

## **Request for Proposals Power Supply Resources**

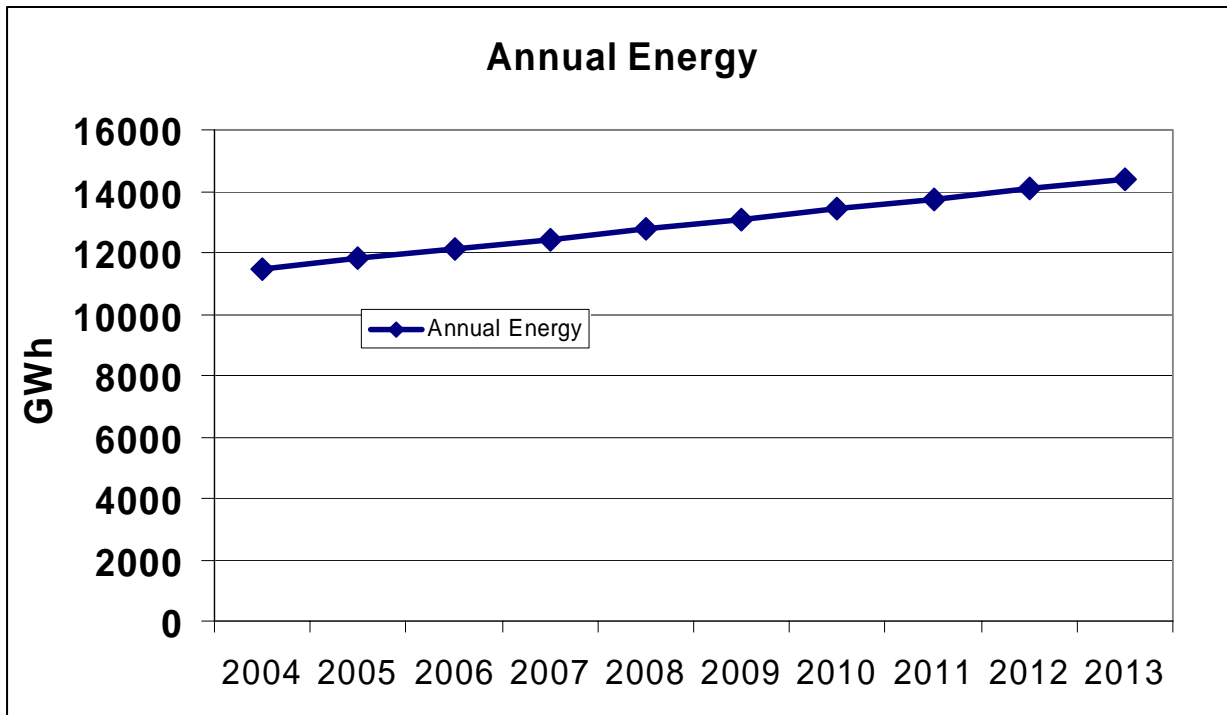
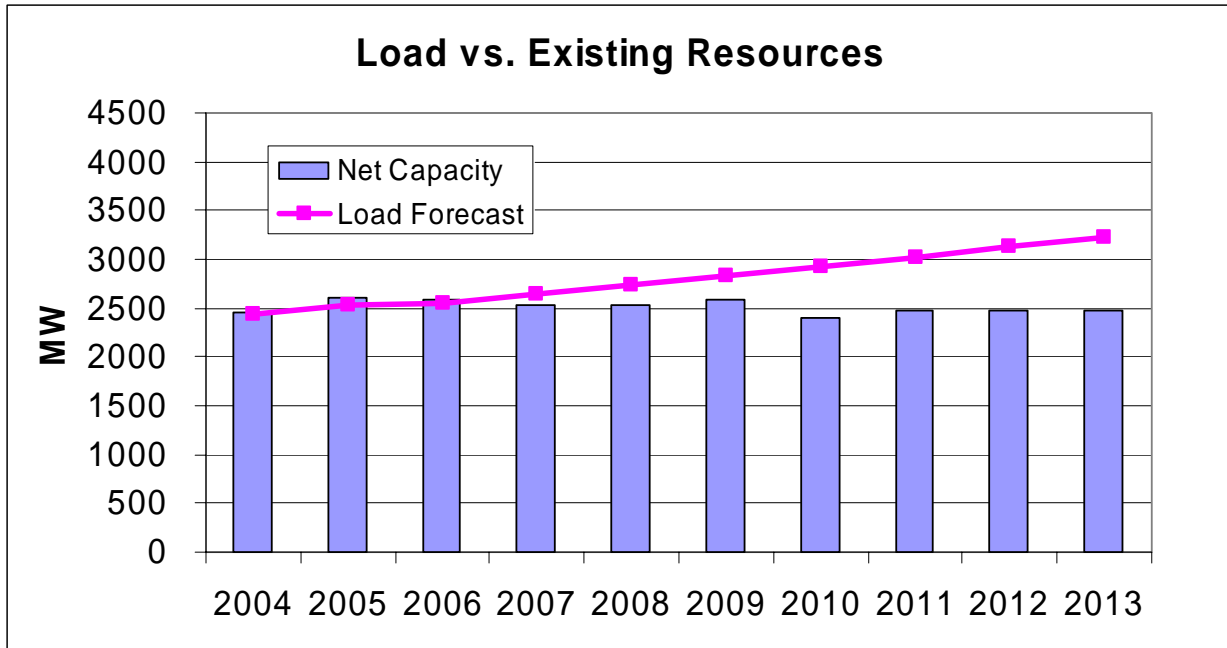
### **A) Summary**

