target	600 MW _{ac}	300 MW _{ac}
Minimum Size per Project Site	> 5 MW _{ac}	> 5 MW _{ac} ,
Project Structure	Power Purchase Agreement (“PPA”), Build Transfer (“BT”), Company self-build	BT, self-build
Timing	Expected COD by December 31, 2025	Expected COD by December 31, 2025
Geography	<ul style="list-style-type: none"> • MISO Zone 1 (transmission-interconnected assets)* or • NSP distribution system³ (distribution-interconnected assets) 	<ul style="list-style-type: none"> • MISO Zone 1, reutilizing the Company’s existing Sherco interconnection rights*

*Note: an RFP Project may be evaluated for both interconnection through a new MISO Generator Interconnection Agreement (“GIA”) or for Sherco interconnection rights reuse. These will be treated as two separate bids for the purposes of evaluation. Bidder shall specify in the bid forms for which method of interconnection it desires its project to be evaluated.

2.1 Eligible Project Structures

a. Build-Transfer (BTs)

Under this project structure, the Company will assume 100% ownership of the RFP Project as outlined in the Purchase and Sale Term Sheets (“TS”) which are attached to this RFP in Appendix A.

Depending upon the interconnection type, all BT proposals shall include a bid price that is fully compliant with NSP’s TS (Appendix A) and the conditions and requirements stated in NSP Technical Specification for Transmission Interconnected Renewable Generation or NSP Technical Specification for Distribution Interconnected Renewable Generation (both Specifications attached to this RFP in Appendix C). BT proposals may also include any written exceptions from those stated in the Technical Specifications in Appendix C and to the TS in Appendix A. In the case that exceptions are submitted, the bid price must be fully compliant with the written exceptions submitted. Respondents should note per Section 5.3 below that exceptions may lower the project score.

b. Power Purchase Agreements (PPAs)

The Company will consider PPAs as an eligible project structure for both solar and solar + storage bids. All PPA proposals shall include a bid price that is fully compliant with NSP’s Model Solar Power Purchase Agreement or NSP’s Model Solar + Storage Power Purchase Agreement (both in Appendix B). PPA proposals may also include any written exceptions from those stated in the applicable Model Power Purchase Agreement in Appendix B. In the case that exceptions are submitted, the bid price must be fully compliant with the written

³ The distribution feeder and substation used to serve the project location must be wholly owned by NSP and the generation site(s) and point of interconnection must be located within NSPM or NSPW service territory.

exceptions submitted. Respondents should note per Section 5.3 below that exceptions may lower the project score.

c. Company Self-Build (SB)

The Company will consider self-built projects in this RFP. Any such proposals will pay a bid fee and provide all relevant bid information that the RFP team requires to evaluate the proposed project on a fair, impartial and consistent basis with any third party proposals.

2.2 Product Description

RFP Project: Proposals must be for new, to-be-built photovoltaic solar resource facilities or solar + storage (“hybrid”) facilities that are complete and commercially operable, including all facilities necessary to generate and deliver energy at the point of interconnection by the commercial operation date specified in the proposal.

Product: The Company is seeking RFP Projects 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. Note that all RFP Projects are expected to be able to supply accredited capacity as a Planning Resource that the Company can use to meet its resource adequacy requirements within the MISO Resource Adequacy construct.

Project Size: Each RFP Project must have a nominal AC electrical output exceeding 5 MW at each location and point of interconnection (i.e., not the result of aggregated smaller projects at different sites/locations). For BT proposals, Company ownership of 100% of the project and all associated facilities is required. For PPA proposals, RFP Projects that consist of partial offtake from a larger generation asset are allowed, as long as the proposed offtake amount is larger than 5 MWac.

Interconnection and Location:

Depending upon the RFP Project’s intended interconnection option, the RFP Project must be located within one or more of the following areas (“RFP Project Location”):

- Transmission-Interconnection Option #1: Can be located anywhere within MISO Zone 1.
- Transmission-Interconnection Option #2: Reuse of Sherco Interconnection Rights. NOTE: this option has additional project type requirements. See Section 3 for additional details.
- Distribution-Interconnection Option: Can be located anywhere on the NSPM or NSPW distribution system, as long as the distribution feeder and substation used to serve the location are wholly owned by NSP and the generation site(s) and point of interconnection are located within NSPM or NSPW service territory. Bids interconnected to other utilities’ distribution systems will not be considered.

Joint proposals – such as multiple locations with joint pricing in a single bid – are allowed as long as each separate location independently meets the Project Size, Product, and RFP Project requirements in this section (i.e., minimum interconnection of 5 MWac at each location).

Expected Online Date: The RFP Proposal(s) should have an expected commercial operation date by December 31, 2025.

2.3 Special Conditions

The first three conditions below – Union Labor, Certified Diverse Suppliers, and Pollinator Habitat Scorecard Assessment – apply to all RFP Projects.

Union Labor

The Company seeks RFP Projects that utilize labor covered by a collective bargaining agreement for its construction, and requires the bidders to provide pricing in the Standard Bidder Form 4 that assumes the use of such labor, and agree to language for this requirement in the applicable Model Power Purchase Agreement (for PPA bids) or Bid Certification form (Standard Bidder Form 2) for BT and Self-Build bids.

