

## **Golden Spread Wind RFP**

# **Golden Spread Electric Cooperative, Inc. Request for Proposals Wind Energy Supply Resources**

December 15, 2009

### **A) Summary**

Golden Spread Electric Cooperative, Inc. ("Golden Spread") seeks proposals for the development and asset ownership of wind energy resources through issuance of this Request for Proposals ("RFP").

**An Indicative Proposal is due on or before January 8, 2010.  
Updated firm proposals are due on or before February 1, 2010.**

**Please see the Schedule in B) below for additional information on the timetable.**

Golden Spread is a non-profit electric generation and transmission cooperative organized under the Texas Electric Cooperative Corporation Act. Golden Spread's corporate purpose is to supply wholesale electric power and energy at the lowest feasible cost to its sixteen member cooperatives.<sup>1</sup> Approximately 265,000 retail consumers located in the South Plains, Panhandle and Edwards Plateau regions of Texas, an area covering twenty-four percent of the State of Texas, and in the Panhandle of Oklahoma and Southwestern Kansas, receive electric service from Golden Spread's members. More information on Golden Spread is available at its website: [www.gsec.coop](http://www.gsec.coop).

### **RFP Requirements**

Golden Spread is seeking to acquire approximately 80 MW in nameplate rated capacity of new wind resources ("the Project") by purchase of development assets at construction closing in a "develop-transfer" ("DT") arrangement, or purchase of the developed and constructed project at COD through a build-transfer ("BT") arrangement. Golden Spread may request that a bidder submitting only a DT or BT proposal also submit the alternative DT or BT proposal. The terms of the DT and/or BT will include customary provisions regarding credit support, transfer of title, transfers of warranties and performance milestones. In submitting their updated (final) proposals, bidders should provide a proposed term sheet that describes key commercial, financing and legal terms to be included in the DT or BT agreement. Golden Spread anticipates closing the DT or BT in conjunction with a construction closing.

In either the DT or the BT, the bidder should assume that it is responsible for completing all pre-construction development, providing or arranging for all engineering, procurement and construction and providing or arranging for construction management services in a manner that

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<sup>1</sup> Golden Spread's members are: Bailey County Electric Cooperative Association; Concho Valley Electric Cooperative, Inc.; Coleman County Electric Cooperative, Inc.; Deaf Smith Electric Cooperative, Inc.; Greenbelt Electric Cooperative, Inc.; Lamb County Electric Cooperative, Inc.; Lighthouse Electric Cooperative, Inc.; Lyntegar Electric Cooperative, Inc.; Big Country Electric Cooperative, Inc.; North Plains Electric Cooperative, Inc.; Rita Blanca Electric Cooperative, Inc.; South Plains Electric Cooperative, Inc.; Southwest Texas Electric Cooperative, Inc.; Swisher Electric Cooperative, Inc.; Taylor Electric Cooperative, Inc.; and Tri-County Electric Cooperative, Inc.

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is approved by Golden Spread and minimizes Golden Spread's construction period resources and risks.

In the case of a DT, Golden Spread (or its affiliate) anticipates that proposals would provide for Golden Spread to enter into/assume contracts for EPC/balance-of-plant construction agreement(s), wind turbine procurement and installation (if separate from the EPC), and construction management services.

In the case of a BT, Golden Spread would anticipate a "put" of the completed and commissioned project to Golden Spread based on firm agreements executed at construction closing and assumption by Golden Spread/transfer to Golden Spread of any long-term service agreements with wind turbine providers.

Construction must commence during 2010, and the Project must be located within the Southwestern Public Service control area in the Southwest Power Pool. The majority of Golden Spread's member loads are in the SPS control area and the Project output will be used to serve member loads.

Preference will be given to proposals that:

- are submitted by entities with an established track record of developing, owning and/or operating wind generation resources;
- include a detailed financing plan demonstrating access to the debt and/or equity financing necessary for fast-track construction commencing in 2010; ;
- are located at a single site and are located in wind areas that will result in the maximum operating capacity factor;
- are located so as to allow reliable and cost-effective transmission to Golden Spread's loads;
- have substantial data demonstrating wind characteristics at the site;
- employ proven technologies;
- provide for land leases that do not involve a financial penalty or termination event if Golden Spread exercises its discretion to dispatch the project off-line based on economic conditions; and
- have an earlier construction start date in 2010.

Golden Spread seeks to have bidders assume and/or provide for wind turbine vendors to assume risks of pricing of O&M to minimize Golden Spread's exposure to wind project O&M cost changes, a fundamental consideration in its decision to proceed with the project.

