Northern States Power Company

2020 Wind Repowering Solicitation

Solicitation Issue Date: July 27, 2020

Proposals Due: August 21, 2020

Solicitation Website: www.xcelenergy.com/NSPWindSolicitation
# Table of Contents

Northern States Power Company  
2020 Wind Repowering Solicitation

## Section 1. Introduction .......................................................... 1
1.1 Purpose and Scope ................................................................... 1  
1.2 Regulatory Context ................................................................. 1  
1.3 Contacts .................................................................................. 2  
1.4 Acronyms .............................................................................. 2

## Section 2. Eligible Project Information ......................................... 3
2.1 Eligible Project Structure ......................................................... 3  
2.2 Product Description ................................................................. 4  
2.3 PPA Pricing ........................................................................... 5  
2.4 BOT/Ownership Pricing ......................................................... 6  
2.5 Relevant Bidder Experience .................................................... 6  
2.6 Regulatory Approvals .............................................................. 6  
2.7 ROFO / Purchase Option ........................................................ 7  
2.8 Contract Accounting ............................................................... 7

## Section 3. Transmission and Interconnection Requirements ............. 8
3.1 General Information ................................................................. 8

## Section 4. Content Requirements and Submission Procedure ............ 8
4.1 Schedule Estimate .................................................................... 8  
4.2 Minimum Requirements for Proposals ...................................... 9  
4.3 Proposal Submission Deadline ................................................. 9  
4.4 Information Policy .................................................................. 10  
4.5 Bid Evaluation Fees .................................................................. 10  
4.6 Proposal Content Requirements ............................................. 11  
4.7 Clarification of Proposals ....................................................... 14  
4.8 Confidentiality ........................................................................ 15  
4.9 Addenda to Solicitation ........................................................ 15

## Section 5. Evaluation Objectives and Approach ............................. 15
5.1 Completeness Review ............................................................... 16  
5.2 Threshold Review .................................................................. 16  
5.3 Key Parameters Review and Scoring ....................................... 17  
5.4 Portfolio Analysis and Final Project Selection ............................ 17  
Appendix A .................................................................................. 18  
Appendix B .................................................................................. 19
Appendices

Appendix A
Proposal Forms and Instructions

Appendix B
Attachment A - NSP’s Model Wind Power Purchase Agreement
Attachment B - NSP’s Wind Farm Technical Requirements
Attachment C - NSP’s Model Term Sheet for the Purchase and Sale of a Repowered Operational Wind Project

Index of Appendix A Forms

1. Confidentiality Agreement
2. Bid Certification
3. Cover Sheet
4. Pricing – PPA
5. Pricing – Ownership/BOT
6. O&M and Ongoing Capex Ownership/BOT
7. Construction Milestones
8. Technical Description
9. Plant Historical Data
10. Production Profile
11. Representation Authorization
12. Interconnection Details
13. Creditworthiness
14. Siting and Environmental – PPA
15. Siting and Environmental – BOT
Notice of Disclaimer

The information contained in this solicitation for wind energy resources has been prepared solely to assist bidders in deciding whether or not to submit competitive, responsive bids. Northern States Power Company ("NSP" or the "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. None of the Company, its affiliates, or their respective employees, directors, officers, customers, agents and consultants makes, or will be deemed to have made, any current or future 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 solicitation.

The Company reserves the right to modify, supplement or withdraw this solicitation at any time, whether due to changes in law or otherwise, and including by issuing one or more addenda to this solicitation, which addenda shall become a part of this solicitation. No part of this solicitation 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 and executed by the appropriate parties having the authority to approve and enter into such agreements. The Company reserves the right to request from a respondent (a.k.a., bidder) information that is not explicitly detailed in this document, obtain clarification from bidders concerning proposals, conduct contract development discussions with selected respondents, conduct discussions with members of the evaluation team and other support resources as described in this solicitation and in compliance with all FERC Code of Conduct rules and provide data to and conduct discussions with the Independent Auditor ("IA") as necessary for the IA to satisfy the IA's role.

