

**REQUEST FOR PROPOSALS  
FOR  
RENEWABLE ENERGY SUPPLY  
2007**



**Tri-State  
Generation and Transmission  
Association, Inc.**

1100 West 116<sup>th</sup> Avenue  
Westminster, CO 80234

Prepared by TSGT  
Issue date: December 21, 2007

## **Tri-State Generation and Transmission Association, Inc.**

### **Request For Proposals Renewable Energy Supply - 2007**

#### **Introduction**

Tri-State Generation and Transmission Association, Incorporated (Tri-State) is headquartered in Denver, Colorado and provides electric power and energy to 44 member distribution cooperatives/owners serving 578,000 member/consumer meters located in the states of Colorado, Nebraska, New Mexico and Wyoming.

#### **Purpose and Background**

Tri-State is procuring renewable resources to assist Tri-State Members in meeting their renewable portfolio standards, to diversify its resource portfolio, and to gain operational experience with these generation technologies.

Tri-State anticipates proposals may include Power Purchase Agreements (PPAs), PPAs with ownership or renewal options at the end of a PPA term, equity positions in new or existing facilities, or other arrangements as may be offered under this RFP. Tri-State would be receptive to any and all of these options.

This RFP is intended to solicit bids for resources to meet requirements for 2011 and beyond, with an initial in-service target date no later than January 1, 2011. Resources available prior to that date will also be evaluated and potential Bidders are encouraged to submit proposals with earlier availability dates or phased in availability dates at various megawatt levels.

#### **Product Description**

Tri-State will consider only those renewable resources which meet the definitions contained within the Colorado and/or New Mexico renewal portfolio standard (RPS) requirements. Generally, these resources include solar, wind, small hydro, biomass, and in the case of the Colorado RPS, recycled energy. Bidders are encouraged to confirm that projects conform to these requirements before submitting a response to this RFP.

Only proposals meeting these definitions and associated with specific generating resources will be considered by Tri-State for evaluation under this RFP. Tri-State is not seeking under this RFP: (a) renewable energy credits without the associated energy, (b) demand side management related items, or (c) research and development products or projects. Only commercially proven technologies will be considered.

## **Product Types**

Bidders may submit offers for three specific products:

- **Baseload** – means firm energy and capacity generally delivered on a twenty-four (24) hours per day, seven (7) days per week schedule (i.e., “24/7”) with an annual capacity factor of at least 80%. This minimum requirement is intended to include the effects of maintenance and forced outages.
- **Dispatchable** – means energy and capacity that can be scheduled for delivery on an hour-ahead, and on a day-ahead basis. A project providing a Dispatchable product should be capable of sustaining a minimum run time of eight (8) hours per day.
- **As Available** – means intermittent energy and capacity deliveries that are not directly controlled by the generator. The technologies included within this product category are (1) wind; (2) solar; (3) run of river hydro; or (4) any other technology that Tri-State determines to qualify as As Available.

Tri-State will consider proposals that are combinations of products. For example, As Available facilities that can also provide a Dispatchable product may be proposed. Baseload and dispatchable resources will provide additional value to Tri-State compared to As Available resources based upon reliable capacity.

## **Quantity and Term**

Tri-State is seeking renewable energy deliveries of at least 150,000 MWH per year, which is roughly equivalent to the output of a 50 MW wind farm with an annual capacity factor of 35%. Although the bids for renewable resources may include other renewable technologies, for this discussion we will communicate our needs in terms of wind farm capacity. Through informal discussions with potential suppliers, Tri-State has been informed that significant economies of scale may exist for larger wind farms. As a result, Tri-State will consider proposals for wind farms up to 100 MW. We encourage prospective bidders to provide pricing at 50 MW, 75 MW and 100 MW levels. Proposals could include staged development, however to be considered for evaluation, the first phase of any new generation development must be operational by January 1, 2011.

Under this RFP, proposals must include at least 15,000 MWH per year.

Any PPA must be sourced from a unit specific generation asset or from a group of generation assets. In addition to PPAs, Tri-State will consider the purchase of existing generation facilities, ownership of facilities specifically constructed for sale to Tri-State or combinations thereof.

Bidders will have to satisfy Tri-State financial security requirements, including bonding on construction contracts. Equipment must meet all current environmental regulations including those specific to compliance with the environmental protection requirements of all applicable state and federal laws, rules and orders. Tri-State will also require financial security arrangements for PPAs, which may include a letter of credit, a first lien, or other instrument to secure performance under the PPA.

Power purchase agreements with a minimum term of ten (10) years and a maximum term of twenty five (25) years will be given consideration.

### **System Description**

Tri-State's 2007 member system peak demand was 2,542 megawatts. Tri-State's current resource portfolio consists of approximately 2,450 MW of generating capacity comprised of 1,825 MW of coal fired capacity, 525 MW of natural gas fired capacity, 100 MW of oil fired capacity, and approximately 6 MW of renewable, small hydro capacity. In addition, Tri-State purchases approximately 1,100 MW of power under long-term firm contracts. Tri-State owns and operates approximately 5,300 miles of transmission lines.

Tri-State is a network transmission service customer of Western Area Power Administration, Public Service Company of New Mexico, Public Service Company of Colorado, and has various firm transmission rights on the Tri-State transmission system and with other transmission providers within its service areas.

Tri-State dispatches generation owned by or under contract to Tri-State and performs wholesale market-related functions on its own behalf. Tri-State is a member of the Western Electric Coordinating Council (WECC) and the Western Systems Power Pool (WSPP).

### **Delivery**

Tri-State will consider delivery of energy under this RFP to points of delivery in New Mexico, Colorado, or Wyoming in the Western Interconnection. Although transmission constraints exist that can restrict movement of energy between regions, successful projects could be implemented in any of these states. Tri-State anticipates that operational integration of renewable resources resulting from this RFP will be Tri-State's responsibility, but would entertain creative proposals that included regulation and energy imbalance service.

A map of the Tri-State member system described above is included in Attachment III.

Information submitted to demonstrate operational capability must include identification of the proposed transmission path and identification of proposed interconnection points with any and all transmission provider(s) required to provide delivery of power and energy from the proposed resource(s) to Tri-State load.

Any modifications or additions to Tri-State's system or that of the transmission provider(s), including interconnection, transmission, or communications facilities, required by a Bidder for power delivery to Tri-State's system, shall be subject to review and the costs will be considered as a part of the bid evaluation. The expenses relating to any such modifications or additions must be included in the price of the Bidder's proposal.

