



as agent for

Missouri River Energy Services



Request for Proposals

for Renewable Energy Resources

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Proposal Forms

Missouri River Energy Services – Request for Proposals

Attachment A – Notification of Intent to Respond Form

Attachment B – Completed Offer Form (spreadsheet)

PART 1. INTRODUCTION

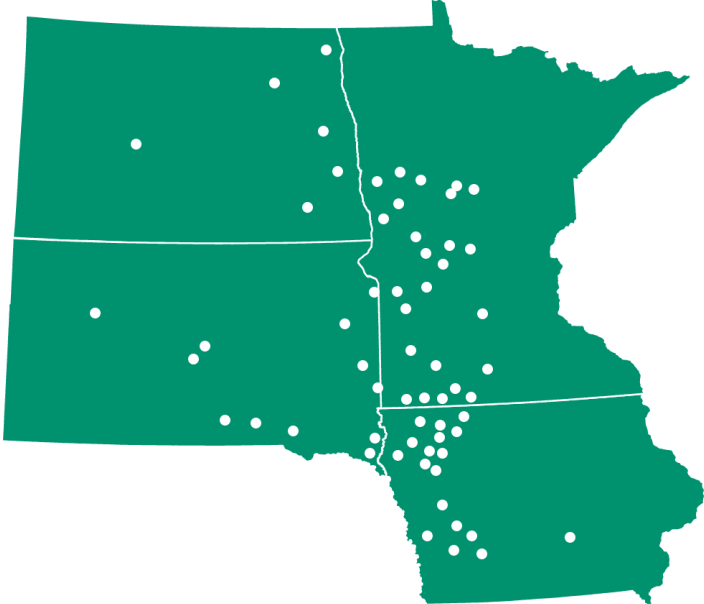
1.1 COMPANY BACKGROUND

Missouri River Energy Services (MRES) provides electricity and other energy-related services to 61 member municipalities. MRES is dedicated to supplying its members with reliable, cost-effective, long-term energy and energy services in a fiscally responsible and environmentally sensitive manner.

In its role as electric provider, MRES serves approximately 170,000 customers across 4 states: 6 in North Dakota, 12 in South Dakota, 25 in Minnesota, and 18 in Iowa. MRES members are positioned across both the Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP) geographic footprints, with 28 members in MISO and 33 members in SPP.

MRES has nearly 1,000 MW of cumulative generation capacity, with an energy mix that is roughly 40 percent hydro, 34 percent market purchases 14 percent coal, 6 percent nuclear, 2 percent natural gas, and 4 percent renewables.

Figure 1: Missouri River Energy Services Member Map



1.2 PURPOSE OF RFP

In addition to compliance with existing state Renewable Portfolio Standards (RPS) and Renewable Energy Objectives (REO), MRES offers a voluntary renewable energy program, increasing the utility’s overall demand for bundled renewable energy certificates (RECs). MRES is exploring options for meeting its growth in demand for renewable energy and is seeking offers for full attribute, renewable resource power purchase agreements (PPA) with a commercial operation date (COD) no later than 2024. Existing projects that meet these requirements will also be considered. MRES seeks to procure several projects

totaling no more than 100MW of renewable generation resource capacity that generate Minnesota RPS compliant RECs, either standalone or paired with storage, for a term of up to 15 years. Minimum nameplate capacity of project proposals should be no less than 10MW. Key tenets of project consideration are project viability, price, congestion risk, and deliverability. Projects must be physically located in MISO Load Resource Zone (LRZ) 1 or LRZ 3 to correspond with MRES load service obligations, with a strong preference for LRZ 1 sited projects.

1.3 RFP CONTENTS

As a trusted Public Power affiliate, The Energy Authority (TEA) is the acting facilitator of this Request for Proposals (RFP).

This RFP includes a description of the request, an outline of the solicitation process, relevant dates, contact information, and proposal submission requirements. All proposals submitted in response to this RFP must be submitted to MREnergyRFP@teainc.org.

Respondents to this RFP (Respondent) must follow the instructions provided herein, in the preparation and submittal of their Proposals.