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 reserves the right to reject any, all or portions of any proposal received for failure to meet any criteria set forth in this solicitation or otherwise and to accept proposals other than the lowest cost proposal. The Company may decline to enter into any agreement with any bidder, terminate negotiations with any bidder or abandon the solicitation process in its entirety at any time, for any reason and without notice thereof. Respondents that 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 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 solicitation. Each respondent waives any right to challenge any valuation by the Company of its proposal in any court of law or equity. 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 solicitation.

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.
Section 1. Introduction

Northern States Power Company (“NSP” or the “Company”), an operating company subsidiary of Xcel Energy Inc., is issuing this Solicitation to seek proposals for wind generation projects. The Company is seeking low cost energy wind resources to help support new programs for its customers.

Through this solicitation, NSP intends to procure wind generation from repowered wind facilities from its currently owned wind projects (“Self-Build” or “Ownership”), or via Power Purchase Agreements (“PPA”) or Build-Own-Transfer (“BOT”) Agreements with projects that NSP currently already has a PPA with. To reiterate, NSP is only soliciting bids from existing PPA counterparties for repower PPA or BOT projects. Projects that are not currently serving NSP customers will not be considered. The Company encourages bidders to provide proposals for both types of agreements to allow the Company to determine whether owned or contracted proposals provide the greatest value to NSP customers. All projects submitted through this solicitation process (“Solicitation Projects”) must have an interconnection location within the Midcontinent Independent System Operator (“MISO”) transmission network in one of the following states where NSP customers or generation resources are located: Minnesota, North Dakota, South Dakota, or Wisconsin (the “Project Region”).

The Company is asking that proposals be submitted by 5:00 pm CT on August 21, 2020 (“Proposal Due Date”).

1.1 Purpose and Scope

The Company is requesting proposals for repowered wind resources that achieve commercial operation by the end of 2024 and that can achieve economic value to NSP customers. The amount of generation that the Company may acquire from this solicitation depends on, among other things, the quality of bids received in response to this solicitation and the extent to which the bids can achieve economic value to NSP customers.

1.2 Regulatory Context

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 IA and shall provide the IA immediate and continuing access to all documents and data reviewed, used, or produced by the Company 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.

All projects selected in this solicitation process will be subject to review and approval by the various regulatory commissions in the states in which the Company operates.
1.3 Contacts

All correspondence and questions regarding this solicitation shall be directed, via email only, to the Solicitation Project Manager at:

NSPWindSolicitation@xcelenergy.com

See Section 4.4 for more information.

The NSP 2020 Wind Solicitation webpage can be found at:

http://www.xcelenergy.com/NSPWindSolicitation

1.4 Acronyms

AFUDC stands for Allowance for Funds Used During Construction
ASC stands for Accounting Standards Committee
BOT stands for Build-Own-Transfer
COD stands for Commercial Operating Date
DPP stands for Definitive Planning Phase
FASB stands for Financial Accounting Standards Board
IA stands for Independent Auditor
MISO stands for Midcontinent Independent System Operator
MPUC stands for Minnesota Public Utilities Commission
MWh stands for megawatt-hour
NSP stands for Northern States Power
O&M stands for operation and maintenance
POD stands for Point Of Delivery
POI stands for Point Of Interconnection
PPA stands for Power Purchase Agreement
PSA stands for Purchase and Sale Agreement
ROFO stands for Right Of First Offer
Section 2. Eligible Project Information

2.1 Eligible Project Structure

The Company will consider the following three types of Solicitation Project structures.

1. Power Purchase Agreements (PPAs)
   PPAs will include rights to all energy, capacity, ancillary services and environmental attributes for a specified $/MWh price.

   All PPA proposals shall include a bid price that is fully compliant with NSP’s Model Wind Power Purchase Agreement (Attachment A) (the “Model PPA”). PPAs must also include any desired written exceptions to the Model PPA if applicable and the corresponding price reduction for each written exception the bidder would like the Company to consider.