Generators will be responsible for meeting transmission provider requirements for interconnection, voltage ride through, VAR characteristics and other parameters. Generator owners and operators will be required to register as such with WECC and NERC.

### **Pricing Information**

Prices shall be quoted in U.S. dollars and shall be binding upon the Bidder unless expressly stated otherwise. If the Bidder's pricing policy involves escalation or an index, the escalation terms and conditions, or specific index must be included for evaluation. Prices should be complete and all inclusive. Due to the duration of this process, short listed bidders will be provided an opportunity to refresh bid pricing information.

If pricing uncertainty exists due to governmental programs such as production tax credits, bids should include pricing with and without such effects.

### **Environmental Credits**

Bidders shall provide and Tri-State will retain all environmental attributes associated with Bidder's bid energy, including but not limited to renewable energy credits, green tags, greenhouse gas or carbon credits, and any other emissions attributes.

### **Total Delivered Cost of Power Delivered to Tri-State**

Proposals must include the total cost of power delivered to Tri-State point(s) of delivery, including losses, transmission charges, and the cost of any other services required to be provided by the Bidder or third parties. The Bidder must clearly explain the costs and breakdown of the components of capacity and energy so that the total cost of power under the terms of the Proposal can be evaluated on a stand alone basis. Bidders should take care to separately identify and specify any costs included for transmission and/or interconnection facilities necessary to deliver power and energy. For As Available resources, Bidders are encouraged to provide energy-only pricing (without capacity pricing).

### **Financial Stability and Performance Guarantees**

Financial stability of the Bidder and the demonstrated ability to fulfill its contractual obligations are of utmost importance to Tri-State and will be an integral part of the bid

evaluation process. Tri-State requires secure and reliable physical delivery of the capacity and associated energy corresponding to all Proposals.

The Bidder must provide sufficient evidence of financial and operational capability to provide the services outlined in the Proposal during the contract term. The Bidder shall provide audited financial statements and annual reports from the previous three years in order to demonstrate financial viability. The financial and operational viability of any third parties relied upon by the Bidder for providing service to Tri-State must also be demonstrated. The Bidder, its parent, and any other guarantor of services under the Bidder's proposal, must provide audited financial statements from the three previous years in order to demonstrate financial viability. If the Bidder's guarantor has a credit rating, the most recent ratings reports must be provided also. Finally, the Bidder must provide references for any current and/or prior power supply agreements to wholesale customers.

A performance bond, or some other mechanism acceptable to Tri-State, will be required to guarantee security and reliability of physical delivery of energy and capacity.

For transactions that involve the sale of facilities to Tri-State, successful Bidders shall secure, upon contract award, performance bond(s) to provide financial guarantee that the project will meet schedule and proposed performance. Bidder should discuss in detail the type and amount of proposed credit enhancements or other means proposed to guarantee performance under any contract that might result from this RFP.

Tri-State is reviewed and rated by three major financial rating agencies: Moody's, Standard and Poor and Fitch. Tri-State senior secured debt is currently rated Baa1 by Moody's, A by Standard and Poor and A by Fitch.

### **Solicitation Cost**

Tri-State may engage an independent contractor to assist with the proposal evaluation. The cost of conducting an independent evaluation is a business expense to be borne by all Bidders in a fair and equitable manner. To that end, a bid fee of \$5,000 per Bidder will be required for one proposal. Bidders may submit multiple proposals and the bid fee for each additional proposal will be \$2,500. To the extent that bid fees collected exceed the expenses incurred by Tri-State for the independent contractor, such excess will be refunded to all non-winning Bidders pro rata up to the amount of the bid fee actually paid by the Bidder. Beyond the aforementioned potential refund, Tri-State shall not reimburse any Bidder for any costs incurred in the preparation or submission of a Proposal and/or in negotiating an agreement as a result of a Proposal. A check for certified funds covering all Proposals submitted must be included with any proposal package(s) sent to Tri-State and should be made payable to: Tri-State Generation and Transmission Association, Inc. Bid fees may also be paid by electronic funds transfer as long as the deposit is executed by the proposal due date. Electronic funds transfer instructions will be communicated to bidders upon request. Proposals that do not include the bid fee will not be accepted by Tri-State.

### **Other Terms and Conditions**

Each proposal must comply with all applicable federal and state laws. All permits, licenses, fees, emissions allowances, and environmental requirements are the responsibility of the bidder for the entire term of each proposal. If a resource is not in service as of the date the proposal is submitted, a detailed milestone schedule describing major project activities, including a permitting schedule, leading up to the commencement date for commercial service must be provided.

### **Notice of Intent to Submit Proposal**

Potential Bidders should complete and return the **Notice of Intent to Submit Proposal** form included in this RFP as Attachment I to be included in the RFP process. The form must be returned electronically (either via the RFP website or via e-mail) by 3:00PM MST January 29, 2008. Although a notice of intent is not required to submit a bid, only those entities that have provided this notice to Tri-State will be invited to the pre-proposal conference and will be included in communications regarding any bid clarifications or corrections that may occur. Additionally, only Bidders completing a Notice of Intent to Submit Proposal form will be given password access to the RFP website after January 29, 2008.

Potential Bidders should make their best effort to provide accurate information about their planned Proposal; however, Bidders will not be bound by the information provided in the completed Notice of Intent to Submit Proposal form.

### **Proposal Content**

Tri-State requires that all Proposals submitted pursuant to this RFP contain, at a minimum, the information requested on the **Bidder Response Forms** included in this RFP as Attachment IV. Tri-State further requires that Bidders submitting Proposals for the construction of new generation facilities include enough detail to allow Tri-State to make a determination of whether or not the proposed power supply will economically and reliably meet Tri-State's renewable energy supply requirements. Tri-State will review and may utilize all information, if any, submitted by a Bidder which is not specifically requested as a part of the Bidder Response Form. Also, Tri-State reserves the right to request additional information from Bidders during the proposal evaluation process. The Bidder is not required to complete the Bidder Response Forms, but all submitted Proposals must include the appropriate information as outlined by the Bidder Response Forms.