Certified Diverse Suppliers

The Company furthermore has a strong preference for projects that utilize contractors and/or suppliers that are classified as certified Diverse Suppliers. Projects will be scored in the RFP in accordance with this preference. The Company requests all proposals to include a completed Subcontracting Plan for this project and an overview of your subcontracting program that reflects the percentage of business done with diverse suppliers in 2021. A template Subcontracting Plan is provided in Appendix D 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.

Pollinator Habitat Scorecard Assessment

The Company is committed to supporting pollinator friendly habitat at our solar facilities. We require all bidders to provide a pollinator habitat scorecard assessment form⁴ with their proposed bid package.

Ownership Requirements for Utilization of Sherco 2 Interconnection Rights

One of the core purposes of this RFP is to allow the Company to re-use approximately 300 MW of transmission interconnection rights once Sherco 2 retires. In order to accomplish this and comply with MISO and FERC requirements, the Company must own the generation proposed to utilize this interconnection re-use approach. For the purposes of this RFP, this means that only BT and self-build bids will be considered for Sherco interconnection re-use.

2.4 Pricing

Regardless of whether the proposal is a PPA, self-build, or BT, proposal pricing must be for a complete RFP Project that meets the definitions in Section 2.2, including but not limited to solar modules, inverters, tracking system, balance of plant equipment, operations and maintenance, and required transmission or interconnection costs. If the RFP Project includes a Battery Energy Storage System (“BESS”), the proposal price must also include all equipment associated with the energy storage system.

⁴All RFP projects, regardless of location, will complete the Minnesota scorecard, available here and in Appendix I: <https://bwsr.state.mn.us/sites/default/files/2020-05/Habitat%20Friendly%20Solar%20Site%20Assessment%20Form%20for%20Project%20Planning%205-26-2020.pdf>. Projects located in Wisconsin will also need to complete the Wisconsin pollinator scorecard form, also in Appendix I.

Bidders must offer firm pricing valid through the duration of this RFP, and, if the proposal is selected for negotiations, the completion of negotiations resulting in an executed PPA or Purchase and Sale Agreement (“PSA”). Indicative pricing in a proposal will not be acceptable. All pricing must be in terms of current year United States dollars, also referred to as escalated or nominal dollars.

a. BT and Self-Build Pricing

Within the Standard Bidder Forms (attached in Appendix F), Form 4 provides the pricing template for BT and SB proposals.

The bid price shall include:

- the cost to fully comply with conditions and requirements stated in the applicable NSP Technical Specification (both in Appendix C) and the applicable NSP’s TS in Appendix A;
- all costs associated with the development, procurement, construction, commissioning, and applicable testing of the RFP Project. The proposal shall not be contingent upon awarding an operations and maintenance contract; and
- transfer of all property rights and/or any land lease(s)/easements.

The Company will not make any progress payments. On Standard Bidder Form 4 the Company requests bidders to list the schedule and amounts of ongoing payments to be assumed by NSP post-closing⁵ that separately identifies payments for land and easement costs, optional items available for selection at NSP’s discretion, and all other payments to be made by NSP post-closing. Solar + storage bids should also supply a Long-Term Services Agreement of the type mentioned in Appendix A if applicable, should they choose to, but the base bid and Purchase Price shall not be contingent upon the Long-Term Services Agreement. 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 SB or BT bid price for evaluation. Therefore, SB and BT bidders shall not include these Company costs in their pricing.

Related to the BT and SB bid pricing, bidders will be responsible for identifying the level of federal tax credit qualification they expect the project to attain and for providing a plan or detailed description of the process for doing so. The tax credit in place on the day of bid submittal should be the tax credit discussed in the proposal. The Company reserves the right to request bidders provide updated tax credit information and expected qualification in the event that tax policy changes during the RFP or in subsequent contract negotiation processes.

b. PPA Pricing

Form 4 for PPA proposals contains the pricing template. Bidders may propose PPA term lengths between 7 and 25 years; each separate PPA term length proposed constitutes a separate bid.

All pricing must be in terms of current year United States dollars, also referred to as escalated or nominal dollars. For example, a \$50 per megawatt-hour (“MWh”) energy price proposal for 2022 means that in 2022

⁵ Post-closing is the period of time that starts after the Company has closed on the acquisition of a Build-Transfer bid and taken ownership. This period occurs after Commission or regulatory approval; however costs occurring from this point on for a BT bid represent ongoing costs to the Company that will be included in the modeling of the BT bid.

energy from the facility will be purchased at an all-inclusive Energy Payment Rate⁶ of \$50/MWh. All PPA proposals shall include a bid price that is fully compliant with the NSP Model Renewable Power Purchase Agreement or the NSP Model Solar + Storage Power Purchase Agreement (both in Appendix B). Assuming the federal tax policy in place at the time of RFP bid submittal, RFP Project Bids should identify the level of Investment Tax Credit (“ITC”) which Bidder anticipates the Project will secure and the year in which construction of the project is expected to be treated as beginning for ITC purposes. The Company reserves the right to request bidders provide updated pricing in the event that tax policy changes during the RFP or in subsequent contract negotiation processes.

The Company’s preference requires fixed price proposals that contain a fixed base price, with or without a fixed annual escalator. Respondents may not submit proposals with variable base year pricing or variable annual escalators.

