



Black Hills Colorado Electric, LLC 2021 Request for Proposals

**Energy and Renewable Energy Credits (RECs)
from Qualified Community Solar Gardens**

Issued: September 15, 2021

Response Deadline: October 20, 2021



2021 Request for Proposals

Energy and Renewable Energy Credits (RECs) from Qualified Community Solar Gardens

Issued Date: September 15, 2021

Proposal Submission Date: October 20, 2021

Black Hills Colorado Electric, LLC d/b/a Black Hills Energy (“Black Hills” or the “Company”) is issuing this Request for Proposals (“RFP”) which seeks bids for the sale of energy and associated renewable energy credits to the Company from qualified Community Solar Gardens (“CSGs”) in conformance with the Company’s 2018-2021 Renewable Energy Standard Compliance Plan (“RES Compliance Plan”) as authorized by the Public Utilities Commission of the State of Colorado (the “Commission”). The CSGs are to be located in Black Hills’s electric service territory in Colorado. The terms, renewable energy credit, or “REC,” and community solar garden, or “CSG,” are defined in Commission Rule 3652. This RFP is subject to Colorado statute governing CSGs (C.R.S. §40-2-127)(“CSG Statute”), as well the Commission’s rules governing CSGs (including Commission Rules 3650-3668 insofar as they apply to CSGs)(“Commission CSG Rules”). In accordance with the RES Compliance Plan, **the Company is seeking up to 2 MW DC from this solicitation.** However, the Company reserves the right to reject all bids under this solicitation and reissue a new solicitation at its discretion.

Eligible respondents to this RFP (“Respondents”) must be the CSG Owner or the CSG Subscriber Organization of the proposed CSG, as those terms are defined in Commission Rule 3652. Respondents are requested to provide bids pursuant to the instructions provided herein. This RFP is limited to bids for energy and RECs that are generated from CSGs with a gross nameplate capacity greater than or equal to 50 kW direct current (DC) and less than or equal to 2 MW DC.

This RFP contains several sections, including an Introduction, Proposal Logistics, Bid Submittal, and Evaluation Process and Assumptions. Appendix A to this RFP contains the bid forms, together with instructions for each form. Appendix B to this RFP contains the RFP Community Solar Garden Agreement (“RFP CSG Agreement”) and other documents that will be required of a Respondent with an accepted bid.

Please provide all the information requested in order to enable the Company to properly evaluate your approach and viability as a Respondent for the sale of energy and RECs from a CSG. All information provided, and the extent of completeness, will be used to evaluate the bid. Feel free to provide additional information not requested here that you feel would help in our evaluation.

CSG RFP

Section 1. Introduction

Black Hills is issuing this RFP seeking bids to construct new CSG systems in Colorado that meet the following requirements for each CSG:

- Uses a proven and UL approved solar electric generation technology to generate electricity.
- The system qualifies as a CSG and meets the requirements of the CSG Statute, tariffs (including Black Hills's Community Solar Garden Service tariff, found in its Colorado P.U.C. No. 9 Tariff ("Black Hills CSG Tariff")) and Commission rules (including the Commission CSG Rules). These requirements include, but are not limited to a requirement the CSG have a minimum of 10 subscribers, with CSG subscribers meeting the following requirements:
 - For each CSG Subscriber, there must be a completed and fully-executed Subscriber Agency Agreement;
 - All CSG Subscribers must be Black Hills electric retail service customers in Colorado;
 - Each CSG Subscriber's retail customer premise must be located in the same county, or adjacent county as the solar garden (in compliance with the CSG Statute and RFP CSG Agreement);
 - A "Consent to Disclose Utility Data" form must be submitted for each CSG Subscriber. Access to the form and instructions for use are located on the Black Hills website at: <http://www.blackhillsenergy.com/rates>;
 - Non-low income CSG Subscriber allocations must be 1 kW minimum, not to exceed 120% of the customer's average annual use;
 - No one CSG Subscriber can have an allocation higher than 40% of the total garden; and
 - The 5% low income requirement set forth in Rule 3665(d)(V) must be met (or higher low income requirement if that is part of Respondent's proposal).
- The system will be located on property wholly within Black Hills's electric service territory.
- The system must be operational within 24 months after execution of the RFP CSG Agreement.
- No CSG Subscriber Organization may own more than a 40 percent interest in the CSG after the CSG has operated commercially for 18 months.
- If the CSG Owner is different from the CSG Subscriber Organization, CSG Subscriber Organization must have full authority to act as an authorized agent for the CSG Owner as required by Black Hills, including as required by the RFP CSG Agreement. Evidence of such authority will be required.
- The system has a gross nameplate capacity greater than or equal to 50 kW DC and less than or equal to 2 MW DC.
- The system produces electricity primarily for its CSG Subscribers. Black Hills will take delivery of the energy and distribute it to those CSG Subscribers.
- The Respondent must sell all unsubscribed energy plus the associated environmental benefits

(including RECs) to Black Hills at the prior calendar year's average hourly incremental cost of electricity supply over the immediate preceding calendar year pursuant to Commission Rule 3665(c)(V)(this rate, as amended from time to time, is found in the Company's Electric Tariff).

- The Respondent must sell all subscribed energy plus the associated environmental benefits (including RECs) to Black Hills. Black Hills will pay the price for the environmental benefits (including RECs) associated with subscribed energy at the REC price terms proposed by the Respondent in response to the RFP, if accepted by Black Hills. Black Hills will pay for subscribed energy by issuing bill credits to the CSG Subscribers per the Black Hills CSG Tariff and the RFP CSG Agreement.
- The Respondent must agree to all of the terms and conditions of the RFP CSG Agreement and all other documents contained in Appendix B.

Black Hills invites bids from Respondents who are capable of meeting the requirements of the RFP.

This introductory section describes the type, amount and timing of solar resources sought in this CSG RFP. Section 2 covers logistics such as where and when bids must be submitted, bid evaluation fees, and policies and procedures. Section 3 describes the bid submittal process. Section 4 addresses the evaluation process and assumptions.

