

Northern States Power Company- Minnesota

2023 Development Transfer RFP

Request for Proposals



RFP Issue Date: October 18, 2023

Proposals Due: December 14, 2023

RFP Website: [xcelenergy.com/MN23DTRFP](https://www.xcelenergy.com/MN23DTRFP)

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Notice of Disclaimer

The information contained in this Request for Proposals ("RFP") has been prepared solely to assist bidders in deciding whether or not to submit a proposal. Northern States Power Company, a Minnesota corporation ("NSPM" or 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. 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. 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.

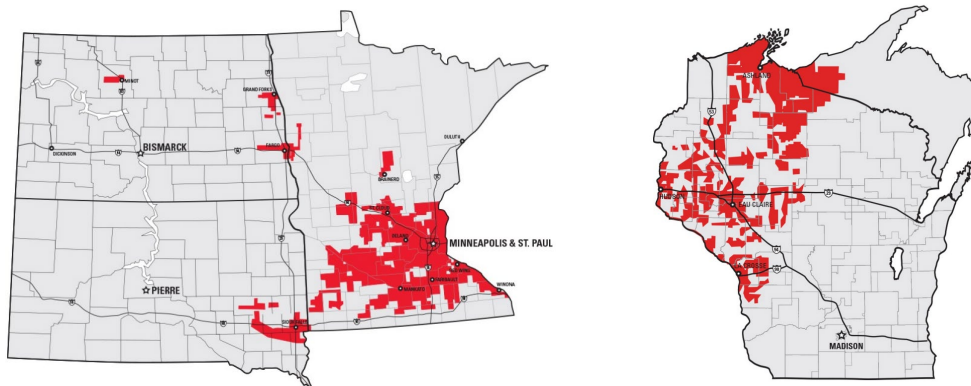
Northern States Power - Minnesota 2023 RFP

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 Minnesota as well as North and South Dakota. NSPM, the “Company” or “NSP”, is issuing this Request for Proposals (“RFP”) to seek up to 1,200 MW of third-party wind development assets, including projects with the potential to add storage or solar assets (“RFP Projects”), that the Company can further develop, construct, and bring online by December 31, 2027.

Figure 1. NSPM and NSPW Retail Electric Service Territory



1.1 Primary RFP Objective

The main purpose of the Company’s RFP is to identify resources under partial development that will ultimately, upon completion by the Company, re-utilize an existing point of interconnection (“POI”) with the Midcontinent Independent System Operator (“MISO”) due to the planned retirement of NSPM’s Sherburne County Generating Station (“Sherco”).

The Company looks to fulfill this core objective by seeking approximately 1,200 MW of wind development assets in this RFP that will, upon full development and construction by the Company, achieve commercial operation by December 31, 2027. The Company will also evaluate the potential to add storage or solar assets to selected wind projects.

The amount of development assets the Company may acquire from this RFP depends on, among other things, the quality and development stages of the bids received in response to this solicitation, the economic value to NSP customers, the potential to add storage or solar assets, and other factors at the Company’s discretion.

1.2 Regulatory Context

The Company is initiating this request for proposals consistent with Xcel Energy’s most recent Upper Midwest Integrated Resource Plan (“IRP”).¹ The IRP contemplates the procurement of approximately 2,150 MW of wind resources by 2031 in order to replace the retiring Sherco facility. An Order from the Minnesota Public Utilities Commission provides authorization to seek wind + storage assets as well.

For all RFPs run by the Company, 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:

MN23DTRFP@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 2023 Minnesota DT RFP webpage can be found at: [xcelenergy.com/MN23DTRFP](https://www.xcelenergy.com/MN23DTRFP).

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.

Table 1. Summary of project types eligible for the 2023 NSP Minnesota Energy Connection DT RFP.

Resource Types	Wind
Approximate MW Target	1,200 MWac
Minimum Size per Project Site	Buildable area that supports at least a 200 MWac project
Project Structure	Development Transfer
Timing	Development status on track for commercial operation date (COD) by December 31, 2027
Geography	Physical location in Minnesota, with ability to reuse Sherco transmission interconnection with MISO

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

2.1 Eligible Project Structures

Development Transfer (DT)

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.

