Rochester Public Utilities

2026 Request for Proposals
for
All-Source Capacity and Energy Resources

Proposal Administrator:

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1. Introduction

1.1 Overview

Rochester Public Utilities (RPU) is the municipally owned electric and water utility serving Rochester, Minnesota. RPU provides electric service to more than 61,000 customers and water service to more than 42,000 customers. RPU is governed by a five-member Utility Board and the Rochester City Council.

RPU's electric utility serves residential, commercial, and industrial customers and meets its power supply needs through purchased power and utility-owned generation. RPU purchases power from Southern Minnesota Municipal Power Agency (SMMPA) and the MISO market and operates generation resources, including Cascade Creek and Westside Energy Station. RPU's long-term resource planning is focused on maintaining reliable and cost-effective service while advancing its goal of achieving 100% net renewable electricity by 2030.

1.2 Purpose

RPU is issuing this All-Source Capacity and Energy Request for Proposals (RFP) to assist in meeting its capacity and power supply requirements beginning on April 1, 2030. RPU may also consider bridge products, staged delivery, or other structures beginning as early as 2029 to facilitate the transition to its post-2030 power supply portfolio or to accommodate Proposals with later delivery dates.

MISO requires load-serving entities (LSE) to maintain sufficient accredited capacity to satisfy applicable resource adequacy requirements or obtain the necessary capacity through MISO markets. RPU seeks secure, reliable, and firm capacity for its future requirements and is interested in resources capable of providing MISO Zonal Resource Credits (ZRC) in Local Resource Zone 1 or another MISO North Local Resource Zone. Proposed capacity and associated ZRCs must meet applicable requirements of the MISO Tariff and MISO Business Practice Manuals.

RPU anticipates resource needs beginning April 1, 2030. RPU will consider Proposals in light of transaction structure, resource type, MISO capacity accreditation, development outcomes, the availability of existing and planned resources, and overall portfolio composition. Recognizing that nameplate capacity may differ from accredited capacity, RPU will consider Proposals for projects up to approximately 300 MW. Proposals of 10 MW or greater are welcome and may include annual or seasonal products, varying quantities, or combinations of resource types. RPU may select one or more Proposals, portions of Proposals, or combinations of Proposals to meet its overall requirements.

Consistent with the all-source nature of this RFP, RPU welcomes Proposals from renewable and thermal resources, as well as other resource types capable of providing dependable capacity, energy, or other power supply benefits. RPU is interested in evaluating the broadest practical range of alternatives and does not intend for its renewable energy objectives to preclude consideration of economic and reliable thermal resources. Firmness and dependability of capacity, portfolio diversification, RPU's renewable energy objectives, and applicable Minnesota carbon-free and renewable energy requirements will be important considerations in RPU's evaluation.

Proposals may include, but are not limited to, renewable generation, natural gas or other thermal generation, energy storage, hybrid resources, capacity-only products, bundled capacity and energy, power purchase agreements, tolling arrangements, fixed or shaped power block purchases, and asset ownership or acquisition opportunities. RPU will also consider partial- or full-requirements power supply arrangements, including membership, participation, or ownership shares in load-serving entities, joint-action agencies, generation and transmission organizations, or other power supply entities capable of serving some or all of RPU's requirements.

Proposals may include Renewable Energy Credits (REC) or other environmental attributes when those attributes are associated with and conveyed as part of a proposed generation resource, energy product, or broader power supply arrangement. RPU is not soliciting Proposals for the purchase of standalone RECs or environmental attributes without an associated capacity, energy, or power supply product.

RPU will consider the overall economic and operational value of each Proposal, including capacity firmness, MISO accreditation and deliverability, energy supply, operational flexibility, resource availability, term, pricing, market and performance risk, and compatibility with RPU's long-term power supply objectives. RPU will also consider the contribution of proposed resources toward its goal of achieving 100% net renewable electricity by 2030 while maintaining reliable and cost-effective service to its customers.

1.3 RFP Administrator

The duties of the RFP Administrator will be performed by Alliance for Cooperative Energy Services Power Marketing LLC (ACES). ACES will administer the RFP process on behalf of RPU, coordinate communications with parties responding to this RFP (Respondent(s)), receive RFP materials, and facilitate the evaluation process.

ACES will serve as the centralized data repository for Proposals and supporting materials. ACES' established energy management, compliance, and data-control practices are intended to support the orderly handling of confidential and commercially sensitive information. At RPU's direction, ACES may manage and filter the distribution of Proposal materials and evaluation information to RPU and its authorized advisors to limit unnecessary dissemination, preserve appropriate separation of RFP work product, and support applicable confidentiality and disclosure requirements. Certain detailed RPU load, system, or portfolio information may be made available to qualified respondents under an appropriate confidentiality agreement when necessary to develop a requirements-type proposal.

