

The final date for Western to accept questions was December 28, 2007. This is the final version of this document.

200 MW RFP for Purchase Power

Note: Western advises all prospective Offerors that it will consider and evaluate all proposals based on the criteria set forth in the RFP. Western is seeking the Best Value for Western and its customers.

Questions and Responses

Q: Western received a question as to whether landfill gas energy would qualify as renewable biomass energy.

R: We do not intend to evaluate whether a certain type of generation will be considered renewable at this time. The RFP is soliciting proposals for power from *any source*. When we enter into our evaluation process, we will rely on EPACT 2005 and accepted industry certifications to guide our decision-making regarding classification of generation into renewable or non-renewable sources.

Q. Will the Offerors' Conference on December 18 in Sioux Falls be available by teleconference?

R. The Offeror's Conference will not be available by teleconference. The Western presentation from the Conference will be posted to this website. All questions and responses from that Conference will be available on this web-site. Additional questions may be asked up until close of business December 28, 2007, and Western will post final responses by January 4, 2008.

Q. How long with the Offeror's Conference last?

R. The Offeror's Conference will begin at 10 a.m. CST. A short presentation will be given and then the floor will be open for questions. The length of the conference will depend on the number of questions. The room is reserved until 1 p.m.

Q. Do I need to submit a Notice of Intent to attend the Offeror's Conference?

R. No, the Offerors' Conference is open to any interested party.

Q. Do I need to submit a Notice of Intent to submit a proposal?

R. No, proposals will be accepted regardless of the submission of a Notice of Intent.

Q. Does Western really want capacity and energy?

R. Yes, Western does want capacity that can be accreditable in the Mid-Continent Area Power Pool (MAPP) as a Designated Network Resource.

Q. How will the offered capacity be determined for wind resources?

R. Western will use MAPP standards for accreditable capacity for wind resources.

Q. If we interconnect with Western's bulk transmission system, do we have to pay Western's transmission rate to get to the Oahe bus?

R. Yes.

Q. Will Western accept proposals for durations of less than 5 years?

R. Yes. Western prefers a 5 year term, however proposals with terms less than 5 years will be considered.

Q. Where can we find more information on Western's considerations of joining MISO?

R. The website for the MISO evaluation project is <http://www.wapa.gov/ugp/PowerMarketing/MISOSeams/Default.htm>

Q. How are we supposed to be able to offer proposals when we don't know what costs we may incur due to MISO decisions?

R. Western recognizes that its decision regarding joining MISO or any other RTO provides cost uncertainty for Offerors. Proposals for this RFP are due before the decision making process regarding Western's participation in MISO will be complete. We look forward to receiving *competitive proposals based on current market configurations*. Any risks due to a Western decision to join MISO or any other RTO will be dealt with in contract negotiations.

Q. What standards will Western apply to Renewable Energy Certificates?

R. Section 9 (h) of Federal Executive Order 13423 (Vol. 72, No. 17, January 26, 2007) defines renewable resources: "(h) 'renewable energy' means energy produced by solar, wind, biomass, landfill gas, ocean (including tidal, wave, current and thermal),

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geothermal, municipal solid waste, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project;”

Renewable Energy Certificates: The U.S. currently does not have a national registry of RECs issued. Several certification and accounting organizations attempt to ensure that RECs are correctly tracked and verified and are not double-counted. Increasingly RECs are being assigned unique ID numbers for each 1,000 kWh produced. RECs are certified by Green-e, Environmental Resources Trust’s EcoPower Program, and the Climate Neutral Network.

Q. Do we have to propose a unit specific product for accreditation purposes, or can we use overall generation system availability?

R. For MAPP accreditation of the resource, it must be tied to the availability of a specific generating unit.

Q. Will Western accept delivery of power to a point other than Oahe?

R. No, proposals need to follow the criteria set forth in the RFP, which include delivery to the Oahe bus.

Q. Does Western own the dams used to generate the power it markets?

R. No. The dams are owned by the U.S. Bureau of Reclamation or the U.S. Army Corps of Engineers.

Q. Can Western own generation?

R. Western presently does not own any generation sources. Western cannot own generation sources unless specifically authorized by Congress.

Q. Regarding wind generation, will Western consider information from modeling programs such as Wind Logic instead of actual wind data in a proposal?

R. Yes. Western will consider and evaluate all proposals pursuant to the evaluation criteria set forth in the RFP.

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Q. Will Western consider extending the 5-year contract period?

R. No.

Q. Will Western consider proposals from wind generation if it has no firming?

R. Yes, Western will consider and evaluate all proposals pursuant to the evaluation criteria set forth in the RFP.

Q. Under Section 7 of the RFP, who is a company official?

R. A company official is someone with the authority to negotiate and execute agreements on behalf of the company.

Q. Why does Western require Offerors to hold proposals valid for 60-days?

R. This allows Western time to analyze proposals and negotiate contracts.

Q. Does Western have a preference for baseload, intermediate, or peaking resources?

R. No. Western will consider and evaluate all proposals pursuant to the evaluation criteria set forth in the RFP.

Q. Does Western expect for Offerors to request and obtain Western transmission service?

R. Yes.