All bids must be development transfers for RFP Projects in various stages of development, but with no procurement or construction activities completed (“Development Transfer” or “DT”). If selected, at closing of the transaction (the “Closing”), the Project must be consistent with the Design Scope and the Final Site Plan and be “construction ready” as defined in the TS. Regardless of the level of development for each given RFP Project, on or before the Closing, the Project Company shall own all assets related to the RFP Project as detailed further in the document “Wind Site Acquisition Term Sheet” attached to this RFP in Appendix A.

In order to re-use transmission interconnection rights once Sherco retires, the Company must ultimately own the generation represented by these development rights due to MISO and FERC requirements. Due to this constraint, as well as the Company’s role in the engineering, procurement and construction of these assets, other contract types such as Power Purchase Agreements (“PPAs”) and Build Transfer Agreements (“BTA’s”) are not eligible for this RFP. The Company does not intend to submit any bids into this RFP.

DT proposals must include a bid price (“Standard Bid Price”) that is fully compliant with Appendix A and the conditions and requirements stated in the Development Specifications and Scope of Work (Appendix B)². In addition, all DT proposals must also provide any written exceptions to the conditions and requirements contained in Appendix A and Appendix B. In the case that exceptions are submitted, the developer must also include a separate bid price – the “Alternate Bid Price” – which assumes full compliance with Appendix A and Appendix B other than the written exceptions submitted. *Please note that the Alternate Bid Price will be used in qualitative bid evaluation³, but not in the economic evaluation portion of the RFP process⁴. Please see Sections 4.6 and 5.3 for more information about Alternate Bid Prices and the bid evaluation process.*

2.2 Product Description

RFP Project: Proposals must be for partially developed sites with buildable area for wind facilities. No other generation resource types or projects in other phases of development are eligible to apply. Sites with buildable areas for wind facilities that have the optionality for solar additions will be considered for potential additional points⁵.

Product/Level of Development: The Company is open to considering RFP Projects across a wide range of pre-construction development levels, ranging from a 1) land acquisition with no further site control or permitting work; to 2) projects that have completed all site and environmental permitting and where site control has been acquired for 100% of the project area. The Company will be responsible for all engineering, procurement, and construction work to ultimately construct, own, and operate generation assets. RFP Projects should not have equipment procured or commenced any construction activities or service procurement.

² If optionality for solar is indicated, a 10% design may be submitted for informational purposes as detailed further in Appendix B. However, this amount of solar should not be priced, assumed, or included in the Standard Bid Price, as only wind generation projects are eligible to apply. Please see the Development Scope in Appendix B for more details.

³ Specifically the “Exceptions to the TS or Development Scope” deductor to the bid score (see section 5.3).

⁴ Specifically the Total Levelized Cost bid score component. ⁵ Optionality is demonstrated by lease agreements that are not exclusive to wind generation, but which also allow solar generation.

⁵ Optionality is demonstrated by lease agreements that are not exclusive to wind generation, but which also allow solar generation.

Project Size: Each RFP Project must have a buildable area that allows for a wind facility with a nominal AC electrical output exceeding 200 MW at each location (i.e., not the result of aggregated smaller projects at different sites/locations). *Please note that if a development contains sections that will be developed in different phases, each phase is considered a separate RFP Project that must meet the minimum buildable area requirement.*

Interconnection and Location:

The RFP Project must be located in the State of Minnesota with proximity to Appendix D, which includes the new substation in Lyon County, Minnesota and other associated facilities along the route of the new 160- to 180-mile double circuit 345 kilovolt transmission line connecting the new substation with the existing Sherco generating station.

Expected Online Date: The RFP Proposal(s) should have a site control and permitting development plan that will allow the Company to achieve a commercial operation date by December 31, 2027.

2.3 Company Statements Regarding Special Conditions

Condition #1: Union Labor

The Company plans to utilize labor covered by a collective bargaining agreement for the construction of development transfers acquired in this RFP. Since this RFP is for development transfers that have not commenced construction, bidders are not required to assume the use of such labor in the pricing on Standard Bidder Form 4 – Standard Bid Price or Standard Bidder Form 4 – Alternate Bid Price.

Condition #2: Certified Diverse Suppliers

In its own development work, the Company has a strong preference to utilize contractors and/or suppliers that are classified as certified Diverse Suppliers⁶. Additionally, the Company requests all proposals to include a completed Subcontracting Plan that reflects contractors and/or suppliers used for any development activities bidders will undertake prior to asset acquisition from the Company. A template Subcontracting Plan is provided in Appendix C for completion in the RFP proposal.