### **Proposal Submittal**

**A signed Original and 5 copies of each Proposal are due at Tri-State no later than 3:00PM Mountain Standard Time on Wednesday, March 26, 2008.** Proposals may be submitted by mail, e-mail or hand delivery. To be eligible for consideration, e-mailed

Proposals must be received prior to the deadline and be followed up by mail or hand delivery with a signed Original and 5 copies which must be received by Tri-State on the next business day.

Proposal submittals should be directed to Tri-State as follows:

If U.S. Mail:

Susan Hunter  
Senior Energy Resources Analyst  
Tri-State Generation and Transmission Association, Inc.  
P.O. Box 33695  
Denver, Colorado 80233

If by Express or Courier:

Susan Hunter  
Senior Energy Resources Analyst  
Tri-State Generation and Transmission Association, Inc.  
1100 West 116<sup>th</sup> Avenue  
Westminster, Colorado 80234

Phone: 303.452.6111

Fax: 303.254.6031

E-mail: [rerfp@tristategt.org](mailto:rerfp@tristategt.org)

**Tentative RFP Schedule\***

RFP Release Date	December 21, 2007
Notice of Intent to Submit Proposal Due Date	January 29, 2008
Pre-Proposal Conference	February 20, 2008
Proposals Due	March 26, 2008
Select Short Listed Proposals / Bid Pricing Refresh	May 16, 2008
Execute Definitive Project Agreements	August 5, 2008

*\* Tri-State will make a concerted effort to maintain the tentative schedule but reserves the right to revise the schedule to accommodate changing circumstances.*

**Pre-Proposal Conference**

A Pre-Proposal Conference is planned for February 20, 2008 at Tri-State headquarters for the potential Bidders that have submitted a Notice of Intent to Submit Proposal. Tri-State will endeavor to respond to all inquiries in as timely a manner as possible. Information related to details of the Pre-Proposal Conference is available by going to <http://www.tristategt.org/RFP> for complete information.

### **Proposal Duration**

All Proposals must remain valid through August 31, 2008 and through the negotiation period for short-listed bidders.

### **Project Agreements**

Short-listed bidders will receive an electronic draft agreement after the short list is selected, currently projected to be May 16, 2008. Both Tri-State and the short-listed bidders receiving the draft agreement will work from the draft towards executing a final agreement by August 5, 2008. Selected short list bidders may expressly identify and include proposed changes to the agreement during contract negotiations.

Tri-State's selection of short listed bidders and potential subsequent negotiations between Tri-State and a bidder is not intended, nor shall it be construed, to be that of partners, agents or joint ventures for one another. Selection of bidders to the short list and subsequent negotiations do not create an implicit contract between Tri-State and the bidder, nor is the selection process, including negotiations, a guarantee of contract between Tri-State and the Bidder as a result of this RFP.

### **Collusion**

By submitting a proposal to Tri-State under this RFP, Bidder certifies that it has not divulged, discussed or compared its proposal with other bidders and has not colluded whatsoever with any other bidder or parties with respect to this proposal.

### **Bid Evaluation Criteria**

Bidders to this solicitation should provide all relevant financial and operational information necessary to allow Tri-State to conduct a thorough analysis of their Proposal. Proposals will be analyzed over a range of scenarios defined by price and non-price variables.

The principal criteria to be used by Tri-State in evaluating proposals will include:

- Capacity and energy profile of proposed power supply
- RPS compliance effects
- Tri-State rate impact
- Certainty of outside funding sources (i.e. tax credits or government subsidies)
- Availability / Reliability of resource
- Total delivered cost of power
- Financial viability of the Bidder, including its parent or any other guarantor of services under the Bidder's proposal
- Project viability and timing
- Cost of compliance with all applicable state and federal laws, rules and orders
- Environmental impacts of the proposed resource

- Life of plant evaluation for new proposed resources
- Term of contract
- Renewal and/or purchase options at the end of PPA proposals
- Transmission Charges / Costs (including potential O & M Costs and Direct Assignment Facilities Costs)
- Transmission Capability
- Losses
- Cost of Control Area Services (ancillary services)
- Legal, Engineering and Other Costs Required to Implement the Proposed Service(s)
- Forecasting capability

Each of these factors is important to the successful integration of a new renewable energy supply resource with Tri-State's existing resources. Tri-State reserves the right to consider any other factors that it deems to be relevant to its renewable energy supply needs.

### **Bid Evaluation Process**

The process utilized to evaluate proposals will be as follows:

- Determine if the proposals are responsive to and compliant with the RFP;
- Evaluate qualifying proposals from a technical and commercial viewpoint;
- Evaluate qualifying proposals from an economic viewpoint; and
- If determined to be in the best interests of Tri-State, to develop a short-list for negotiations.

Tri-State may conduct scenario and sensitivity analysis of proposals to evaluate risks and strategic value. The results of these analyses may be considered in Tri-State's evaluation of proposals, including the selection of proposal(s) for the short list, if applicable.

### **Outside Evaluation**

Tri-State may engage the services of an outside firm or independent contractor to perform the comparative analysis and evaluation of proposals received under this solicitation, however, **the final decisions with regard to acceptance or rejection of any or all proposals is specifically reserved, without qualification, to Tri-State.**

### **Inquiries and Other Communications**

For information and inquiries relating to the RFP, an e-mail address has been established at [rerfp@tristategt.org](mailto:rerfp@tristategt.org). This e-mail address will be the primary means of communication for all inquiries, responses to questions, updates and clarifications.

Information related to this document, details of the Pre-Proposal Conference and the RFP process are posted on the Tri-State web page. Please go to the web page at <http://www.tristategt.org/RFP> for complete information related to the RFP.

In order to facilitate a clear and timely response to critical inquiries, all Bidders are encouraged to submit questions via e-mail. Questions and responses to specific questions and general information, clarification of items, etc. will be distributed via e-mail, without Bidder identification or attribution, to all Bidders that submit a Notice of Intent to Submit Proposal form.

### **Confidentiality and Disclosure**

Tri-State requires Bidders to sign the Confidentiality Agreement included in the Attachment II of this RFP and return it with your proposal. Once received, Tri-State will execute the agreement and return a copy to the Bidder.

### **Acceptance of Proposals**

Tri-State 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. Tri-State reserves the right to consider other alternatives outside of this Request for Proposal in its sole discretion to satisfy its renewable capacity and energy needs. Bidders who submit Proposals do so without recourse against Tri-State for either rejection by Tri-State or failure to execute an agreement for purchase of capacity and/or energy for any reason. Additionally, Tri-State reserves the right to accept Proposals other than the lowest cost Proposal and Bidders should recognize that factors other than cost, as described above, will be considered during the Proposal evaluation process. Tri-State will not reimburse any Bidders for any cost incurred in any subsequent negotiations regarding a Proposal.