PART 2. PROJECT DETAILS

MRES is seeking Proposals for the following Project:

Detail Requirements	2024 2026 Renewable Resource PPA
MW/MWh	Up to 100 MW nameplate capacity, in increments of no less than 10MW
PPA and/or Build To Transfer	PPA
Resource type (Solar, Wind, Storage)	MN RPS compliant renewable resources, either standalone or paired with storage
Delivery/ In-service date	No later than 2024 2026
Term requirement /Preference	Up to 15 years, fixed with no escalator preferred
Product type (energy, cap, REC's)	Energy, Capacity, & Bundled REC's
Delivery location preferences	<ul style="list-style-type: none"> - Project busbar - Minnesota Hub - MRES load points <ul style="list-style-type: none"> o OTP.MRES o NSP.MRES o GRE.WILM
Characterization of transmission system or interconnection	MISO NRIS - utility scale; projects located near MRES load with MISO ERIS only could be acceptable to MRES if MISO NITS transmission service is obtained from the project busbar to MRES load.

2.1 RECS

MRES is committed to environmental stewardship by offering its members and customers qualifying RECs. The full attributes of the renewable project(s) must pass through to MRES.

PART 3. ELIGIBLE PROPOSALS

Proposals to sell energy, capacity, ancillary, and all renewable attributes under a PPA are eligible for consideration under this RFP; these proposals must utilize facilities located on a site controlled by the Respondent.

All Proposals should specify costs associated with interconnection.

PART 4. PROPOSAL REQUIREMENTS AND SUBMISSION PROCEDURE

4.1 GENERAL

All Proposals must satisfy eligibility requirements set forth in the RFP and be submitted in accordance with the instructions of this RFP to be considered for evaluation.

4.2 PROPOSAL DOCUMENTS

Within this RFP, “Proposal Documents” include all documents attached to this RFP, other appended or related data; these may be amended or supplemented from time to time. The Proposal Documents are complementary, and the Respondent must consider anything specified by one and not by the others as binding as though specified by all. In the case of a conflict between the various documents and any supplemental information, the stricter interpretation, as determined by MRES, will govern.

4.3 APPLICABLE REQUIREMENTS TO PROPOSALS

The following requirements apply to all Proposals. Additional requirements are included in subsequent sections of this Part 4.

- Proposals and pricing must be provided for a target Project in-service date according to Section 6.3. Respondent must identify the schedule milestones required from MRES, regulatory processes, and electrical transmission providers to facilitate the quoted Project in-service date.
- Proposals and pricing must remain valid and binding for at least 90 days following offer submission, with the date of expiration explicitly stated in the Proposal.

- All prices in the Proposal and pricing forms must be quoted in U.S. dollars in the year to be occurred.
- Proposals must provide firm pricing for the delivery of energy at the Project interconnection location, Minnesota Hub, or to MRES MISO load points (OTP.MRES, NSP.MRES, GRE.WILM).
- Proposals must comply with all applicable federal, state, and local laws and regulations.
- Front of the meter (FTM) Proposals must comply with all MISO Interconnection standards for submission of generation to the MISO Market including any requirements specific to Variable Energy Resources.
- PPA Proposals must specify term length or term options if applicable.
- Offered FTM resources must be interconnected to a system located within the MISO Interconnection service area.
- Proposals must outline considerations associated with potential economic and reliability curtailments as directed by MISO or other area Balancing Authority (BA).
- The most significant evaluation criteria are project viability, price, vendor history, congestion risk, availability of transmission, equipment performance, and performance guarantees

4.4 CREDIT REQUIREMENTS

The Respondent must be able to satisfy MRES’s credit standards to ensure the Respondent has adequate financial capability. MRES requires qualified Respondents to possess either an investment grade long-term, senior unsecured debt rating (S&P / Fitch BBB- or above; Moody’s Baa3 or above) or sufficient equity security to cover their anticipated delivery obligations under any Agreement, as defined below, entered into as a result of this RFP process. If the Respondent is unable to satisfy the foregoing credit standards, they may designate a Credit Support Provider/Guarantor, and if the Credit Support Provider/Guarantor is satisfactory to MRES, the Respondent will be deemed to have satisfied MRES credit standards. The quality of credit of the proposed Credit Support Provider/Guarantor will be evaluated under the same standards as that of the Respondent.