2.4 Pricing

Bidders must offer firm pricing for the RFP Project valid through the duration of this RFP, and, if proposal is selected for negotiations, the completion of negotiations resulting in an executed entity acquisition. 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 nominal dollars. The pricing must include all costs associated with the level of development proposed for the RFP Project.

⁶ A certified Diverse Supplier means any contractor or supplier that falls into at least one of the following business groups: Small Disadvantaged Business (SDB), Woman Owned Business Enterprise (WBE), Historically Underutilized Business Zone Business (HUBZone), Veteran-Owned Business Enterprise (VBE), Service-Disabled Veteran-Owned Business Enterprise (SDVBE), Minority-Owned Business Enterprise (MBE), and Disability-Owned Business Enterprise (DOBE), (HUBZone), LGBT Owned Business Enterprise (LGBTBE).

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.

This RFP allows for the submittal of two types of pricing for a single RFP Project proposal: a “Standard Bid Price” and an “Alternate Bid Price”:

- *Standard Bid Price:* This price is required for all proposals and represents the price for the bid to fully comply with all conditions and requirements stated in the NSP Development Scope (Appendix B) and the applicable Company term sheet (TS) in Appendix A without exception. The Standard Bid Price shall not be contingent upon awarding additional contracts, such as operations and maintenance or long-term services agreements or EPC contracts.
- *Alternate Bid Price:* This price is optional for all proposals. This price should represent the price for the bid to fully comply with all conditions and requirements stated in the NSP Development Scope (Appendix B) and the applicable Company term sheet (TS) in Appendix A other than the bidder proposed exceptions to Appendix B and/or Appendix A.

Neither the Standard or Alternate Bid Price shall be contingent upon awarding additional contracts, such as operations and maintenance or long-term services agreements or EPC contracts. For both the Standard and Alternate Bid Prices, as seen in Appendix E: Standard Bidder Forms, the Company requests bidders to list the schedule and amounts of ongoing payments to be assumed by NSP post-closing⁷. This schedule should separately identify payments for land and easement costs and all other development fees and costs to be paid to NSP post-closing. Bidders may also propose progress payments. 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.

2.5 Regulatory Approvals

At the completion of the bid evaluation and contract negotiation process, the Company will file a petition and the signed transactional agreements with regulatory commission in Minnesota 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. The Company may also use financial data contained in the respondent’s financial statements (e.g. income statements, balance sheets, etc.) as may be necessary.

Section 3. Interconnection Requirements

The Company will only consider RFP Projects located in Minnesota. The core purpose of this RFP is to solicit RFP Projects that can utilize the Company’s existing interconnection rights from the Sherco site once the existing generating plants retire. Projects shall include Bidder’s best estimate of the full cost for all necessary

⁷ Post-closing is the period of time that starts after the Company has closed on the acquisition of a Development-Transfer bid and taken ownership. This period occurs after commission or regulatory approval of the Acquisition Agreement; however costs occurring from this point on for a DT bid represent ongoing costs to the Company that will be included in the economic evaluation of the DT bid.

facilities necessary to deliver energy from the Project to the specified POI in Appendix D (the POI is identified as “MNEC Endpoint Substation” in Appendix D).

Bidders will need to provide detailed plans for the route to the specific POI identified in Appendix D (“MNEC Endpoint Substation”). Detailed plans should include design, any permitting information, and estimated costs for any 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.

RFP Projects do not need to submit a MISO generator interconnection request to qualify for consideration in this RFP, as the ultimate projects constructed will be interconnected using a Company-developed generation tie-line interconnecting at the Company’s existing Sherco generating station and reutilizing the station’s existing interconnection rights.

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 must be submitted by 5:00 pm (CDT) on December 14, 2023.

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.

Table 2: 2023 MN ENERGY CONNECTION DT RFP SCHEDULE

RFP Issued	October 18, 2023
Bidder Conference	October 26, 2023
Company-preferred deadline to submit the Notice of Intent to Respond (optional Standard Bidder Form)	November 3, 2023
Last date for Bidders to submit questions (answers posted online weekly)	November 14, 2023
Responses to last bidder questions posted	December 7, 2023
Bids due, 5 p.m. CDT	December 14, 2023
List of bids shortlisted for contract negotiations is announced	April 12, 2024
Contract negotiation complete	Second Quarter 2024
Petition filed	July 2024

Negotiations

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. In particular, should a bidder’s “Standard Bid Price” be shortlisted for negotiation of an agreement, it is the Company’s expectation

that material terms of the agreement, as represented by the Term Sheets in Appendix A of this RFP, are non-negotiable and Bidder agrees that the price represents a willingness to accept all material aspects of the Term Sheet. Similarly, for an “Alternate Bid Price”, the Bidder agrees that the price represents a willingness to accept all material aspects of the Term Sheet other than the bidder proposed exceptions.