2. Build-Own-Transfer (BOTs)
   BOTs will allow NSP to take 100% ownership of the Solicitation Project(s) on the Commercial Operation Date (“COD”).

   All BOT proposals shall include a bid price that is fully compliant with the conditions and requirements stated in NSP’s Wind Farm Technical Requirements (Attachment B) and NSP’s Model Term Sheet for the Purchase and Sale of an Operational Wind Project (Attachment C) (“Model PSA Term Sheet”). Proposals may also include any written exceptions from those stated in NSP’s Wind Farm Technical Requirements (Attachment B) and to the Model PSA Term Sheet along with the accompanying price reduction for each written exception the bidder would like the Company to consider.

3. Self-Build Projects
   Self-Build Solicitation Projects will allow NSP to repower its currently owned wind facilities. The Self-Build bids must meet the above requirements for BOTs.

The Company has a strong preference for projects that utilize union labor for its constructions and requires the bidders to provide pricing in the Pricing Forms for utilizing union labor for all proposals.

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.

A 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.

All proposals are required to provide wind resource studies that verify anticipated capacity factors and production estimates for each individual Solicitation Project.

2.2 Product Description

**Solicitation Project Type:** All proposals must be for a repowered wind resource facility only.

All proposals must be for a repowered wind resource facility that has and complies with the provisions of an existing MISO Generator Interconnection Agreement that provides Network Resource Interconnection Service (NRIS) or Energy Resource Interconnection Service (ERIS). The repowered wind facility must meet the Interconnection Requirements for a Wind Generating Plant as defined in Appendix G of MISO Attachment X, Appendix 6 for Low Voltage Ride-Through Capability, Power Factor Design Criteria, and Supervisory Control and Data Acquisition Capability.

A repowered wind resource facility means any refurbished, retrofitted, or otherwise modified wind power generating facility previously existing, provided such refurbishment, retrofit, or other modification meets the following requirements:

(a) is completed after the regulatory approval date included in any agreement with NSP for such repowered facility,

(b) will meet the requirements to qualify for the production tax credit pursuant to 26 U.S.C. § 45 or the investment tax credit pursuant to 26 U.S.C. § 48 and

(c) will meet the requirements of IRS guidance for a new ten (10) year production tax credit period commencing after the repower has been completed.

**Product:** The Company is seeking PPA, BOT and/or Self-Build wind proposals that convey all energy, capacity and environmental benefits generated from a proposed Solicitation Project.

**Contract Length:** Contract term lengths for each proposal may extend from one (1) to twenty-five (25) years.

---

1 https://cdn.misoenergy.org/Attachment%20X_%20Appendix%206109849.pdf
**Minimum Project Size:** A project will be defined as a complete, commercially operable, wind powered electric generating plant, including all facilities necessary to generate and deliver energy into MISO at a single point of interconnection ("POI") by the expected online date.

Each Solicitation Project must have a nameplate electric rating greater than or equal to 1.0 MW. However, each BOT or Ownership Solicitation Project must have a nameplate electric rating greater than or equal to 50 MW. For PPA Solicitation Projects with an individual nameplate electric rating below 20 MW, Company prefers that these projects are bundled together with similar wind projects and submitted as one bundled proposal, so that the aggregated amount of the nameplate electric ratings of the bundled projects is greater than or equal to 20 MW.

**Interconnection:** The Solicitation Project must have a POI at a MISO facility located in the Project Region. The proposal can identify the POI as the Point of Delivery ("POD") or the bidder can elect to choose a different POD on the MISO system also located in the Project Region. If the bidder elects a different POD, bidder is responsible for all costs associated with delivery from the POI to the POD.

**Expected Online Date:** All Solicitation Projects must achieve commercial operation by December 31, 2024.

### 2.3 PPA Pricing

Form 4 provides the pricing template for PPA proposals. 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 2021 means that in 2021 energy from the facility will be purchased at a rate of $50/MWh.