2. Instructions to Respondents

2.1 Proposal Contact Information and Communications

All communications from Respondent(s) shall be directed to the RPU 2026 RFP team through the RFP Administrator. Questions or requests for clarifying information must be submitted through the designated RFP email address: Rochester2026RFP@acespower.com. Verbal discussions or communications will be considered unofficial and non-binding unless subsequently confirmed in writing by the RFP Administrator.

The RPU 2026 RFP team will post relevant non-confidential questions submitted by Respondents and RPU's responses on the RFP website: https://www.acespower.com/Rochester2026rfp/. Posting questions and responses is intended to provide all Respondents equal access to non-confidential information that may be relevant to their responses to this RFP.

RPU strongly discourages direct contact with RPU personnel, RPU governing body members, or individual ACES personnel outside the designated RFP communication process regarding this RFP. Unauthorized direct contact may result in disqualification from this RFP at RPU's discretion.

2.2 Submittal of Proposals

All Proposals must be submitted and received electronically. To be considered, an electronic version of the appropriate Appendix A Microsoft Excel file must be submitted to the RFP email address identified in Section 2.1 no later than 4:00 p.m. Central Time on the Proposals Due date detailed in Section 2.4.

Supporting documentation for Appendix A is encouraged when necessary to fully describe the Respondent and the proposed transaction. If Appendix A does not adequately capture a proposed all-source structure, Respondents should provide supplemental schedules describing the applicable resource, transaction structure, pricing, delivery provisions, capacity treatment, energy terms, environmental attributes, ownership or membership rights, and other material commercial terms. Respondents submitting multiple Proposals are encouraged to provide alternative quantities, terms, start dates, expansion or reduction options, and contingent or alternative transaction structures. Respondents should clearly identify alternative pricing, dependencies among Proposals or pricing options, and whether any Proposals or alternatives are mutually exclusive. Appendix A may not capture all requirements-type arrangements, ownership or membership structures, Contract Rate of Delivery (CROD)-type restrictions, or other nontraditional structures. Respondents should provide a concise supplemental description, and RPU may request that shortlisted Respondents provide additional details as needed during evaluation and due diligence.

RPU and the RFP Administrator will evaluate Proposals submitted in accordance with this RFP. Proposals sent outside the designated submission channel may be disregarded. RPU or the RFP Administrator reserves the right to contact Respondents at any time to clarify Proposal terms, correct apparent administrative deficiencies, or request additional information.

2.3 Shortlisting and Finalization of Proposals

Following evaluation of the initial Proposals, RPU, in consultation with the RFP Administrator, may identify a shortlist of Proposals for additional analysis or reject Proposals. The RFP Administrator will notify Respondents selected for further evaluation. Shortlisted Respondents may be asked to provide updated or final pricing, additional due diligence materials, clarifications, alternative structures, or other information requested by RPU during the analysis and bid-finalization process. RPU may also conduct management interviews, site visits, project-team meetings, and other relationship, operational, technical, or commercial due diligence with shortlisted Respondents, particularly for full-requirements, partial-requirements, membership, joint ownership, or other long-term partnership structures. RPU may consider the ability and willingness of shortlisted Respondents to participate in a municipal prepaid-energy structure. Shortlisted Respondents may be requested to further develop such a structure and provide supplemental commercial and financial terms as requested by RPU.

Shortlisted Respondents shall submit any requested updated or final pricing and supporting information using the appropriate Proposal Appendix and/or supplemental schedules in accordance with instructions provided by the RFP Administrator. RPU anticipates finalizing bids by the date detailed in Section 2.4.

RPU may require additional approvals before entering any binding transaction resulting from this RFP. Shortlisting, continued evaluation, or notification of a preferred Proposal does not create a binding obligation on RPU.

2.4 RFP Schedule

The RPU 2026 RFP schedule is shown in Figure 1. RPU may revise the schedule in its sole discretion as circumstances warrant. The RFP Administrator will communicate material schedule changes to Respondents and post updates on https://www.acespower.com/Rochester2026rfp/.

