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 Public Document – Trade Secret Data Excised  
 Public Document

AWA Goodhue, LLC

Docket Nos.: IP6701/CN-09-1186, E002/M-09-1349 and E002/M-09-1350

Response To: Steve Rakow, Chris Shaw Information Request No. 1

Date Received: January 13, 2010 Response Date: January 25, 2010

Request No.	
1	<p>Regarding the power purchase agreement (“PPA”) between Goodhue Wind North and Northern States Power Company, a Minnesota corporation, please provide information showing that the proposed Goodhue Wind North facility qualifies as a C-BED project under the statutory criteria of Minn. Stat. § 216B.1612, Subd. 2(g). Regarding the PPA revenues please provide the following data by year:</p> <ol style="list-style-type: none"> <li>a. an explanation for how the total revenues were determined;</li> <li>b. a description of revenue use (accounting, legal, O&amp;M, etc);</li> <li>c. the name of the recipient;</li> <li>d. the county of the recipient’s residence or place of business; and</li> <li>e. the amount of revenues.</li> </ol> <p><b>Response</b></p> <p><u>The Project</u></p> <p>The entire 78 MW Project, consisting of both the 39 MW “North” portion and the 39 MW “South” portion, is being developed as one project, rather than two, to take advantage of economies of scale in the development and construction. The Project executed two PPAs because the Project has two points of interconnection and will have two generator interconnection agreements. Having two PPAs better allows the Project to meet the expected milestones related to the interconnection agreements. For all other practical purposes, there is just one Goodhue Wind Project. For example, the site permit process considers the aggregate 78 MW site; the certificate of need process looks at need for the entire 78 MW Project; investors provided working capital to develop a 78 MW Project; consultants conduct their work relative to the entire Project site; the same EPC contractor will construct all 78 MW; and calculations of net capacity factor (“NCF”) look at wind for the entire site. Thus, it is not practical to conduct the C-BED analysis for each portion of the Project. Instead, the information regarding C-BED eligibility is provided for the entire 78 MW Project.</p>

Response by: Chuck Burdick

List sources of information:

Title: Senior Wind Developer

Department: \_\_\_\_\_

Telephone: 612-746-6638

C-BED Qualification

According to Minn. Stat. § 216B.1612, subd. 2(g), a C-BED project means a new renewable energy project that either as a stand-alone or through a partnership:

- (1) has no single "qualifying owner" owning more than 15% of the project unless: (i) the project consists of only one or two turbines; or (ii) the owner is a qualifying political subdivision (but not a municipal utility);
- (2) demonstrates that at least 51 percent of the gross revenues from a power purchase agreement will flow to qualifying owners and other local entities; and
- (3) has a resolution of support adopted by the applicable county or tribal board.

The Project satisfies each of these criteria, as discussed below.

1. Description of the Ownership Structure.

Development activity for the Project was originated by Goodhue Wind, LLC, a Minnesota limited liability company whose members include (i) Minnesota residents and Minnesota limited liability companies whose members are Minnesota residents (these members are "qualifying owners" under the definition in Minn. Stat. § 216B.1612, subd. 2(c)) and (ii) National Wind, LLC (a Minnesota limited liability company, over 90% of whose members are Minnesota residents). Qualifying owners provided key support for the Project and [TRADE SECRET BEGINS ██████████ TRADE SECRET ENDS] in initial capital for pre-construction development activities.

Goodhue Wind, LLC recently secured financing and turbines for the Project by entering into an agreement with American Wind Alliance, LLC, an independent power producer that will be the equity partner for this C-BED project consistent with Minn. Stat. § 216B.1612, subd.8. AWA Goodhue, LLC, ("AWA Goodhue") a Minnesota limited liability company, was formed to facilitate financing. The Project's assets, including the PPAs, are being transferred to AWA Goodhue.

AWA Goodhue's members include American Wind Alliance and other local members who would be considered qualifying owners under the C-BED statute. The qualifying owners include the individuals and entities, other than National Wind, who are also members of Goodhue Wind, LLC. Like other C-BED projects, AWA Goodhue will utilize a "flip" model whereby the respective ownership percentages of the equity investor and the qualifying owners will change over the life of the Project.