1.1 Resource Acquisition Objectives

Colorado Revised Statutes ("C.R.S.") Section 40-2-124, sets forth the Colorado Renewable Energy Standard ("RES"), and establishes the amount of energy to be generated from eligible energy resources that Black Hills is required to obtain. The CSG Statute provides in part that Black Hills is to meet a portion of its RES obligations through the acquisition of energy from CSGs. In calendar year 2021, Black Hills is authorized to acquire up to 2 MW DC from community solar gardens through a competitive bid process. In accordance with the RES Compliance Plan, **the Company is authorized to acquire between 50 kW DC and up to 2 MW DC from this solicitation.**

1.2 Eligible Technologies

All solar generating systems wholly within Black Hills certificated territory in Colorado that qualify as community solar gardens under Colorado law and Commission Rules are eligible to bid into this RFP. The determination of whether any technology meets these criteria is at the sole discretion of Black Hills.

1.3 Interconnection

Successful Respondent(s) will be required to enter into an Interconnection Agreement with Black Hills for each accepted CSG prior to energy production from the CSG. The CSG installation under this RFP must be connected to Black Hills's electric distribution system. The point of delivery for the energy and RECs in response to this RFP will be the interconnection point of the CSG installation.

As further detailed in this RFP, Respondents are required to provide information which, along with the required Line Diagram and Site Plan, enables the Company to preliminarily assess interconnection and to provide a non-binding interconnection cost estimate to the Respondent prior to bid selection by the Company. The Company will provide these cost estimates to the Respondents so that they can update their bid pricing. Respondents must submit final bid pricing back to the Company within 10 business days from the date the interconnection cost estimates are provided to such Respondents. If a Respondent does not provide updated pricing within this

time-frame, the Respondent's originally submitted pricing will be considered final and binding on Respondent.

Successful Respondent(s) will be responsible for timely providing documentation necessary to obtain interconnection of their CSG installation at each facility. Respondents are responsible for paying Black Hills the full amount of any interconnection costs. In addition, the Respondent must maintain adequate process and communication so as to enable successful interconnection under standard Black Hills operating procedures without impacting CSG required timelines.

1.4 Pricing

Respondents must sell all unsubscribed energy and the associated environmental benefits (including RECs) to the Company at its average hourly incremental cost of electricity supply over the immediately preceding calendar year pursuant to Rule 3665(c)(V) of the Commission's Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* 723-3 (this rate, as amended from time to time, is found in the Company's Electric Tariff).

This RFP requires bid pricing for subscribed RECs (which, as explained below, includes all environmental benefits associated with subscribed energy), which pricing shall be provided in \$/MWh units. The Company will round all bids to the second decimal place for bid evaluation purposes. The Company may accept:

- Bids with differing subscribed REC prices based on whether the subscribed REC involves a low-income subscriber or not, so long as the average aggregate subscribed REC price during each year of the CSG project is at or below the avoided cost amount in effect at the time this RFP is opened, which is \$0.02757. Subject to being at or below this average aggregate subscribed REC price cap, the Company will assume that the individually bid subscribed REC prices would be paid, unless otherwise proposed by the Respondent.
- Subscribed REC prices can be anywhere from zero dollars up to the avoided cost amount in effect at the time this RFP is opened, which is \$0.02757.

Notwithstanding the foregoing, pricing shall be a constant price for each year of the term specified in the RFP CSG Agreement. The pricing forms and instructions are in Appendix A of this RFP.

1.5 Environmental and Renewable Energy Credits

For purposes of this solicitation, each REC represents one-megawatt hour (MWh) of renewable energy. The sale of RECs (both subscribed and unsubscribed) to Black Hills includes the transfer to Black Hills of all environmental attributes, emission reduction credits, and renewable energy credits, as defined by Black Hills, associated with the solar energy production.

1.6 Other Special Conditions

- Black Hills will own and read the kWh Production Meter. The Respondents will reimburse Black Hills for the cost of the meter and any remote communications equipment.
- The Black Hills retail customer who is a CSG Subscriber will continue to purchase the energy used at their premises from Black Hills at the standard tariff rate. The retail

customer will be credited on their bill a calculated dollar amount based on their portion of the energy generated at their proposed CSG project at the rate specified in the Black Hills CSG Tariff. The customer's bill credit changes annually and the current year fixed CSG bill credit rates are stated in the Black Hills CSG Tariff.

- Respondents have a separate agreement with the Black Hills retail customer/CSG Subscriber relating to the CSG Subscription. Respondents set their own price for solar energy benefits sold to the retail customer/CSG Subscriber from the CSG. Black Hills has no involvement in the arrangement between Respondents and the CSG Subscribers.
- Respondents must keep their subscriber list information current on a monthly basis. The subscriber list information must be updated and provided to Black Hills before the last 5 business days of the current month. Other requirements are set forth in the RFP CSG Agreement.

1.7 Meteorological and System Operation Data

A Production Meter to measure all energy output from the CSG will be installed by Black Hills at the Respondent's sole cost. The CSG site shall be designed and constructed such that Black Hills will have direct access to the Production Meter during normal business hours. In the event that the Respondent also collects meteorological data at the CSG site, such meteorological data shall also be made available to Black Hills in a manner as agreed to by Black Hills and Respondent.

Section 2. Proposal Logistics

2.1 Schedule

As shown on the following schedule, Black Hills will issue the RFP on September 15, 2021. Bids are due by 5 PM, Mountain Standard Time, on October 20, 2021. Black Hills will announce the bid winners no later than December 20, 2021. Black Hills will hold an informational meeting for interested Respondents within 2 weeks of the issuance of the RFP.