Split Rock Energy (SRE) is issuing this Request for Proposal (RFP) on behalf of Great River Energy (GRE). This RFP can be characterized as a “Baseload” RFP. GRE seeks proposals providing Baseload resources. Joni Hamson (SRE) and Stan Selander (GRE) will be the contacts during the RFP process.

Great River Energy is one of the fastest growing energy providers in Minnesota. GRE is a cooperative association headquartered in Elk River, MN and serves 28 cooperatives. It presently has generating capacity of about 2300 MW (summer rating) and serves a summer peak load of about 2300 MW. More information on GRE is available at its website [www.GREatriverenergy.com](http://www.GREatriverenergy.com).

GRE has issued four RFPs for power supply resources since 2001. Each RFP has resulted in GRE acquiring resources of various types for varying terms. The 2001 RFP resulted in GRE acquiring 150 MW of peaking type resources. The 2002 RFP resulted in GRE acquiring 175 MW of baseload and intermediate type resources. The 2003 renewable RFP resulted in selection of a 100 MW wind project which is under final negotiations currently. The all source RFP issued earlier in 2004 resulted in a decision by GRE to “self build” a peaking resource which GRE Generation offered into the RFP.

This RFP is focused on proposals offering up to 200 MW of baseload resources which can be available on or before May 1, 2011. GRE’s overall resource situation is illustrated in the 2 charts below.



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GRE's intention in issuing this RFP is assuring it has a complete information base for Baseload resource choices in February 2005. In making those choices GRE will be considering all forms of ownership or purchase.

GRE Generation, a division of GRE, is also developing alternatives for consideration. If you would like to work together with GRE Generation on developing a project please contact Joe Jubert, Project Manager, Generation Development, (763 241 2264) at your earliest convenience.

Responses to this RFP will be due on January 14, 2005.

### **B) General Evaluation Criteria**

1. Price at Point of Delivery
2. Transmission – evidence of ability to deliver output to GRE's Load, such as interconnection/transmission service applications and transmission studies
3. Site control
4. Quality and experience of the development team
5. Accredibility of resource in MAPP or succeeding reliability organization
6. For natural gas fueled resources, proximity to a pipeline and which pipeline
7. Financing – a responder who can provide financing will be viewed more favorably than one only bringing equipment
8. Ability to provide ancillary services.

### **C) Common Information for All Responses**

All responses must include the following information.

**Location of Project:** Provide details on where the project will be located and any site description details.

**Siting Description:** Description of plans for assessing local community siting issues and efforts to address any of these issues.

**Ownership Conversion:** Great River would also consider, in addition to an energy purchase, the opportunity to convert a power purchase agreement to GRE ownership of the project. GRE is also interested in providing O&M services on non-GRE Owned projects.

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**Point of Delivery:** Proposals will be evaluated on a delivered basis to the GRE control area. A proxy delivery point is the Dickinson 345kV substation at the termination of GRE's DC line near Buffalo, MN. GRE will consider other delivery points.

GRE recently became a MISO member and GRE is fully integrated into MISO as of December 1, 2004.

**Regulatory and Environmental Compliance:** Proposer is responsible for meeting and satisfying all federal, state and local permits, licenses, approvals and/or variances that are currently, or become in the future, required for the operation of the project and the delivery of energy.