### **Tri-State Board of Directors and Regulatory Approval**

Any contracts which may be considered as a result of this RFP or subsequent negotiations shall be subject to Tri-State Board of Directors approval and may be subject to other regulatory approvals, including but not limited to the Rural Utilities Service (RUS).

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# Attachment I

## **Notice of Intent to Submit a Proposal Form**

**Notice of Intent to Submit a Proposal  
for 2007 Renewable Energy Supply RFP  
to Tri-State Generation and Transmission Association, Inc.**

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The undersigned intends to submit one or more Proposals, as described in the Tri-State Generation and Transmission Association, Inc. 2007 Renewable Energy Supply RFP.

Name of Proposing Organization:

\_\_\_\_\_

Address of Proposing Organization:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name/Title of Contact:

\_\_\_\_\_

Telephone Number:

\_\_\_\_\_

FAX Number:

\_\_\_\_\_

E-mail Address:

\_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Authorized signature for proposing organization) (Month/Day/Year)

Print or type name:

\_\_\_\_\_

Title:

\_\_\_\_\_

Please provide a brief description of your proposal which includes technology of resource, size and location of project:

Please check the source of RFP: Wall Street Journal  USA Today  MW Daily  Website  Other

**This form should be submitted to Tri-State electronically (via the RFP website or via e-mail) no later than 3:00 PM MST January 29, 2008 as noted in the RFP.**

# Attachment II

## **Tri-State 2007 Renewable Energy Supply RFP**

### **Confidentiality Agreement**

**MUTUAL CONFIDENTIALITY AGREEMENT**  
**for**  
**Tri-State 2007 Renewable Energy Supply RFP**

This Mutual Confidentiality Agreement ("Agreement") is made effective as of [month and day]\_\_\_\_\_, 2008 by and between TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., a Colorado cooperative corporation, with headquarter offices located at 1100 West 116<sup>th</sup> Avenue, Westminster, Colorado 80234 ("Tri-State") and \_\_\_\_\_, a \_\_\_\_\_[entity] with principal offices located at \_\_\_\_\_ ("Seller") (Tri-State and Seller may also be referred to as "Discloser" or "Recipient" as appropriate).

WHEREAS, the parties are currently exploring a possible transaction (the "Transaction") pursuant to the Request for Proposal dated December 21, 2007 through which Tri-State may acquire renewable energy supply from Seller ("Bidding Process").

WHEREAS, in order to evaluate the Transaction, the parties may request of each other that certain non-public, confidential or proprietary information be kept confidential ("Confidential Information").

THEREFORE, in consideration of the receipt by the parties from each other of such Confidential Information for their mutual benefit in connection with the Transaction, the parties hereby agree:

**1. Confidential Information.**

- a. The parties agree that all information that may be disclosed to, received or passively observed by, the Recipient in connection with the Transaction is considered to be "Confidential Information" covered by this Agreement identified as "confidential" whether in writing or orally (if disclosed orally, a written notice of the confidential nature of the oral communication shall follow within 7 days). It is the responsibility of the Discloser to clearly identify Confidential Information as such.
- b. Confidential Information shall not include information that: 1) is lawfully in the public domain; 2) was lawfully in the Recipient's possession at the time of disclosure; 3) is lawfully obtained by the Recipient from a third party; or 4) is disclosed pursuant to law, judicial order or government regulation so long as the Recipient promptly notifies the other party prior to disclosure.
- c. Each party (as Recipient) agrees to protect the Confidential Information with the same degree of care as the Recipient employs for the protection of its own trade secrets and Confidential Information (but in no event shall such care be less than that which is commercially reasonable).

- d. Each party agrees that it shall not acquire any right, title, license or any other intellectual property right in respect to the Confidential Information of the other party. None of the Confidential Information shall constitute any representation, warranty, assurance, guarantee or inducement by the Discloser to the Recipient.
2. **Use of Confidential Information.** Each party agrees to limit access to the Confidential Information to its board members, employees, agents, financing entities, independent contractors, consultants, and regulatory agencies including Colorado Public Utilities Commission, the Rural Utilities Service (“RUS”), the Federal Energy Regulatory Commission (“FERC”) on a "need to know" basis to evaluate the Transaction (and advise such of the obligations assumed herein); and not to disclose the Confidential Information to any third party (other than to the extent necessary to comply with the reasonable requests of its auditors) without the Discloser’s prior written consent.
3. **Compelled Disclosure.** In the event that a Recipient is legally compelled to disclose any Confidential Information, Recipient shall give the Discloser prompt written notice so that the Discloser may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, Recipient is nevertheless, in the opinion of counsel, compelled to disclose Confidential Information to any tribunal or else stand liable for contempt or suffer other censure or penalty, Recipient may nevertheless disclose such information to such tribunal without liability hereunder.
4. **Return/Destruction of Evaluation Material.** Upon Discloser’s written request, Confidential Information shall be destroyed by Recipient except as may be necessary for regulatory compliance.
5. **Term.** The parties' obligations under this Agreement will expire one (1) year from the date hereof, except that all Confidential Information retained by Recipient shall be handled as confidential after the term hereof so long as it is in Recipient’s possession.
6. **Breach.** In the event of any breach or threatened breach hereof, and in addition to any and all other remedies available to Discloser at law or in equity, Discloser shall be entitled to injunctive and other equitable relief, and Recipient agrees that Discloser’s remedy at law would not be adequate and shall not plead in defense thereto that there would be an adequate remedy at law. Recipient shall be responsible for any breach of this Agreement by those entities with whom it has disclosed Confidential Information pursuant to this Agreement or otherwise. Notwithstanding the foregoing, neither party shall be liable to the other party for any special, punitive or consequential damages, including without limitation lost profits, arising out of or in connection with this Agreement, whether based on contract, tort, including negligence, or otherwise.