4.2 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:

MN23DTRFP@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.

Use of Same Materials for Multiple Bids is Not Permitted. 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, including all accompanying attachments and a separate Appendix E – Standard Bidder Form completed for each proposal. If bidder provides multiple proposals for the same project, bidder must resubmit all attachments and Appendix E - Standard Bidder Forms separately for each proposal.

4.3 Information Policy and Communications Protocol

To obtain additional information about this RFP, potential respondents may only submit inquiries via email at:

MN23DTRFP@xcelenergy.com

Prospective bidders 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, answers to bidder questions, and for bidder conference information. 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.

Since the Company does not intend to submit any bids into this RFP, there is no internal communications protocol regarding Company personnel. That said, the evaluation and due diligence team for this RFP intends to use a consistent communication process – through use of the above email address, bidder conference, and Company website – for communicating with all bidders, in order to ensure all prospective bidders have the same information at the same time.

The IA engaged by the Company, as required by the MPUC, will conduct an independent review of the Company’s evaluation and selection process in response to this solicitation, including communication processes. 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.

4.4 Bid Evaluation Fees

a. Policy on Phased Projects & Bid Variations

For a project in which the entire proposed buildable area is developed at the same time, bidders may propose varying development timeline targets, site control levels, MW/site size, and/or generation type, but *each variation is considered a separate bid and requires payment of a separate bid evaluation fee*. Submitting a proposal with both a Standard Bid Price and an Alternate Bid Price, with all other aspects of the proposal identical, will require only a single bid fee.

Additionally, if a project is phased – i.e., proposes to develop different portions of the proposed buildable area in separate phases – *each phase is considered a separate RFP Project and must be submitted as a separate bid*.

b. 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. Bid fees shall be paid by wire transfer to NSPM. In response to a bidder sending an email to the RFP email address, MN23DTRFP@xcelenergy.com, the Company will, no earlier than 20 business days prior to the Proposal Due Date, 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.

c. Second Bid Fee

Any bidder(s) selected to begin negotiation of a Site Acquisition 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 be refunded to the bidder. However, if the bidder and the Company fail to execute a 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.

4.5 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 proposal⁸. 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 primary objective 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 initiated development of similar projects.

⁸ Applicants will be given the opportunity to remedy deficiencies.

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) or other development assets 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, and if applicable, permitting, and financing; 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 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 Form 10.

Section 2 – Standard Bidder Forms (Appendix E)

All Bidders shall complete forms in Appendix E (Bidder Forms 1-13) and provide all information that is applicable to bidders' respective RFP Project(s). Bidder Forms will be made available on the Company's website at the following link:

xcelenergy.com/MN23DTRFP

Below is a list and brief description of each form:

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

Form 2: Bid Certification: Bidders must 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 Standard Bid Price provided by the bidder assumes full compliance with the TS (Appendix A) and the Development Scope (Appendix B)
- c. The bidder identifies and accepts any RFP addenda issued by NSP.

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

Form 4: Pricing: There are two versions of Form 4: 4-Standard Bid Price and 4-Alternate Bid Price to correspond with the Standard and Alternate Bid Prices described further in Section 2.4 of this document. Bidder may submit Form 4 – Standard Bid Price. If any exceptions to the applicable TS and/or Development Scope are proposed, bidder must submit a completed Form 4 – Alternate Bid Price that reflects all proposed exceptions.

Please see Section 2.4 for all requirements and pricing content and assumptions.

In addition to bid pricing, proposals must include estimated landowner payments and tax payments .

Form 5: Development: Form 5 is required for all bid types. The Company has provided a list of significant pre-construction site control and permitting milestones. Bidders are to provide proposed dates for each milestone. These dates must ultimately support a construction and development timeline that supports the the COD date proposed for the RFP Project in Form 3: Cover Sheet.

Form 6: Technical Descriptions Form 6 – Tech Description is required for all bids.

Provide all pertinent technical information for the RFP Project including detailed equipment and facility information in Form 6. If Bidder has not finalized the turbine manufacturer, they must use the prepopulated technical assumptions, as well as any optional statements about .