Bids must also include a proposal and pricing to provide operations and maintenance (O&M) services for the project for five (5) years plus an additional five (5) years renewable at the option of Golden Spread. Bidders should clearly indicate whether they would provide overall O&M services or supplement turbine vendor long-term service agreements, but provide combined pricing information (if Golden Spread is to be assigned the turbine vendor service agreement(s) at closing).

Bidders should be prepared to provide information concerning, and to involve Golden Spread in approval of, contracts for wind turbines, including long-term service agreements, EPC contracts and equipment purchase contracts.

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### **B) General Process and Schedule**

#### **Indicative Proposals**

Indicative proposals should include as much information the bidder has available to it that it wishes to present to Golden Spread to validate its capability to provide an updated (firm) proposal that meets the requirements of this RFP. Minimum requirements are:

a. Non-price information: Identity and experience/capability of the bidder/bidder's team in developing, constructing and operating wind projects of similar size, project location and development status, financial capability/credit support, site control/land arrangements, interconnection status (including execution of an LGIA with SPP), wind turbine procurement status and projected timing of deliveries, summary projections of wind generation at the particular site (including the availability and period of wind data and basic validation of technical performance of the model wind turbines in the site wind conditions), and permitting status (must ensure commencement of construction by year end 2010).

b. Price information: An indicative price or price range (subject to finalization in the updated (firm) proposal) for (i) acquisition by Golden Spread of the developed or constructed wind project by develop-transfer or build-transfer, as applicable, and (ii) for O&M including an O&M price for five (5) years plus pricing for an additional five (5) years renewable at the option of Golden Spread.

#### **Updated (Firm) Proposals**

Updated (firm) proposals should include firm responses to all of the requirements of this RFP, including the information specified in C., based on reasonable proof of the assertions made in the proposal. Firm pricing should be provided, based on well-defined and explained adjustments, if any. Any requirements, conditions or assumptions concerning for the transaction for which Golden Spread is to be responsible should also be explained in detail.

#### **Note re Information Not Provided**

Golden Spread reserves the right in its discretion to deem non-responsive any proposals that do not comply with or address requirements of the RFP, but also may waive any such non-compliance if the proposal substantially complies with the requested information, the omission is duly explained and waiver is in Golden Spread's interest. If requested information is not provided or available at the time of proposal, please provide at least a brief explanation of the reason and/or indicate whether any information not provided will be made available in response to due diligence requests from Golden Spread or otherwise (with suitable confidentiality agreements).

#### **Evaluation and Criteria**

The evaluation process will include both economic and non-economic criteria. The economic evaluation will be conducted using analytical tools such as PROMOD and proprietary financial models. Non-economic factors will be assessed in a due diligence process that will gauge the relative risks and benefits of the proposal.

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A bid evaluation team will evaluate and select bids, and subject matter experts may directly contact bidders during the bid evaluation stage.

Bids will be evaluated using a multi-step process as follows:

### **Step 1 - Eligibility Screening**

The contents of each bid will be evaluated for completeness and responsiveness to this RFP. Bids that fail to respond to the requirements of this RFP will be eliminated from further consideration for this RFP. Given the need to commence construction in 2010, Golden Spread intends to expedite the RFP review process. Follow up questions regarding clarification of bids or supplemental proposals must be responded to rapidly.

### **Step 2 - Initial Economic Screening**

The initial economic evaluation will take into account by benchmark analysis to which bidders are requested to contribute relevant information for their particular proposal:

1. Project acquisition cost to Golden Spread (capital cost).
2. Projected cost for renewals and replacement given the type of wind generation units proposed.
3. Projected annual O&M cost in the proposed O&M agreement and/or wind turbine vendor long-term service agreement, given the type of wind generation units proposed (including fixed and variable maintenance costs and taking into account the value of warranties, extended warranties and operations management proposals and any major maintenance requirements).
4. Projected monthly and annual energy generation profile given the operating characteristics of the wind generation units proposed and the wind profile for the site.
5. Projected property tax expense for the project site and insurance.
6. Projected operating limitations given the operating characteristics of the wind generation units proposed.
7. Projected cost to transmit output to loads.

Transmission and interconnection cost estimates provided by bidders must be clearly and specifically identified. Golden Spread desires, but does not require, an optional proposal to provide operations and maintenance services for the Project.

For purposes of this evaluation, the initial cost analysis of each proposal will focus on the present value relative to other bids submitted utilizing a calculation of the levelized cost per MWh to Golden Spread in owning and operating the project.