Execution of an Agreement under this RFP is conditional upon full satisfaction of any MRES credit support requirements. MRES reserves the right to require additional credit standards and to review and evaluate the quality of credit of each Respondent and Credit Support Provider/Guarantor in addition to making adjustments, as necessary, in the application of the foregoing standards.

4.5 COST OF RESPONDING

Respondent will bear all costs associated with the preparation and submission of its Proposal. Neither MRES, its affiliates, nor any agent of MRES will be responsible or liable for any costs, regardless of the cost or outcome of the proposal process.

4.6 DISCLAIMER

Respondent is responsible for examining the complete Proposal Documents and any subsequently issued RFP addenda and for analyzing all RFP requirements that might affect the cost of the Project or

performance of any part of the work to be completed in connection with the Project (Work). Failure to do so will be at the sole risk of the Respondent and no relief will be given for errors or omissions resulting therefrom.

4.7 RESPONDENT'S REPRESENTATION

By submitting a Proposal, each Respondent represents that they have read and understood the Proposal Documents and are familiar with the local conditions under which the work is to be performed. By responding to this RFP, Respondent agrees to disclose any sale or transfer of interest in or to a proposed project referenced in a Proposal.

4.8 REQUIRED APPROVALS

Each Proposal must state that the Respondent has obtained all necessary internal approvals prior to the submission of the Proposal. All Proposals must be signed as follows:

- Corporations or Limited Liability Companies: The signature of the officer must be accompanied by a certified copy of the resolution of the Board of Directors or Board of Managers authorizing the individual signing to bind the corporation or limited liability company.
- Partnerships: Signature of one partner must be accompanied by a certified copy of the power of attorney authorizing the individual signing to bind all partners. If a certified copy of the partnership's certificate submitted with the Proposal indicates that all partners have signed, no authorization is required.

4.9 PROPOSAL SUBMITTAL

Respondents must submit Proposals via email to MREnergyRFP@teainc.org. Complete Proposals, including all exhibits and forms, must be received on or before midnight Central Prevailing Time (CPT) on the RFP response due date via email. All Proposals will become the property of MRES and will not be returned to the Respondent.

4.10 CLARIFICATIONS

MRES may request clarification or additional information during the RFP evaluation process about one or more items in a Respondent's Proposal. Such requests will be sent via email through the MREnergyRFP@teainc.org email address to Respondents, who will be required to provide an electronic response via the MREnergyRFP@teainc.org email address within five business days. If Respondents fail to do so, MRES may deem the Respondent to be non-responsive and either suspend or terminate evaluation of the Proposal. Respondents may provide an alternate point of contact to ensure a timely response to clarification questions.

4.11 WITHDRAWAL OF PROPOSAL

A Respondent may withdraw a Proposal, either personally or by written request, at any time prior to the deadline for RFP responses.

4.12 CONFIDENTIALITY AND COMPLIANCE

MRES will take reasonable precautions and use commercially reasonable efforts to protect any claimed proprietary and confidential information contained in a Proposal, provided that such information is clearly identified by the Respondent as "PROPRIETARY AND CONFIDENTIAL MATERIAL." Notwithstanding the foregoing, MRES in its sole discretion may release such information: (1) to any external contractors for the purpose of evaluating Proposals, but such contractors will be required to observe the same care with respect to disclosure as MRES; (2) to others who have a need for such information for purposes of evaluating the RFP and the Proposals, the RFP process or a final definitive agreement resulting from the RFP process ("Agreement"), including but not limited to MRES directors, management, employees, agents, or contractors, and other parties, their consultants and/or agents; or (3) if MRES is requested or compelled to disclose such information (or portions thereof) (i) pursuant to subpoena or other court or administrative process, (ii) at the express direction of any agency with jurisdiction over MRES, or (iii) as otherwise required by law, including state open records laws. If MRES determines that the release of such information will be made under one of the circumstances set out in subsection (3) above, MRES will provide Respondent with written notice; provided, however, MRES shall have no duty or obligation to the Respondent to withhold such information or take legal steps to protect the information from disclosure. Under no circumstances will MRES or any of their directors, management, employees, agents, or contractors be liable for any damages resulting from the disclosure of the Respondent's claimed proprietary and confidential information during or after the RFP process. By submitting a Proposal in response to this RFP, the Respondent acknowledges and agrees to the requirements in this provision concerning confidentiality. In the event MRES uses internal, proprietary projections in its evaluation process, the resulting projections will not be shared with Respondents.

