

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)

January 15, 2021



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 Commission issued an Order on Settlement in the above-referenced case. The Settlement Agreement directed Otter Tail to "provide the Commission quarterly construction progress reports on the Merricourt Project until the project is in service."

Enclosed is the quarterly report for the quarter ending December 31, 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.

Sincerely,

/s/ HARVEY MCMAHON

Harvey McMahon
Manager, Renewable Energy Construction and Operation

kaw

Enclosures

By electronic filing and US mail

- 82 PU-17-143 Filed 01/15/2021 Pages: 4
Compliance filing - Quarterly Construction Progress Report – ending Dec. 31, 2020
Otter Tail Power Company
Harvey McMahon
- 83 PU-17-141 Filed 01/15/2021 Pages: 4
Compliance filing - Quarterly Construction Progress Report – ending Dec. 31, 2020
Otter Tail Power Company
Harvey McMahon

**MERRICOURT WIND DEVELOPMENT QUARTERLY CONSTRUCTION
PROGRESS REPORT**

TO THE

NORTH DAKOTA PUBLIC SERVICE COMMISSION

FOR THE

PERIOD OCTOBER 1, 2020 THROUGH DECEMBER 31, 2020

January 15, 2021

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 certain specified assumed liabilities related to the Merricourt Project closed on July 16, 2019. Under the Turnkey Engineering, Procurement and Construction Services Agreement (TEPC 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. On December 21, 2020, the Merricourt Project reached the milestone of “mechanical completion” under the TEPC Services Agreement and the project became commercially operational, generating electric energy for the regional transmission grid.

Civil reclamation is 55% complete and is on hold until after the spring thaw 2021. Civil reclamation should be completed by the end of June 2021.

Interconnection costs were consistent with OTP’s original expectations. Total project costs incurred by OTP through December 31, 2020 were consistent with projections.

During 2020, the COVID-19 pandemic grew as a national public health concern. The pandemic increased the risk of workforce, supply chain, and other disruptions for large construction projects, including the Merricourt Project. Several measures were successfully taken to mitigate evolving risks. For example, we instituted workforce monitoring and screening, emphasized social distancing, and transitioned to remote work when possible. Currently there are no active positive cases for COVID-19 on site. EDF issued two letters suggesting that force majeure events under the TEPC Services Agreement hindered 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 notices were premature and unwarranted.

Some project suppliers and contractors to EDF also issued notices suggesting potential force majeure events under the terms of their contracts. EDF likewise put those project suppliers and contractors to the burden of demonstrating that their performance was hindered by COVID-19. Inasmuch as the Merricourt Project reached mechanical completion prior to the end of 2020,

it is possible that the issues associated with force majeure may ultimately prove to be academic and commercial disputes will be averted.