2.5 Regulatory Approvals

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

2.6 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 (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.

a. Additional PPA Requirement

The Company is aware that certain contract approaches – especially with respect to battery energy storage – could result in either (i) a contract that must be accounted for by the Company as a finance lease or an operating lease pursuant to Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 842, or (ii) consolidation of the seller or assets owned by the seller onto the Company’s balance sheet pursuant to the variable interest entity requirements of FASB ASC 810. The following shall therefore apply to any proposal submitted pursuant to this RFP:

- The Company is unwilling to be subject to any accounting or tax treatment that results from a PPA’s finance lease or consolidated variable interest entity classification. As a result, in their proposal(s), respondents shall (i) state that the respondent has considered applicable accounting standards in regard to finance leases and variable interest entities, (ii) summarize any changes that the respondent proposes to the Model PPA in order to attempt to address these issues, and (iii) state that, to the

⁶ Rate covers energy, capacity, renewable energy credits (“RECs”), and ancillary benefits of the RFP Project.

respondent's knowledge and belief, the respondent's proposal will not result in such treatment as of the date of the proposal.

- As applicable, the Company will not execute a PPA without confirmation from the Company's external auditors that the PPA will not be classified as a finance lease or a consolidated variable interest entity.

Section 3. Interconnection Requirements

3.1 General information

The Company will only consider RFP Projects located within one of the eligible RFP Project Locations. While the associated interconnection costs differ for each of the three options in this RFP, each proposal is required to include all applicable interconnection costs within its pricing proposal. More details about each interconnection option are provided below.

3.2 Transmission-Interconnection Option 1: MISO Zone 1

Bids selecting this option must have an active generator interconnection request with MISO at the time of proposal submittal and have, at minimum, completed MISO Decision Point #2 or have received the MISO DPP Phase 2 Draft Study.

Proposals must include information that allows the Company to confirm the proposed Project's interconnection status and its ability to demonstrate deliverability of accredited capacity as a Planning Resource within the MISO Resource Adequacy construct. As indicated in the Standard Bidder Forms, this includes: all pertinent MISO or bidder prepared studies including generator interconnection request information, generation interconnection study information, generation interconnection agreement ("GIA") information, MISO document links and information, general project transmission information, congestion and curtailment analyses, and a point of contact for all transmission related information.

Bidders must also provide a summary of all anticipated interconnection and/or system upgrade costs included in their proposal pricing including financial analyses related to any costs expected to be incurred with regard to interconnection, including the cost of installing the interconnection facilities, the network upgrades, distribution upgrades, affected system upgrades, and system protection facilities that have been identified, and a discussion of any unknown or contingent network upgrades for which the RFP Project may be responsible. As indicated in the Standard Bidder Forms in Appendix F, bidders are requested to attach third party studies on projected interconnection/system upgrade costs related to the RFP Project(s).

3.3 Transmission-Interconnection Option 2: Utilization of Sherco interconnection rights

One of the core purposes of this RFP is to solicit capacity that can utilize the Company's existing interconnection rights at the Sherco site, when Sherco Unit 2 retires. Projects requesting consideration for interconnection through this option shall include Bidder's best estimate of 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 either of two currently existing dead end structures near the Sherco 345 kV substation, per the diagram in Appendix E. Bidders have multiple options for the type of transmission facility that must deliver energy to this POI:

1. Bidder may construct a 345 kV transmission facility to deliver energy to one of two existing dead end structures near the Sherco 345 kV substation.
2. Bidder may construct a 115 kV transmission facility – or other kV of their choice – to deliver energy to one of two dead end structures near the Sherco 345 kV. If this option is selected, the Bidder shall include, in addition to the data below, the cost for a substation transformer at the Sherco substation required to deliver.

Regardless of which option is selected, bidders will need to provide detailed plans for route, design, regulatory approval, and permitting information and estimated costs for the selected transmission facilities. The Company reserves the right to request additional design scenarios or to adjust these estimates to reflect any updates at the specified POI.

While an RFP Project bidding under this category would not need to submit a MISO generator interconnection request to qualify for consideration in this portion of the RFP, all such proposals should meet the requirements of an “interconnection request ready”⁷⁷ project per MISO Attachment X *Generator Interconnection Procedures* and meet all technical requirements per MISO Attachment X: Appendix 6 *Generator Interconnection Agreement*.