Qualifying owners earn a significant up-front development fee for their development services and will have an ongoing ownership interest in AWA Goodhue equal to [TRADE SECRET BEGINS ██████████ TRADE SECRET ENDS]. Qualifying owners also provide key input on project

Response by: Chuck Burdick

List sources of information:

Title: Senior Wind Developer

Department: \_\_\_\_\_

Telephone: 612-746-6638

development through participation in a local advisory board. The qualifying owners will have the right to purchase the Project at the earlier of [TRADE SECRET BEGINS ██████████  
██████████ TRADE SECRET ENDS] at which point the respective ownership percentages flip so that qualifying owners own [TRADE SECRET BEGINS ██████████ TRADE SECRET ENDS] of the Project.

Under AWA Goodhue's ownership model, because no single qualifying owner owns more than 15% of the Project during the term of the PPAs, the Project meets the first criteria for C-BED qualification (Minn. Stat. § 216B.1612, subd. 2(g)(1)).

2. Distribution of 51% of the Power Purchase Agreement Revenues.

The C-BED statute also requires that a majority of the revenue from the PPA flow to qualifying owners and other "local entities." Based on the financial projections provided in the attached TRADE SECRET spreadsheet, the Project also satisfies this second criteria.

a. Total revenue for the Project was calculated by multiplying the 78 MW nameplate capacity times 365 days by 24 hours/day, by an assumed NCF of [TRADE SECRET BEGINS ██████████ TRADE SECRET ENDS] by the PPA Rate of [TRADE SECRET BEGINS ██████████ TRADE SECRET ENDS] per MWh over the 20 year term of the PPAs as shown in the formula below. For the purposes of the financial analysis, total revenue was assumed to be consistent on annual basis during the term of the PPAs.

Total Annual Revenue (\$/year) = Nameplate MW x 365 days/year x 24 hours/day x NCF x PPA rate (\$/MWh)

Total Revenue (\$) = Total Annual Revenue (\$/year) x 20 years

b-e. Please see the attached TRADE SECRET spreadsheet and TRADE SECRET chart, which describe the projected revenues for accounting services, engineering services, legal services, management services, development services, permitting and environmental services, lease payments, construction, financing services, operations and maintenance services, and ownership distributions to qualified owners and other local entities. Please note that the Project continues to interview and negotiate with various service providers, so recipients listed on the spreadsheet include potential providers, other local entities may also be considered.

In total, approximately 58% of the total revenues from the PPAs will flow to qualifying owners and other local entities. As a result, the Project meets the requirement of Minn. Stat. § 216B.1612, subd. 2(g)(2) that at least 51% of the expected total revenues from the PPAs flow to qualifying owners and other local entities.

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Response by: Chuck Burdick

List sources of information:

Title: Senior Wind Developer

Department: \_\_\_\_\_

Telephone: 612-746-6638

3. County Resolution of Support.

As required by Minn. Stat. § 216B.1612, subp. 2(g)(3), the Project has obtained the necessary resolution of support adopted by Goodhue County, Minnesota, a copy of which is attached to the PPAs as Exhibit H.

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Response by: Chuck Burdick

List sources of information:

Title: Senior Wind Developer

Department: \_\_\_\_\_

Telephone: 612-746-6638

**AWA Goodhue, LLC**

CBED Analysis

**PUBLIC VERSION - Trade Secret Data Excised**

1/25/2010

PPA Rate (Xcel)

Sources

PPA Revenue

Total Sources

Amount (no discount)	Percent	Amount (NPV)	Percent
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**Development Period Uses**

Development Period Uses	Potential Recipient(s)	Amount (no discount)	Amount (NPV)
Accounting	(Hennepin)	[REDACTED]	[REDACTED]
Engineering	(Anoka), (Dakota)	[REDACTED]	[REDACTED]
Legal	(Hennepin)	[REDACTED]	[REDACTED]
Management Fee	National Wind (Hennepin)	[REDACTED]	[REDACTED]
Development Fee	GW Community Holdings, LLC - National Wind (Hennepin)	[REDACTED]	[REDACTED]
Development Fee	GW Community Holdings, LLC - Qualifying Owners Only (primarily Goodhue)	[REDACTED]	[REDACTED]
Permitting and Environmental Lease Payments	(Hennepin)	[REDACTED]	[REDACTED]
	Various MN Landowners (primarily Goodhue)	[REDACTED]	[REDACTED]