Figure 1. RFP Schedule

Milestone	Deadline
Request for Proposal Issued	Thursday, August 27, 2026
Deadline for Questions	Friday, September 25, 2026
Proposals Due (4:00 PM CT)	Friday, October 16, 2026
Notification of Shortlisted Respondents	Friday, November 20, 2026
Analysis of Shortlisted Proposals	Monday, November 30, 2026, through Friday, January 15, 2027
Finalization of Bids	Tuesday, February 23, 2027
Debrief Results Sessions	Tuesday, March 16, 2027

3. Proposals

3.1 Requested Proposals

RPU will consider Proposals from a diverse range of resource types, counterparties, and transaction structures. A Respondent may submit multiple Proposals. If a Respondent submits multiple Proposals, the Respondent must identify whether the Proposals are independent, combinable, or mutually exclusive. Mutually exclusive Proposals will be evaluated as competing alternatives.

The objective of this RFP is to identify a portfolio of resources and/or supply arrangements that can meet some or all of RPU's capacity, energy, reliability, economic, and environmental objectives beginning on April 1, 2030. RPU has a strong preference for solutions that support its 100% net renewable electricity goal, but this RFP is intentionally all-source. Thermal generation and other firm or dispatchable alternatives are eligible and encouraged where they provide reliability, capacity, operational flexibility, economic value, or portfolio risk mitigation.

Resource-specific Proposals must identify the underlying physical resource or resources, whether existing, under development, or proposed, and must describe the Respondent's rights to the resource for the offered term. Respondents should identify installed capacity (ICAP), expected ZRC quantities for the applicable MISO season, accreditation assumptions, commercial operation date, interconnection status, delivery location, energy capability, environmental attributes, and other information necessary to evaluate the Proposal.

For fixed or shaped power block purchases, Respondents should identify the delivery point, hourly or seasonal shape, volume, firmness, scheduling responsibility, congestion and loss treatment, associated capacity or ZRCs, if any, and whether RECs or other environmental attributes are included. For full-requirements, partial-requirements, membership, participation, or ownership-share structures, Respondents should describe the portion of RPU load to be served, the supply and resource adequacy obligations assumed by the Respondent or entity, the allocation of costs and benefits, governance or participation rights, exit provisions, and material risks transferred to or retained by RPU.

RPU will not consider REC-only Proposals. RECs or other environmental attributes may be included when bundled with an underlying generation resource, energy product, or broader power supply arrangement.

3.2 Seasonality

Proposals may reflect entire MISO planning years, individual MISO seasons, combinations of MISO seasons, calendar-year products, or other clearly defined delivery periods appropriate to the proposed structure. Proposals for MISO planning years should generally identify seasonal quantities consistent with the applicable MISO seasonal construct. Proposed capacity levels, ZRC quantities, energy volumes, and pricing may differ by season.

Respondents should clearly identify any seasonal limitations, planned outages, fuel or storage duration constraints, minimum run requirements, operating restrictions, or other characteristics that may affect resource availability or the quantity of firm capacity and energy available to RPU during particular seasons or operating conditions.

3.3 Resource Accreditation Risk

MISO resource accreditation requirements may change over the term of a proposed transaction and may affect the quantity of accredited capacity or ZRCs available from a particular resource. Each Respondent must clearly state the accreditation assumptions underlying its Proposal and identify which party bears the risk of changes in resource accreditation, MISO rules, testing requirements, outage treatment, or other factors affecting ZRC quantity.

For Proposals priced on a $/kW-month, $/ZRC, or similar capacity basis, Respondents should state whether pricing applies to the ultimate seasonal accreditation and ZRC quantity of the proposed resource or to a fixed contractual quantity. Any replacement obligations, deficiency payments, make-whole provisions, caps, floors, or other mechanisms associated with accreditation changes must be described. Proposals for full-requirements, partial-requirements, and membership or participation structures should explain how planning reserve requirements and accreditation risk are allocated between RPU and the Respondent or supplying entity. RPU can provide additional load-shape and forecast information during the process as appropriate.

3.4 Structure of Offers

RPU will consider a broad range of all-source transaction structures. Respondents are encouraged to propose structures that provide RPU with dependable capacity, competitive energy, operational flexibility, portfolio diversification, and/or progress toward its renewable energy objectives. Eligible structures may include, but are not limited to, the following:

- Power purchase agreements for renewable, thermal, storage, hybrid, or other resources
- Capacity-only purchases and ZRC transactions tied to identified physical resources
- Bundled capacity and energy products
- Tolling arrangements for natural gas or other thermal generation resources
- Fixed, shaped, or otherwise structured firm power block purchases
- Full or partial ownership interests in existing facilities, asset acquisitions, build-transfer arrangements, or other ownership structures
- Energy storage, hybrid, demand-side, or other resources capable of contributing accredited capacity or other system value
- Partial-requirements or full-requirements power supply arrangements
- Membership, participation, or ownership shares in load-serving entities, joint-action agencies, generation and transmission organizations, or other power supply entities
- Municipal prepaid energy structures
- Portfolios combining multiple resources, products, or transaction structures
- Other value-added strategic opportunities associated with a power supply proposal such as transmission ownership or investment opportunities

All Proposals must provide the information requested in Appendix A to the extent applicable. Respondents should include supplemental information necessary to fully describe structures that do not fit the standard Appendix A format. At a minimum, each Proposal should clearly address the following, as applicable:

- **Offered quantity**: RPU welcomes Proposals of 10 MW or greater and may consider larger or smaller component quantities as part of an aggregated or portfolio solution. Alternative tranches or quantity options are encouraged.