The Pricing Form 4 requests pricing with assumptions that: 1) the Solicitation 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 Solicitation Project even if those incentives are due to expire or decline by the time of the proposed in-service date. Respondents shall describe the federal tax incentive assumptions made in their Energy Payment Rates in the notes section in Bidder Form 4.

All PPA proposals shall include a bid price that is fully compliant with the Model PPA.

Proposal pricing must include the full cost for all transmission interconnection and system upgrade costs that have been previously identified or that will be identified by MISO.
The Company’s preference is for fixed price proposals that contain a fixed base price and a fixed annual escalator, if applicable. Respondents may not submit proposals with variable base year pricing.

2.4 BOT/Ownership Pricing

Form 5 provides the pricing template for BOT or Ownership proposals. All pricing must be in terms of current year dollars, also referred to as escalated or nominal dollars.

The BOT bid price shall include the cost to fully comply with conditions and requirements stated in NSP’s Wind Farm Technical Requirements (Attachment B) and NSP’s Model Term Sheet for the Purchase and Sale of a Repowered Operational Wind Project (Attachment C) and include the cost to fully construct the proposed Solicitation Project.

Proposal pricing must include the full cost for all transmission interconnection and system upgrade costs previously identified or that will be identified by MISO.

Form 5 requests bidders to list the schedule and amounts of all payments from NSP 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 Solicitation 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 BOT bid price for evaluation. Therefore, BOT bidders shall not include these Company costs in their pricing.

2.5 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 Solicitation Project(s), 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 shall identify the members of the team who will be responsible for design, siting, permitting, financing, construction, and operation of the Solicitation Project. 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).

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 ROFO / Purchase Option

The Model PPA includes a Right of First Offer (“ROFO”) that, subject to specific conditions, may be exercised by the Company. In addition, the Model PPA provides the Company with an option that specifies that the Company can purchase the Solicitation Project at a specified time or times during the PPA term. The Company is requiring bidders to agree to the ROFO and purchase option as described in the Model PPA.

2.8 Contract Accounting

All contracts proposed to be entered into as a result of this solicitation 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.

The Company has specific concerns regarding PPA proposals received in response to this solicitation that 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 solicitation:

- 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 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.

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 Solicitation 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 Solicitation Project, the fair market value of the Solicitation Project, and any and all other costs (including debt specific to the Solicitation Project 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. Transmission and Interconnection Requirements**

**3.1 General Information**

The Company will only consider Solicitation Projects with a point of interconnection ("POI") located within the Project Region as defined previously.

Bidders shall include the applicable MISO interconnection information in their proposal.

Bidders shall also identify any contingent facilities required for interconnection related to the repowering and to support meeting commercial operation requirements. Bidder shall arrange and be solely responsible for all costs associated with delivery of energy from the Solicitation Project, located within the Project Region, to the POI in the proposal.

Additionally, the bidder shall be responsible for all costs incurred in transmitting energy from the proposed Solicitation Project to the POD, if the POD is different from the POI.

**Section 4. Content Requirements and Submission Procedure**

**4.1 Schedule Estimate**

NSP’s objective is to complete proposal evaluations, selections and contract negotiations as set forth in the schedule below:

<table>
<thead>
<tr>
<th>NSP’s 2020 Wind Solicitation Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solicitation issued</td>
</tr>
<tr>
<td>Deadline for submitting questions from bidders</td>
</tr>
<tr>
<td>NSP will post responses to bidder questions</td>
</tr>
<tr>
<td>Proposal due date, 5:00 pm CT</td>
</tr>
<tr>
<td>NSP bid evaluation and selection completed</td>
</tr>
<tr>
<td>Regulatory filing with MPUC for all selected projects</td>
</tr>
<tr>
<td>PPA/BOT contract negotiations completed</td>
</tr>
<tr>
<td>Follow-up regulatory filing with MPUC with finalized contracts</td>
</tr>
<tr>
<td>Anticipated regulatory approval</td>
</tr>
</tbody>
</table>
4.2 Minimum Requirements for Proposals