4.13 COLLUSION & CONFLICTS

By submitting a Proposal to MRES in response to this RFP, Respondents certify that they have not divulged, discussed, or compared its Proposal with other Respondents and have not colluded whatsoever with any other Respondent or parties with respect to its Proposal or other Proposals.

PART 5. PROPOSAL FORMAT AND CONTENTS

This section outlines the content and format requirements for all Proposals submitted in response to this RFP. Unless MRES in its sole discretion elects otherwise, Proposals that do not include the information requested in this section will be ineligible for further evaluation. MRES reserves the right to conduct any further due diligence it considers necessary to fully understand and evaluate Proposals prior to entering into any Agreement.

A complete Proposal will include the following components:

- Executive Summary
- Complete set of applicable Proposal Forms (Forms identified below)

- Form attachments (as necessary to elaborate on Proposal Form information)
- Any additional electronic data or narrative discussion

5.1 EXECUTIVE SUMMARY

The Executive Summary should briefly describe the Respondent, the Project(s) or resource(s) that are part of the Proposal, the capacity amount, timing and term of the Proposal, and key highlights of the pricing and terms of the Proposal.

5.2 PROPOSAL FORMS

Required Proposal Forms are to be completed, as identified below, in the native format of the Proposal Form. To the extent the full completion of any form requires additional information or clarification, please provide that information as an attachment to the form. Electronic submissions should include the completed Proposal Forms in the format provided. Respondent's complete proposal shall include the following Proposal Forms:

- Attachment A – Notification of Intent to Respond Form
- Attachment B – Completed Offer Form (spreadsheet)

Please complete and submit a separate Offer Form (Attachment B) for each project proposed.

5.3 SUPPLEMENTAL INFORMATION

In addition to the forms noted above, Respondents must include supplemental information as necessary to clearly identify the scope of the Proposal. Depending on the Respondent's Proposal offer, the supplemental information may include the following, in the order identified, with each topic beginning on a separate page.

- A. Description of the Respondent
- B. Financial Information / Credit Quality
- C. Identification of all Pricing Terms
- D. Project Description
- E. Equipment Description
 - a. Annual hourly (8760) output forecast
- F. Electrical Interconnection and Power Delivery Plan
- G. Operations and Maintenance Plan, including Spare Parts Inventory Plan
- H. PPA Term Sheet
- I. Project Team Organization and Resumes

- J. Assignability
- K. Project Detail
 - a. Development Plan
 - i. Provide ownership and operation plan including vendor list
 - b. Development Experience
 - i. Number of facilities owned or operated
 - ii. Number of Projects (including MW size) developed in MISO
 - c. Development and Project Execution Schedule
 - i. Development security
 - ii. Delay damages
 - d. Performance guarantees
 - i. Generation shortfall damages
 - e. Real Property Acquisition Description and Plan
 - f. Tax Benefits
 - g. Permitting Plan
- L. Other Attributes

PART 6. RFP PROCESS COMMUNICATION

6.1 THE ENERGY AUTHORITY PROJECT PORTAL

All inquiries and other communications relating in any manner to this RFP will be hosted on the TEA Project Portal for the “MRES Renewables” RFP. The site is administered by TEA in their role as acting facilitator for MRES.

TEA and MRES make no commitment to respond to other communications received via telephone, FAX, text messaging, or other media. Additionally, Respondents may not rely on any oral representation or oral modification made by any TEA or MRES directors, management, employees, agents, or contractors, and other parties, their consultants and/or agents, or any MRES member representatives. To preserve transparency in the process and to assure that all Respondents receive equal consideration, Respondents may not contact any MRES employee, Board Member, or MRES member representative regarding this RFP prior to the proposal deadline. Any such contact could be grounds for disqualification of the Proposal. Following the proposal deadline, MRES contact information and guidance will be provided. On-site meetings will only be held following notification of short-list respondents.