- **Delivery start**: RPU is seeking solutions available to support its power supply requirements beginning on April 1, 2030
    - Any proposed start date before or after April 2030, or any staged delivery arrangement, should be clearly identified
- **Term**: Respondents should state the proposed contract or participation term, including extension, renewal, termination, and exit rights
    - RPU will consider shorter- and longer-term structures appropriate to the resource and product offered
- **Capacity location**: Capacity and associated ZRCs must be in MISO Local Resource Zone 1 or another MISO North Local Resource Zone, with the applicable zone, deliverability, and any transfer assumptions clearly identified
- **Energy delivery**: Respondents must identify the proposed MISO node, hub, CPNode, or other delivery point and clearly allocate responsibility for transmission, congestion, losses, scheduling, and market settlement
- **Firmness and performance**: Respondents must describe resource availability, firmness, replacement obligations, outage provisions, performance guarantees, and other terms material to reliable delivery
- **Environmental attributes**: RECs or other environmental attributes may be bundled with an underlying resource or supply product; REC-only Proposals are not requested
- **Thermal resource terms**: Thermal or tolling Proposals should identify fuel supply and transportation arrangements, heat rate assumptions or guarantees, variable operations and maintenance charges, startup costs, emissions-related costs, dispatch rights, and material operating limitations, as applicable
- **Development status**: New-build or development-stage Proposals should identify interconnection status, permitting, site control, development milestones, expected commercial operation date, security, and delay remedies
- **Pricing**: Respondents must clearly state all fixed and variable pricing components, escalation provisions, indexation, pass-through costs, taxes, fees, credit requirements, pricing location, and other charges necessary for RPU to compare the full expected cost and risk of the Proposal

3.5 Evaluation Criteria

RPU intends to evaluate and rank Proposals as fairly and objectively as practical while balancing the operational, economic, environmental, and risk-mitigation objectives of an all-source procurement. RPU may evaluate individual Proposals and combinations of Proposals that form a potential resource portfolio. Shortlisted proposals may be modeled in combination with RPU's existing and planned resources and under alternative assumptions for load, fuel, market prices, resource accreditation, and development outcomes.

RPU will consider the information provided in Appendix A and supporting materials, together with other factors including, but not limited to, the following:

- Reliability, firmness, and dependability of supply

- MISO accreditation, ZRC quantity, deliverability, and the allocation of accreditation risk
- Total portfolio economics including offer price and overall comparable cost, including fixed and variable charges, fuel exposure, transmission, congestion, losses, taxes, and other material costs
- Contribution to RPU's goal of achieving 100% net renewable electricity by 2030, including the quality and transfer of bundled environmental attributes
- Operational and scheduling flexibility, dispatchability, ramping capability, duration, seasonal performance, and other characteristics that support reliable system operations
- Commercial structure, term, optionality, renewal or exit rights, and alignment with RPU's evolving portfolio needs
- Development, interconnection, permitting, construction, technology, fuel, market, performance, and replacement risk
- For full- or partial-requirements and membership or participation structures, the scope of obligations transferred to the supplier, governance rights, allocation of costs and benefits, and long-term participation or exit risks
- Responsiveness and completeness of the Proposal
- Logistical, technical, economic, legal, and commercial viability
- Financial stability and creditworthiness of the Respondent and guarantor, where applicable
- Portfolio resilience, fuel diversity, and supply diversity
- Strategic and infrastructure fit, including existing regional or operational relationships
- Governance influence or strategic voice, where applicable
- Potential mitigation of legacy obligations or exposures associated with the current power supply arrangement
- Other value-added benefits or risks relevant to RPU

The criteria listed are not all-inclusive and are not presented in order of importance. RPU expects to place substantial weight on the firmness and dependability of capacity, overall portfolio economics and risk, and the degree to which selected resources support RPU's long-term renewable energy objectives. RPU reserves the right to apply different considerations or weighting to different product types when necessary to make meaningful comparisons among all-source alternatives.