**Company Qualifications and Experience:** Proposer should supply to Great River information regarding the Corporate/business structure, including primary and secondary businesses, of the Proposer.

Also include the Proposer's projects and independent power supply ventures developed over the last ten years.

Separate descriptions, as appropriate, for each member if there is a consortium or partnership of two or more firms and the relationship between the entities for this proposal.

**Financial Considerations:** Each proposal must include the following financial information for each Proposer/entity involved in the proposal:

- Current annual report for each party (If an annual report is not available, a listing of assets, liabilities and cash flow must be provided);
- Current (within past three months) profit and loss statement for each party;
- DUNS #;
- S&P, Moody's and/or Fitch Debt Rating; and
- Description of project financing.

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- Emission Data:** Proposers should provide emission data for particulate matter (less than 10 micrometers in diameter), nitrogen oxide(s), sulfur dioxide, carbon monoxide, lead, ozone, mercury and carbon dioxide. Emission data should be provided in both pounds per MWh and pounds per mmBtu. If you are proposing a specific project the emissions data should be for that project. If you are proposing supply from a portfolio of resources the emissions should be for the supply portfolio.
- Other Information:** This section provides the opportunity to describe other aspects that may not fit into one of the other categories.
- Pricing Information:** Prices shall be quoted in U.S. dollars and shall be considered firm unless expressly stated otherwise. If the Proposer's pricing policy involves escalation or an index, the escalation terms and conditions or specific index must be included for evaluation. Indexes used should be published and available publicly. Prices should include all taxes and environmental charges. The Proposer will be responsible for compliance with all applicable existing and future environmental requirements. All prices shall be defined for the duration of the agreement signed by GRE and the Proposer. The Proposer may only make such prices subject to renegotiations for changes in costs relating to environmental and other pertinent laws and/or regulations that are beyond the control of the Proposer. Such renegotiations, if any, will be for purposes of adjusting only those price components directly affected by such regulatory and/or legislative changes.

For plant- or unit-specific proposals, please provide data/information according to Attachment A. Great River Energy 2004 RFP Data Matrix.

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For proposals not based on a specific plant or unit provide the information listed in Attachment B

**Term:** Intended to be longer term but short term is also welcome. Longer term specifically: 7, 15, 25 year terms. Proposal terms should be for not less than 2 years and may be up to 30 years in length.

**Minimum size:** 50 MW

**Maximum size:** No specific limit but GRE would intend/prefer to diversify its selections and so would prefer to buy two 100 MW projects rather than one 200 MW project

**Transmission:** Please provide information about all transmission work that the Proposer has completed or plans to complete with respect to the project. For example, if the Proposer has filed a generator interconnection request or a transmission service request with the Midwest ISO, please indicate the queue number, request size, and status. Also, if the Proposer has performed its own transmission analysis for the project this should be provided to help SRE evaluate its proposal.

Please indicate when the Proposer believes that the project's generator interconnection will be completed and firm transmission service will be available

**Contract Terms:** GRE will look to a contract that conforms substantially to the EEI Master Contract and which will allow GRE to accredit any resources purchases resulting from this RFP with any surviving regional reliability organization. Please note where Proposer takes significant exceptions to the EEI Master Contract.

**Contact Information** If you have any technical questions about any portion of this RFP please contact Joni Hamson (SRE) at (320) 749-2008 or Stan Selander (GRE) at (763) 241-2446.

**E) Conditions**

**Confidentiality:**

SRE and GRE will not disclose any information contained in the Proposer's proposal that is marked "Confidential" to another party unless such disclosures are required by law or by a court or governmental or regulatory agency having appropriate jurisdiction. As a regulated utility and electric cooperative, GRE may be required to release proposal information to various government agencies (including the Rural Utilities Service (RUS)) and/or others as part of a regulatory review or legal proceeding. GRE also reserves the right to disclose proposals to any GRE consultant(s) and attorneys for the purpose of assisting in evaluating proposals. In the event GRE is required to submit copies of proposals to any governmental or regulatory agency, GRE will attempt to file such information labeled as "Confidential" on a confidential basis. Designating specific information as confidential, rather than the entire proposal, may facilitate such efforts. However, GRE cannot guarantee that such information will be deemed confidential by the agency or court the information is filed with.

**Evaluation Process:**

Great River and SRE will assess all proposals to determine which are the most economical, feasible and viable options for meeting GRE's generation diversity and system needs. The assessment will take into account both price and non-price factors. Upon completion of this assessment, Great River will create a short list of qualified projects.