Form 7: Interconnection: Form 7 is required for all bid types. Bidder is to provide information about how a gen-tie will reach the POI shown by the Company in Appendix D of this RFP (id. Additionally, as additional context please provide details on any development activities regarding interconnection of the asset that have already occurred prior to the issuance of this RFP, including any currently open permit processes or generation interconnection applications.

Form 8: Creditworthiness: Form 8 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 9: Siting and Environmental: Form 9 applies to all bids. 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 that will be needed by the Company construction of the RFP Project as proposed 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, 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.

Form 10: Wind Projects History

Form 10 is required for all bid types. Bidders should provide a list of similar projects and identify any wind projects that have either failed prior to COD or where the developer has had to reopen any contract that had been executed with offtakers.

Form 11: Development Scope Exceptions

Bidders should include any proposed exceptions to the applicable Development Scope provided in Appendix B of the RFP.

Form 12: Additional Project Information

Form 12 applies to all proposals and asks Bidder to provide information on additional socioeconomic considerations.

Form 13: Bidder Checklists

Form 13 applies to all proposals and provides a checklist of all attachments for each proposal type.

Section 3 – Term Sheet (Appendix A) Exceptions for Alternate Bid Price and Yellow TS Fields for Standard Bid Prices

Bidders are required to submit a Microsoft Word version of the applicable TS as part of their Standard Bid Price proposal. This version should include values supplied by bidder for all fields designated in yellow in the TS template, *with no other modifications or changes to the Term Sheet*. For avoidance of doubt, modifications include

any and all redline edits as well as any indication, inference, notes, remarks, statements, assumptions or expectation that such may be negotiated following a selection of the bid submitted.

Additionally, should the bidder submit a Alternate Bid Price with their proposal, respondents must submit a separate, redlined Microsoft Word version of the applicable TS with all exceptions to the applicable TS redlined and reason provided for taking each exception. In addition to the redline exceptions, the TS version compatible with the Alternate Bid Price should also include values supplied by bidder for all fields designated in yellow in the TS.

4.6 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 – Cover Sheet 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.

4.7 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 to formal parties to state regulatory proceedings who sign a non-disclosure agreement. 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.

4.8 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 – Bid Certification).

Section 5. RFP Proposal Evaluation Process & Minimum Proposal Requirements

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 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 proposed assets meet the Company's objectives of the solicitation and no proposal will be selected.

5.1 Completeness Review

The Company conducts a completeness review of each separate bid submitted into this RFP. This review ensures compliance with all bid submittal requirements (payment of bid fees, complete information provided in bid responses, and submission of all required bid components). Bids that initially fail this review stage are unable to progress further in the RFP evaluation process until all deficiencies from this stage are remedied. Bidders with proposals initially failing the completeness review will be notified and provided an opportunity to cure within an established and commercially reasonable time period. The Company reserves the right to reject proposals that fail to cure deficiencies from the completeness review in the designated time period.

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 key project characteristics and proposed development plan. Factors analyzed include, but are not limited to:

- a. Whether the proposed RFP Project meets minimum size, eligible type, and location requirements in section 4.1.
- b. Land Risk:
 - Whether the site, soil conditions, topography, and other relevant physical site characteristics can accommodate the proposed equipment and layout.
- c. Development Plan Risk:
 - Whether the proposed development plan supports the proposed nameplate capacity, permitting and land acquisition schedules proposed in Standard Bidder Form 3 – Cover Sheet and Standard Bidder Form 5 – Dev. Schedule.
 - Whether the COD proposed for the project on Standard Bidder Form 3 – Cover Sheet is attainable and reasonable.

- Whether bidder has adequately demonstrated site control of at least 20% of the project site at the time of bid submission⁹.
 - Whether all necessary permits are attainable for the project as proposed.
- d. Key Agreement Risk:
- Financial Viability of the project and bidder, including verification that the bidder's balance sheet as reported in response to Standard Bidder Form 8 – Creditworthiness) is sufficient relative to the size of the project.
- e. Failure to provide a Standard Bid Price that does not conform in full with the requirements identified in section 2.4.
- f. Failure to provide an estimate of buildable area in question 2) on Standard Bidder Form 6)- Tech Description that adequately supports the claimed RFP Project nameplate capacity proposed on Standard Bidder Form 3) – Cover Sheet¹⁰.
- g. Failure to respond to requests for clarification by the Company within a commercially reasonable period of time.
- h. Other key risk factors that may be unique to specific proposals.

