

NorthWestern Energy: 2020 CREP RFP First Conference Call
Meeting Summary – May 12, 2020

Hosts: Steve Lewis, Carol Loughlin, Chris Parsons, Andrew Bulmer (Sapere Consulting)
Number of Additional Participants: 30

Note regarding summary: This summary of the May 12, 2020 NorthWestern Energy CREP RFP Bidders' Conference Call summarizes the discussion that occurred during the call and is not a verbatim transcription. Certain topics were reviewed with NorthWestern Energy staff following the call. The answers reflect NorthWestern's input and are the official responses to the questions raised during the call.

Steve Lewis of Sapere Consulting opened the call shortly after 10:00 am MDT. Steve introduced Carol Loughlin and Chris Parsons, both of Sapere, who will assist with the RFP facilitation and evaluation. Steve also made the following announcements:

- Sapere is the point of contact for the 2020 CREP RFP. Please contact Sapere with any questions regarding the RFP.
- Sapere staff are on the phone today as the RFP administrator. NorthWestern staff assigned to the RFP are not on the call today. As you may have noted in the RFP materials, NorthWestern may submit a self-build proposal. NorthWestern staff working on any self-build proposal are excluded from the RFP evaluation process but may be in attendance on the call today in the same manner as any other interested party.
- This year's schedule has been extended due to the COVID-19 pandemic. The proposal deadline is August 20th, which we hope will provide sufficient time to prepare and submit proposals despite challenges you may face. Due to the length of time leading up to the deadline, a second conference call will be held on July 15th. We are also available to discuss challenges and other issues in preparing and submitting CREP proposals.
- NorthWestern is seeking 25-30 MW of additional CREP resources.
- Last year's solicitation resulted in the selection of one small solar project as a Finalist. The Finalist and NorthWestern, however, were unable to complete a final contract.
- Changes to note from last year:
 - A safety questionnaire has been added to the response template this year. Please complete this section of the form as part of your proposal.
 - As noted in Sections 5.1 and 8.4 of the RFP, the cost of ancillary services will be deducted from the payment amounts under the Power Purchase Agreement. PPA pricing in your proposal should take this payment offset into account.
 - NorthWestern may submit a self-build proposal this year. Any NorthWestern proposal will be handled and evaluated in exactly the same manner as other proposals.
- There may be other challenges that developers are facing this year as well. We would like to understand concerns of developers with respect to these issues but are hopeful that some clarity will be provided before the August 20 submittal deadline. Two issues of specific concern are:
 - The May 1 Executive Order by President Trump placed a number of restrictions on ability to use equipment designed, developed, manufactured, or supplied by

NorthWestern Energy: 2020 CREP RFP First Conference Call
Meeting Summary – May 12, 2020

entities subject to the jurisdiction or direction of a foreign adversary. Sapere would like to hear from participants if they believe their proposals may be impacted by the Executive Order.

- Anticipated extension of the safe harbor provisions for renewable energy equipment.
- Following the submission date, Sapere will review the proposals throughout an initial screening, and may develop a shortlist or may move directly to a determination of finalists. During this process, Sapere will share certain information regarding proposals with NorthWestern on an anonymous basis. Identities will only be revealed to NorthWestern RFP staff after finalists are selected. All RFP sponsor communications until that time should be with Sapere.
- At the conclusion of the RFP process all submitted materials will be delivered to NorthWestern for their record-keeping and review.
- All proposals must be submitted by uploading the documents to a Sapere-managed Google Drive. Respondents should contact Sapere to set up a drive for each proposal prior to the submittal deadline. The deadline of 5:00 pm MDT August 20, 2019 will be enforced by terminating respondent access the Google Drive at that time.

Questions & Answers

1. Q: During the evaluation, what will be the scoring deduction for projects which won't meet the 2021 COD date?

A: The 2021 COD date for projects is a strong preference and will be considered during the evaluation. Projects which will be completed later won't be disqualified but may be compared against other proposals with an expected 2021 COD. If all other factors are the same, the earlier project would be preferred.

2. Q: What project lifetime will be assumed for Build-Transfer projects?

A: In 2019, the Montana State District Court agreed with NorthWestern that evaluation of prospective utility-owned electric supply resources, including Build Transfer projects proposed in RFPs, did not need to mirror evaluation of PPAs. Thus, NorthWestern's approach will evaluate the project lifetime of each asset component of the Build-Transfer proposal using asset depreciation schedules that are approved by the Montana Public Service Commission. (Answer augmented following the call after consultation with NorthWestern staff)

3. Q: How will solar and wind projects be differentiated in the evaluation process?

A: The cost to value analysis will factor in the differences in costs and value between these different resource types, and the review will consider the differences in variability and predictability between wind and solar generation as part of the evaluation.

NorthWestern Energy: 2020 CREP RFP First Conference Call
Meeting Summary – May 12, 2020

4. Q: Is a self-build proposal from NWE certain? And are there any details that can be shared about what that proposal could include?

A: Sapere does not know if NWE will submit a self-build proposal, or what it may include. If they do, it will be evaluated on equal terms with all other proposals received.

5. Q: Are there any major differences in this year's CREP RFP compared to the 2019 CREP RFP?

A: The RFPs are largely the same, and information shared at the beginning of the call should cover the primary differences. In addition, participants should also carefully review the bid security requirements and the amounts that will have to be posted if selected as a finalist.

6. Q: Can participants submit more than one project?

A: Yes. Participants who would like to submit more than one project should let Sapere know and a submission folder will be created for each proposal. Proposals which include both a PPA and Build-Transfer option can be submitted as a single proposal.

7. Q: How does a project's permitting weigh in the evaluation?

A: Permitting status, a plan to obtain permits, and challenges will be considered as a component of the project's viability.

8. Q: (submitted following the call) Do waste-to-energy projects, specifically ones that employ a pyrolysis process to create black oil as a fuel for generation, considered renewable projects in Montana?

A: The standards for CREP Qualification are outlined in Section 2 of the RFP and should be reviewed carefully to determine whether specific projects meet the eligibility requirements. The state definition of renewable energy projects and the various types that qualify are listed on pages 5 and 6 of the RFP. As stated in the RFP, NorthWestern and Sapere will not provide legal assistance or legal interpretations to respondents. Interested parties may want to seek their own legal advice if there is a question regarding the eligibility of their project.

9. Q: (submitted via email, edited for clarity): Previously NWE has considered the maximum AC capacity in the interconnection agreement, delivered to the grid, when determining the capacity for contracts with a CREP project. In other words, would a project with a 20MW interconnection agreement qualify as a CREP resource in the RFP regardless of its DC rating?

NorthWestern Energy: 2020 CREP RFP First Conference Call
Meeting Summary – May 12, 2020

A: For this RFP, the total nameplate capacity for CREP projects is determined according to the bullets on page 6 of the RFP. These provisions do not consider the capacity identified in the interconnection agreement but only the generating capacity of the installed equipment.

Close Out

The next conference call will be July 15th at 10:00 am MDT. Proposals are due on August 20th. Please direct any additional questions to Steve, Carol, and Chris at Sapere Consulting using the CREP email address or phone numbers below:

NWE2020CREPRFP@sapereconsulting.com

Steve Lewis
206-726-3695

Carol Loughlin
206-732-6533

Chris Parsons
509-524-2345