### **Step 3 - Non-Economic Analysis**

This analysis will assess the non-price characteristics of the bids. Non-price factors that will be assessed include, as applicable and without limitation, the following:

- Financial strength of the bidder
- Development, construction and operation experience
- Wind turbine generator technology, availability, and warranties
- Meteorological data and quality of the wind resource
- Environmental permitting and compliance
- Land use permitting and zoning

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- Other permitting
- Real property acquisition/site control progress and plan
- Project operational characteristics
- Community support for the project
- Transmission access plan feasibility and arrangements
- Transmission upgrade schedule assessment
- Construction and equipment supply plans and arrangements
- Long-term maintenance and spare parts plans and arrangements
- Project execution planning
- Accredibility of capacity to meet reliability needs

If the non-economic analysis identifies bids that either are not likely to result in a project being developed or are clearly noncompetitive, Golden Spread may eliminate such bids from further consideration and select a subset of original bids for further evaluation.

### **Step 4 – Detailed Economic Analysis and Ranking**

Under this step of the analysis, Golden Spread will perform a detailed project life-cycle economic analysis for the proposals. This will include detailed analysis of project capital costs and O&M costs.

The results from the modeling in Step 4 will be evaluated together with the non-price factors set forth in Step 3 in order to identify a set of resources that consistently demonstrates cost-effective characteristics across a range of the potential future variables.

### **Notification of Bid Evaluation and Results**

After completion of the evaluation of proposals, Golden Spread will notify all bidders of its intention to pursue or not to pursue final negotiations with that bidder.

### **Final Negotiation and Contract Approvals**

Golden Spread intends to enter into final negotiations with selected bidders in order to complete the acquisition of resources and make the necessary filings. Bidders who enter into final negotiations with Golden Spread will be required to:

- Demonstrate site and resource control by showing evidence of ownership, long-term lease, or an option for purchase or long-term lease;
- Provide a plan for working with the local community on project issues;
- Agree to grant a period of exclusivity period for final negotiations with Golden Spread following notice (see Schedule);
- Identify all parties whose approval is required for execution of a contract and affirm all such parties will be directly represented in the subsequent negotiations;
- Demonstrate financial capability to bring the project to completion; and
- Demonstrate a proven track record of completing projects on time and under budget.

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### Schedule

Activity	Date
RFP Issued	December 15, 2009
Indicative Proposals Due	January 8, 2010
Evaluation, Clarification, Initial Due Diligence	January 11-January 31, 2010
Updated (firm) Proposals Due	February 1, 2010
Notification to Bidders of Short List	February 11, 2010
Evaluation, Clarifications, Additional Diligence and Negotiations of Term Sheet	February 12-March 5, 2010
Final Bidder Selection	March 11, 2010
Negotiation of definitive agreements	March 12, 2010-May 11, 2010
Closing of Transaction (execution of definitive agreements) [at or prior to construction close]	May 19, 2010

### C) Required Information

Proposals should be organized in the following format:

#### Tab 1 – Summary

**1. Executive Summary:** Provide an overview of the proposal, including the project name, location, size, wind quality/capacity factor, development status, commercial operation date, transmission status and a brief description of the bidder(s). Include any additional information that is particularly noteworthy.

Note that proposals should incorporate the information referenced in part A. above.

#### Tab 2 – General Project Description

**2A. Description:** Describe the resource proposed, the capacity of the resource in MW, and the estimated annual energy production in MWh. Provide a summary showing expected monthly energy production. Provide the source of the wind forecast underlying the projected annual energy production (see 2C).

**2B. Equipment:** Indicate the wind turbine manufacturer, model, and size of the turbines, the order status of the turbines (e.g. ordered, in the manufacturer's queue, etc.), whether or not deposits on turbines have been made, schedule of turbine deposits needed to support bidder's project development schedule, the tower height, rotor diameter, and any other relevant equipment information, including estimated maintenance schedules, as well as remote operation capability. Provide a summary of the commercial operating experience for the turbine chosen, including any design issues identified by the manufacturer within the past five (5) years and the resolution of those issues. For each turbine design, provide the following information:

- (i) Technical specifications
- (ii) Power curve showing output at different wind speeds

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- (iii) Tower type and proposed hub height
- (iv) Design life
- (v) Level of certification achieved
- (vi) IEC design wind class (I, II or III)
- (vii) Summary of performance guarantees and warranty

Describe the status of the turbine vendor review of the site plan.

Describe the availability of all ancillary equipment.