4. Waiver

RPU reserves the right, in its sole discretion, to reject any or all Proposals submitted as part of this RFP process for any reason; to waive informalities or minor deficiencies; to request additional information; to negotiate with one or more Respondents; to modify the scope or schedule of the RFP; and to select all, part, or none of any Proposal. Respondents submit Proposals without recourse against RPU or the RFP Administrator for rejection, non-selection, modification of the process, or failure to execute an agreement for any reason.

RPU will not reimburse any cost incurred in the preparation or submission of a Proposal, participation in due diligence, negotiation of definitive agreements, or any other activity associated with this RFP. RPU reserves the right to suspend, terminate, or withdraw this RFP at any time, with or without notice, and without any obligation to continue negotiations or enter into any transaction.

5. Notice of Disclaimer

The information contained in this RFP has been prepared solely to assist prospective Respondents in deciding whether to submit a Proposal. The information is not intended to be all-inclusive and may not contain all information that a prospective Respondent may require to evaluate or prepare a Proposal. Each Respondent is responsible for performing its own due diligence and making its own independent assessment of the information, assumptions, risks, and requirements associated with its Proposal.

Neither RPU, the City of Rochester, the RFP Administrator, nor their respective governing bodies, officials, employees, agents, representatives, or consultants makes or will be deemed to have made any representation, promise, or warranty, express or implied, as to the accuracy, reliability, or completeness of information contained in this RFP or in any document or information made available in connection with the RFP. To the maximum extent permitted by law, RPU disclaims any express or implied warranties arising from or related to such information.

RPU reserves the right to modify, supplement, clarify, or withdraw this RFP at any time. No part of this RFP, and no correspondence, discussion, response to questions, or other communication by RPU or the RFP Administrator, shall be construed as legal, financial, tax, engineering, or other professional advice or as creating a contractual relationship or obligation. Any contractual obligations of RPU will arise only if and when definitive agreements are approved and executed by persons or entities with appropriate authority.

Each Respondent, whether its Proposal is accepted or rejected, waives any claim arising solely from participation in this RFP process to the extent permitted by applicable law. Submission of a Proposal constitutes the Respondent's acknowledgement of, and agreement to comply with, the requirements and conditions of this RFP, subject to any exceptions expressly identified in the Proposal and accepted by RPU in a definitive agreement.

6. Confidentiality and Disclosure

Respondents shall treat and preserve as confidential all nonpublic information, data, and communications received from RPU or the RFP Administrator in connection with this RFP and shall distribute such information only to personnel, advisors, financing sources, or other representatives who have a need to know the information for purposes of preparing or evaluating a Proposal and who are subject to appropriate confidentiality obligations.

ACES will serve as the centralized repository for Proposal submissions and supporting information. To support RPU's management of confidential information, evaluation work product, and disclosure obligations, ACES may control and filter the distribution of Proposal materials and related information to RPU and its authorized advisors on a need-to-know basis. Proposal materials may be shared with RPU personnel, RPU and City of Rochester representatives, legal counsel, consultants, advisors, governing or regulatory authorities, and other parties reasonably necessary to evaluate, approve, or administer the RFP or any resulting transaction.

RPU and the RFP Administrator will use reasonable efforts to protect confidential, proprietary, and commercially sensitive information consistent with applicable law and RPU's legal obligations. Respondents should clearly identify information for which confidential or proprietary treatment is requested and should provide sufficient information to support the requested treatment at the time the information is submitted. A Respondent's designation of information as confidential, proprietary, or trade secret does not by itself establish that the information is exempt from disclosure. Final agreements and information necessary for RPU Board and Rochester City Council action may eventually be subject to public disclosure.

RPU is a municipal utility and information submitted or maintained in connection with this RFP may be subject to applicable public records, data practices, discovery, regulatory, judicial, or other disclosure requirements. RPU cannot guarantee that information identified by a Respondent as confidential will be exempt from disclosure. RPU will determine its disclosure obligations in accordance with applicable law and may disclose information when required to do so.

A Respondent may be required to execute a confidentiality agreement before receiving certain nonpublic RPU information, detailed load or system data, evaluation materials, or other confidential or proprietary information, including during due diligence or contract negotiations. Any such information may be used solely for purposes related to this RFP unless otherwise authorized in writing by RPU.

Appendix A - Evaluation Offer Form

Appendix A is provided as a Microsoft Excel spreadsheet and is available on the RFP website: https://www.acespower.com/Rochester2026rfp/. Respondents should use the applicable portions of Appendix A and provide supplemental schedules as needed to fully describe any proposal structure not captured by the standard form.