6.2 RESPONSES TO INQUIRIES

Any questions by the Respondent must be sent via the MREnergyRFP@teainc.org email address. MRES will prepare written responses to questions received and will post the responses (without identification of the party asking the questions) on the TEA Project Portal for all Respondents who submit a Notice of Intent to Respond. All questions must be submitted via the MREnergyRFP@teainc.org email address and include the Proposal Documents in the Attachments.

Questions must be formatted as follows:

- Clearly identify specific document reference to which the question pertains, and date
- Clearly identify the document language or section in question
- Sequentially number each question in each submittal

Questions must be submitted timely, and in groups, to allow for proper consideration and response. Questions the Respondent believes to be commercially sensitive or confidential must be individually marked as "Confidential." Questions marked "Confidential" will not be shared with other Respondents unless MRES determines that the question is a general, non-sensitive technical or commercial question.

6.3 SCHEDULE

Below are the RFP milestone dates. MRES reserves the right to adjust dates. Following the submission deadline, all submitters will be notified of date changes via email. In the interim, please refer to the RFP website for the most up-to-date timeline information.

The RFP process will proceed in accordance with the following schedule:

BID SCHEDULE – ACTIVITY	DATE/TIMEFRAME*
RFP Announced	2/4/2022
RFP Documents Available	2/7/2022
Deadline for Questions from Respondents	3/11/2022
Notice of Intent to Respond Due	3/18/2022
RFP Response Due	3/31/2022 4/15/2022, 23:59 CPT
Successful Short-List Respondents Notification	5/14/2022
Successful Respondent Notification	June 2022
Full Notice to Proceed-Contract Negotiation and Finalization	July 2022
Target Power Supply / Commercial Operation Date	Q1-2024 2024-2026

* RFP response due dates are firm. No extensions will be offered.

MRES reserves the right to revise, suspend, or terminate this RFP process and any schedule related thereto at its sole discretion without liability to Respondents or any other person or entity.

Communications regarding the status of this RFP process, including any and all changes and addenda to this RFP or attendant schedules, will be made via the TEA Project Portal.

6.4 NOTICE OF INTENT TO RESPOND

In order to identify persons or entities interested in submitting a Proposal, and for those persons or entities to receive any subsequent information distributed in the proposal process, interested parties shall submit, via the MREnergyRFP@teainc.org email address, a Notice of Intent to Respond on or before the time on the Notice of Intent to Respond due date. The form is available as Attachment A in this RFP and can be downloaded from the TEA Project Portal.

[TEA Project Portal link](#)

6.5 OWNERSHIP OF PROPOSAL DOCUMENTS

The Proposal Documents, unless otherwise designated, are confidential, are the property of MRES, and are only for the purpose of the Respondents' preparing and submitting a Proposal in response to this RFP. All Respondents should note that any material submitted to MRES may be subject to the open records laws of MRES' constituent states of Iowa, Minnesota, North Dakota, and South Dakota.

MRES may enter into Non-Disclosure Agreements with Respondents who receive short-list notification per the RFP schedule. MRES or TEA will provide a template NDA at that time. MRES will only execute NDAs that cite South Dakota as the state(s) of exclusive jurisdiction and venue in the event of a dispute.

6.6 MRES RESERVATION OF RIGHTS AND DISCLAIMERS

Nothing in this RFP constitutes an offer or acceptance by MRES, and MRES hereby disclaims any intent for this RFP to constitute a binding contract between MRES and any Respondent. MRES retains the right to determine, in its sole discretion, the value of any or all Proposals. MRES reserves the right to negotiate with a Respondent or Respondents after submission of a Proposal. MRES further reserves the right to negotiate with only the Respondent(s) whose Proposal(s), as MRES determines in its sole discretion, have a reasonable likelihood of being accepted. In the event negotiations with a Respondent or Respondents do not produce a final, fully-executed Agreement satisfactory to MRES and authorized by the Board of Directors, without material changes, MRES reserves the right to pursue any and all other resource options available to it.