**2C. Wind Data:** Provide the estimated net energy production from the facility using site-specific wind data and identifying data gathering equipment performance specifications. Describe equipment used to record data, provide any calibration certificates for equipment and indicate location, height and orientation of all sensors. Provide wind farm information (layout using latitude and longitude co-ordinates, topographic maps with turbine locations, etc.) and wind data verification and analysis, including predictions of site wind speed variations. Discuss the time period, methodology and sources of collecting data used in the analysis.

In particular:

Identify the locations of anemometers used to assess the site's generation capabilities. Provide information regarding anemometer mounting configuration details (in particular, describe the distance the anemometer was located from the tower structure).

Provide a table containing measurements made at each on-site anemometer. Include the parameters measured at each height, the date each mast was commissioned, the date each was decommissioned, the data recovery rate from each instrument, and the period of record used for the wind resource assessment.

Provide all raw wind data files (RWD files) in electronic form. Golden Spread requires at least one (1) year of raw wind data but will give preference to two (2) years or more.

Describe the method of estimating the long-term energy resource characteristics of the site. If an off-site, long-term record or other technique, such as long-term numerical modeling study, is used for the adjustment, provide details of the correlation or other study method and indicate the amount that such method raised or lowered and energy estimate based on on-site data alone.

Provide a summary report of the energy estimate for the site, whether by independent meteorological consultant or in-house analysis. Provide a summary of qualifications of the analyst(s) for performing such work.

Provide a table that quantifies factors used to adjust a gross energy estimate to the net energy estimate. Include estimates for the following:

- (i) Adjustment of on-site data to reflect a projected long-term resource;
- (ii) Topographic adjustments;
- (iii) Array (wake) losses;

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- (iv) Electrical losses between turbines and the point of Project revenue metering, and specify clearly the point of metering (e.g., on the low side of the Project transformer or the point of interconnection with the transmission provider);
- (v) Availability;
- (vi) Icing and blade degradation;
- (vii) High wind hysteresis;
- (viii) Substation and infrastructure maintenance;
- (ix) Power curve adjustment; and
- (x) Wind sector management.

Provide the calculated site annual mean wind speed at hub height.

Provide a table and graph in Excel depicting the typical annual hub-height wind speed distribution in 0.5 m/s intervals. Such distribution should be consistent with the energy data supplied for the above requests.

Provide a wind rose for all available wind data.

**2D. Location:** Provide the project location and a detailed site description, including size(s) of parcel(s) of land. Describe bidder's right to acquire land ownership or a long-term lease.

Identify the Project location. Provide a map with township, range, and sections that identifies the location of all key facilities, all transmission lines, roads, etc.

Describe the Project site in terms of the acreage required along with any adjacent land areas that are owned or controlled by Bidder. Identify opportunities to expand the Project and the requirements associated with any planned or potential expansion.

List all ownership documents, leases or easements, and certify that Bidder has control of the property and the legal right to construct and operate the Project. Specify the term of each such agreement.

Identify terms and conditions for all lease or royalty payments associated with use of the site. It is Golden Spread's intent to dispatch energy from the project on an economic basis and there will be times when energy could be generated but will not be generated. Please explain if this dispatch protocol will in anyway impact royalty or lease payments.

Identify any conditions or limitations associated with the site at the time Golden Spread assumes ownership.

Provide copies or a status of all site plans, land use analysis and permits related to the Project, including Conditional Use Permits.

Identify all known and /or potential structures, reserves, parks, archeological or cultural sites, animal life, flora and fauna whose proximity to the Project could impact or jeopardize its commercial operation. Describe in detail potential impediments to construction and any proposed mitigation.

Identify location of nearest residential and/or commercial facilities relative to the site location.

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**2E. Interconnection:** Describe the interconnection arrangements for the resource, including as applicable:

- MW size of the interconnection
- Miles of transmission line and voltage of transmission facilities from project site to point of interconnection;
- Point of interconnection with transmission system;
- Interconnection service provider;
- Indicate if a LGIA is on file with SPP and what is the designation and current status. Indicate interconnection queue number, project number, and group study number, if assigned;
- Indicate if a CCN has been filed for the construction of the transmission line.
- Indicate if ROW has been obtained for transmission line
- Type of interconnection service requested / received;
- MW of interconnection service;
- Estimated interconnection costs;
- Status of the interconnection request, including the status of any relevant studies and agreements;
- Expected in-service date; and
- Network upgrades required and their status.

If bidder has conducted its own interconnection study, please summarize or attach the results.

Bidder should indicate who will be responsible for the various aspects of the project's interconnection, including but not limited to filing requests, funding studies, and executing and performing under the terms of interconnection and facility agreement(s) involving interconnection facilities, network upgrades, and third-party transmission impacts.