Activity	Date
Issue Date	September 15th, 2021
Bids Due	October 20 th , 2021
Informational Meeting	October 6 th , 2021
Level 2 Interconnection Review and Interconnection Cost Estimate provided to Respondents	No later than November 22 nd , 2021
Final Pricing Due from Respondents	No later than 10 business days after Respondent's receipt of interconnection cost estimate
Acceptance Notification(s)	No later than December 20 th , 2021
Completion Due Date	24 months from execution of the RFP CSG Agreement

2.2 Proposal Submission

Bids will be accepted until 5:00 P.M. Mountain Standard Time on October 20, 2021. All bids must be transmitted by express, certified or registered mail, or hand delivered to the Black Hills's CSG RFP Project Manager at the following address:

Black Hills Energy
CSG RFP Project Manager
105 S. Victoria Ave.
Pueblo, CO 81003
Email: BHECSG@blackhillscorp.com

RFP Website: <https://www.blackhillsenergy.com/solar/csg>

Bids received later than the due date and time indicated will be rejected and returned unopened, unless Black Hills determines, in its sole discretion, that extenuating circumstances led to late delivery. One hardcopy of the bid must be included in the submittal. In addition, Respondents must submit one electronic copy on a CD or email in Microsoft® Word and/or Excel format. Email submissions will not be accepted.

Bids must be submitted in a sealed package to ensure confidentiality with the following information shown on the package:

Response to Black Hills CSG RFP
Confidential Sealed Bid Proposal

The Respondent's company name and address must be clearly indicated on the package containing the proposal.

2.3 Information Policy

Any verbal communication with any employee of the Company, or any of its members, affiliates, or their respective employees, shareholders, officers, directors, customers, agents, attorneys and advisors concerning this RFP is not binding and shall in no way alter any term or condition of the RFP.

To obtain additional information about this RFP, Respondents may submit only written requests. These requests should be sent to the Black Hills CSG RFP Project Manager. Questions or requests may be transmitted via email or U.S. mail, but email is preferred. Contact information is in Section 2.2 above. Black Hills will maintain a log of all inquiries and coordinate the preparation of a written response. Once a response is prepared, Black Hills will post the information on the RFP Website: <https://www.blackhillsenergy.com/solar/csg>. Black Hills has established this information policy to ensure that all Respondents have the same knowledge about the bidding process.

2.4 Bid Evaluation Fees

Respondents must include a non-refundable bid evaluation fee of \$1,000.00 with each bid proposal for each site. This fee may be paid by either check or wire transfer. If paid by check, the check must be included with the bid submittal. If paid by wire transfer, the wire transfer receipt must be included with the bid submittal. In addition, the Respondent's name must be included on the check or on the wire transfer receipt (as applicable). Wire transfer instructions are available upon request sent to the Black Hills CSG RFP Project Manager.

In addition to the other requirements set forth in this RFP, each bid proposal shall consist of the following:

- one proposed installation address;
- one energy production delivery amount for each year;
- one prescribed term length of twenty years; and
- one set of prices (a price for each year of contract term).

Bids that include more than one of any of the above elements constitute multiple bids and, as such, will require an additional non-refundable bid evaluation fee.

2.5 Bid Forms

All bids must include a complete set of forms for each bid. Using the forms will ensure consistency in bid submission, interpretation and evaluation by Black Hills. If a Respondent is submitting more than one proposal, a separate set of forms must be submitted for each bid. The forms, together with instructions for each form, are provided in Appendix A to this RFP. Each bid alternative will require a separate set of forms and a separate non-refundable bid evaluation fee.

2.6 Clarification of Bids

While evaluating bids, Black Hills may request additional information about any item in the bid. Such requests will be made in writing, usually via e-mail. The Respondent is required to provide a written response to the Black Hills CSG RFP Project Manager within five (5) business days, or Black Hills may deem the Respondent to be non-responsive and stop evaluating the bid. To facilitate meeting the five (5) business day response timeframe, Black Hills encourages Respondents to provide one or more alternate points of contact for these questions, with e-mail being the preferred method of communication.

2.7 Respondent Costs

Each Respondent shall be liable for all of its costs incurred to prepare, submit, respond or negotiate its proposal and any resulting agreement and for any other activity related thereto, and the Company shall not be responsible for any of the Respondent's costs.

2.8 Conditions of RFP

The Company will, in its sole discretion and without limitation, evaluate proposals and proceed in the manner the Company deems appropriate, which may include deviation from the Company's expected evaluation process, the waiver of any requirements and the request for additional information. The Company reserves the right to reject any, all or portions of any proposal received for failure to meet any criteria set forth in this RFP or otherwise and to accept proposals other than the lowest cost proposal. The Company also may decline to enter into any agreement with any Respondent, terminate negotiations with any Respondent or abandon the RFP process in its entirety at any time, for any reason and without notice thereof. The Company further reserves the right, at its sole and exclusive discretion, to waive irregularities and informalities in any proposal that is submitted.

Black Hills and its affiliates shall not be liable to any Respondent or other party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. By submitting its bid, each Respondent waives any right to challenge any valuation by the Company of its bid or any determination of the Company to select or reject its bid. Each Respondent, in submitting its bid, irrevocably agrees and acknowledges that it is making its bid subject to and in agreement with the terms of this RFP.

Prior to bid acceptance, Black Hills reserves the right to:

- Request from Respondents information that is not explicitly detailed in this document;
- Reject any or all bids;
- Reject any bids that, at Black Hills's sole discretion, are not complete or contain irregularities, or waive irregularities in any bid that is submitted;
- Reject bids for reasons other than price or energy production;
- Accept other than the lowest cost bid(s);
- Obtain clarification from Respondents concerning bids; and
- Conduct discussions with selected Respondents concerning the development of the proposed CSG.

2.9 Confidentiality

All proposals submitted to the Company pursuant to the RFP shall become the exclusive property of the Company and may be used for any reasonable purpose by the Company. The Company shall consider materials provided by Respondents in response to this RFP to be confidential only if such materials are clearly designated as "Confidential." Each page of the RFP Proposal should be clearly identified as to whether it contains confidential or proprietary information. Black Hills reserves the right to release any bids to agents or consultants for purposes of bid evaluation. Black Hills's disclosure standards and policies will contractually bind such agents or consultants.