7. **No Transaction.** The parties agree that unless and until a definitive agreement between the parties with respect to a transaction has been executed and delivered, neither party shall be under any legal obligation by virtue of this Agreement to pursue a transaction with the other party or to furnish Confidential Information to the other party. The parties acknowledge and agree that each party hereby reserves the right, in its sole and absolute discretion, to reject any and all proposals and to terminate discussions hereunder at any time subject to the provisions set forth herein. Except for the obligations of confidentiality and non-disclosure set forth herein, neither party shall be restricted in any of its activities whatsoever by virtue of this Agreement, regardless of whether such activities are or may be in competition with any facilities that may be the subject of the Transaction.
  
8. **Miscellaneous.**
  - a. **Governing Law.** This Agreement shall be interpreted, governed and construed under the laws of the State of Colorado as if it was executed and to be performed wholly within the State of Colorado without regard to its conflict of laws principles.
  - b. **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall for all purposes be an original, and all such counterparts shall together constitute one and the same Agreement.
  - c. **Modification/Waiver/Assignment.** This Agreement may be amended or waived or assigned only by a writing signed by both parties. Delay or failure of a party to assert a waiver in one instance does not preclude that party to assert a waiver in any other instance.
  - d. **Entire Agreement.** This Agreement represents the entire understanding of the parties with respect to the matters that are the subject hereof.
  - e. **Captions.** Captions are included for convenience only and shall have no effect on or be deemed part of this Agreement.
  - f. **Enforceability.** If one or more provisions of this Agreement are deemed unenforceable, invalid, or illegal in any respect, such holding shall not affect any other provision of this Agreement and the Agreement shall be construed as if such unenforceable, invalid, or illegal provision were not a part hereof.
  - g. **Authority.** The signatories to this Agreement represent and warrant that they are duly and fully authorized to do, and intend to bind the party for whom they sign, its successors and permitted assigns.
  - h. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same document.
  - i. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be hand delivered, electronically delivered via facsimile or electronic mail, or delivered by Federal Express or another nationally recognized overnight courier service with signature required upon receipt, addressed to the party to be notified at such party's address as shown below. Any notice so delivered shall be deemed effective upon

delivery, if hand delivered, upon verbal or written confirmation from recipient if delivered via facsimile or electronic mail, or if delivered via an overnight courier service then upon receipt as evidenced by the date of the delivery signature receipt.

**i. Notice to Tri-State:**

Susan Hunter, Senior Energy Resources Analyst  
Tri-State Generation and Transmission Association, Inc.  
1100 West 116<sup>th</sup> Avenue  
Westminster, CO 80234

with a copy to Tri-State General Counsel at the same address.

**ii. Notice to Seller:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The parties have duly executed this Mutual Confidentiality Agreement as of the dates below their signatures, but to be effective as stated above.

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

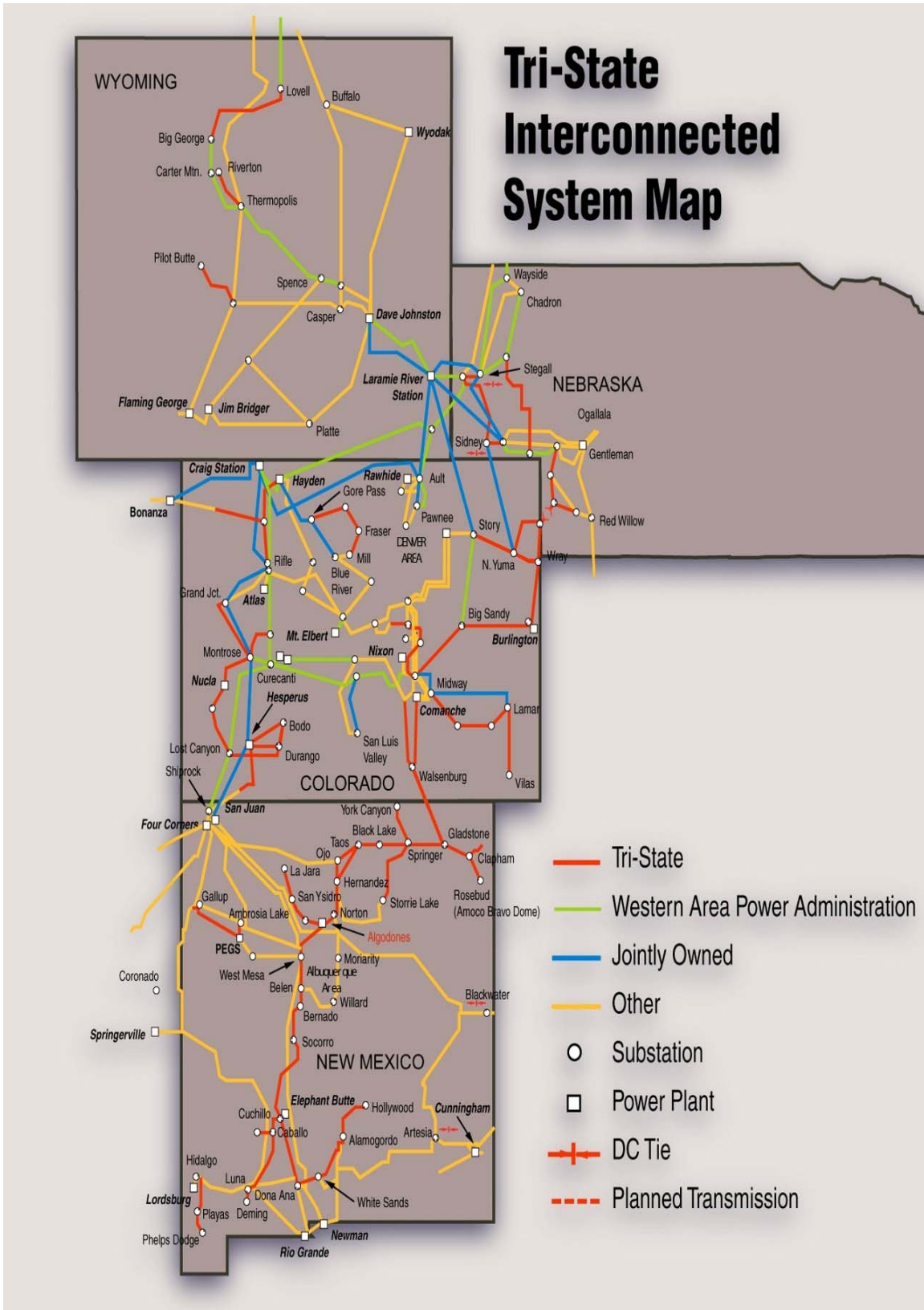
SELLER

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

# Attachment III

## **Tri-State 2007 Renewable Energy Supply RFP**

### **System Map**



# Attachment IV

## Tri-State 2007 Renewable Energy Supply RFP

### Bidder Response Forms

Form 1	Bidder Contact Information
Form 2	Firm Offer
Form 3	Executive Summary
Form 4	General Project Characteristics
Form 5	Development Status and Site Description
Form 6	Capacity and Energy Profile
Form 7	Technical Description and Data by Resource Type
Form 8	Description of Pricing Methodology
Form 9	Pricing Information
Form 10	Transmission and Interconnection
Form 11	Financing and Credit Arrangements
Form 12	References
Form 13	Project Team