MRES may reject any Proposal that it determines, in its sole discretion:

- Does not meet the minimum requirements set forth in the RFP
- Does not provide required information in a manner that allows effective evaluation
- Is not economically competitive with other Proposals

MRES reserves the right, without qualification and in its sole discretion, to modify, suspend or withdraw this RFP, accept or reject any or all Proposals for any reason at any time after submittal without explanation to the Respondent, or to enter into an Agreement at any time with a Respondent who, in the opinion of MRES, will provide the most cost-effective value. MRES also reserves the right to contract

with other than the lowest price Respondent or with other than the Respondent evidencing the greatest technical ability, if MRES, in its sole discretion, determines that to do so would result in the greatest overall value of renewable energy supply.

MRES, in its sole discretion, may decline to enter into an Agreement with any Respondent and may terminate negotiations with any Respondent at any time during the process.

Those Respondents who submit Proposals do so without legal recourse against MRES directors, management, employees, agents, or contracts, and other parties, their consultants and/or agents due to (1) MRES rejection, in whole or in part, of the Respondent's Proposal; (2) MRES rejection, modification, delay or withdrawal, in whole or in part, of this RFP; (3) failure to execute any Agreement; and (4) any other reason arising out of this RFP. MRES will not be liable to any Respondent or to any other party, in law or equity, for any reason whatsoever relating to MRES acts or omissions arising out of or in connection with the RFP process.

Respondents will be liable for all of costs. MRES will not be responsible for any of the Respondent's costs incurred to prepare, submit, or negotiate its Proposal, definitive Agreement, or any other related activity.

PART 7. PROPOSAL EVALUATION AND CRITERIA

7.1 EVALUATION OF PROPOSALS

The objective of this RFP is to identify and procure cost-effective energy and capacity for delivery to MRES to help meet its energy, capacity, and REC goals and MISO market requirements. Therefore, the evaluation criteria that will be given the greatest consideration are project viability, price, and deliverability of the requested projects.

An initial screening for minimum requirements (Parts three, four, and five) will be performed for each Proposal to determine if all required information has been provided and minimum requirements are satisfied. Material deficiencies will disqualify a Proposal from further consideration, and the Respondent will be notified in such event. MRES reserves the right, in its sole discretion, to either reject incomplete or unclear Proposals from further consideration or to contact Respondents for purposes of Proposal clarification.

After the initial Proposal screening, MRES anticipates a two-phase evaluation process in which the Respondents' cost projections, resource characteristics, and other proposed assumptions will be validated.

At the end of Phase One, a smaller list of projects will be determined, at which time Respondents may be requested to supply additional information if necessary. Unsuccessful Respondents will be notified at the end of the Phase One assessment that their Proposals will not be considered further.

Successful Respondents will be notified via the MREnergyRFP@teainc.org email address that they have passed to Phase Two of the process, whereupon an additional evaluation will be conducted. Once the successful Respondent(s) from that evaluation have been identified, MRES will pursue negotiations to secure resources. Provided the parties successfully negotiate an Agreement for the Project, MRES will then execute the contract based on the negotiated terms of the Agreement(s).

7.1.1. PHASE ONE EVALUATION

Proposals that have provided the required data and satisfied the minimum Proposal requirements will be passed to Phase One of the evaluation. They will be evaluated individually for both quality and likelihood of achieving successful commercial operation under the terms proposed. Respondents must include sufficient detail for MRES to be able to evaluate all costs associated with the Proposal(s). Respondents should be aware that the evaluation in Phase One is based on both price and non-price evaluations (which are detailed below).