Respondents should be aware that their proposal, even if marked "Confidential," may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by the Company. Under such regulatory and legal circumstances, Black Hills will make reasonable efforts to preserve Respondents' confidential information, including requesting that

it be filed under seal. Black Hills reserves the right to publicly disclose summary information regarding the bid information in a form and manner that does not reveal the identity of any particular Respondent.

2.10 Addenda to RFP

Black Hills reserves the right to modify or supplement this RFP by issuing one or more addenda at any time during this solicitation. Such addenda shall become a part of this RFP and any additional responses required of Respondents by any such addenda shall become part of each bid.

2.11 Disclaimer

The information contained in this RFP has been prepared solely to assist Respondents in deciding whether or not to submit a proposal. Black Hills does not represent this information to be comprehensive or to contain all of the information that a Respondent may need to consider in order to submit a proposal. Black Hills, its affiliates and their respective employees, shareholders, officers, directors, customers, agents, attorneys and advisors do not make any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained herein, or in any document or information made available to a Respondent, whether or not the aforementioned parties knew or should have known of any errors or omissions, or were responsive for their inclusion in, or omission from, this RFP. No part of this RFP and no part of any subsequent correspondence by the Company, its affiliates, or their respective employees, shareholders, officers, directors, customers, agents, attorneys and advisors shall be taken as providing legal, financial or other advice or as establishing a contract or contractual obligation. Contractual obligations on the part of the Company will arise only if and when definitive agreements have been approved and executed by the appropriate parties having the authority to approve and enter into such agreements. The Company reserves the right to request from a Respondent information that is not explicitly detailed in this document, obtain clarification from Respondents concerning proposals, conduct contract development discussions with selected Respondents, conduct discussions with members of the proposal evaluation team and other support resources as described in this RFP.

Section 3. Bid Submittal

3.1 Minimum Bid Eligibility Requirements

This section lists the minimum requirements that all bids must meet to be eligible to participate in this solicitation. Bids that do not comply with these requirements will be deemed ineligible and will not be considered for further evaluation.

- Bids must include all content requirements described in Section 3.2, including clear and complete written descriptions of all information requested, any required additional documents, and completed forms.
- Bids must clearly specify all pricing terms, including but not limited to the requirements of Section 1.4.
- Bids must demonstrate an acceptable level of development and technology risk, as determined by the Company's evaluation team.
- Respondents must provide the non-refundable \$1,000.00 bid evaluation fee for each proposal submitted.
- Bids must be for 20 year terms only.

3.2 Bid Content Requirements

This section outlines the content and format requirements for all bids submitted in response to this CSG RFP. Bids that do not include the information requested in this section will be ineligible for further evaluation unless the information requested is not applicable or relevant to a given bid. If it appears that certain information is inadvertently omitted from a bid, Black Hills may contact the Respondent to obtain the additional information.

The first section of each bid must contain an Executive Summary that provides an overview of the bid's characteristics, including any unique aspects or benefits. The second section of the bid must include the set of forms included in Appendix A. These forms will contain essential information about each bid, and a separate set of forms and related information must be submitted with each bid. The third section of the bid must provide the required additional documents listed below. The fourth section of the bid must include other bid information, which must be in narrative form under specific topic headings. A complete bid will include the following four components:

1. Executive Summary

2. Complete Set of Applicable Forms

Appendix A of this RFP document includes detailed descriptions of each of these forms, as well as any special instructions for completing the forms.

- Form A Bid Certification Form
- Form B Bid Cover Sheet
- Form C Technical Description
- Form D Construction Milestones
- Form E Production Estimate & Subscribed REC Bid Form
- Form F Level 2 RFP Photovoltaic System Review Form
- Form G Bid Submittal Checklist

3. Additional Documents

Include the following:

- Line Diagram
- Site Plan, including specific proposed location of system interconnection
- State of Colorado Certificate of Good Standing for CSG Subscriber Organization and, if different, for CSG Owner

4. Narrative Topics Discussion

In addition, each bid must also include a thorough written discussion of each of the following topics. The narrative topics should be organized under the following headings, with each heading beginning on a separate page.

- CSG Location
- Development Experience, Including Solar Gardens
- Financial Information and Financing Plan
- Proposed CSG Description and Development Schedule
- Equipment Description
- Energy Production Profile
- Real Property Acquisition Description and Plan
- Permitting Plan

- Operations and Maintenance Plan
- Community/Local and State Government Reaction Assessment

CSG Location. Bids must include information on the CSG location, including a site plan showing the exact location of the proposed site, including transformer location, interconnection point and acreage required for the proposed solar system. One of the additional documents required under Section 3 is a site plan. The CSG must be located wholly within Black Hills' certificated service territory.

Development Experience. All bids must describe the Respondent's qualifications and experience in developing, constructing, commissioning and operating generation facilities similar to the proposed facility, including the time it took to complete the projects and an overview of similar solar garden sized projects the Respondent has developed during the last five (5) years. Describe Respondent's operational and "in process" CSGs. Include size, location, and time (months) to complete (or elapsed time to date for solar gardens in process). Please keep Black Hills CSG information separate from other garden information provided. If an engineering, procurement and construction team is in place, the bid should identify the members of the team. If such a group is not in place, the bid must set forth the Respondent's plan for assembling such a team (including process and timing).

Financial Information and Financing Plan. All bids must provide detailed financial information about the proposed CSG. Respondents shall provide a detailed plan for financing the proposed CSG during construction and operation including the financing commitments that the Respondent has obtained. The bid should set forth the credit rating (if any) of any entities that would provide guaranties of the Respondent's obligations. Bids must include an organization chart showing the entities and parent companies that own the Respondent's organization, the proposed CSG Subscriber Organization, and a description of the Respondent's organizational structure.

Proposed CSG Description and Development Schedule. All bids must set out a description of the proposed CSG, including a description and plans for the proposed site and rights of way, utilities services, equipment configuration, interconnection construction and procurement, required permits, the nameplate capacity of the resource in MW, and the respondent's construction contractors and prime subcontractors (if known). Bids must provide a detailed Gantt chart of development activities that includes (at a minimum) entering major equipment and construction subcontracts, target completion dates for financing, site acquisition/control, engineering, permitting, equipment procurement, construction, startup and commissioning, and dates for system operation. Bids must describe the overall development strategy that will ensure that the proposed CSG can be developed in time to meet the proposed commercial operation date.