**Form 1**  
**Bidder Contact Information**

Corporate Name \_\_\_\_\_

Corporate Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Parent's Corporate Name \_\_\_\_\_

Parent's Corporate Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Legally Authorized Representative:**

Name \_\_\_\_\_

Title \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

E-mail \_\_\_\_\_

Signature \_\_\_\_\_

**Primary Contact:**

Name \_\_\_\_\_

Title \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

E-mail \_\_\_\_\_

Signature \_\_\_\_\_

**Form 2  
Firm Offer**

The undersigned submits this proposal as a firm offer and hereby gives assurance that the proposal will remain open, and not be revocable for a period of six (6) months from the date it is submitted.

It is anticipated that the bid evaluation and contract execution process could extend six (6) months or longer. Accordingly, short-listed bidders may refresh their firm offer on May 16, 2008.

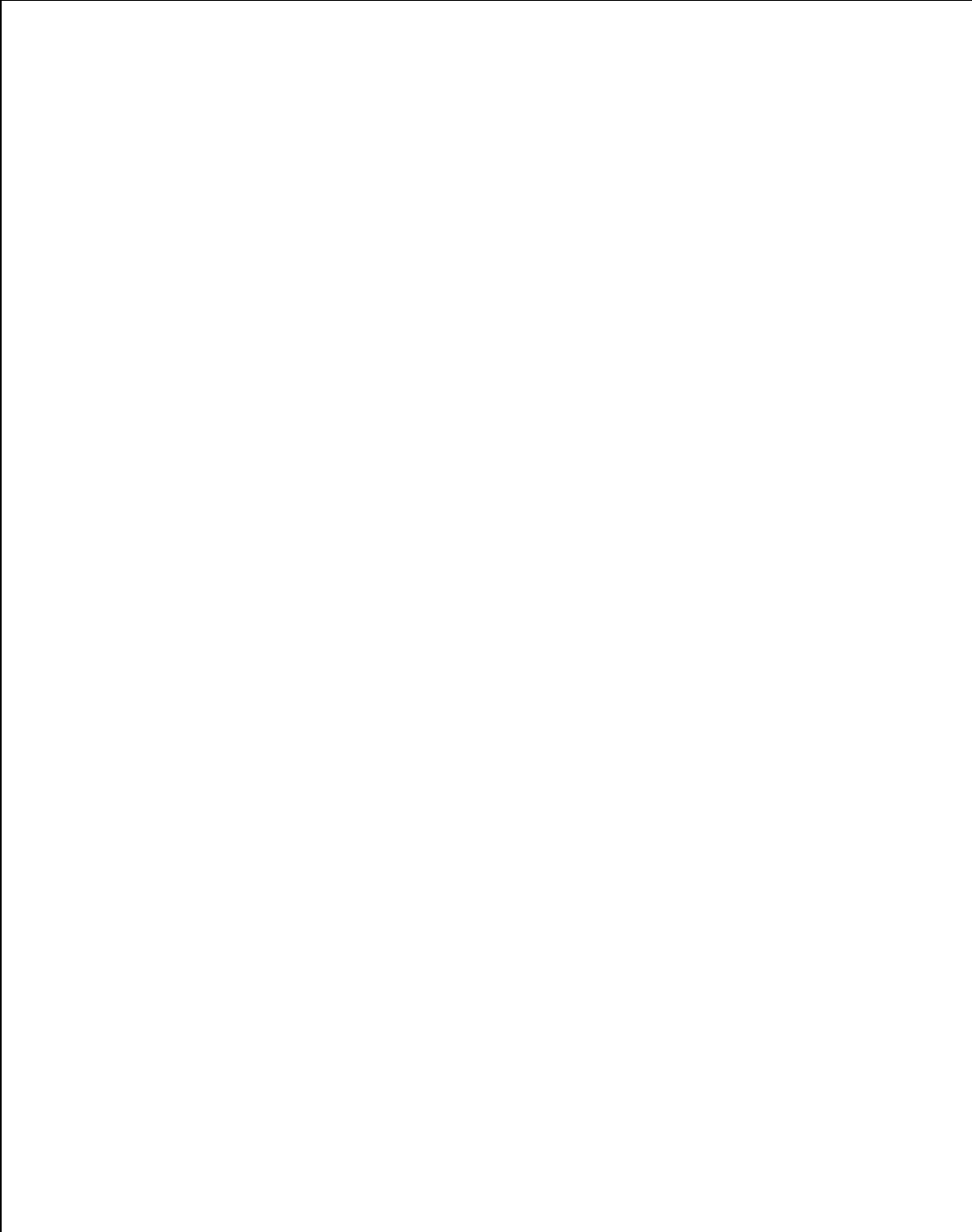
Name of Bidding Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Date Proposal Submitted: \_\_\_\_\_

**Form 3**  
**Executive Summary**

Please provide a one page summary of the proposal below:

A large, empty rectangular box with a thin black border, occupying the majority of the page below the text. It is intended for the respondent to provide a one-page summary of their proposal.