**Construction Uses**

Construction Uses	Potential Recipient(s)	Amount (no discount)	Amount (NPV)
Balance of Plant (Construction)	(Hennepin) or (Pipestone)	[REDACTED]	[REDACTED]
Legal	(Hennepin)	[REDACTED]	[REDACTED]
Debt Origination Fee	(Ramsey), (Hennepin), (Hennepin)	[REDACTED]	[REDACTED]
Interest During Construction	(Ramsey), (Hennepin)	[REDACTED]	[REDACTED]

**Operating Period Uses**

Operating Period Uses	Potential Recipient(s)	Amount (no discount)	Amount (NPV)
Operations and Maintenance	(Yellow Medicine), (Pipestone)	[REDACTED]	[REDACTED]
Turbine Warranty and Repairs	(Pipestone)	[REDACTED]	[REDACTED]
Transmission Maintenance	(Yellow Medicine), (Pipestone)	[REDACTED]	[REDACTED]
Asset Management Contract	(Yellow Medicine), (Pipestone)	[REDACTED]	[REDACTED]
Lease Payments	Various MN (Goodhue)	[REDACTED]	[REDACTED]
Term Loan Interest	(Ramsey), (Hennepin), (Hennepin)	[REDACTED]	[REDACTED]
Debt Origination Fee	(Ramsey), (Hennepin), (Hennepin)	[REDACTED]	[REDACTED]
Distribution to Local Members	GW Community Holdings, LLC - Qualifying Owners Only (primarily Goodhue)	[REDACTED]	[REDACTED]
Residual Value	GW Community Holdings, LLC - Qualifying Owners Only (primarily Goodhue)	[REDACTED]	[REDACTED]

**Total Local and Qualifying Uses**

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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**Percent of Total PPA Revenues**

**Percent of Total PPA Revenues (Net Residual Value)**

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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**NOTES**

- Nameplate Capacity (MW)
- Net Capacity Factor (2010-2030)
- O&M Local Content (%)
- Warranty Period Local Content (%)
- Discount Rate

**JBLIC VERSION - Trade Secret Data Excluded**

Year Cash Flow  
 Net Project  
 Economics

Electricity Sale Price/MWh  
 Project Size  
 MW  
 O&M Community Holdings, LLC Development Fee  
 Asset Management Fee  
 Turbine Land Lease  
 Local Energy Production Tax Rate  
 Tax Rate  
 Inflation Rate  
 Debt Interest Rate  
 Debt Maturity  
 PPA Escalation Rate  
 Percentage of Depreciation BY1-MARCH

Project Cost  
 Net capacity factor  
 Project cost per MW  
 Turbine Size  
 Debt Size  
 Construction  
 Depreciation Method  
 Treatment Depreciation

Depreciation Schedule  
 1  
 2  
 3  
 4  
 5  
 6

Year 0 Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11 Year 12

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Initial Investment	[REDACTED]												
Revenue		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating Expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net Cash Flow		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NPV		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
IRR		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Payback Period		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Internal Rate of Return		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NPV of Equity Distributions		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NPV of Debt		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NPV of Total		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



# Goodhue Development Period Budget Summary

1/25/2010

Uses	
Accounting	
Engineering	
Interconnection Fees	
Legal	
National Wind LLC Development Services	
GW Community Holdings, LLC Development Fee	
Marketing and Meeting Expense	
Met Towers	
Office Expense, Supplies, and Misc	
Permitting and Environmental	
Lease Payments	
Travel	
<b>TOTAL</b>	

# PUBLIC VERSION - Trade Secret Data Excised

SPV Ownership	% Qualified Owner	% Distribution	Amount
National Wind LLC			
Local Ownership			
Goodhue			
Dakota			
Rice			
Dodge			
Hennepin			
Steele			



Total CAPEX Estimate	GE XLE	Percentage of Total
Turbine Costs		
Balance of Plant (BOP)		
Debt Fee		
Construction/Turbine Financing Costs		
Transmission Network Upgrade Costs		
Other Soft costs (legal etc)		
Debt Service Reserve		
Contingency		
Working Capital		
<b>Total Costs</b>		
<hr/>		
per MW		

**Turbine/Construction Financing Costs**

Average duration of required financing (months)	
Cost of Debt	
Cost of Equity or Mezz Financing	
Total Debt (% of financing)	
Total Equity or Mezz (% of financing)	
<b>Total WACC</b>	