Equipment Description. At a minimum, bids should indicate, for all major equipment:

- the name of the manufacturer and other vendors;
- models;
- key metrics and characteristics of the equipment;
- performance history of the equipment;
- contracting status; and
- planned delivery dates.

Energy Production Profile. All bids must provide information on expected annual energy production for each production year. Each Respondent must clearly describe anticipated energy production degradation over the term of the RFP CSG Agreement, and scheduled/anticipated replacement of significant components.

Each Respondent must provide the inputs and assumptions used in the calculation of this estimate as well as an indication of what application, if any, was used in the calculation of this estimate. The proposed county in which the development will be located should be used in calculating the estimated production profile of the facility. Submissions in Excel format are preferred.

Real Property Acquisition Description and Plan. Bids must provide a description of the status of real property acquisition and land use permitting for the proposed CSG that is sufficient for Black Hills to assess the completeness and sufficiency of the Respondent's real property rights, including but not limited to each of the following:

- The status of current site ownership or control. Indicate if control is through:
 - Ownership of a leasehold interest in, or a right to develop, a site for the purpose of constructing the proposed generating facility;
 - An option to purchase or acquire a leasehold site for such purpose; or
 - An exclusivity or other business relationship between Respondent and the entity having the right to sell, lease, or grant Respondent the right to possess or occupy a site for such purpose.
- The plan for acquiring any and all currently uncontrolled necessary real property rights to the proposed CSG.
- Acreage of real property required for the proposed CSG and a schedule for the completion of the real property acquisition process.
- A description of any subdivision or zoning modifications and all city, county, or state land use permits that will be required, such as conditional use, special use or other similar permits and approvals, which will be required for any phase of development, construction, or operations of the proposed CSG.
- A description of existing and planned land use in all directions surrounding the proposed site.

Should a CSG Owner or CSG Subscriber Organization, or their affiliated and parent companies own multiple CSGs on the same “site,” the total capacity of all of the CSGs on the “site” may not exceed 2 MW. A site shall include all contiguous property owned or leased by the Respondent, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way.

Permitting Plan. Bids must describe all permits and approvals that will be required for the proposed CSG. State whether any permits have been secured, and if not, whether applications have been filed. Report on the status of any pending applications and any feedback from permitting agencies.

In addition, describe

- All other federal, state and local permits and approvals that will be required for the proposed CSG, including, but not limited to:
 - Zoning permit
 - Variance approvals
 - Building permits
 - Land use permit
- The plan to obtain the necessary permits and planning approvals required for the proposed CSG.
- The current status of obtaining these permits and any feedback from permitting agencies.

If the proposed site does not currently have the appropriate zoning designation, provide any rezoning requirements, plans to obtain the rezoning, and any known issues as to rezoning.

Operations and Maintenance Plan. Respondents shall summarize their operations and maintenance plans and labor arrangements for the generation facilities associated with their bids. This description should also include the expected costs and the financing of these costs.

Community/Local and State Government Reaction Assessment. Each Respondent must present a current assessment of, and a plan for continuing to monitor, local community and state reaction to the proposed CSG, and a plan to work with the local community on issues concerning the proposed CSG. Such plan might include the following elements:

- A list of the references used to assess the community/local and state government reaction, and the methodology used to draw conclusions;
- A list of key local contacts interviewed and their opinions;
- An assessment of the community/local and state government reaction at the time of the proposal; and
- An action plan for working with the community/local and state government to successfully complete the proposed CSG.

Section 4. Evaluation Process and Assumptions

The bid evaluation process will include an assessment of economic and non-economic factors. The economic evaluation will identify the most cost-effective group of bids based upon the specifics of each bid's pricing proposal. The bid evaluation process will involve the following steps. These steps are generally sequential, but certain activities will overlap among steps.

4.1 Eligibility Screening

The information provided in each bid will first be evaluated for completeness and consistency with the proposal submittal requirements outlined in Section 3 of this RFP. CSGs must interconnect directly to the Black Hills system. Preliminary due diligence will also be conducted to identify any “fatal flaws” associated with a bid, such as an unacceptably high level of development risk, ongoing business risk, and technology risk. As a result of this screening review, Black Hills may either eliminate bids from further consideration, or contact Respondents to clarify information or request additional information. Given the short amount of time allotted to evaluate the bids, Black Hills will limit follow-up contacts to only those bids that meet the minimum eligibility requirements listed in Section 3.1.

4.2 Economic Analysis and Evaluation Assumptions

Utility Discount Rate and Cost of Capital. Black Hills will use a discount rate based on its current weighted after-tax cost of capital which will be announced at the time of the RFP’s actual release.

Levelized Energy Costs. Levelized energy costs of the bids will be calculated to determine potential winning bids. Levelized energy costs will be calculated from the specifics of the bid pricing, and any other costs associated with accepting energy and RECs from the facility. The lowest levelized bid price is the primary determinant for winning bids under the economic analysis.

4.3 Non-Economic Analysis

The Company will assess the non-economic characteristics of the proposals. Non-economic factors that will be assessed include, as applicable and without limitation, the following:

- Financing plan, including ability to utilize tax advantages
- Development, construction and operation experience
- Past solar PV development performance, including solar gardens
- Permitting and zoning and planning approval plan
- Real property acquisition/site control progress and plan
- Operational characteristics (energy production)
- Execution planning
- Operations and maintenance plan
- Community reaction

- Whether a Community-Based Project is being proposed.¹ In order for this factor to qualify for consideration under the non-economic analysis, the Respondent must agree to structure the ownership of its proposed CSG in a manner that reasonably comports with the definition of Community-Based Project and, further, to assist Black Hills in obtaining any approvals or declaratory rulings from the Commission, as deemed necessary by Black Hills, that such proposed CSG qualifies as a Community-Based Project. **Note: If a Community-Based Project is being proposed, Respondents will be paid only on the basis of 1 REC per MWh of energy generated; i.e., Respondents will not be paid for the extra 0.5 REC per MWh used by the Company for compliance purposes.**
- Proposed level of low-income subscribers

4.4 Evaluation Assumptions

The lowest levelized bid price is the primary determinant for winning bids. However, the evaluation process will include an assessment of both economic and non-economic factors. The non-economic factors may be used to assess the feasibility of all potential winning bids. The non-economic factors may result in a low cost bid being removed from the list of potential winning bids. The non-economic criteria may also be used to break ties after the application of economic evaluation.