**2F. Transmission:** If, in addition to interconnection service, transmission service has been requested or reserved, describe the service, including as applicable:

- Type of service (e.g., network or point-to-point)
- Points of receipt and delivery;
- Transmission service provider;
- Estimated transmission costs;
- Date of request;
- Queue number and project number, if assigned;
- Period of service requested / reserved;
- MW amount;
- Status of the request or reservation, including the status of any relevant studies and agreements; and
- Network upgrades required and their status.

If bidder has conducted its own transmission studies, please summarize or attach the results.

Projects with less risk of transmission-related curtailments and congestion costs will be evaluated more favorably than those with more risk.

**2G. Collection System:** Provide the following information for the collection system:

- Description of collection system

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- Single line diagram of collection system
- Transformer size and manufacturer
- Voltage drop and impedance data for the system

**2H. Project Milestones and Capital Requirements:** Provide an overview of Project schedule and major milestones to complete the project, including completion dates and for DT projects, capital requirements for each milestone.

**2I. Regulatory Provisions; Community/State Reaction:** Describe the status of the project with respect to regulatory approvals needed for its construction and operation. Describe plans for assessing local community siting issues and requirements with respect to the resource and any associated transmission.

### Environmental Siting, Construction, and Land Use

- Provide copies of any environmental impact or assessment studies relating to the Project.
- Provide copies of all permits or other governmental approvals or disapprovals related to Project siting or construction activities.
- Describe known and anticipated issues with respect to the Project's visual impact and baseline issues. Describe any mitigation efforts or plans.

### Avian and wildlife issues

- Provide copies of any environmental impact or assessment studies relating to avian and wildlife issues and the Project.
- Provide copies of all permits, or permit applications and agreements with Fish and Wildlife agencies.
- Describe known and anticipated issues with respect to loss of wildlife habitat, mortality, and in the case of wind, specific information about the impact to avian mortality and all mitigation efforts or plans.
- Provide documentation that all necessary studies have been satisfactorily completed, or a current status, to meet Project permitting, construction and delivery time frames.

Bidder is responsible for obtaining and satisfying the requirements of all federal, state and local permits, licenses, approvals, and variances that are required now and in the future for the construction and operation of the project and the delivery of energy from it and in the case of BTs identifying any approvals that it expects Golden Spread to obtain.

Bidder is also responsible for providing all information required by Golden Spread for any approvals Golden Spread must obtain. Proposals with approved permits and indications of local support will be evaluated more favorably than those without.

Each bidder should present a current assessment of, and a plan for continuing to monitor, local community and state reaction to the project. The assessment should include, but not be limited to, whether there is any pending or threatened litigation or issues being raised by the local community or the state. To the extent there are issues, bidders should present their plan to work with the local community to resolve such issues.

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### **Tab 3 – Proposing Entity**

**3A. Structure and Experience** Identify all parties participating in the proposal. Include an organization chart illustrating the relationships of the parties, along with their ownership percentages. Describe each party's corporate structure, including primary and secondary businesses. Provide an overview and description of the projects each party has developed over the last five years.

**3B. Financial Status** For each party participating in the proposal and the subsequent ownership of the project, provide:

- Current annual report (If an annual report is not available, a listing of assets, liabilities and cash flow must be provided);
- Current quarter profit and loss statement;
- DUNS #;
- Debt rating by S&P, Moody's and/or Fitch; and
- Description of project financing.

Bidders must be able to demonstrate its/their ability to financially secure the project, including development and construction, and be willing to grant present and continuing security interest in any performance assurances. Alternatively, indicate how bidder will provide enhanced credit support.

### **Tab 4 – Project Capability and Operation**

#### **4A. Project Capability, Availability, RECs**

Provide resource nameplate capability along with expected net capacity, expressed in MW, delivered to Southwestern Public Service Company's transmission system. Describe any guaranteed minimum production levels.

Identify all major and ancillary equipment required for generation, the manufacturer, availability and status of or copies of supply, warranty, operations, maintenance and service agreements.

Identify seasonal and yearly availability including likely planned maintenance schedules.

Provide the projected average net output in MWh in an Excel 365x24 matrix; that is, for each hour of the year, indicate the number of MWh expected to be generated in a typical hour.

Provide P50, P75, P90, P95 and P99 projected net output levels on a monthly basis.

Identify the quantity and type of environmental attributes and RECs that the Project will generate. Golden Spread will be assured of all rights to all renewable energy credits, and other green tag/carbon credits associated with the project.

Note that Golden Spread will be seeking to obtain accreditation for capacity from the project under SPP rules, taking into account the project capacity factor.