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. However, prior to exclusion from further evaluation, the Company will endeavor to allow bidders to cure any deficiencies for any of the threshold categories above.

5.2.a Minimum Requirements for Proposals

This section describes the minimum requirements, in addition to the evaluation process in Section 5.3, that all proposals must satisfy to remain 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.

- 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.

⁹ Lease agreements must be signed and recorded in order to count towards this requirement. Letters of intent, landowner diaries, or unrecorded lease agreements are not sufficient proof of site control. It is not necessary for site control to be shown for the proposed route to the POI shown in Appendix D.

¹⁰ For a definition of buildable area please see Appendix B – Development Specifications and Scope of Work.

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. Total Cost of RFP Project
- b. Risk
- c. Potential to incorporate solar capacity at proposed site

Score Deductors

- d. Bidder Strength and Execution
- e. Exceptions to the TS (Appendix A) or Development Scope (Appendix B)
- f. Inability to respond to Company questions in a timely manner

Each proposal evaluated during this stage will receive a score between 0 and 100 points, with weighting as stated below. The successful project(s) will have the highest total score.

- a. **Total Cost of RFP Project:** The Company will estimate the total cost for each bid levelized over the Company's projected project lifetime for the wind facility at the proposed project. The total cost will incorporate:
 1. The purchase price and post-closing costs proposed by the bidder on Form 4-Standard Bid Price
 2. Any additional costs the Company estimates are necessary to finish any project development, project permitting, and/or interconnection with the POI in Appendix D.
 3. The cost estimated by the Company to operate the proposed RFP Project over its projected lifetime.

All RFP Projects will be ranked by their total levelized cost per installed MWac with the lowest cost projects receiving more points. The proposal pricing score will have a maximum point value of 80 points out of the 105 total possible points.

The Company will evaluate the potential addition of storage or solar assets after assessing the standalone wind projects as noted in part c. below.

- b. **Risk:** The Company will provide a score to each proposal based upon how sufficiently the proposal shows its development plan is attainable within the timing and level of development proposed, cost overruns or delays from unanticipated risks are low, 3) benefits to and support from surrounding communities for the project, and the project is on a timeline that ultimately allows for COD by 12/31/2027. The maximum points for this category will constitute 20 points out of the 105 total possible points.
- c. **Potential to Incorporate Solar Component.** The potential of the proposed site to incorporate a solar and/or storage component at initial COD or at some later date will be evaluated for those proposals that indicate that the proposed site and interconnection could incorporate these additional technologies. In particular, projects that offer optionality for adding solar will also receive 5 points out of the 105 total possible point total¹¹.

¹¹ Optionality can be demonstrated by leases or easements that are not exclusive to wind generation, but which also allow solar generation.

- 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, and the number of similar projects of the bidder that have failed or had to reopen executed contracts with off-takers 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 105 total proposal points.
- e. **Exceptions to the Applicable Term Sheet or Development Scope:** The number and type of exceptions proposed to the applicable Company's term sheet (TS) in Appendix A or Development Scope (Appendix B) as part of an Alternate Bid Price. 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 term sheet or Development Scope, the final score will be decreased by up to 10 points from the 105 total proposal points.
- f. **Inability to respond to the Company in a timely manner:** Unless otherwise specified by the Company, bidders have 4 business days to respond to the a request from the Company. Failure to respond by the requested dates interferes with the ability of the Company to complete the bid evaluation process for all proposals in a timely and effective matter. A maximum point value of 5 points out of the 105 total possible points may be deducted from the overall evaluated value of each proposal for failure to respond to requests on a timely basis.

5.4 Final Project Selection and Bidder Notification

The Company plans to complete the evaluation of bids and provide notification to bidders of the status of their proposal – including both the Standard Bid Price and, if applicable, the Alternate Bid Price - by April 12, 2024.

Attachments
Appendix A

NSP's Development-Transfer Term Sheets

See file titled:

Wind Site Acquisition Term Sheet

Appendix B

Development Scope

See file titled:

Development Scope Template

See files titled:

Appendix C

NSP Template Subcontractor Plan

See file titled:

NSP Template Subcontractor Plan.pdf

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

Appendix D

Point Of Interconnection Map

See file titled:

Point of Interconnection Map – MNEC Endpoint.pdf

Appendix E

Proposal Forms and Instructions

See file titled:

2023 DT RFP Bidder Forms.xlsx