4.5 Evaluation Team

A proposal evaluation team, made up of various work groups within the Company, affiliates of the Company such as Black Hills Service Company, LLC, and any consultants hired by the Company to assist with the proposal evaluation (collectively, the “Proposal Evaluation Team”), will evaluate and select proposals. Subject matter experts from the Company, its affiliates and consultants may directly contact Respondents during the proposal evaluation stage.

4.6 Notification of Bid Results

Black Hills intends to notify Respondents of the results of the bid evaluation and begin contract development on or about the date set forth in Section 2.1 above.

4.7 Post-bid Requirements

Once a Respondent is notified of an accepted bid, they will have ninety (90) calendar days to submit the following to the Black Hills CSG RFP Project Manager:

1. A signed security deposit agreement and security deposit of an amount equal to \$5,000 (only checks or wire transfers will be accepted), which will be refunded if the proposed CSG is completed on or before 24 months after execution of the RFP CSG Agreement and complies with the CSG Program requirements, the CSG Statute and Commission CSG rules. If the CSG is not completed by that date, the deposit will be forfeited and credited to the Renewable Energy Standard Adjustment. The form security deposit agreement is in Appendix B.
2. A signed escrow agreement and an escrow amount equal to \$100/kW of the CSG’s nameplate capacity that will be refunded once the CSG is operational or upon notice that construction of the proposed CSG has been terminated prior to completion. The form escrow agreement is in Appendix B.

¹ Each kWh of solar energy generated by a Community-Based Project, as defined by Commission Rule 3652(c), is counted as generating 1.5 RECs.

3. Subscriber information for a minimum of 10 subscribers. Documents required for each subscriber include completed:
 - Subscriber Agency Agreement (Appendix B)
 - Subscriber low income form (if necessary)(Appendix B)
 - Data Privacy form per subscriber (Black Hills website at: <http://www.blackhillsenergy.com/rates>)
4. Evidence that, as required by Rule 3665(d)(V), at least five percent (5%) of the Subscriptions reflected in the CSG allocation are attributable to one or more CSG Subscribers who qualify as eligible low-income customers pursuant to Rule 3652(m), to the extent there is demand for such ownership. Alternatively, if the accepted bid relies on greater participation of low income subscribers, documentation evidencing that the CSG's low income commitment is satisfied is required.
5. Interconnection:
 - Completed Sections A, B, C and D of the Interconnect Application/Agreement for Parallel Generation Service (the form agreement is in Appendix B)
 - Line Diagram
 - Final Site Plan
6. An executed RFP CSG Agreement (the form agreement is in Appendix B)
7. Certificate(s) of Insurance for insurance required by both the RFP CSG Agreement and the Interconnection Application/Agreement

Failure to meet post-bid requirements may result in rejection of the bid and suspension from future participation in the Company's CSG program.

4.8 Changes to CSG Location

Once a Respondent has been notified that a bid has been accepted, the CSG location can only be changed one time. The system must continue to be wholly located within Black Hills' certificated service territory and must interconnect directly to the Company's system. In the event a successful respondent requests that the CSG location be moved more than one time, that Respondent's bid will be rejected and the entire \$5,000 deposit will be forfeited. In that event, Black Hills reserves the right, at its discretion, to accept the next most qualified proposal from another project from this solicitation.

4.9 Posting of Winning Bids

After the selection and notification of the winning Respondent(s), Black Hills reserves the right to post on its RFP Website a subset of or in total the following information applicable to each selected proposal:

- Geographic location of the CSG;
- Nameplate capacity of the CSG;
- Proposal subscribed REC price;
- System tracking (fixed axis, single axis for example);
- Name of the CSG Owner or CSG Subscriber Organization (if different than the CSG Owner); and

- Contact information (e-mail address and telephone number) of the CSG Owner or CSG Subscriber Organization.

Appendix A to Black Hills CSG RFP

Appendix A – Black Hills CSG RFP

Bid Forms and Instructions

As discussed in Section 3, the completed forms, attachments and narrative topic discussions, will comprise a complete bid. The contents of each form and any special instructions for completing the forms are described below.

If additional space is needed to elaborate on information requested on any form, please attach additional sheets with the heading “Form - Additional Information.”

If certain information is requested that does not apply to the bid, the Respondent must indicate that the information is not applicable. If appropriate, the Respondent should explain why the information is not applicable.

In addition to submitting a hardcopy of the bid with the completed forms, Respondents must also include a CD or email in Microsoft® Word and/or Excel formats, as required by the RFP.

Form A **Bid Certification Form**

All bids must include a completed Bid Certification form signed by an officer or other authorized employee of the Respondent. This form will certify that the information in the bid is accurate, that the pricing includes all costs for the proposed term of service and that the Respondent agrees to be bound by the terms and conditions contained in the RFP. Further, the Respondent must accept the RFP CSG Agreement and all of the other agreements included in the RFP (Appendix B).

Form B **Bid Cover Sheet**

This form requests general information about the Respondent, the proposed generation technology, type of sale, and capacity.

Form C **Technical Description**

This form requests information about the proposed configuration of generation equipment, as well as operational characteristics.

Form D **Construction Milestones**

This form requests that Respondents provide estimated dates for meeting a series of development and construction milestones for the proposed CSG. Other milestones may be added by Respondent.