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### **4B. Operating Limitations**

Based on the wind turbines proposed to be acquired and/or sold to Golden Spread, and the site characteristics, provide a description of the anticipated operating characteristics of the wind park.

Identify any engineering, mechanical or operational limitations with respect to yearly, monthly, daily, or hourly startups.

Provide details of any regulatory or permitting requirements that would impact the wind park's operations.

Confirm remote dispatch capability of the wind park and describe requirements for on site personnel in connection with operation and maintenance.

Provide anticipated startup/ramp-up requirements and times.

### **4C. Maintenance Schedule**

Describe planned or anticipated maintenance schedule.

#### **Tab 5 –Develop-Transfer and Build-Transfer Terms (including Price)**

The following describes the terms for develop-transfer (DT) and/or build-transfer (BT) proposals. Golden Spread reserves the right to substitute its own draft term sheet either before submittal of the term sheet, in which case the bidder should follow Golden Spread's format, or after submittal and Golden Spread will take into account the terms and conditions proposed by the bidder as part of its proposal and any negotiated or required changes. Golden Spread reserves the right to require a draft of the relevant agreement(s) in connection with final selection, in lieu of later negotiations (subject to possible schedule adjustment).

**5A. Build-Transfer Arrangement** To summarize, bidders shall describe the proposed components of the proposed DT or BT arrangement(s) taking into account the general requirements for DT or BT arrangements specified in the general description under A above, the additional agreements and information in 5.B-E below and the following:

- Proposed price in U.S. dollars,
- Projected closing and COD dates and procedures
- Proposed ownership structuring and financing arrangements, including proposed schedule of cash flows required from Golden Spread (DT arrangements)
  - Note that Golden Spread encourages responses that seek to optimize tax benefits for Golden Spread as a purchaser/owner and/or an affiliated taxable entity.
- Other key terms and conditions.

Prices shall be quoted in U. S. dollars and shall be considered firm unless expressly stated otherwise.

Each bidder should provide sufficient detail to allow the Company to ascertain the turbine cost component of the proposed acquisition price under the build-transfer (BT) arrangement.

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Prices shall reflect the cost of transmission requirements described in Tab 2. Prices shall include all taxes and environmental charges.

Golden Spread encourages bidders to propose facility performance guarantees, including but not limited to: availability, collector system losses and turbine design and layout (i.e. array losses). Bidders proposing performance guarantees should describe such performance guarantees. In addition, bidders proposing performance guarantees should submit details showing pricing with and without the performance guarantees.

Provide a proposed term sheet with key commercial, financial and legal terms.

### **5C. Construction and wind turbine acquisition**

For a develop-transfer proposal, provide a proposed term sheet with key commercial, financial and legal terms, for construction of the wind project on a turnkey basis, and for acquisition of wind turbines required for the project, including project procurement and construction milestones and capital requirements.

### **5D. Operation and Maintenance.**

As noted in A. above, bids must include a proposal and pricing to provide operations and maintenance (O&M) services for the project for five (5) years plus an additional five (5) years renewable at the option of Golden Spread. Bidders should clearly indicate whether they would provide overall O&M services or supplement turbine vendor long-term service agreements, but provide combined pricing information (if Golden Spread is to be assigned the turbine vendor service agreement(s) at closing).

As part of such agreement and/or as supplemental information, bidders should submit sufficient information to allow Golden Spread to determine the projected annual operation and maintenance fixed cost including the information to be considered in the economic screening of the project and described under "Evaluation and Criteria" under A. above and including the following:

- Projected annual operation and maintenance fixed cost. Provide each component of the expense and assumptions for labor cost and payroll overheads.
- Projected variable cost (i.e. those costs that will vary as a function of the energy generation)
- Projected reserve requirements for turbine major maintenance. Indicate the scheduled maintenance plan the turbines
- Projected property tax

### **5E. Land-related agreements and related costs**

Bidders should specify/indicate:

- Projected land-related costs under applicable agreements with landowners including projected lease payments if any and specific terms and conditions of such payments
- projected royalty payments if any and the specific terms and conditions of such payments

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- Any other cost associated with the project other than the costs addressed by in 5A.-D. above.

### **5F. Proposal exclusivity**

Confirm that the Project is not and will not be proposed or offered in any manner to other potential purchasers during the Exclusivity Period specified in the RFP.