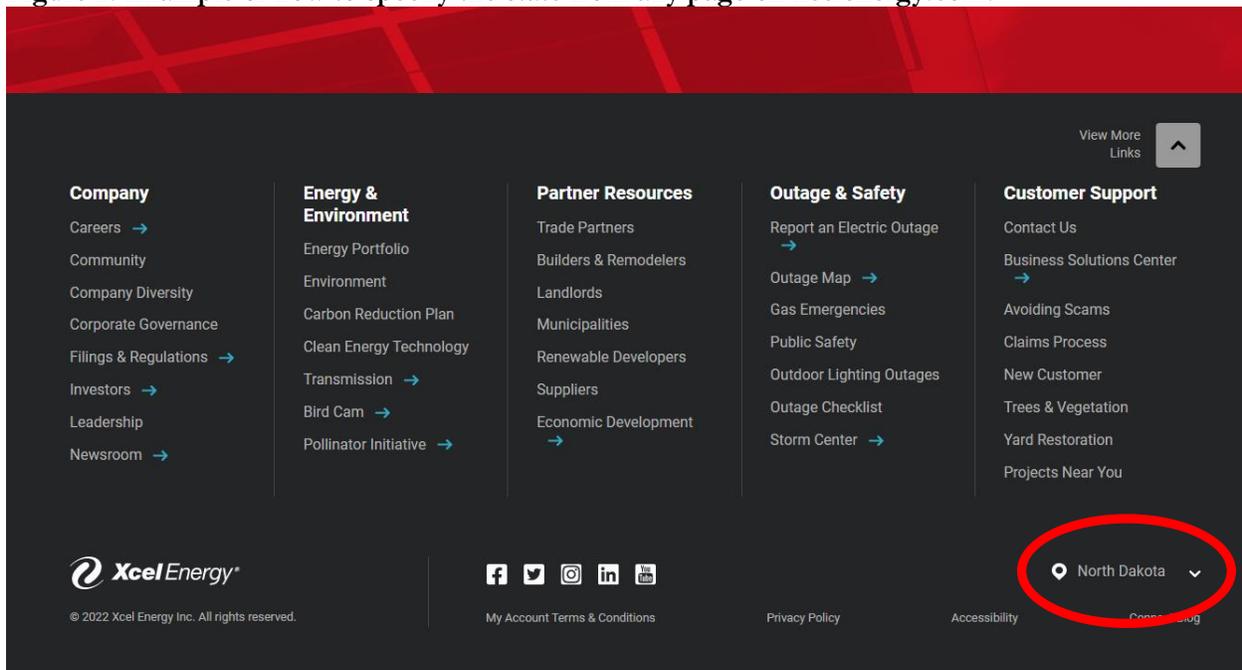
3.4 Distribution-Interconnection Option

PPA and BT proposals selecting this option must be located within, and interconnected to the grid, anywhere on the NSPM or NSPW distribution system – which includes portions of Minnesota, Wisconsin, North Dakota, South Dakota, and Michigan – by the COD indicated in the proposal. Interconnection requirement information for each state and information on application processes for sites located in each of the five states can be found at the following locations:

- Sites in Minnesota: <https://mn.my.xcelenergy.com/s/renewable/developers/interconnection>
- Sites in Wisconsin: <https://wi.my.xcelenergy.com/s/renewable/developers/interconnection>
- Sites in North Dakota: <https://nd.my.xcelenergy.com/s/renewable/developers/interconnection>
- Sites in South Dakota: <https://sd.my.xcelenergy.com/s/renewable/developers/interconnection>
- Sites in Michigan: <https://mi.my.xcelenergy.com/s/renewable/developers/interconnection>

To find state-specific information above, first navigate to the bottom right of any page on [xcelenergy.com](https://www.xcelenergy.com) and choose the correct state from the drop-down menu. You will have to change this locator each time you need information for a different state.

Figure 2. Example of how to specify the state from any page on [xcelenergy.com](https://www.xcelenergy.com).



⁷⁷Bidders 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

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Bidders choosing this interconnection option will be responsible to include all anticipated interconnection and/or system upgrade costs in their proposal pricing, including the estimated cost of installing any necessary interconnection facilities, network or affected system upgrades. As indicated in the Standard Bidder Forms in Appendix F, bidders are encouraged to attach all documentation, study results, application materials, or other analyses to date in order to support their estimated projected interconnection/system upgrade costs related to the RFP Project(s).

In determining the viability of a particular bid, one factor considered is whether there likely will be capacity on the feeder/substation associated with the bid without the need to install a new feeder or make substantial modifications to the substation such as replacing a substation transformer. To help provide guidance on this, an attachment available to bidders upon request - Attachment G - includes a list of feeders that, based on our preliminary analysis of minimum bid sizes, would likely be able to interconnect projects of the requested magnitude. Please note that this listing is provided only as a matter of convenience, more in-depth analysis will take place after bids are received, and this listing is not binding on the Company. Regardless of whether an RFP Project intends to interconnect with any of the feeders listed in Appendix G, please note that upgrades and costs may still be incurred as deemed necessary in the interconnection application process based on proposed RFP Project design and location.

a. *Eligible time windows for Interconnection Application submittal*

Distribution-interconnected proposals may submit interconnection applications during one of two time periods:

1. Anytime on or before July 20, 2022. To qualify as being submitted during this time period the interconnection application must have been Deemed Complete by the Company and have established queue position on or before July 20, 2022.
2. Upon shortlisting and selection of the bid for negotiations (on or after November 23, 2022)⁸.

Interconnection applications submitted between July 20, 2022 and the date of shortlisting and selection will result in the removal of the RFP Project proposal from further consideration in this RFP process. Any exceptions to this requirement will be considered at the Company's sole discretion.

Section 4. RFP Schedule and Proposal Content Requirements

4.1 Schedule

NSP's objective is to complete proposal evaluations, selections, and contract negotiations as set forth below in Table 2. For consideration in this RFP, proposals from third parties must be submitted by 5:00 p.m. (CDT) on September 30, 2022. As per the Modified Track 2 process required by the MPUC, any self-build bids in this RFP must be submitted by 5:00 p.m. (CDT) on September 29, 2022 and will remain unopened until the proposal acceptance period has ended.

