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July 15, 2020



Steve Kahl  
Director of Administration/Executive Secretary  
North Dakota Public Service Commission  
State Capitol  
Bismarck, ND 58505

**RE: Otter Tail Power Company's Application for Merricourt Wind Project.  
Case No. PU-17-141 and PU-17-143  
Quarterly Report - Compliance Filing**

Dear Mr. Kahl:

On November 3, 2017 the North Dakota Public Service Commission issued an Order on Settlement in the above-described case. The Settlement Agreement directs Otter Tail Power Company to "provide the Commission quarterly construction progress reports on the Merricourt Project until the project is in service."

This filing is Otter Tail Power Company's quarterly report for the quarter ending June 30, 2020. This report has been electronically filed.

If you have any questions regarding this report, please contact me at (218) 739-8550, ext. 732 or at [hcmahon@otpc.com](mailto:hcmahon@otpc.com).

Sincerely,

*/s/ HARVEY MCMAHON*  
Harvey McMahan  
Manager, Renewable Energy Construction and Operation

cjh  
Enclosures  
By electronic filing and US mail

80 PU-17-143 Filed 07/15/2020 Pages: 3  
Compliance filing - Quarterly Construction Progress Report – ending June 30, 2020  
Otter Tail Power Company  
Harvey McMahan

*An Equal Opportunity Employer*

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**MERRICOURT WIND DEVELOPMENT QUARTERLY CONSTRUCTION  
PROGRESS REPORT**

**TO THE**

**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**FOR THE**

**PERIOD APRIL 1, 2020 THROUGH JUNE 30, 2020**

**July 15, 2020**

## **Merricourt Project Quarterly Construction Progress Report**

Pursuant to the Asset Purchase Agreement (APA) between EDF Renewables Development, Inc. (f/k/a EDF Renewable Development, Inc.) (hereinafter EDF), several of its affiliates, and Otter Tail Power Company (OTP), the purchase of substantially all of the development assets and assumed certain specified liabilities related to the Merricourt Project closed on July 16, 2019. Under the Turnkey Engineering, Procurement and Construction Services Agreement between an EDF affiliate and OTP, notice to proceed was deemed given by OTP to the EDF affiliate upon closing of the APA.

Civil construction started on August 8, 2019. As of the end of the second quarter of 2020, 99% of the roads have been completed, 75 foundations have been excavated, and 74 foundations have been poured. The Substation Transformer has been set and the Collector Substation construction is 99% complete. The collection system is 37% complete. Interconnection costs are consistent with OTP's original expectations. Total project costs incurred by OTP through June 30, 2020 are consistent with projections.

During the second quarter 2020, the COVID-19 pandemic has grown as a national public health concern. The pandemic increases the risk of workforce, supply chain, and other disruptions for large construction projects, including the Merricourt Project. Several measures have been undertaken to mitigate evolving risks. For example, we have instituted workforce monitoring and screening, emphasis on social distancing, and moving to remote work when possible. At this time one contractor employee has tested positive for COVID-19. OTP has a turnkey EPC agreement with EDF, which has issued two letters suggesting that force majeure events may hinder performance. However, OTP provided responses indicating that while COVID-19 could constitute a force majeure event, absent some indication that COVID-19 had impacted EDF's ability to perform, provision of such a notice is premature and unwarranted.

Some project suppliers and contractors to EDF have also issued notices suggesting potential force majeure events under the terms of their contracts. EDF has likewise put those project suppliers and contractors to the burden of demonstrating that their performance has indeed been hindered by COVID-19.

We have not yet altered the Merricourt Project construction schedules, but COVID-19-related disruptions have increased risks for the project and circumstances continue to evolve.