Proposers who enter into preliminary discussions with Great River will be required to demonstrate the following:

- Site control by showing evidence of either site ownership, an option to purchase the site, or an option for a long term lease.
- Plan for determining local community reaction to the project and develop an action plan for working with the local community on project issues.

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### **Acceptance of Proposals**

GRE reserves the right, without qualification, to select or reject any or all proposals and to waive any formality, technicality, requirement, or irregularity in the proposals received. Split Rock and GRE also reserve the right to request further information, as necessary, to complete its evaluation of the proposals received. Proposers who submit proposals do so without recourse against Split Rock and GRE for either rejection by GRE or failure to execute an agreement for purchase of capacity and/or energy for any reason. GRE will not reimburse any Proposers for any cost incurred in the preparation or submission of a proposal and/or any subsequent negotiations regarding a proposal.

### **Schedule**

	Baseload
RFP Issued	December 15, 2004
Nonbinding Notice of Intent to Respond	December 30, 2004
Proposals Due	January 15,, 2005
Evaluation Completed	February 15, 2005
Notification to Proposers of Short List	March 1, 2005

### **Proposal submission**

If you have any General questions about any portion of this RFP please contact Joni Hamson (SRE) at (320) 749-2008 or Stan Selander (GRE) at (763) 241-2446.

Proposals are due no later than 4 PM CPT on the Proposal Due date listed in the table above. Proposals submitted via email will be most welcome. Proposals may be submitted by e-mail, mail, fax, or hand delivery. Faxed or e-mailed proposals must be followed up by mail with a signed original. All proposals should be directed to Stan Selander at Great River Energy.

E-mail: [sselander@greenergy.com](mailto:sselander@greenergy.com)

Include the words '**2004-2 Baseload Resource RFP**' in the subject line.

Voice: 763 241 2446

Fax: 763 241 6246

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Mail Address:

Stan Selander  
Great River Energy  
17845 East Highway 10  
P.O. Box 800  
Elk River, MN 55330-0800

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<b>Attachment A. Great River Energy 2004 RFP Data Matrix</b>						
<b>Plant Characteristics</b>	<b>Units</b>	<b>Resource 1</b>	<b>Resource 2</b>	<b>Resource 3</b>	<b>Resource 4</b>	<b>Resource 5</b>
<b>Overview</b>						
Manufacturer:						
Model:						
Summer Base Capability:	MW					
Winter Base Capability:	MW					
Prime Mover:	ST/CT					
Number of STs:						
Number of CTs:						
<b>Fuel Details</b>						
Primary Fuel Type:						
Back-up Fuel Type:						
Back-up Fuel Type:						
GRE Toll Fuel?	Y/N					
Pipeline Company:						
Distance from Trunk Line:	miles					
<b>Operations</b>						
Heat Rate (HHV)						
Base Load	Btu/kWh					
75% Load	Btu/kWh					
50% Load	Btu/kWh					
25% Load	Btu/kWh					
Minimum Load:	MW					
Evaporative Coolers:	MW					
Inlet Cooling:	MW					
Wet Compression:	MW					
Water Injection:	MW					
Peak Firing:	MW					
Ramp Rate - Base Loaded:	MW/min					
Ramp Rate - Peak:	MW/min					
Time to Breaker Close:	minutes					
Starts per Day:	#					
Minimum Up Time:	Hours					
Minimum Down Time:	Hours					
Operators On-Site?	Y/N					
Staff Hours/Day:	Hrs					
Remote Start Capability?	Y/N					
Synchronous Condensator Mode?	Y/N					
Available for AGC?	Y/N					
<b>Transmission</b>						
Interconnection NERC ID OR:	#					
NERC ID of nearest Bulk Substation:	#					

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Attachment B

Proposal Pricing Format

All Costs Stated in 2004\$

<b>No GRE Ownership Option</b>			Escalation Index for Cost components
First year/Month of Operation	mm/yy	_____	
Term	years	_____	
Annual Fixed Cost	\$	_____	_____
Start Charge	\$	_____	_____
Variable O&M Costs	\$/MWh	_____	_____
Energy Pricing:			
Owner/Operator Provides Fuel	Y/N	_____	
GRE Provides Fuel	Y/N	_____	
Option for GRE to Toll	Y/N	_____	
 <b>GRE Ownership Option</b>			
Same Costs as Above?	Y/N	_____	
Detail Any Differences			
 GRE Buyout			
State First Year Option is Available		_____	
Buyout Cost Amount	\$	_____	
Other Terms Applicable to Buyout			