### **Tab 6 –Wind Plant Design and Construction Guidelines (High Level)**

In addition to the information requested above, please ensure your proposals represent projects that are consistent with the guidelines below. To the extent your proposals are inconsistent with these guidelines, please note an exception and provide an explanation as to why. Unless specifically identified and explained in Tab 6, your proposals will be assumed to be based upon the following guidelines:

1. Design will conform to OSHA O&M lockout requirements and policies
2. Bidder will have the following responsibilities, among others:
  - a. Provision of a Site Hazard Analysis and Health and Safety Plan
  - b. Providing safety-related and other legally required postings for employees
  - c. Properly storing and managing unused, damaged, or to-be-returned goods
  - d. Segregating, identifying and containerizing wastes and stockpiling and securing contaminated soil near excavation
  - e. Managing oil-filled equipment according to requirements and minimizing impacts of leaks
  - f. Hosting and guiding inspections and reviewing inspections reports and findings, taking corrective action as necessary
3. Maximum gross generation losses from the wind turbine transformer, electrical collection system wiring and substation transformer and components up to the Metering Point: 1.5%
4. Design and operation of any bulk electric system facilities associated with the project must be in accordance with applicable National Electrical Safety Code (NESC) requirements and adhere to IEEE/ANSI standards and guidelines.
5. If an interconnect substation facility is required by the project, the transmission network facilities (transformation substation) shall be separate from the wind turbine generator collector facilities (collector substation).
  - a. The transformation substation shall include a separate substation SCADA system for operations and control by the Company.
  - b. Substation shall include automatic back-up power in case of main power failure.
6. An O&M building that provides climate controlled office/SCADA space, warehouse space septic system, electrical service, telephone circuits, high speed data connections for SCADA system and internet access, security system that meets NERC/FERC guidelines, and perimeter security fencing with automatic gate. The O&M building and the building site shall

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be of sufficient size including providing adequate storage area for large parts, such as blades, within the perimeter fence.

7. Meteorological Tower – Bidder shall install one (1) permanent Meteorological Tower at WTG hub height, lightning and surge protection, grounding and 115 VAC utility outlet. Tower instrumentation will consist of redundant anemometers at hub height and other elevations as recommended by the Turbine Supplier. The met tower will also have: wind vanes located at hub height and as recommended by the Turbine Supplier, a temperature sensor mounted at the elevation recommended by the Turbine Supplier, and a data logger that provides wind speed, direction and temperature data to the project turbine SCADA system for storage and analysis. Meteorological tower shall be located in accordance with the Turbine Supplier recommendation.

### 8. Wind Turbine Generator & Tower Requirements

- a. Installation of internal lighting and electrical outlets at all work areas
- b. Lighting as required by the FAA
- c. Safety cables, climb assist, and tools and parts hoist

### 9. Wind Farm SCADA System Requirements and Features

- a. Basic wind park operations and control including a park wide overview with the ability to connect directly to each turbine for details.
- b. Short-term turbine level operation history
- c. Long term operation, generation, and alarm data storage for various monthly and annual reports
- d. Permanent Meteorological Towers data collection and long term storage
- e. Collector Substation interface
- f. Customer Remote Alarm Notification
  
- g. Remote monitoring of wind farm, including alarm resets.
  
- h. Ability to accept and control a maximum generation (MW) setpoint from the following sources: 1) local, 2) remotely terminal, 3) utility system operations center.
  
- i. Ability to control voltage, VAR's and power factor to a setpoint generated from the following sources 1) local, 2) remote terminal, 3) Utility system operations center.
  
- j. FAA light monitoring and failure alarm

### 10. Siting and Land Rights guidelines

- a. Bidders must comply with local zoning ordinances regulating wind turbine setbacks and density
- b. All easements shall contain language allowing for transfer of rights to successors and assigns

11. Prior to reaching an agreement, bidders will be required to either provide or commit to provide the following:

- a. As built drawings

## **Golden Spread Wind RFP**

- b. ALTA survey including a site plan overlay
- c. Site plan including the location of all turbines, required setbacks, electrical collector system, communications lines, turbine access roads, existing roads, buildings, other structures, all wetlands, areas of concern identified in the Phase 1 environmental survey, cultural resources
- d. All codes, software and program code
  
- e. Relay settings
- f. Training manuals
- g. O&M manuals
- h. Equipment specifications and technical manuals
- i. Warranty descriptions for all equipment and construction services
- j. Operating procedures
- k. Factory and field test reports
- l. All construction, operating, environmental, zoning and FAA permits
- m. All land ownership/lease/easement documentation providing proof of ownership or option to lease or own
- n. All wind easement or similar documentation providing proof of wind development rights
- o. Title evidence verifying all wind farm properties are free and clear of liens and encumbrances.
- p. Transmission line rights of way will be of sufficient width to allow for typical utility industry operations and maintenance

### **Tab 7 – Other Information**

**7. Other Information** Describe any aspects of the proposal that may not fit into the other categories. Attach any supplementary information or exhibits that you wish to provide.