7.1.1.1. QUALITATIVE EVALUATION PROCESS

MRES will consider a range of factors in the qualitative evaluation process; examples of such are:

- A. Respondent creditworthiness, which includes a respondent’s managerial and financial qualifications
- B. Acceptance of MRES commercial terms
- C. Prior relevant project record
- D. Respondent’s engineering, construction, operating, environmental, and/or ownership team qualifications, as applicable
- E. Commercial viability, maintainability, and maturity of generation resource technology
- F. Resource capacity, efficiency, and environmental footprint
- G. Operational flexibility characteristics, including limitations on or financial consequences of curtailments, maintenance scheduling, or operational parameters
- H. Project engineering plan
 - Operations and maintenance plan for the Project
 - Description of the generation technology
 - Identification of the major equipment supplier(s) to be used for the Project
- I. Product and equipment warranty protections
- J. Electrical interconnection path/plan
 - Interconnection type
 - Assessment of Respondent’s transmission capability/deliverability analysis to deliver power to either Project Busbar, Minnesota Hub, or MRES load points and if Respondent proposes to address potential transmission constraints
 - Respondent’s willingness to be responsible for all transmission arrangements and costs
- K. Project development and permitting status, including any potential for delay as the result of a Respondent’s need for regulatory actions or approvals or for permitting, licensing, MISO study process, or transmission interconnection
- L. Resource ownership & management structure
- M. Disclosure of violations such as environmental violations

7.1.1.2. QUANTITATIVE EVALUATION PROCESS

The quantitative screening consists of measuring each Proposal's total cost impact, examples include:

- A. Transmission costs, including generation interconnection
- B. Response to market-based rules and treatment of resource
- C. Congestion and Delivery Costs
 - MRES recommends submitting multiple delivery options**
 - a. Cost to manage MISO market-congestion-basis-risk from the Project to delivery point
 - b. Expected MISO and/or inter-market congestion cost based on existing topography and potential additions from the MISO Interconnection Queue
 - c. Costs of risk premiums related to local delivery
- D. Price and market impacts
 - a. Effects of increased injections on transmission grid based on MISO Interconnection Queue
 - b. Relationship between expected CPNode at delivery and contract price
- E. Relationship between cost and value of included attributes such as capacity and RECs
- F. Other system benefits or costs, including a value-of-renewable-attributes price adjustment and impact to system losses
- G. Financial impact to MRES such as impact to credit metrics including debt imputed by credit rating agencies, capital structure, and financial statements
- H. Any additional costs that are required but not provided for in the Proposal
- I. Financial implications of accounting and tax treatment
- J. Development and performance guarantees

Proposals are scored and ranked on the basis of minimizing the delivered cost of energy. Proposals with a low total delivered cost considering the proposed pricing, commercial terms, all associated electrical market (congestion) and transmission delivery costs, and electrical market losses will receive a higher score than Proposals with a high total delivered energy cost.

7.1.2. PHASE TWO EVALUATION

Following the Phase One evaluation, short-listed Proposals are further evaluated by MRES on credit quality, price and non-price factors, locational benefits, and overall value of energy supply. Each Proposal will be scored using both qualitative and quantitative criteria, to produce a ranked "short-list." From the final set of short-listed Proposals, the preferred alternative or combination of alternatives will be selected.

7.2 CONTRACTUAL CONSIDERATIONS

7.2.1 INSURANCE

The successful Respondent will be required to maintain, at a minimum, standard insurance coverages for workers' compensation, commercial general, employer's and automobile liability, and umbrella excess liability. Respondents are requested to define the assumed insurances and levels in the Proposal. Specific insurance requirements of MRES will be addressed as part of the evaluation and negotiation of the Agreement.

7.2.2 COMMERCIAL TERMS AND CONDITIONS

Commercial terms and conditions will be negotiated with the Respondents selected to be finalists for this RFP. All Proposals will represent a firm offer to contract on the terms and conditions included as Appendices to this RFP. Each representation of fact and promise of future performance within a Proposal will be incorporated into the Agreement as a warranty or covenant. Any statement of fact or promise of future performance that is not intended by the Respondent as a warranty or covenant should be clearly identified.

7.3 AWARD

MRES reserves the right to reject any and all Proposals. Prior to awarding a Proposal, MRES may have discussions with Respondents whose Proposals are under consideration. Respondents may be required to travel to MRES office or other locations for further discussions.

Negotiations arising out of the Proposals may be conducted with any or all Respondents at MRES sole discretion. Winning Respondents will be expected to enter into an Agreement within a reasonable period of time following the award of the Proposal. MRES will have no obligation to accept any Proposal submitted pursuant to this RFP. Whether, and on what terms, any Proposal is accepted is within MRES sole discretion.