**PUBLIC VERSION - Trade Secret Data Excised**

Yr-21 -25 Year Cash Flow  
 AWA Goodhue Project  
 Residual Value

Electricity Sale Price/kWh [Redacted]  
 Project Size 78 MW  
 [Redacted]

Project Cost [Redacted]  
 Not capacity factor  
 Project cost per MW [Redacted]

Turbine Land Lease [Redacted]  
 Local Energy Production Tax Rate [Redacted]  
 Tax Rate [Redacted]  
 Inflation Rate [Redacted]

PPA Escalation Rate [Redacted]

	Year 0	Year 21	Year 22	Year 23	Year 24	Year 25
<b>2009 Assumptions</b>						
Income	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Revenue/kWh	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
kWh/year	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total revenue	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total Income	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Expenses	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
O&M	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Turbine wry & major repairs	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Transmission and Infrastructure maintenance	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Management & Finance Contract	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Land Lease Agreement	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Energy Production Tax - Local:	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Insurance	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Royalty to LLC Members	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
LOC cost	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Cost of electricity usage	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total Operating Expenses	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
OPEX / MWh	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Operating Cash Flow	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Taxable Income	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Operating Cash	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Depreciation	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Interest Exp	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total Taxable Income	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Tax Benefit/Coast @ 0%	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Total Debt Service	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
DSCR	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Cash Available for Equity Distributions	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[TRADE SECRET BEGINS -

- TRADE SECRET ENDS]

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AWA Goodhue, LLC

Docket Nos.: IP6701/CN-09-1186, E002/M-09-1349 and E002/M-09-1350

Response To: Steve Rakow, Chris Shaw

Information Request No. 2

Date Received: January 13, 2010

Response Date: January 25, 2010

Request No.	
2	<p>Regarding the power purchase agreement (PPA) between Goodhue Wind South and Northern States Power Company, a Minnesota corporation, please provide information showing that the proposed Goodhue Wind South facility qualifies as a C-BED project under the statutory criteria of Minn. Stat. § 216B.1612, Subd. 2(g). Regarding the PPA revenues please provide the following data by year:</p> <ul style="list-style-type: none"> <li>a. an explanation for how the total revenues were determined;</li> <li>b. a description of revenue use (accounting, legal, O&amp;M, etc);</li> <li>c. the name of the recipient;</li> <li>d. the county of the recipient's residence or place of business; and</li> <li>e. the amount of revenues.</li> </ul> <p><b>Response</b></p> <p>a-e. Please see response provided to IR#1.</p>

Response by: Chuck Burdick

List sources of information:

Title: Senior Wind Developer

Department: \_\_\_\_\_

Telephone: 612-746-6638

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AWA Goodhue, LLC

Docket Nos.: IP6701/CN-09-1186, E002/M-09-1349 and E002/M-09-1350

Response To: Steve Rakow, Chris Shaw Information Request No. 3

Date Received: January 13, 2010 Response Date: January 20, 2010

Request No.	
3	<p>Please provide evidence that, to the extent feasible, Goodhue Wind, LLC provided, in writing, an opportunity to invest in the project to each property owner on whose property a high-voltage transmission line is constructed that will transmit the energy generated by the C-BED projects to market as required by Minnesota Statutes §216B.1612 Subd. 6.</p> <p><b>Response</b></p> <p>As discussed in the CON and Site Permit applications, Goodhue Wind does not need to build a high voltage transmission line in Goodhue County, and therefore, this criterion does not apply.</p>

Response by: Chuck Burdick

List sources of information:

Title: \_\_\_\_\_

Department: National Wind, LLC

Telephone: 612-746-6638

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AWA Goodhue, LLC

Docket Nos.: IP6701/CN-09-1186, E002/M-09-1349 and E002/M-09-1350

Response To: Steve Rakow, Chris Shaw

Information Request No. 4

Date Received: January 13, 2010

Response Date: January 25, 2010

Request  
No.

4

For the duration of each proceeding listed on the docket number line above, please provide the Office of Energy Security a copy of Goodhue's responses to information requests of other parties.

**Response**

AWA Goodhue will provide copies of all responses to information requests of other parties.

4678513

Response by: Chuck Burdick

List sources of information:

Title: \_\_\_\_\_

Department: National Wind, LLC

Telephone: 612-746-6638