The Company reserves the right to adjust the schedule should extenuating circumstances occur; this information would be communicated to all bidders in writing should it occur.

⁸ As part of the RFP bid, instead of an interconnection application, bidder must submit a Renewable Developer Pre-Application Request, where available based on State jurisdiction.⁸ Please see Appendix F: Standard Bidder Forms for more details (see tab called "8-Interconnect, Opt 1"). The Renewable Developer Pre-Application Request itself can be found at <https://mn.myxcelenergy.com/s/renewable/developers/interconnection>. In order to submit a Pre-Application Request, bidder will also need to create a profile and sign an NDA.

Table 2: NSP 2022 RFP SCHEDULE

RFP Issued	August 1, 2022
Company-preferred deadline to submit the Notice of Intent to Respond (optional Standard Bidder Form)	August 15, 2022
Last date for bidders to submit questions (answers posted online weekly)	September 15, 2022
Responses to last bidder questions posted	September 23, 2022
Self-Build Bids due, 5 p.m. CDT	September 29, 2022
Third Party Bids due, 5 p.m. CDT	September 30, 2022
List of bids shortlisted for contract negotiations is announced	November 23, 2022
Contract negotiation complete	First Quarter 2023
Petition filed, including Independent Auditor report	First Quarter 2023

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 due diligence and 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 or solar + storage 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 and agree to pay another fee upon bid shortlisting.
- 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 the use of labor covered by a collective bargaining agreement for the construction of the RFP Project and that the pricing provided in the applicable Standard Bidder Form 4 is based on this assumption.
- All bidders must provide the applicable pollinator habitat scorecard assessment form(s) with their proposal.

4.3 Proposal Submission Deadline

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

NSP2022RFP@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. Joint or bundled proposals – such as multiple sites with joint pricing in a single bid – are allowed as long as each separate location independently meets the RFP Product requirements in Section 2.2 (i.e., minimum interconnection of 5 MWac).

4.4 Information Policy and Internal Communications Protocol

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

NSP2022RFP@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 addenda. 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.

a. Internal Communications Protocol

As indicated in this RFP, the Company is using the Modified Track 2 process for this RFP. This process was developed, in part, to speed the renewable resource acquisition process while ensuring an objective and transparent process when the Company may potentially submit its own self-build proposal into the RFP. As required by the Modified Track 2 process and as a general best practice, we have established an internal communications protocol that creates a “firewall” with respect to communications related to this RFP between Company staff who may work on potential Company self-build proposals and Company staff on the RFP evaluation team.

This firewall is designed to safeguard against the self-build team obtaining information that is not available to other potential bidders. The separation protocol also governs the communication process the RFP evaluation team will use to communicate with all bidders, both internal and external to the Company. An Independent Auditor hired by the Company monitors our firewall and communications between the RFP team and bidders pertaining to the RFP, and includes a review of the firewall and team structures in its report filed with the resource acquisition petition resulting from the RFP process.

For the current RFP, the internal firewall has been in place since March 11, 2022 and will remain in place until at least until bids are received. If the Company submits self-build proposal(s), the firewall will remain in place strictly until the final shortlisted bids are announced, currently planned for November 23, 2022.

4.5 Bid Evaluation Fees

a. First Bid Fee

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, interconnection choice, pricing, PPA term length, 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 RFP completion. Bid fees shall be paid by wire transfer to NSP. In response to a bidder sending an email to the RFP email address, **NSP2022RFP@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.

b. Second Bid Fee

Any bidder(s) selected to begin negotiation of a Power Purchase Agreement or Purchase and Sale Agreement shall be required to submit a Second Bid Fee of \$1/kW (e.g., 100 MW Project * \$1/kW = \$100,000) to the Company prior to commencement of negotiations. Upon execution of an Agreement the Second Bid Fee shall, at the option of the bidder, be either refunded to the bidder or, for Power Purchase Agreements only, be applied to fulfill the bidder’s obligations under Article 11 of the Power Purchase Agreement. However, if the bidder and the Company fail to execute an Agreement due to, in whole or in part, bidder’s actions or inactions that do not reflect or conform to bidder’s representations or commitments made during the RFP bidding process, the Bidder shall surrender the Second Bid Fee.

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 incomplete and ineligible for further consideration, unless the

information requested is not applicable or relevant to a given proposal.⁹ 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

All bidders shall provide an RFP Project summary and overview including narrative that addresses why their proposal provides value to NSP and its customers, especially with regard to the Company’s two primary objectives outlined in Section 1.1 of this document. 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.

Relevant Bidder Experience

All proposals must describe the respondent’s qualifications and experience in developing, constructing, commissioning and operating 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 Engineering, Procurement, and Construction (“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. This part of Section 1 is also required in addition to Standard Bidder Forms 12 and/or 13.

Section 2 – Standard Bidder Forms (Appendix F)

All bidders shall complete forms in Appendix F (Standard Bidder Forms 1-16) 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/NSP2022RFP

Below is a list and brief description of each form:

Form 0: Notice of Intent to Respond (optional): As a potentially large number of RFP Projects may be submitted, bidders are encouraged, but not required, to submit the Notice of Intent to Respond during the first three weeks the RFP is open. This form is optional for all bid types.