Form E
Production Estimate & Subscribed REC Bid Form

REC Bid Pricing

In Form E - Production Estimate & Subscribed REC Bid Form, the Respondents must provide a subscribed REC bid price in \$/MWh that would be paid by Black Hills during each production year for the environmental benefits (including RECs) associated with subscribed energy from the CSG. The Company will round all bids to the second decimal place for bid evaluation purposes. Respondents shall provide a constant price for each year of the term specified in the RFP CSG Agreement.

Important: Unsubscribed energy plus the associated environmental benefits (including RECs) will be purchased by Black Hills at a rate equal to the Company's average hourly incremental cost of electricity supply over the immediately preceding calendar year pursuant to Commission Rule 3665(c)(V)(this rate, as amended from time to time, is found in the Company's Electric Tariff).

Subscribed REC Bid prices (together with the price Black Hills will pay for unsubscribed energy plus the associated RECS) must include all costs for which Respondents intend to seek compensation from Black Hills.

This RFP requires bid pricing for subscribed RECs, which pricing shall be provided in \$/MWh units. The Company will round all bids to the second decimal place for bid evaluation purposes. The Company may accept:

- Bids with differing subscribed REC prices based on whether the subscribed REC involves a low-income subscriber or not, so long as the average aggregate subscribed REC price during each year of the CSG project is at or below the avoided cost amount in effect at the time this RFP is opened, which is \$0.02757. Subject to being at or below this average aggregate subscribed REC price cap, the Company will assume that the individually bid subscribed REC prices would be paid, unless otherwise proposed by the Respondent.
- Subscribed REC prices can be anywhere from zero dollars up to the avoided cost amount in effect at the time this RFP is opened, which is \$0.02757.

Production Estimate

In Form E - Production Estimate & Subscribed REC Bid Form, Respondents must also provide a projected energy production estimate in MWh to be produced during each contract year. The energy production estimate for each year will be evaluated against data representing expected generation output according to the technology being employed. Annual projection estimates which do not appear reasonable in comparison to that data will be questioned and may cause the bid to be modified or rejected.

Form F
Level 2 RFP Photovoltaic System Review Form

This form requests information which, along with the required Line Diagram and Site Plan, is requested by the Company in order to enable it to preliminarily assess interconnection and to provide a non-binding interconnection cost estimate to the Respondent prior to bid selection by the Company.

Form G
Bid Submittal Checklist

This form provides a checklist to use to verify that bid submittal requirements have been satisfied.

Form A – Black Hills CSG RFP
Certification Form

The Respondent hereby certifies that all of the statements and representations made in this proposal are true to the best of the Respondent's knowledge and belief, and agrees to be bound by the representations, terms, and conditions contained in the RFP. The Respondent accepts the RFP CSG Agreement, and all of the other agreements included in the RFP (Appendix B). This certification will apply to any updates provided by Respondent to Black Hills as allowed by the RFP.

Submitted by: _____
(legal name of firm)

Respondents: _____
(if different than above)

Signature of an officer or authorized representative of Respondents: _____

Print or type name of officer or authorized representative: _____

Title: _____

Date: _____

Respondent's Role
(CSG Owner, CSG Subscriber Organization or Both): _____

Form B – Black Hills CSG RFP
Bid Cover Sheet/Application

1) CSG / Facility Name: _____

2) CSG Location (complete address including county): _____

3) Respondent's Contact:

Name: _____

Company: _____

Address (Street, City, State, Zip): _____

Phone: _____

Email: _____

4) Alternate Respondent's Contact:

Name: _____

Address (Street, City, State, Zip): _____

Phone: _____

Email: _____

5) CSG Subscriber Organization:

Name: _____

Address (Street, City, State, Zip): _____

Phone: _____

Email: _____

6) Developer/System Owner Information (CSG Owner)(if different from CSG Subscriber Organization):

Name: _____

Address (Street, City, State, Zip): _____

Phone: _____

Email: _____

7) Estimated Peak Nameplate Capacity kW DC: _____

8) Estimated Annual Calendar Year Energy Production (MWh) _____

9) Proposed Construction Start Date: _____

10) Proposed Commercial Operation Date: _____

11) As applicable, please list and provide an organizational chart of all affiliates and parent companies of:

a) The CSG Subscriber Organization

b) The CSG Owner

12) Describe the current or proposed legal status of the Respondent and the state of organization: _____

13) Disclose any known commercial affiliations, partnerships, or alliances with the Company or Black Hills Corporation or its affiliates including Black Hills Power Inc. or Cheyenne Light, Fuel & Power Company: _____

Form C – Black Hills CSG RFP

Technical Description

1) Check to validate that you will use new and original equipment that is UL approved and meets IEEE and other applicable standards (note: the RFP will be disqualified and will not be considered if the answer to this question is “no”). ☐ yes ☐ no

2) Describe the solar technology, including, system size, the number of PV panels, the number of inverters, ancillary equipment, etc.

3) Provide relevant specifications about the proposed generation, inverter and other significant equipment such as brand, model, fabricator, rating, size, capabilities, etc.

4) Describe the configuration of the proposed generation equipment, including system tracking, tilt, azimuth, etc.

5) Describe the performance history of major components of the technology as listed above. Provide a list of projects and contact information corresponding to past performance history.

Form D – Black Hills CSG RFP
Construction Milestones

DATE		RESULTS ACHIEVED
	1	Respondent shall have submitted post bid information required by RFP.
	2	Respondent has executed the RFP CSG Agreement.
	3	Respondent shall have received site acquisition/control.
	4	Respondent obtains site survey and soils report.
	5	Respondent shall have obtained all variance allowances and planning approval.
	6	Respondent shall have obtained all required permits.
	7	Respondent shall have achieved closing on financing for the CSG facility or have provided Black Hills with proof of financial capability to construct the proposed CSG.
	8	Respondent and all required counterparties have executed major procurement contracts, the construction contract, and any operating agreements needed to commence construction of the Facility.
	9	Respondent shall have started CSG construction.
	10	Respondent shall provide Black Hills with copies of applicable inspection reports for the proposed CSG.
	11	Respondent shall provide Black Hills with evidence of complying with insurance coverage requirements prior to the Date of Commercial Operation.
	12	Respondent shall have made the Interconnection of the CSG generating facility to Black Hills's system and the CSG is capable of being energized.
	13	Commercial Operation has been achieved and the date duly recorded.
	14	All other requisite CSG RFP documentation is executed and on file.
	15	Respondent completes proposed CSG 24 months from execution of RFP CSG Agreement.