This section describes the minimum requirements that all proposals, as applicable, 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.
- Bid respondents must demonstrate to the satisfaction of the Company that they can meet the security requirements contained in the Model PPA and the Model PSA Term Sheet.
- Proposals must clearly demonstrate any financing requirements and an indicative financing structure (construction and permanent) for any proposed Solicitation Projects that will be delivered under the proposals. Respondents shall 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 generation equipment sufficient (at a minimum) to meet the required proposal.
- Respondents must provide the required bid evaluation 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 Solicitation 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 can comply with the requirement to use union labor for the construction of the Solicitation Project. Proposals furthermore must clearly specify whether the respondent will use certified Diverse Suppliers for the Solicitation Project.

4.3 Proposal Submission Deadline

All proposals will be accepted until 5:00 P.M. Central Time on the dates indicated in Section 4.1. All proposals must be transmitted electronically, via email, to the Solicitation Project Manager at:
Any proposals, or documents included therein, that exceed 35 MB in size, shall be transmitted upon request to the Solicitation 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 Solicitation Project proposals they must all be clearly marked and differentiated.

4.4 Information Policy

To obtain additional information about this Solicitation, potential respondents as well as all other parties may only submit inquires to the Solicitation Project Manager via email at:

NSPWindSolicitation@xcelenergy.com

Potential respondents as well as all other parties shall 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 Solicitation website and these responses will be filed as addendums to the Solicitation. The deadline for submitting questions is 5:00 pm CT on August 5, 2020; questions will no longer be accepted after this time. All filed addendums will be posted by 5:00 CT on August 12, 2020. Bidders are responsible for monitoring the Solicitation 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 bid evaluation fee of $5,000 for each proposal submitted. A separate bid evaluation fee is required for Solicitation Projects on the same site with different COD, turbine, pricing, contract term or MW size. Solicitation Projects on different sites, regardless of similarities in size, COD, or contract term, also require a separate $5,000 bid fee for proposal evaluation and due diligence through Solicitation completion. However, a separate bid evaluation fee is not incurred for individual projects on different sites that are aggregated within the same proposal, provided all other terms are the same. Bid evaluation fees shall be paid by wire transfer to NSP. In response to a bidder sending an email to the 2020 Wind Solicitation email address, NSPWindSolicitation@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 evaluation 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 Solicitation. 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 a Solicitation Project summary and overview including narrative that addresses why their proposal provides value to NSP and its customers. Bidder shall also provide detail on background and experience in developing large scale wind energy 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 large scale wind facility.

Section 2 – Standard Bidder Forms (Appendix A)

Bidders shall complete all forms in Appendix A (Forms 1-15) and provide all information that is applicable to bidders’ respective Solicitation Project(s). Standard Bidder Forms will be made available on the Company’s website at the following link:

http://www.xcelenergy.com/NSPWindSolicitation

Below is a list and brief description of each form:

Form 1: Confidentiality Agreement: All bidders will submit a Confidentiality Agreement and agree not to disclose or disseminate any highly confidential information and return all Highly Confidential Information to the Company at the conclusion of the solicitation process.
Form 2: Bid Certification: Bidders must certify that:

- All statements and representations made in bidder’s proposal are true,
- The bidder accepts as applicable NSP’s Model Wind Power Purchase Agreement (Attachment A), NSP’s Wind Farm Technical Requirements (Attachment B) and NSP’s Model Term Sheet for the Purchase and Sale of a Repowered Operational Wind Project (Attachment C), except as specifically noted in writing,
- 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 capital lease, finance lease, or variable interest entities treatment to the Company,
- The proposal pricing submitted in Forms 4 or 5 includes the use of union labor for the construction of the Solicitation Project, and the full cost for all transmission interconnection and system upgrade costs previously identified or that will be identified by MISO and any costs associated with delivering energy from the POI to the POD if applicable, except as specifically noted in Section (C) of the same Form(s), and that
- The bidder identifies and accepts all Solicitation addenda issued by NSP.