Form 1: Confidentiality: Form 1 is required for all bid types. Any person that receives confidential or Highly Confidential information belonging to the Company shall be required to execute the confidentiality agreement set forth in Form 1.

⁹ Applicants will be given the opportunity to remedy deficiencies.

Form 2: Bid Certification: There are two versions of Form 2 that correspond to whether the proposal is a BT or self-built option versus a PPA. Please use the form that corresponds to the proposed contract structure. Bidders must make several certifications, including:

- a. All statements and representations made in bidder’s proposal are true, and bidder agrees to abide by the posted Conduct Code;
- b. The bidder accepts, as applicable:
 - i. BT bids: the applicable TS (Appendix A) and NSP Technical Specification (Appendix C) except as specifically noted in writing, or
 - ii. PPA bids: the applicable NSP Model Power Purchase Agreements (Appendix B), except as specifically noted in writing;
- c. For PPA bids only: the applicable accounting standards in regard to finance lease and variable interest entities have been considered and that, to the bidder’s knowledge, the bidder’s proposal will not result in finance lease or consolidated variable interest entity treatment to the Company;
- d. The proposal pricing submitted in Standard Bidder Form 4 includes the full cost for the use of labor covered by collective bargaining agreements for construction as well as all transmission/distribution interconnection costs, except as specifically noted in the same Form; and that
- e. The bidder identifies and accepts any RFP addenda issued by NSP.

Form 3: Cover Sheet: Form 3 is required for all bid types. Bidders will provide basic RFP Project description and company information including, but not limited to, contact information, RFP Project name, location, nameplate capacity, etc.

Form 4: Pricing: There are two versions of Standard Bidder Form 4 that correspond to whether the proposal is a BT or self-built option versus a PPA. For all proposals, bidders must complete Standard Bidder Form 4 that applies to their bid type (BT or PPA) and provide expected generation levels for each year of the RFP Project’s expected life, net of expected degradation impacts, if any, parasitic loads, and losses. Expected generation shall be estimated at the Point of Delivery (“POD”).

Bidders must offer firm pricing valid through the duration of this RFP, and, if proposal is selected for negotiations, the completion of negotiations resulting in an executed PPA or Purchase and Sale Agreement (“PSA”). Indicative pricing in a proposal will not be acceptable.

A. BT bids:

Bidders shall provide a proposed schedule of payments from NSP to the bidder that identifies the purchase price, estimated O&M costs, and quantifies ongoing, post-closing payments for 1) land and easement costs, 2) optional long-term services agreement option (solar + storage bids only); 3) any other optional items available for selection at NSP’s discretion, and 5) all other RFP 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 the applicable NSP Technical Requirements (Appendix C) and model TS (Appendix A) unless otherwise noted. Bidder is not to propose progress payments.

Form 5: Construction: Form 5 is required for all bid types. 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 Standard 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: There are two parts of this form that correspond to different technology types – solar and storage (BESS) – which are eligible for inclusion in a proposal. Each technology type included in a proposal must have this Form included; for example a solar + storage proposal must include both the Solar and Storage Standard Bidder Form 6 sheets in the proposal.

Provide all pertinent technical information for the RFP Project including detailed equipment and facility information in Form 6. If Bidder has not finalized the module manufacturer, they must identify the module options and provide the applicable production data and module warranty information for each module considered, as well as contingency plans in the event the preferred module in the RFP is unavailable at the time of procurement. For RFP Projects containing a BESS component, if Bidder has not finalized the battery cell manufacturer, they must identify the battery cell options and provide warranty information for each option.

Equipment Description

At a minimum, proposals should indicate for all major equipment planned, 1) the name of the manufacturer, 2) model, 3) key metrics and characteristics of the equipment, 6) contracting status, 7) site plan of solar array, any BESS and collector substation, and 9) availability of equipment and planned or estimated delivery dates. In addition, completion of Standard Bidder Form 6 - Technical Description is required.

Form 7: Solar Specific Year Production: Form 7 is required for all bid types and is composed of two different tabs in the Standard Bidder Forms appendix:

- Solar Specific Year Production
- Solar Typical Year Production.

Regarding specific year production, proposals must include the average annual P50 performance estimates for recent years. 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 sources, used for the annual estimates and provide all losses assumed. Provide all losses assumed in the generation of the energy production profile. Bidders are requested to attach or provide detail from any third party pre-construction energy production reports used for this section, including the contact information, resume, and experience of the third party.

Typical Year Production: Regarding solar typical year production, proposals must include the following:

- the average expected hourly generation from the RFP Project for an entire year as well as annual solar energy output using a P50, P75, and P90 study.
- A PVsyst report for an entire year of estimated energy production.
- A summary file, in MS Excel format, that provides the assumptions being used by PVsyst to estimate energy production.

The PVsyst report, summary file, and the annual P50, P75, and P90 study shall be included with the response. The annual P50, P75, and P90 study and hourly generation shall be from a qualified external consultant unaffiliated with the Respondent. It shall also include projections of average annual solar irradiance and solar shading and the average hourly solar production profile of the facility during each calendar month of the average year.