**Form 4**  
**Project Characteristics**

**1. Name of Bidding Company**

Developer  Electric Utility  Broker/Marketer  IPP

Other

If Other, please specify: \_\_\_\_\_

**2. Proposal / Contract Type**

PPA  Ownership of generating facility

Ownership of generating site (includes generating facility)  Other

If Other, please specify: \_\_\_\_\_

**3. Term**

Start Date \_\_\_\_\_ End Date \_\_\_\_\_

Termination Option? Yes  No

If Yes, please describe: \_\_\_\_\_

**4. PPA Renewal and Purchase Options (if applicable)**

(a) Renewal Options Yes  No

If yes, please describe:

(b) Purchase Options Yes  No

If yes, please describe:

**5. Resource Type**

Wind  Solar  Geothermal  Biomass   
Small Hydro  Recycled Energy  Other

If Other, please specify: \_\_\_\_\_

**6. Product Type**

Baseload  Dispatchable  As Available (Intermittent)  Other

If Other, please specify: \_\_\_\_\_

**7. Project Size**

Nameplate Capacity (MW) \_\_\_\_\_

Projected Annual Energy (MWh) \_\_\_\_\_

Projected Capacity Factor (%) \_\_\_\_\_

**8. Delivery Points**

Price quoted in this bid reflects delivery to the following points of delivery:

Tri State PODs Please specify \_\_\_\_\_

WAPA PODs Please specify \_\_\_\_\_

PSCo PODs Please specify \_\_\_\_\_

PNM PODs Please specify \_\_\_\_\_

Other \_\_\_\_\_

**9. Development/Resource Acquisition Status (please check one)**

Additional development detail is requested in Form 5.

Existing Project  Under Development  Proposed Development

**10. Scheduling / Forecasting**

Please describe scheduling and forecasting arrangements for this resource. Include day ahead and hour ahead scheduling notifications (if applicable). Include forecasting capabilities and performance guarantees.

**11. Fuel (if applicable)**

(a) Please list primary and secondary fuel types of this resource

(b) Please describe fuel delivery logistics and storage

**12. Subsidies**

Discuss subsidies, grants, special tax treatment or credits provided for development or operation of this resource and describe the extent to which these are included in bid pricing. Bidders must explicitly identify the impacts to the project if the subsidies are not received or expire.

**13. Guarantees**

Discuss guarantees (i.e, for in-service dates, reliability and availability) and remedies for non-performance of such guarantees.

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**14. Operating Data**

(a) unit/facility data (complete as applicable)

	Net Load Level (MW)	Net Heat Rate (Btu/kWh HHW)	
		At 32°F	At 95°F
Minimum load			
Intermediate load			
Full load			
Emergency			

(b) operating parameters (complete as applicable)

Minimum Run Time per Dispatch		Hours
Minimum Down Time		Hours
Expected Force Outage Rate or Availability		%
Ramp Rate		MW/ minute
Start Up Time from Cold Start		Minutes
Start Up Time from Hot Start		Minutes
Automatic Generation Control (AGC) capable?		Yes or No
Minimum sustained operating level (MW) of the facility		MW

**15. Ancillary Services**

The party supplying ancillary services is:  Bidder  Tri-State  Other

Is metering, telemetering, and/or communications equipment necessary for the above services:

Yes       No

The following equipment is needed:

The cost of ancillary services is included in capacity and/or energy pricing (Form 9):

Yes       No

If Yes, please check the included generation services:

- Scheduling, System Control and Dispatch Services
- Reactive Supply and Voltage Control
- Regulation and Frequency Response Service
- Operating Reserve – Spinning Reserve Service
- Operating Reserve – Supplemental Reserve Service (10 minute loading requirement)

Please provide additional comments concerning ancillary services, if necessary:

Is the cost of the above metering, telemetering, and communications equipment included in capacity charge?

Yes       No

If no, please provide the estimated cost of such equipment:

## 16. Operations and Maintenance

Please describe the operations and maintenance plan of the project including planned outage schedules, plans to ensure availability of spare parts and equipment, and personnel responsible for key O&M activities.

**17. Shaping and Firming**

(a) Provide details of any offers or agreements for services that would enable the project to delivery power to Tri-State pursuant to a fixed preschedule that is independent of the instantaneous output of the project (firming).

(b) Provide details of any offers or agreements for services that would enable the project to better shape its output to match the load characteristics of Tri-State's member load (shaping).

## **Form 5 Development and Siting Status**

Bidders shall provide a thorough description of the development status of its proposed project on a separate sheet labeled as Form 5. Information provided should include status of the following:

- Site, Zoning and Construction Permitting  
Include the size of project (acres) and any zoning restrictions that would impact development or use of facility
- Environmental Assessments and Studies
- Emissions and Environmental Permitting
- Regulatory and Governmental approvals
- Engineering and Design activities
- Resource Acquisitions (i.e., land, equipment such as wind turbines or solar troughs, fuel supply, waste disposal arrangements, etc.)
- Construction Status
- Project Schedule and Milestones  
Include construction start through commercial operation date

**Form 6  
Capacity and Energy Profile**

Please complete the capacity and energy tables below by filling in the appropriate years in the column on the far left. Attach additional pages as necessary depending on length of proposal. If proposals are energy only, complete only the Energy fields in the tables below. The 8760 hourly energy profile should be representative of the expected long-term behavior of the project and therefore be consistent with the 12x24 matrix.

**CAPACITY PROFILE (MW)**

year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec

**ENERGY PROFILE by Month (MWh)**

year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec

**ENERGY PROFILE by Hour (MWh)**

Month	HE 1	HE 2	HE 3	HE 4	HE 5	HE 6	HE 7	HE 8	HE 9	HE 10	HE 11	HE 12	HE 13	HE 14	HE 15	HE 16	HE 17	HE 18	HE 19	HE 20	HE 21	HE 22	HE 23	HE 24
Jan																								
Feb																								
Mar																								
Apr																								
May																								
Jun																								
July																								
Aug																								
Sept																								
Oct																								
Nov																								
Dec																								

**HE = Hour Ending**

## **Form 7**

### **Technical Description and Data Needed by Resource Type**

Bidders shall complete this section to provide assurance to Tri-State that the project will be able to meet its projected production estimates for the duration of the project life. Please provide responses on a separate page and label as Form 7:

#### **Wind Energy Resources**

For proposals that include wind energy resources, the bidder shall provide a correlation of the long term wind speed data in the region to the collected resource data at the proposed or existing project site. Please include a general plot plan showing site location, turbine positions, IEC wind class, annual wind production average capacity factor, minimum operating temperature, proposed wind turbine power curve data, nameplate ratings, and manufacturers of proposed turbine equipment. Wind data provided should also include projections by month and hourly patterns to the extent the data is available. Forecasting information should include projections or guarantees of forecasting accuracy as a function of time to delivery. Please include any turbine blade shadowing studies for light and radio wave impacts, any avian (bird or bat) impact studies performed for the project site and confirmation that the site does not conflict with any training area requirements of the US armed services. Bidder should also include any droop response for wind generation. If firming is provided for the wind resource, similar information must be provided for the source of the firming generation.