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

Forms 4-5: Pricing: For PPA proposals, bidders must complete Form 4 and for Self-Build or BOT proposals, bidders must complete Form 5 and provide Estimated Annual Energy Production (MWh) for each year of the proposed Solicitation Project’s expected life, or PPA Term, whichever is applicable, net of expected degradation impacts, if any, and Energy Payment Rates ($/MWh) for each year and assuming using union labor for construction. All dollar amounts shall be entered in nominal United States dollars. Price proposals must contain a fixed base price and, if applicable, a fixed annual escalator. Any and all price escalations must be fully explained. If bidder proposes more than one pricing option, a separate bid and attendant bid fee must be submitted. All PPA pricing is expected to be fully compliant with the Model PPA unless otherwise noted. Estimated Annual Energy Production shall be as delivered at the POD.

For all Self-Build or BOT proposals, bidders must complete Form 5 and provide expected generation levels for each year of the Solicitation 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) transmission interconnection and network upgrade cost (including potential contingency costs that are anticipated to be NSP’s responsibility, 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 Wind Farm Technical Requirements (Attachment B) unless otherwise noted.

Bidders shall indicate in item (D) of Forms 4 or 5 the use of certified Diverse Suppliers for each component of the construction and operations of the Solicitation Project and provide documentation to confirm their Diverse Suppliers’ status.

Bidders must offer firm pricing valid through September 28, 2020, the projected Solicitation 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 6: O&M and Ongoing Capital Expenditures Self-Builds:** Self-Build bidders are to provide expected O&M and ongoing capital investment requirements for the proposed Solicitation Project(s) in as much detail as possible for 25 years following the anticipated Commercial Operation Date of the Solicitation Project.

**Form 7: Construction:** Bidders are to provide proposed dates for each significant construction milestone, as shown on a detailed development schedule provided with the proposal. Milestones shall be based on the requirements to achieve the proposed COD. The dates for the major milestones shall also be indicated on Bidder Form 6. See NSP’s Model Wind Power Purchase Agreement (Attachment A) for defined terms.

**Form 8: Technical Descriptions:** The proposal must include all pertinent technical information for the Solicitation Project including detailed turbine information and facility information. Bidders are requested to attach or provide detail from any third party pre-construction energy production reports for proposed wind sites.

**Form 9: Plant Historical Data:** Provide plant historical production data for each year of operation per the table provided.

**Form 10: Repower Production Profile:** The proposal must provide an estimate of the annual energy production utilizing whatever historical meteorological data are available for the site, or a nearby site with similar meteorological characteristics. Proposals must include the average expected hourly generation from the Solicitation Project for each month. Estimated Annual Energy Production shall be as delivered to the POD. 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.

**Form 11: Representation Authorization:** Proposals must include a signed Representation Authorization and Consent form. Signature of this form by the undersigned customer serves as notice of voluntary written consent allowing Xcel Energy Services, Inc. to engage in non-public transmission/interconnection related discussions associated with the possible future power purchase between MISO and the undersigned customer. Xcel Energy Services, Inc. will maintain
and protect the confidentiality of all information received from MISO pertaining to the undersigned customer’s transmission/interconnection facilities.

**Form 12: Interconnection Details:** Proposals must include all pertinent MISO or bidder prepared studies including generator interconnection request information, generation interconnection study information, generation interconnection agreement information, MISO document links and information, general project transmission information, historical curtailment data, and a point of contact for all transmission related information.

**Form 13: Creditworthiness:** Proposals must include detail and address all questions regarding financial aspects of all Solicitation Projects including financing information, credit history, and legal claims.

**Form 14: Siting Environmental – PPA:** PPA proposals must provide all requested details regarding site control, permitting, environmental studies, and legal claims.

**Form 15: Siting Environmental – Self-Build/BOT:** Self-Build/BOT proposals must provide all requested details regarding site control, permitting, environmental studies, and legal claims.

