

Northern States Power Company
Request for Wind Proposals
February 15th, 2013

Introduction

Northern States Power Company, a Minnesota Corporation (“NSP” or “Company”) is seeking proposals for wind generation projects that will provide low cost energy for our customers and diversify the generation mix that serves them. NSP is seeking up to 200 MW of nameplate wind generation, located within the upper Midwest region.

To capture the recent one year extension of the federal production tax credit the Company is asking that proposals be submitted by close of business **April 1st, 2013**. If the Company elects to proceed with the RFP process following its receipt of the bids, we will consider expediting the process of review to the extent possible.

Eligible Resources

While the Company is interested in ownership opportunities to balance our portfolio, we will consider all proposals without preference toward any particular type of structure. Potential structures include:

- Utility ownership arrangements
- Purchased Power Agreements (“PPA”) including C-BED
- Any combination of the above

Interconnection and Transmission Requirements

The Company will consider projects with a point of interconnection (“POI”) within the MISO footprint. However, projects with a POI outside of MISO Local Resource Zone (LRZ) No. 1 will be required to bear the cost of any Zonal Deliverability Charges to LRZ No. 1. The Company reserves the right to reject any project that has not entered the definitive planning phase of the MISO generator interconnection process.

Bidders shall include the applicable MISO queue number(s) in their proposal as well as other interconnection information as described below under Tab 5, Interconnection.

Transmission/Interconnection Costs

All Proposals

Bidders must provide a breakdown of interconnection and transmission costs associated with their proposal, including detailed cost assumptions for direct interconnection costs, network upgrades, system protection facilities, and contingent transmission costs.

Proposals offering ownership options

Bidder shall identify all costs associated with MISO interconnection requests and subsequent studies that are not included in the purchase price offered to NSP. Also, the bidder must provide estimates of direct interconnection costs and network upgrades for which NSP will be responsible. Finally, the Bidder shall identify and quantify, to the extent possible, any unknown or contingent network upgrade costs that would be associated with interconnecting their proposed project.

Proposals offering only PPA

Bidder shall be responsible for paying all MISO costs associated with an interconnection request and subsequent studies. Bidder will also be responsible for the cost of all direct interconnection costs and the cost of network upgrades. Bidder shall identify and quantify, to the extent possible, any unknown or contingent network upgrade costs that would be associated with interconnecting their proposed project.

Bidder shall arrange and be solely responsible for all costs associated with delivery of energy to the point of interconnection with the Midwest ISO member system. Bidder shall also be responsible for all losses incurred in transmitting energy from the proposed generating facility to the point of interconnection.

Other Requirements

If a single bidder submits multiple proposals for the same project, each proposal shall be exclusive of the other(s). The Company reserves the right to identify which proposals it prefers and which it chooses to reject from further consideration.

For proposals that include both Company ownership and PPA components, the bidder must incorporate and describe its plans to provide full legal separation between the assets being proposed for Company ownership and the assets that would be contracted under a PPA.

Bidders proposing PPAs must clearly identify any exceptions or desired changes to NSP’s Model Wind Power Purchase Agreement, along with any cost/price reductions if applicable if NSP agrees to such changes. The model agreement will be made available on the Company’s website at the following link:

<http://www.xcelenergy.com//About Us/Our Company/Projects and RFPs/2013 NSP Wind Power Request for Proposals>

Schedule/Timeline (estimated and subject to change)

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

RFP Issued by NSP	February 15, 2013
Proposal Due Date	April 1st, 2013, 5 PM Central Daylight Time
Evaluation, Clarifications, Due Diligence	April - May 2013
Begin Contract Negotiations with Selected Bidders	June 2013
Application for Regulatory Approval	July 2013
Significant Construction Activities	October - December 2013

Communication with NSP

Prospective bidders may contact the following person(s) with questions related to proposal submittal requirements:

For PPA proposals:

Stan Dufault
Xcel Energy – Resource Planning & Bidding
(612) 215-4577
stanley.dufault@xcelenergy.com

For NSP ownership proposals:

John Valerius
Xcel Energy – Business Development
(612) 215-4572
john.r.valerius@xcelenergy.com

Bidders planning to submit NSP ownership proposals are strongly encouraged to contact John Valerius to discuss NSP ownership requirements prior to submitting their proposals.

Please note that e-mailing is the preferred method of contact.

Proposal Submittal

For each proposal submitted, bidders must provide a complete, signed original proposal as well as three paper copies and one CD-ROM copy of all bid documents to the following designated NSP contact person no later than 5:00 PM Central Daylight Time on April 1st, 2013:

Stan Dufault
Xcel Energy – Resource Planning & Bidding
414 Nicollet Mall – GO 7
Minneapolis, MN 55401

Each proposal must be physically delivered to the designated NSP contact person by the bid deadline by hand, courier, registered mail or certified package delivery service. **Faxes and E-mails are not acceptable means of proposal submittal.**

Proposal Clarifying Questions

As part of the bid evaluation process, NSP may ask clarifying questions of bidders. Bidders will be expected to provide a written response to such clarifying questions within 3 business days. E-mail is considered an acceptable form of written response.