#### **Solar Energy Resources**

Please describe the proposed solar generation equipment specifications including brand, model, nameplate ratings, size, and capabilities, the performance history of turbines, generators, mirrors, lenses, thermal collectors, thermal storage, heat driven engines, modules, inverters, and tracking equipment (if used), and all UL and IEEE equipment compliance information. Water consumption requirements should be included, as well as heat rate numbers for any thermal solar generation using a fueled system for generation firming. All energy storage devices should be identified. Provide a guaranteed minimum output performance level on an annual basis and detail the design of the specific proposed solar generation system including array configuration, overall system efficiency and total energy output. Please also include a general plot plan showing site location, equipment positions, pertinent meteorological data, annual solar energy production, average capacity factor, proposed solar generator power curve data, and droop response for solar generation. If firming is provided for the solar resource, similar information must be provided for the source of the firming generation.

#### **Biomass or Biogas Resources**

For proposals that include resources that use a combustion or digester process (such as biomass, biogas or other renewable waste product), the bidder shall provide information describing applicable gas quality, fuel types, fuel sources, fuel contracts, fuel procurement/transportation plans, fuel price risk and availability risk issues. Proposals involving combustion type resources shall also include combustion process by-product emission rates, including SO<sub>x</sub>, NO<sub>x</sub>, CO<sub>2</sub>, methane, nitrous oxide, CFCs, HCFCs, heavy metals, halides, unburned hydrocarbons and other emissions in gaseous or liquid form, dissolved in another liquid or mixed with a solid for offsite disposal. Describe the quantity and type of all environmental permits for air and water compliance required to develop the project, and if such permits and approvals are not already in the bidder's possession, provide information regarding the plan to

acquire such permits and associated approvals. Proposals should also include gas production forecast for resources identified, including decay rate of gas production from landfill or digester processes for closed or active sources, and forecast for future sources planned.

**Geothermal Resources**

Please provide a summary of all collected geothermal data for the proposed or existing site and characterize the geothermal resource quality, quantity and proposed production levels. Describe land lease and rights issues and describe and test drilling performed (if applicable). Provide a table or graph that illustrates the annual and monthly projection of geothermal resources.

**Small Hydro Resources**

If small hydro, provide a description and map of the project area and any information about the project's water rights and any ongoing or anticipated disputes, legal challenges or regulations affecting those water rights. Identify if the project is run-of-river or has storage/pondage capability. Identify the volume of the storage and any hourly, daily or seasonal restrictions to the use of the storage for power production. Provide an estimate of the average firm generation expected over the life of the project. Identify anticipated generation by month during an average water year and a low water year. Provide monthly flow duration curves based upon daily stream flow records.

**Other Renewable Resource**

Provide a description of the fuel source and identify its thermal (heat content), delivery and storage characteristics. Provide an estimate of the average generation expected from the fuel source over the life of the project. Describe the methodology and the in house or consulting expertise used to arrive at the generation estimates.

**Form 8**  
**Description of Pricing Methodology**

Please describe the pricing mechanism for your proposal in the space below. A table to list prices is contained in Form 9, however, Tri-State is interested in the methodology used by all bidders to ensure pricing includes all applicable charges. Examples of items to discuss are: demand (if applicable) charges versus energy charges. Are there start up charges, or start-up fuel costs? If there is a separate demand component, describe the methodology for calculating the KW billing demand determinant. Is pricing fixed or subject to change? Is pricing dependent upon certain subsidies or credits? How is the transmission charge component calculated?

### Form 9 Pricing Information

Please complete the table below and identify all pricing information related to this bid. Attach additional pages as needed.

Price Categories	Year					
	Ex. 2011	Ex. 2012				
<b>CAPACITY (MW)</b>						
Capacity Charges (\$/kw-month)						
Transmission Charges (\$/kw-month)						
Other						
<b>Total Annual Capacity Payments (\$000)</b>						
<b>ENERGY (MWh)</b>						
Energy Charge (\$/MWh)						
Start Up Charge (\$/MWh or \$/startup)						
Other						
<b>Total Energy Charge (\$/MWh)</b>						

**Form 10**  
**Transmission and Interconnection**

Note: Third Party transmission provider is any provider other than Tri-State and the Bidder.

1. Transmission required to deliver power to Tri-State is owned by:

Tri-State       Third Party       Bidder

The Third Party(ies) supplying transmission service is(are):

Completed application(s) for transmission service have been submitted?

Yes       No

*Please describe timing and status of the application and results:*

Has/Have the Third Party(ies) or Tri-State agreed to supply transmission service?

Yes       No

2. The cost of transmission service is included in the capacity and/or Energy Pricing (Form 10):

Yes       No

**Form 11**  
**Financing and Credit Arrangements**

**Please provide the following bidder financial/credit information:**

If company is rated by S&P and/or Moody's, please provide latest credit report from (if responding company is not rated, then please provide for parent company and/or any other guarantor):

S&P       Moody's       Fitch

2006 SEC Form 10K and most recent SEC Form 10Q Report

Three most recent Annual Reports

**Please provide the following project finance information:**

Is new financing required to fund additional transmission or generation facilities?

Yes       No

If yes, have financing arrangements been made prior to submitting this proposal?

Yes       No

Describe proposed financing arrangements including potential sources of funding, contingencies, and interest during construction:

**Form 12  
References**

Please list below client references who may be contacted and for whom services have been rendered in the last 24 months. Include names, titles, address, phone numbers and e-mail addresses.

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**Form 13**  
**Project Team Information**

(a) Company profile, including office location, age of company, average number of employees over the past 5 years, and any ownership interests.

(b) Description of the Company's pertinent experience for all power projects, projects of similar technology, and projects located in the same state as proposed for this project. The Respondent should designate if the experience is in (1) development, (2) construction, (3) ownership and/or (4) operation and maintenance of the projects.

(c) State whether there is any current litigation regarding any power supply matter involving the company and any of its subsidiaries or off-balance sheet companies in which it has an interest. If there is any current litigation, provide a discussion of the current litigation.

(d) Provide a company organization chart and identify qualifications of key staff. If needed, please attach this information separately and label as Form 13.

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*Thank you for your interest.*