## **D) Terms of Proposal**

### **Acceptance of Proposals**

Golden Spread reserves the right, without qualification, to select or reject any proposals and to waive any formality, technicality, requirement, or irregularity in the proposals received. Golden Spread reserves the right to unilaterally revise, suspend or terminate this RFP process and any schedule related thereto at its sole discretion without liability to any respondent. Golden Spread may request additional information to complete its evaluation. Persons who submit proposals do so without recourse against Golden Spread for rejection or failure to execute an agreement for any reason. Golden Spread will not reimburse any cost incurred in the preparation or submission of a proposal or any subsequent negotiations regarding a proposal.

### **Confidentiality**

- Golden Spread will use reasonable efforts to protect bidder's confidential information provided that such information is clearly identified as such.
- Golden Spread may disclose information that has been designated as confidential if they determine, in their sole discretion, that disclosure is necessary to comply with any applicable law or order of a governmental authority with competent jurisdiction.

## **Golden Spread Wind RFP**

- Golden Spread reserves the right to disclose proposals to its consultants, counsel, or financiers for the purpose of assisting Golden Spread in evaluating proposals.

### **E) Submission Instructions**

#### **Questions**

Golden Spread prefers that questions pertaining to this RFP be submitted via email, to Michael Wise at [WindRFP@gsec.coop](mailto:WindRFP@gsec.coop). In the email, please clearly indicate your company or organization, the name and title of the person asking the question, and an email address and telephone number where you may be contacted. Where deemed appropriate and applicable to all bidders, Golden Spread will post questions and replies for viewing by all bidders. Further information concerning use of the website will be provided and/or posted on the general Golden Spread website.

#### **Indicative Proposals (Due January 8, 2009) Updated (Final) Proposals (Due February 1, 2009)**

All proposals should be submitted to the address below, to the attention of Mike Wise, by confirmed email. A signed, printed original, five printed copies of the proposal, and one electronic copy on disk must also be submitted by one of the following: registered or certified Mail, return receipt requested, or overnight courier. Proposals are due no later than 4 PM Central Daylight Time on the due date, provided that if submitted by confirmed email by the due date, Golden Spread will accept delivery of the originals provided they were sent by the due date.

#### **Proposal Submission Information**

In accordance with the instructions noted above, the proposals should be sent to the individual noted below:

Michael Wise  
Vice President, Transmission & Operations

#### **Email**

[WindRFP@gsec.coop](mailto:WindRFP@gsec.coop)

#### **Mail**

Golden Spread Electric Cooperative, Inc.  
P.O. Box 9898  
Amarillo, TX 79105-5898

#### **Direct Delivery**

905 Fillmore, Suite 220  
Amarillo, TX 79101-3541  
Phone: (806)379-7766  
Fax: (806)374-2922

## **Golden Spread Wind RFP**

Golden Spread Electric Cooperative Wind RFP

### **Exhibit A — Indicative Proposal – Summary Sheet**

Golden Spread Electric Cooperative Wind RFP — Indicative Proposal Summary Sheet

Company Name		
Address		
City	State	ZIP
Company Representative Name		
Signature		
Phone Number	Fax Number	Email
Project Name and Location (County and Township) and Development Stage		
Current Owner(s) of Project	Turbine Manufacturer and Turbine Model	
Nameplate Capacity (MW)	Capacity Factor and Expected Annual MWh (including source/period of wind data)	Development-Transfer and/or Build-Transfer - specify
Proposed Construction Commencement (Closing) , Construction Schedule and In-Service Dates	Proposed Bidder's Team including proposed EPC contractor (if DT proposal) and O&M Contractor	
Non-Price Information per RFP (list attachments): a. Experience/capability of the bidder/bidder's team. b. Financial capability/credit support. c. Site control/landowner agreements (status) d. Interconnection status (including execution of an LGIA with SPP). e. Wind turbine procurement status and projected timing of deliveries. f. Permitting status.		
Price information (list attachments): a. indicative price or price range for DT/BT plus explanation. b. Indicative price for O&M price for five (5) years plus additional five (5) years renewable at the option of Golden Spread plus explanation.		

Please submit the Indicative Proposal in accordance with the RFP instructions. It is the responsibility of the bidder to ensure receipt of the Indicative Proposal. Voice telephone notices will not be acknowledged.