**Section 3 – Contract Exceptions**

In this section, respondents are required to clearly document any exceptions to the Model contract documents for PPA and Self-Build/BOT projects as applicable. Bidders must further document any exceptions by providing a redline version of the applicable attachment with their Proposal and reason for taking each exception(s). Bidders must also provide a cost reduction estimate for each noted exception.

1. **Exceptions to NSP’s Model Wind Power Purchase Agreement (Attachment A):** All PPA proposals must document any exceptions to Attachment A.

2. **Exceptions to NSP’s Wind Farm Technical Requirements (Attachment B):** All Self-Build/BOT proposals must document any exceptions to Attachment B.

3. **Exceptions to Model Term Sheet for the Purchase and Sale of an Operational Wind Project (Attachment C):** All Self-Build/BOT proposals must document any exceptions to Attachment C.

**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 Solicitation Project Manager, typically, and respondents are required to provide a written or electronic response back to the Solicitation 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 Solicitation document. 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 Solicitation documents and requirements, nature of the work to be performed, and any other requirements listed in this Solicitation 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 shall 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 Solicitation

Any additional responses required from respondents as a result of an Addendum to this Solicitation shall become part of each proposal. Respondents must list all Addenda issued by NSP 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 portfolio of proposals that meet the resource objectives identified in the solicitation in a reliable and cost-effective manner.
An evaluation team, made up of various groups within Xcel Energy Services and the Company will evaluate proposals; however, the Company reserves the right to retain the services of outside experts to assist in the evaluation of proposals. The Solicitation 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 four phased approach to evaluating bid proposals offered in the Solicitation. The four phases include:

a. Completeness review
b. Threshold review
c. Key parameters review and scoring
d. Portfolio Analysis

Based upon the results of the complete, four-phase evaluation, the Company will determine which proposals will be included in the final portfolio selection.

5.1 Completeness Review

The completeness review ensures compliance with all bid submittal requirements (fees, sufficient information provided in bid responses, etc.)

5.2 Threshold Review

The threshold review ensures that each Solicitation Project complies with all specific bid requirements including:

a. Solicitation Project Type (i.e. repowered wind resource facility that is either owned by or has an existing PPA with Company)
b. Solicitation Project size
c. Solicitation Project location
d. Solicitation Project anticipated commercial operation date
e. Interconnection to MISO in the Project Region
f. Transmission and MISO Interconnection requirements
g. Bidder creditworthiness
h. Bidder experience
i. Accounting assessment
j. Achievement of economic value to NSP customers
k. Union Labor

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 Solicitation Projects with:

a. Customer Value
b. Certified Diverse Suppliers
c. Permitting and compliance

da. Customer Value: The Company will score each proposal based on the economic value to its customers created using a Net Present Value methodology based on Solicitation Project pricing and energy production projections. The customer value score will constitute 85% 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 7.5% of the overall evaluated value of each proposal.

c. Permitting and Compliance: The Company will provide a score to each proposal based on its permitting and compliance. The permitting and compliance score will constitute 7.5% of the overall evaluated value of each proposal.

5.4 Portfolio Analysis and Final Project Selection

Upon completion of the key parameters scoring, the Company will develop a short-list of Solicitation Projects based on the overall evaluated value of each proposal, while considering the value to NSP customers of a portfolio of repowered wind resources that reach commercial operation before the end of 2024, and the impact of this portfolio on its overall system. The Company will then proceed to negotiate contracts in good faith with selected bidders and develop applicable state regulatory filings for review and approval to proceed with contract execution.
Appendix A

Proposal Forms and Instructions

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 solicitation 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 shall explain why the information is not applicable.

Bidders shall submit a complete, signed electronic proposal with all completed Forms in executable format, i.e. not PDF.
Appendix B

NSP’s Model Wind Power Purchase Agreement
(Attachment A)
See file titled Model Wind PPA.docx

NSP’s Wind Farm Technical Requirements
(Attachment B)
See file titled Wind Farm Technical Requirements.docx

NSP’s Model Term Sheet for the Purchase and Sale of a Repowered Operational Wind Project
(Attachment C)
See file titled Wind Purchase & Sale Term Sheet.docx