Form E – Black Hills CSG RFP
Production Estimate & Subscribed REC Bid Form

Projected Date of Commercial Operation	
System nameplate DC output capacity (kW)	
Annual solar degradation rate (%)	

UNSUBSCRIBED ENERGY AND RECS: The Respondent must sell all unsubscribed energy plus the associated environmental benefits (including RECs) to Black Hills at the prior calendar year's average hourly incremental cost of electricity supply over the immediate preceding calendar year pursuant to Commission Rule 3665(c)(V) (this rate, as amended from time to time, is found in the Company's Electric Tariff). As of the date the Black Hills CSG RFP is opened, this rate is **[INSERT]**.

PROPOSED PRICE FOR SUBSCRIBED RECS (AND ENVIRONMENTAL BENEFITS ASSOCIATED WITH SUBSCRIBED ENERGY):

The RFP requires bid pricing for subscribed RECs (including the environmental benefits associated with subscribed energy), which pricing shall be provided in \$/MWh units. The Company will round all bids to the second decimal place for bid evaluation purposes. The Company may accept:

- Bids with differing subscribed REC prices based on whether the subscribed REC involves a low-income subscriber or not, so long as the average aggregate subscribed REC price during each year of the CSG project is at or below the avoided cost amount in effect at the time this RFP is opened, which is \$0.02757. Subject to being at or below this average aggregate subscribed REC price cap, the Company will assume that the individually bid subscribed REC prices would be paid, unless otherwise proposed by the Respondent. Differing subscribed REC prices cannot be submitted on any other basis.
- Subscribed REC prices can be anywhere from zero dollars up to the avoided cost amount in effect at the time this RFP is opened, which is \$0.02757.

Production Year	Total CSG Annual Production Estimate (MWh)	\$/MWh for Subscribed RECs
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
Fill in requested data for each production year under contract		

Form F – Black Hills CSG RFP
Level 2 RFP Photovoltaic System Review Form

Form F - Level 2 RFP Photovoltaic System Review Form

Level 2 Renewable Energy System Review

Customer Information	
RENEWABLE ENERGY SYSTEM Rating (DC Watts)	
Inverter: (single phase) (three phase)	
Inverter model number	
Main entrance voltage	
Main entrance voltage configuration (3 phase Y grounded, 3 phase Delta, 3 phase Delta grounded, single phase 3 wire, Single phase network)	
Main entrance size (A)	
Address/Location/Sec-Twp-Rng of RENEWABLE ENERGY SYSTEM	
Include map/sketch of Black Hills Energy primary (>600V) system relative to customer RENEWABLE ENERGY SYSTEM	

Attach Site plan view showing Renewable Energy System relative to Black Hills Energy power lines

Phone Number: _____ Customer Name: _____ Account Number: _____
Engineer: _____ Contact number: _____

<p>AC output of the Renewable Energy system: _____ Kilowatts</p> <p>Magnitude and duration of the fault current generated by the Renewable energy system- AC output/ Inverter:</p> <p>_____ SECONDS</p> <p>_____ AMPS</p> <p>Voltage that the fault current above is generated at: _____ VOLTS</p> <p>Type of interconnection to utility (3 phase or single phase)</p> <p>If the Renewable Energy System is interconnected to a secondary (< 600 Volts) system, are other Black Hills Customers served from the same secondary system. ____ Yes ____ No</p> <p style="color: red; font-size: small;">Commercial businesses served with three phase conductors shall have a 3 phase inverter interconnected to Black Hills. 3 single phase inverters are not an acceptable substitute.</p>	<div style="border: 1px solid black; padding: 5px;"><p>Check List: Fill-in or check each box when submitting:</p><p>Level 2 form filled out by engineer: ____ (1 each meter)</p><p>Load History ____ by BHE</p><p>One Line Diagram, including location of Production Meter ____</p><p>Transformer Station Number (best info found in field) ____</p><p>Nearest Street Intersection _____</p></div>
--	--

Form G – Black Hills CSG RFP
Bid Submittal Checklist

- _____ Required Bid Fee
- _____ Executive summary
- _____ All applicable bid forms complete/provided
 - _____ Form A Bid Certification Form
 - _____ Form B Bid Cover Sheet
 - _____ Form C Technical Description
 - _____ Form D Construction Milestones
 - _____ Form E Production Estimate & Subscribed REC Bid Form
 - _____ Form F Level 2 RFP Photovoltaic System Review Form
- _____ Additional documents provided
 - _____ Line Diagram
 - _____ Site Plan, including specific proposed location of system interconnection
 - _____ State of Colorado Certificate of Good Standing for CSG Subscriber Organization and, if different, for CSG Owner
- _____ Narrative topics discussions
 - _____ CSG Location
 - _____ Development Experience
 - _____ Financial Information and Financing Plan
 - _____ Description and Development Schedule
 - _____ Equipment Description
 - _____ Energy Production Profile
 - _____ Real Property Acquisition Description and Plan
 - _____ Permitting Plan
 - _____ Operations and Maintenance Plan
 - _____ Community/Local and State Government Reaction Assessment

Appendix B to Black Hills CSG RFP

Appendix B – Black Hills CSG RFP

Appendix B contains the following documents, which are attached:

- CSG RFP Community Solar Garden Agreement
- CSG RFP Interconnection Application/Agreement for Parallel Generation Service
- CSG RFP Escrow Agreement
- CSG RFP Deposit Agreement
- CSG RFP Subscriber Agency Agreement
- CSG RFP Low Income Verification Form

In addition, a “Consent to Disclose Utility Data” form must be submitted for each CSG Subscriber.

Access to the form and instructions for use are located on the Black Hills website at:

<http://www.blackhillsenergy.com/rates>