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 sources, used for the annual estimates and provide all losses assumed. A copy of the third party report and the contact information, resume, and experience of the external, unaffiliated consultant shall also be provided.

Form 8: Interconnection Details: There are three versions of this form that correspond to each of the three interconnection options for eligible proposals: Transmission Option 1 (MISO Zone 1), Transmission Option 2 (Reuse of Sherco Interconnection Rights), and Distribution Interconnection. Please use the version of the Form that corresponds to the applicable interconnection option for your proposal. Each version of the form requests applicable data that is needed.

Regardless of which version is selected, 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. Inclusion of additional materials, such as financial analyses related to any costs expected to be incurred with regard to interconnection, is also permitted and encouraged.

Form 9: Creditworthiness: Form 9 is required for all bid types. 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 and Environmental: There are two versions of this form that correspond to whether the RFP Project will have a PPA or BT/SB contract type. Please use the version of the Form that corresponds to the applicable contract type. Proposals must provide all requested details regarding site control, permitting, environmental studies, and legal claims. The Company will evaluate whether each 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.

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. If a site permit request has been filed with a state regulator, please provide the docket number where filings can be viewed.

The Company is committed to supporting pollinator friendly habitat at our solar facilities. We require bidders to provide a pollinator habitat scorecard assessment form¹⁰ with their proposed bid package. Since eligible RFP Projects can be located in five states, all bidders will complete a common scorecard assessment form in addition to any required their specific jurisdiction.

Form 11: Warranties, 1Line, Safety: Form 11 applies to SB, BT and PPA bids. Proposals will need to include copies of warranties and data sheets for the proposed system and a satisfactory electrical one line diagram¹¹ as

¹⁰ All RFP projects, regardless of location, will complete the Minnesota scorecard, available here and in Appendix I: <https://bwsr.state.mn.us/sites/default/files/2020-05/Habitat%20Friendly%20Solar%20Site%20Assessment%20Form%20for%20Project%20Planning%205-26-2020.pdf>. Projects located in Wisconsin will also need to complete the Wisconsin pollinator scorecard form, also in Appendix I.

¹¹ Distribution-interconnected assets must be "in-front-of-the-meter." Projects "behind the meter" are not accepted for meeting the Company's accredited capacity/resource adequacy requirements.

outlined in the Standard Bidder Form. PPA bids that contain a BESS component will need to provide additional data regarding BESS fire safety considerations.

Form 12: Solar Projects History: Form 12 is required for all bid types. Bidders should provide a list of similar projects and identify any any solar projects contracted within the last five years that have not been placed into service, or are expected to not be placed into service, consistent with the originally executed contract terms.

Form 13: Storage Projects History: Form 13 is only mandatory for proposals which include a BESS component. Bidders should provide a list of similar projects and identify any storage projects contracted within the last five years that have not been placed into service, or are expected to not be placed into service, consistent with the originally executed contract terms.

Form 14: BT, SB Tech Specs Excepts: Form 14 applies to BT and Self-Build projects only, and is an optional form. Bidders should include any proposed exceptions to the applicable Technical Specifications provided in Appendix C of the RFP.

Form 15: Additional Information: Most items in Form 15 apply to all proposals; questions about ITC assumptions apply to Build-Transfer and Self-Build bids only. Proposals must include estimates of socioeconomic impacts from the RFP Project, including 1) construction and ongoing operational jobs; 2) landowner payments and tax payments; 3) a description of any discussions with local government(s) regarding the RFP Project (or letters of support or clarification from local governments); and 4) a description of any additional socioeconomic factors or information that should be considered in the evaluation of the proposal.

Form 16: Bidder Checklists: Form 16 applies to all proposals and provides a checklist of all attachments for each proposal type.

Section 3 – Term Sheet (Appendix A) or Model PPA (Appendix B) Exceptions

In this section, respondents with PPA or BT contract structures are required to clearly document any exceptions to the applicable TS or PPA template 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 or PPA for their project. *Please note that the price submitted for the Project will be assumed to take into account compliance with the redlined version of the PPA or TS submitted by the bidder.*

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 Standard Bidder 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 four (4) 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 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, NSP 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 NSP at the bottom of the Bid Certification Form (Standard Bidder Form 2).

Section 5. RFP Proposal Evaluation

The objective of the Company's evaluation is to identify proposals that meet 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. Although it is not anticipated, 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, complete 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 parameters comply with all RFP requirements and seeks to identify any fatal flaws or critical risks in the proposal's ability to reach COD prior to December 31, 2025 at the proposed price and capacity level. Factors analyzed include, but are not limited to:

- a. Whether the proposed RFP Project type meets size, location, and technical requirements
- b. Proposed project timeline
- c. Site control and permitting
- d. Material exceptions to the applicable model PPA template or Purchase and Sale Agreement (PSA) term sheet
- e. Interconnection approach and associated risk
- f. Potential for MISO Capacity accreditation
- g. Accounting assessment
- h. Financial Viability of the project and bidder
- i. Socioeconomic factors, including use of labor covered by a collective bargaining agreement and local community considerations
- j. Sourcing practices
- k. For proposals including BESS technologies: documentation of adequate fire safety measures
- l. For SB and BT bids: compliance with the applicable Technical Specifications