Due Diligence

NSP may conduct due diligence with some bidders. The purpose will be to review proposal details, including and without limitation, issues related to selected equipment, land/site permits, transmission, bidder project development experience, bidder financial circumstances and capability, and other, similar issues. Bidders may be asked to provide additional information to NSP as part of the due diligence process. Bidders will be expected to provide a written response to such due diligence questions within 3 business days. E-mail is considered an acceptable form of written response.

Contract Negotiations

NSP will conduct contract negotiations with bidders whose proposals the Company, in its sole judgment, believes can provide the best value to its customers. At the Company's sole discretion, contract negotiations may be terminated for lack of progress or timely conclusion.

Regulatory Approval

NSP will seek regulatory approvals for any executed wind generation power purchase agreements and/or for any wind generation assets acquired and resulting from this RFP as required or permitted under statutes applicable to the project in question.

Representations

Prior to the execution of any contract emanating from this RFP, NSP reserves the right, without qualification and without recourse at any time to:

- Accept or reject any proposals not received on or before the due date specified

- Accept late or non-conforming proposals
- Select, advance or reject any or all proposals
- Obtain clarification from bidders concerning their proposals
- Request information from a bidder that is not explicitly stated in this document
- Negotiate with any bidders including those bidders who have submitted bids higher than the lowest nominally-priced proposal(s)
- Consider, evaluate and weigh factors relevant to NSP, in its sole discretion
- Revise, suspend, and terminate this RFP and any schedule related thereto at any time in its sole discretion

Confidentiality

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.

Proposal Submittal Requirements

A complete proposal will include one signed original and three additional paper copies, plus one electronic version on CD-ROM, assembled in the following format:

- Tab 1 – Executive Summary: Provide a project summary and overview
- Tab 2 – Project Description and Support Information: Include specific project name, location by Section(s), Township(s) and Range(s). Include project site maps illustrating the physical location of the project as related to other area features. Also include any other pertinent support materials (for example, acknowledgement of local government support, information on wind resource, environmental and cultural assessments, etc.).

- Tab 3 – Pricing: Proposals must clearly specify all pricing terms. Any and all indexed prices and/or price escalations must be fully explained. **Bidders must offer pricing valid through December 31, 2013. Indicative pricing will not be considered to be acceptable.**

- Tab 4 – Turbine Availability and Site Control: Proposals must include discussion of the status of wind turbine availability and/or site control for the proposed project. In addition, bidders are expected to provide specific schedules of anticipated activities required to secure wind turbines and/or site control. The schedules should identify decision and deposit deadlines.

- Tab 5 – Interconnection: Describe the planned interconnection site(s) by Section(s), Township(s) and Range(s) and illustrate such site(s) related to other area features. In addition, provide detailed information related to the specific proposed point of interconnection, including substation name, voltage level, or if tapping an existing line, the line voltage level and substations located on each end of the tap point. Bidder shall provide all of the following information with their proposal:
 - Links to publicly available documentation, or copies of non-publicly available documentation demonstrating the status of the generator interconnection for the proposed project, such as completed system impact studies, completed facilities studies, notices of imminent facilities studies, executed agreements allowing “Net Zero” interconnection at the substation of a peaking generation facility or generator interconnection agreements.
 - Copies of any Bidder prepared interconnection studies if MISO transmission authority studies are not available.
 - Financial analyses related to any costs expected to be incurred with regard to interconnection, including the cost of installing the direct (and unreimbursed) interconnection facilities, the unreimbursed portion of any network upgrades that have been identified, and a discussion of any unknown or contingent network upgrades for which the project may be responsible;
 - Detailed analysis and discussion of the issues surrounding congestion and expected curtailments pertaining to the project,

or if this is an operating project, historical curtailment data for the project.

- Tab 6 – Financial Information. Describe the manner in which the bidder intends to financially secure the project.
- Tab 7 – PPA Exceptions. Bidders whose proposals include a PPA must provide a written list of specific exceptions to the Company’s Model Wind Power Purchase Agreement and any related price reductions for such changes.

All proposals must also include completion of the following Standard Bidder Forms:

- Form A – Bid Certification
- Form B – Bid Cover Sheet
- Form C1 – Pricing and Quantity - PPA
- Form C2 – Pricing and Quantity – Ownership
- Form D – Construction Milestones
- Form E1 – Technical Description
- Form E2 – Energy Production Profile – Annual and Monthly
- Form F – Representation Authorization and Consent
- Form G – Electric Interconnection Details

Standard Bidder Forms will be made available on the Company’s website at the following link:

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