Appendix H provides additional detail regarding the questions and issues considered as part of the threshold review. 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

Proposals remaining after the Completeness and Threshold Reviews will be scored in a third stage of the evaluation process. The Company has identified the following key parameters to evaluate the RFP Projects during this stage:

Score Components

- a. Pricing
- b. Capacity Deliverability and Risk
- c. Congestion

Score Deductors

- d. Bidder Strength and Execution
- e. Exceptions to the applicable Model PPA or PSA template
- f. Certified Diverse Suppliers
- g. Pollinator habitat scorecard assessment

Each proposal evaluated during this stage will receive a score between 0 and 100 points, with weighting as stated below:

- a. **Pricing:** The Company will evaluate proposals' pricing using levelized cost methodology based on the technology type (solar or solar and storage), RFP project pricing, its energy production, and the amount of accredited capacity it can deliver. The proposal pricing score will have a maximum point value of 65 points out of the 100 total possible points.
- b. **Capacity Deliverability and Risk:** The Company will provide a score to each proposal based upon how sufficiently it has demonstrated the deliverability of its proposed level of accredited capacity on the timeline in this proposal, including how well the bidder has identified potential risks and mitigated those risks through the proposal design. The maximum points for this category will constitute 20 points out of the 100 total possible points.
- c. **Congestion:** Future and historic on-peak MISO Day Ahead LMP congestion levels relative to NSP will be assessed using the nearest CPNode in existence as of January 1, 2020. The maximum score will constitute 15 points of the 100 total proposal points. Bids can receive the maximum score by being in the quartile of bids with the smallest congestion level relative to NSP during this time period.
- d. **Bidder Strength and Execution:** The Company will evaluate each proposal based on the strength of the bidder, including the level of financial strength of the bidder relative to the size of the proposed project, whether the project is likely to achieve the estimated level of ITC estimated in the proposal, and the number of similar projects of the bidder that have failed or had to reopen executed contracts with offtakers in recent years. Bidder Strength is not a percentage of the total score but will act only as a detractor to the total score. If there are concerns regarding the bidder strength, the final score will be decreased by up to 10 points from the 100 total proposal points.
- e. **Exceptions to the applicable Model PPA or PSA template:** The number and type of exceptions made to the Company's applicable model Agreement or term sheet. Similar to the Bidder Strength category, this is not a percentage of the total score but will act only as a detractor to the total score. If material exceptions are made to the Model PPA or PSA term sheet, the final score will be decreased by up to 10 points from the 100 total proposal points.
- f. **Certified Diverse Suppliers:** The Company will assess each proposal based on the proposal's intended use of certified Diverse Suppliers during construction and/or operations of the Solicitation Project, noting

the Company's preference for the use of certified Diverse Suppliers. This category is not a percentage of the total score but will only act as a deductor to the total score. A maximum of 10 points out of the 100 total possible points may be deducted for proposals that fail to use certified Diverse Suppliers during construction and/or operations of the Solicitation Project.

- g. Pollinator habitat assessment:** The Company will assess 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. This category is not a percentage of the total score but will only act as a deductor to the total score. A maximum point value of 5 points out of the 100 total possible points may be deducted from overall evaluated value of each proposal.

5.4 Final Project Selection and Bidder Notification

NSP plans to complete the evaluation of bids and provide notification to bidders of the status of their proposal by November 23, 2022.

Attachments

Appendix A

NSP's Build-Transfer Term Sheets

See files titled:

NSP RFP: BOT Solar + Storage Term Sheet.docx

NSP RFP: BOT Solar Term Sheet.docx

Appendix B

NSP's Model PPA Templates

See files titled:

Model Renewable Power Purchase Agreement.docx

Model Solar + Storage Power Purchase Agreement.docx

Appendix C

NSP Resource Technical Requirements for BT bids

See files titled:

NSP Technical Specification for Transmission Interconnected Renewable Generation.pdf

NSP Technical Specification for Distribution Interconnected Renewable Generation.pdf

Appendix D

NSP Template Subcontractor Plan

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

NOTE: A separate subcontractor plan must be submitted for each bid

Appendix E

Point Of Interconnection for Transmission-Interconnected RFP Projects

Interconnection Option 2: Utilization of Sherco 2 Interconnection Rights

See file titled:

Point Of Interconnection Map – Sherco Site.pdf

Appendix F

Proposal Forms and Instructions

See file titled ***2022 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 of this document. 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.

Appendix G

Optional Reference Item for Distribution-Interconnected RFP Projects

See file titled ***2022 NSP RFP – Distribution Feeder List.xlsx***

Please see Section 3.4 of the RFP for additional details.

Available by request only. Please email NSP2022RFP@xcelenergy.com to request copy.

Appendix H

Questions and Topics Covered in Threshold Analysis

See file titled ***2022 NSP RFP – Threshold Analysis Details***

Appendix I

Wisconsin and Minnesota Pollinator Scorecards

See files titled:

2022 NSP RFP – Minnesota Pollinator Scorecard.pdf

and

2022 NSP RFP – Wisconsin Pollinator Scorecard.pdf

Appendix J

NERC BESS Safety

See files titled:

NERC Lesson Learned: BESS Cascading Thermal Runaway.pdf